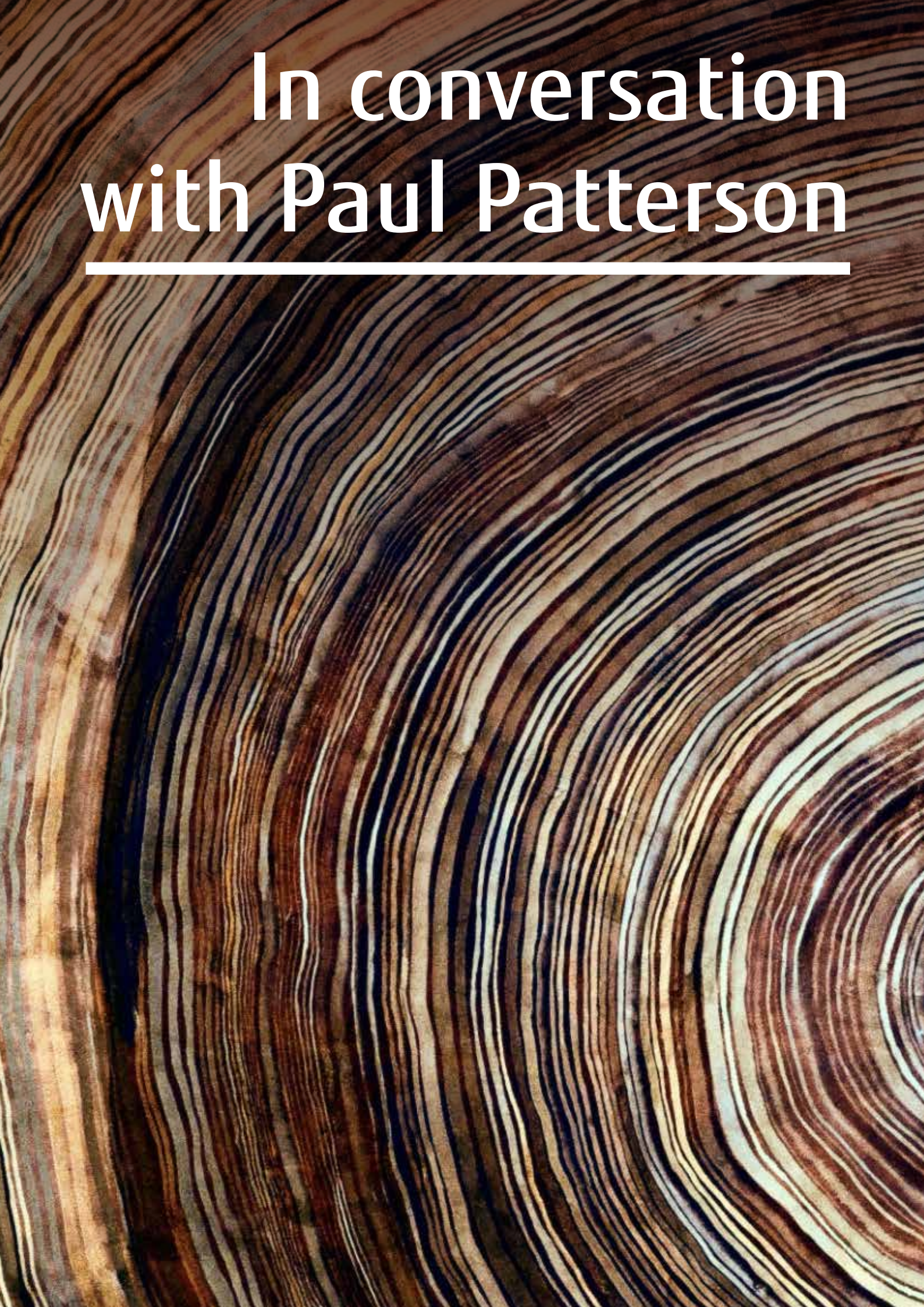


The background of the cover is a long-exposure photograph of a rocky coastline. A series of dark, mossy rocks extends from the foreground into the sea. The water is blurred, creating a sense of motion and time. A large, solid red rectangle is overlaid on the left side of the image, containing the title text in white.

2019 Progress Report

In conversation with Paul Patterson





Paul Patterson,
SVP, Head of Northern and Western Europe

This is the third year we have reported on our gender pay gap. Last year we produced a very detailed analysis of our data, which was a deep dive into understanding why the gap exists in Fujitsu. This helped us to clarify that the reason we have a pay gap is because we have too few women in senior leadership roles.

This year my goal is to ensure we become even more inclusive as a business, and understanding how we are progressing towards eradicating the pay gap is a critical component of that. My team and I are committed to personally creating an environment where everyone can succeed and where we have the most diverse teams to enable the best performance: ensuring gender balance at all levels and creating a fair approach for everyone are essential to helping us to achieve this.

I have been personally challenging my leadership team and colleagues from across the business on what they are doing to achieve this shared goal and I am serious about this - going forward I will be including this topic at Quarterly Business Review meetings with my team.

For me this is also about listening, listening to our employees about what we should be focusing on and how we can create an inclusive place for everyone. It is only when we all work together and listen to one another that we will achieve our goal to eliminate the gender pay gap. I am confident that we are focusing on the right areas and that we have a robust plan in place that is capable of delivering the change we need and expect.

Talking with a range of diversity champions and allies, I have been finding out about their views on the comprehensive set of actions we are doing to create a culture that improves the gender balance in our business. This report is a collection of those conversations.

Let me start with my own views...

I have been consistently clear that getting this right is the right thing to do for society and for our business, and that is why I am committed to eradicating the gender pay gap.

All of our plans depend on having great talent and creating a fair environment where all our people can thrive. This means enabling everyone to do a really great job, creating diverse and inclusive teams that benefit from gender balance and different ideas.

We have a strategic objective to create high performing teams, signalling to every person in our organisation just how serious we are about this. Sitting alongside that, we have three other strategic objectives: pivot to services growth, operate effectively and achieve financial success. We will only achieve sustained organisational success by performing against all four key themes.

Our 'Better for Balance' report last year outlined what is driving our gender pay gap, and we have a clear gender pay gap action plan detailing the actions we need to take to eliminate the gap, and ensure it never re-appears. This covers from how we recruit and retain women, all the way through to making sure we have the right environment to support all our talent.

How well is the gender pay gap understood?





Jason Fowler, HR Director UK & Head of HR for Northern and Western Europe

I asked Jason Fowler our HR Director to give me a quick explanation of the gender pay gap.

In a nutshell the gender pay gap shows us the difference between the average pay for all women and the average pay for all men in the company. We take the figures as a snapshot in time so all companies report similar data – the date is set by Government as the 5th April. The figure published in this report demonstrates our 2019 pay gap (calculated as at 5th April 2019).

I hear people confuse the terms equal pay and the gender pay gap. Are you able to tell us the difference between the two?

You're right, the gender pay gap is often confused with equal pay, but they actually tackle two different issues. Equal pay is about ensuring that men and women are paid the same for carrying out work of equal value. The gender pay gap is different in that it measures the difference between the average earnings of all men and all women across an organisation, irrespective of their role or seniority. So when we talk about the gender pay gap we talk about the mean and the median difference in average earnings. We tend to focus on the median because it gives us the most robust figure, which helps us see the bigger picture – we do of course report on all the statutory requirements and more. The median figure is simply the difference between the midpoints in the ranges of women's and men's pay. It shows us the middle range of all the salaries. So quite simply we arrange all the salaries from highest to lowest and take the middle point – we do this in two lists one for women and one for men. A quick bit of maths then gives you the median gender pay gap in hourly pay as a percentage of men's pay.

I asked Jason what a gender pay gap of 15.6% really means for people in its simplest term. I want to make this real and transparent for everyone and I want to be able to give an honest simple explanation.

On average men earned £21.96 per hour compared to the figure for women who earned an average £18.55. So simply put on average, men earn £3.41 more than a woman per hour. I reiterate that this is a seniority gap: we have fewer women than men in senior roles, which is the reason for the gap. This is a sector-wide challenge, with the average pay gap across the high-tech sector calculated at 25% (source: Mercer). Either way, this is not a great message to deliver to our female colleagues. What this means for our gender pay gap action plan is that we have to be really focused on creating an environment that creates balance throughout our organisation. This is a culture change and we have to have activities to address all of the reasons why we have this imbalance today. We have to educate all our managers on what our pay strategy is and we have to adhere to this. We have to ensure that our starting salaries are benchmarked right to attract great talent and that they also are fair to all colleagues. What I don't want to do is suddenly create a problem by offering a high starting salary that influences the gender pay gap negatively in the future. It's about being really aware of the impact our decisions have. And of course that's the same when we do the annual performance reviews. We have to be very confident that our decisions are fair and are going to keep a level playing field.

I want to make sure we are measuring the right things so I asked Jason what the government statutory duty helps us to do.

The good thing about having to publish our gender pay gap is that it gives us a tool to create benchmarks. It has given us the opportunity to take the time to really understand what is driving our gender pay gap – and as we saw in last year's report, it's not just a simple fix of employing more women or paying women more. I know in the HR team this reporting has highlighted the importance of having clear and consistent approaches to educating all our managers on our policies and the effects of unconscious bias - and reminding managers of these at pivotal times, such as performance reviews. Over the last 12 months, for example, we have been reviewing the data around our annual pay reviews. Our data shows 70% of women received an in year increase, and 67% men received an in year increase. So our practices are showing that there is no gender bias when awarding pay increases. We also know from our data on performance reviews that there is no difference between the performance ratings of women and men. I will be continuing these practices to ensure balance between men and women.

That led me to my next BIG question for Jason - how are we going to deliver on our ambition to eliminate the gender pay gap?

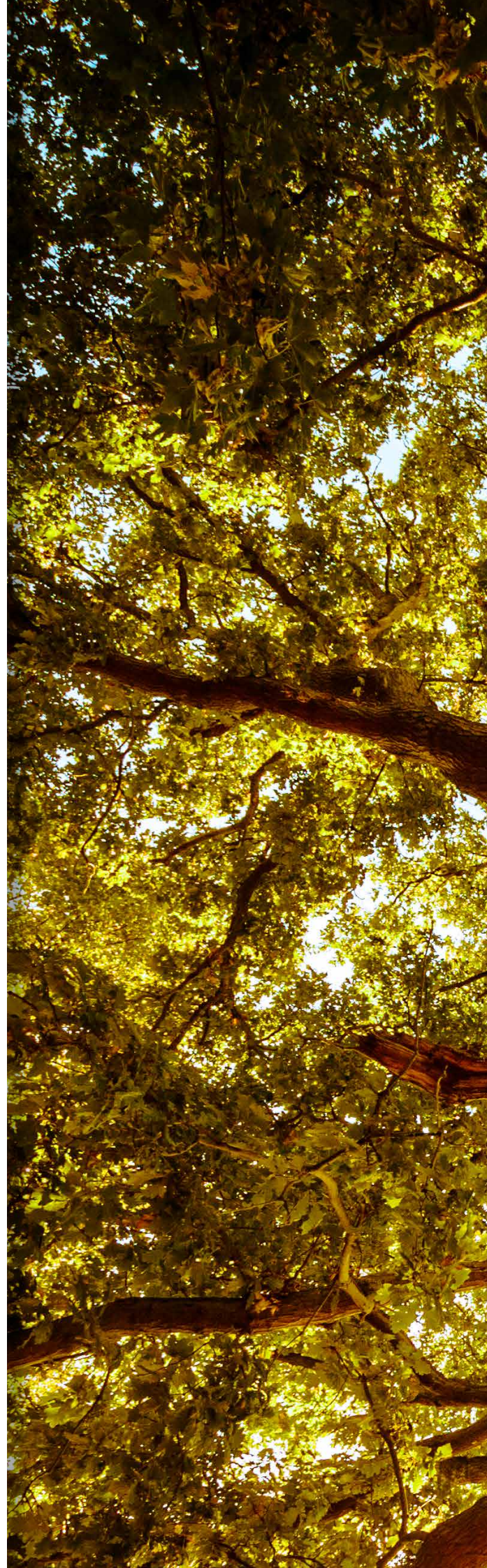
Very simply Fujitsu employs fewer women than men. In 2019 at the snapshot date of 5th April we employed a total workforce of 6,669 of which 5,064 were men and 1,605 were female. That's 24% female and 76% male. This is the challenge. We know that diverse teams are high performing teams. We know as our business moves forward to deliver more services we need to attract and recruit great talent. We have to make sure that the Fujitsu employer brand has a reputation for being inclusive, flexible and respectful of everyone. We need to move towards greater gender balance at all levels in our organisation. Let me be clear - this is not about setting gender targets: it is about ensuring Fujitsu reflects today's talent and markets. The reality is that eradicating the gender pay gap requires more than a simple statistical push. It means real organisational change. We must adapt our leadership cultures, management mindsets, and policies to create sustainable balanced future. We have a comprehensive action plan in place to ensure we have the right development support in place to help more women progress into leadership roles, to remove barriers and to have the most inclusive approach to recruitment possible. We have to continually check our progress and understand where our action plan is helping us to make progress – and where it isn't – and we have to be bold in sticking to our goal of eliminating the gap.

This is an organisation-wide challenge, which a small group of people cannot achieve alone. With this in mind, we are putting more accountability on our UK business leaders and HR to have a clear plan for their area that complements the overall gender pay gap action plan and we will be holding our leaders to account for making progress within their respective areas.

We are taking a programmatic approach which focuses on 5 key themes:

- How we recruit
- How we enable women
- How we develop women
- How we retain women
- How we use data to support our action plan.

**How
important
is gender
pay to our
leaders of
the future?**







Simran Bansal, *Process Administrator*

I asked Simran, one of our Apprentice Ambassadors, to share her views on gender balance and why she thinks it is important.

One reason we have a gender pay gap is because we have more men throughout our organisation and particularly at the top of our organisation than women. One way to help overcome this barrier is to have a really strong gender balanced pipeline. It wasn't until I started to get involved with interviewing for the new apprentice intakes that I saw for myself that we don't have as many women even joining the Fujitsu Apprentice scheme. I was involved in recruiting 6 new apprentices and although they are all brilliant, they were all men. The roles we advertised varied from technical to project management roles and I started to question why didn't we attract the same number of women and men at this stage in the recruitment process. I wanted to know if we gained any interest from females during the application process. It is important that as a business we understand what is really happening. It is really important to me that Fujitsu puts time and energy into attracting women to work here and that there are great career opportunities once you arrive.

How does it feel to you as a future leader knowing Fujitsu has a gender pay gap?

I haven't experienced any differences in terms of gender pay and it hasn't impacted me directly at this point in my career, I want to be rewarded equally and fairly for the work I do. What I do know is that we do have equal pay where all the apprentices start with the company on exactly the same salary: although the roles are all a little bit different, we are all doing roles of similar value. Having equal pay is really important and I want to be rewarded equally and fairly as I grow in my career. Fujitsu has recently been named as a Top 50 organisation for apprenticeships and what's great is that Fujitsu already respects how important our apprenticeship starting salaries are and pay 50% more than the minimum wage – so it is worrying to hear that a gender pay gap could mean that it is more difficult for me to reach the most senior positions as I progress in my career.

I wanted to know if Simran knew what actions were being taken at Fujitsu to help eradicate the gender pay gap.

I know that senior leaders are committed to eradicating the gender pay gap which is really refreshing to see. I have listened to the leadership webinar where it featured as a debate. I know the Women's Business Network is also championing our action plan. I think our reverse mentoring scheme is also helping to break down barriers in the organisation and helps leaders learn about the experiences of others, giving them an insight they may not have had before. 32 senior leaders have learned about the experiences of women in the organisation and I am keen to be part of the next cohort and share my experience. I think what is important is that we share the data and enable transparency over the facts and that we all play our part to eradicate the gap. I get to hear updates from the business and I can find out the progress being made from our intranet.

We know from the data that having a better gender balance in the middle of our organisation - in the Fujitsu Role Framework at grades 10 – 15 is essential. A small shift from 21% women to 23% of the workforce at these levels would close the pay gap by 10%.

This years
median
gender
pay gap
figure is
15.6%







Wendy Warham, VP, Digital Transformation & Innovation and Executive Sponsor for the Women's Business Network and Responsible Business

Last year we reported a median gender pay gap of 16.4% and our first report in 2017 reported a figure of 17.9% - In two years we have reduced the gap by 2.3% - so I accept this is progress but we need to do more. I asked Wendy, the Executive Sponsor for our Women's Business Network what she thought.

A reduction of 0.8% in our overall median gender pay gap since last year isn't enough. This is moving in the right direction but not quickly enough. We need to attract, develop and retain the best people and increase female representation across the business and at senior levels. This is a huge challenge and if we continue to progress at the rate of reduction we've experienced over the last 2 years, this could take us 30 years to deliver a zero gender pay gap. The World Economic Forum in November last year reported that it would take 100 years to close the gender pay gap across the UK. So let's not kid ourselves, it's a big challenge.

I know to achieve our goal and eradicate the gender pay gap will take clear leadership commitment from me. I wanted to know from Wendy, what else we need to do to get there.

We need to be clear that fixing the gender pay gap is not simply about employing the same numbers of men and women. It is about understanding the roles that people have. In the tech sector and at Fujitsu, men have mostly held leadership, technical and sales roles and as you would expect, these roles demand high salaries and receive higher bonuses. So, as part of our action plan we are supporting more women to succeed in these roles. This means more female personal development, support from internal employee networks – such as the Women's Business Network - and actively highlighting progression opportunities to women who would make great candidates.

There are a number of parallel streams of activity to focus on. These include strong leadership that is committed to eliminating the gap and showing practical action to support this. It includes continuing to educate leaders, managers and HR teams across the business to ensure they understand the factors that influence our gender pay gap and the part they can play in reducing it, and it involves continuing to learn from our data.

Understanding our people data has enabled us to understand the experience of women in Fujitsu and has helped to focus on specific targeted action points that will make the biggest impact. Equally, we need to continue to use our data to evaluate objectively the impact that our actions are having.

For example, today women make up 17% of the most senior roles in Fujitsu. Through scenario modelling, we know that moving towards a better gender balance in these roles would close the pay gap substantially, as well as encouraging others by providing a more diverse set of role models. We have therefore kick started development activities for women to help build their confidence and self-belief. We have an online mentoring program called 'Future Me' for 45 of our top junior female talent and this sits alongside a new 'Leading Lights' program, focusing on 25 of our mid-level female talent. We want to ensure our women are job ready for when the promotion opportunities present themselves and that they choose to take these opportunities. No one wants to be in a job they cannot do – no one in Fujitsu is pushing tokenism. What we are determined to encourage is personal learning, confidence and development to support women to take that next step, coupled with leadership sponsorship to encourage all talent to seek promotion.

We are also focusing on how we recruit and create a supportive culture so that the organisation is a great place to work for everyone. We know that our employees really value flexible working and will continue to make even more of this to offer a better work life balance for everyone.

Finally, in addition to organisation-wide activities that will help to narrow the gap, we are making information, comparing numbers of women and men at each level, readily available to business leads so they can understand the context in their own teams and action plan accordingly.

As Wendy mentioned bonus payments, I was intrigued to get her view on how bonuses impact out gender pay gap.

As part of the statutory disclosure we have to report on the percentage of employees who received bonus pay and this year we have reported that 49.3% of male colleagues and 41.6% of female colleagues received a bonus. This demonstrates that the majority of women did not receive a bonus during the last financial year and from this understanding, we are now reviewing our bonus structure to ensure there is no bias in our bonus process.



Ambreen Bhusate,
*Business Consultant,
Consulting and Professional Services*

I asked what the challenge is with STEM subjects (Science, Technology, Engineering and Mathematics)

When you look at the Tech Industry we see the gender pay gap in the tech sector is 25% and in 2018 only 16% of IT students were women. In all STEM A-Levels (except Chemistry) more girls get A* grades than boys – including Further Maths, Maths, ICT and Design and Technology. And yet girls and women make up less than 18% of higher apprentices in engineering and manufacturing, and only 7.4% of all engineering apprentices are women. The problem starts early. Girls are still really under-represented in STEM subjects and that naturally has a massive impact on the talent pipeline for the Tech Industry. And we have to do more - we have to start with our young girls in schools and in clubs. We hosted Girls Day for the last two years – 7 sessions in 4 different locations - for employees' 9-11 year old daughters, granddaughters, nieces and cousins to have a day in a tech office exploring all things STEM. It was a simple thing to do – and it proved how girls really want to explore science and engineering, with 98% of 2019 participants being more interested in tech after the event. In total, we have given over 100 girls the opportunity to learn about STEM over the past 2 years.

Influencing young people at school is a critical part of our approach. We work with charities including the Princes Trust, BITC Business Class and Code.org and have recently launched a new schools engagement strategy to inspire more girls to develop careers in the IT sector. We are focusing on future leaders. Ensuring apprenticeship and graduate opportunities achieve a gender balance is mission critical to develop a strong female talent pipeline. Back in 2014, women only made up 36% of our graduate intake. Now, women made up 54% of the graduates joining our company in September 2018.

Girls Day at Fujitsu



“ Once a year Fujitsu Warrington hold a girls day to get girls into technology. Girls day is one of the best things I’ve done this summer. Everything is really good. Today we built robots and we had to programme them which was the hardest bit. We did sumo wrestling with the robots. Thank you everyone who made it possible. ”

Matilda Ward, age 9

Male allies



I am proud to be a visible ally and I am not alone. I know we have many male colleagues who are also totally on board with eradicating the gender pay gap – So I asked a couple of our male allies for their thoughts.



Tim Moody,
*VP for Multi Cloud Services
and Fujitsu Distinguished
Engineer Fellow*

We have to focus on really understanding why we are not attracting women and what do we need to do differently to shift our position. We have to find new and creative work solutions. Just doing more of the same won't get us different results. For the past couple of years we have celebrated our Fujitsu Distinguished Engineer (FDE) scheme which highlights our top technical talent. Up to a few years ago the Fellows, who oversee the FDE scheme, were all male but this has recently changed and we now have 2 female Fellows, out of a total group of 12. This has made the scheme more balanced and is highlighting more diverse role models to future FDEs and Fellows.

This year we have launched an FDE associate level which aims to develop and retain those who are well on their way to becoming FDE. The associate level helps feed the technical talent pipeline with each person receiving a mentor and creating a personal development plan - 22% of associate FDEs this year are women. For me, a personal commitment I have made, alongside 103 – and counting – other colleagues in Fujitsu, is to not appear on all male speaking panels – a simple thing to do that speaks volumes.

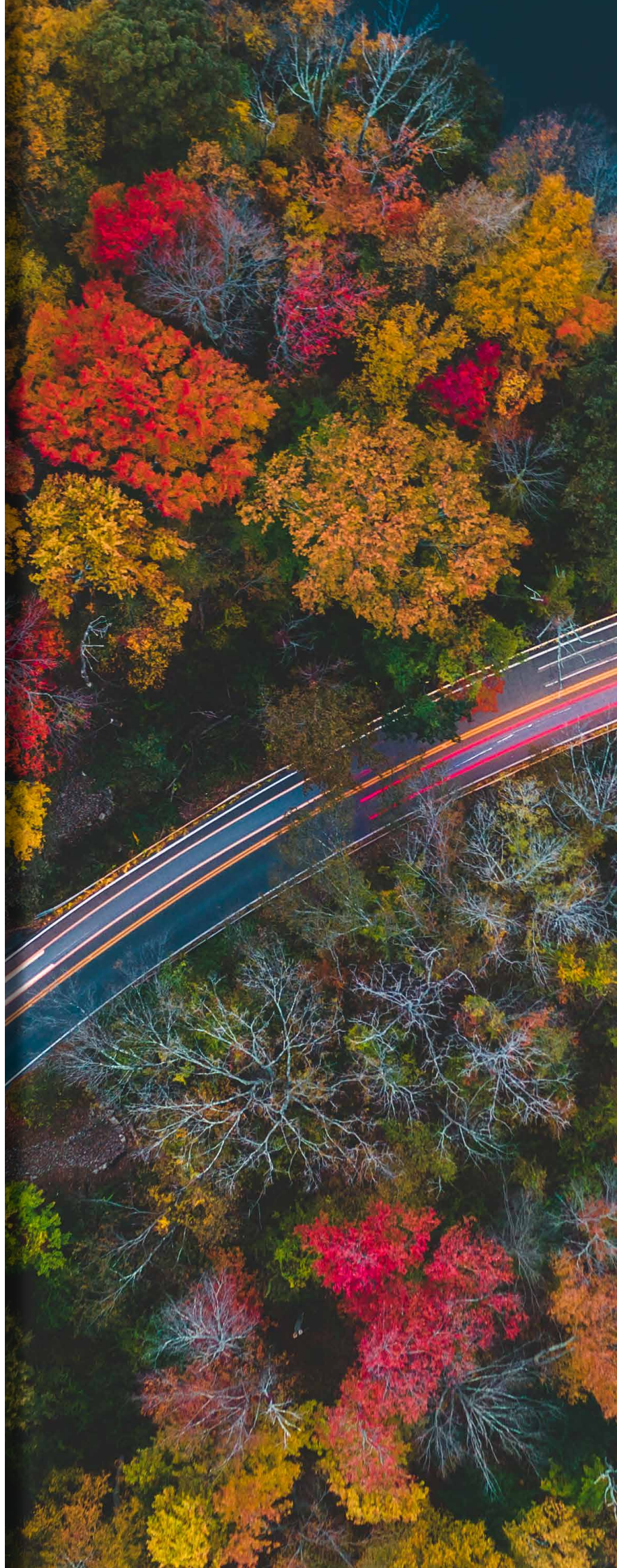


Pawiter Rana,
*Head of Service Management,
Digital Technology Services
and Fujitsu Distinguished
Engineer plus one of the FT
and Inclusive Boards Top 100 most influential
BAME leaders in Tech, 2019*

I am the father of 3 girls and want to make sure they have the same opportunities as men. I am an active mentor and have signed up to mentor women who are just starting out on their career path, as well as mentoring men and women from different ethnic backgrounds who work for our customers. This has allowed me to help them achieve their goals and understand what is most important to them - it is really rewarding seeing diverse talent grow and achieve.

The culture is changing, now I am seeing more and more how flexible working benefits everyone, and men should have the same opportunity to be part of home life as women. I have found that men are becoming more vocal about how they appreciate the flexibility to work from home just as much as our female colleagues. And it's not just about flexibility for parents, I know a male colleague who works flexibly so they can represent GB in cycling events. The gender pay gap action plan helps make integrating work and life better for everyone. For me it's about treating people equally and with respect.

Working smarter







Vicky Sheppard, *Head of Digital Technology Services for Northern and Western Europe and Head of the HMRC Account*

I asked Vicky to tell me what she thinks will help Fujitsu to achieve better gender balance

Each and every one of us must take responsibility to make this happen. This responsibility has to span across how we recruit, develop and retain our talent – from processes and policy to interactions and the environment we create. The onus is on us to make it happen. I firmly believe our hiring decisions are critical in creating gender balance and there are two parts to this. First, is getting the candidates - the reality is we work with our recruitment partners to provide a diverse mix of CVs. So everyone knows where they stand, we have built diversity goals into their contracts - and they are reviewed on a quarterly basis. This way they know what we expect and if they don't hit the mark we will look elsewhere. We want our hiring managers to choose from a variety of candidates with different experiences and skills and our recruitment partners are central to this.

To help managers make sure they are hiring the right person for their team we have updated and rolled out our unconscious bias training , and we are building a mandatory bespoke inclusive recruitment section into our managers training programme – both to be completed before any hiring takes place.

Where we as senior leaders and managers come in is advocating the importance of writing inclusive job adverts, how to conduct interviews and ultimately to make sure we are hiring the right person for the job – I'm a fan of leading by example. By doing these things we will begin to achieve a better balance throughout our organisation.

Another big thing for me is retaining women once they are here. Our gender balance is not going to improve unless we take the time to understand why people are leaving our organisation and what is keeping them here. This year we have launched a new exit survey – answered by leavers confidentially online, and not visible to line managers. These surveys are providing a wealth of information we have not had in the past.

For us to create a gender-balanced organisation we will need to highlight any positive or negative themes from the exit survey and build them into the action plan to create balance and eradicate the gender pay gap. I'm really pleased that the initial feedback has shown that our flexible working practices are helping us to retain our talent – although this is not a surprise to me.

Vicky is responsible for our largest business lines and I speak to Vicky a lot about our family life and our children. So I asked how she works smart and balances a senior leadership role with her family life?

Well, having true flexible working means I can decide how to balance work with home. It means I can choose how to build in my work commitments so I can be there for my family at those important times. For example, I was there on my son's first day of school and at home in the following weeks to help him settle in. For me, it's that the job gets done and is done well – not where and what time. I truly believe that you should be able to have a career and a family – I am just returning from maternity leave after having baby number two and at no point was being pregnant, having a family, or wanting to be part of family life a barrier to my career progression. It was whilst being pregnant that I took on a more a senior role, heading up a critical business line. I've always been open about my family commitments and several women have reached out to say how brilliant it is that I have spoken out about having a young family and being a senior leader. I'm happy to be a role model for others, but we need to create the environment where more women feel that they can work smarter, that they can have a family and progress their careers. Like I said - what's important is that the job gets done and done well – not where and what time.

Gender diversity action plan







**Kelly Metcalf, Head of Diversity, Inclusion & Wellbeing,
Northern and Western Europe**

Kelly you are responsible for all our actions across Diversity and Inclusion and keeping our gender pay gap action plan moving forward. Tell me how do you think we are doing?

I have recently returned to Fujitsu after my second maternity leave and am new to the role as Diversity and Inclusion Lead. I have had to get myself up to speed quickly given that eradicating the gender pay gap is one of our strategic priorities. It has been invaluable to be able to delve into the detail of what our data tells us about women's career paths, progression, development and experiences within Fujitsu, to understand the issues, why they exist and then be in a position to interrogate our action plan to ensure it addresses everything our data is telling us.

I am clear that pivotal to our plan is our leadership goal to eradicate the gender pay gap. Having an unequivocal end game really focuses the mind on keeping the gender pay gap action plan moving forward. Eradicating the pay gap is a very bold ambition, however as a woman in Fujitsu, why would I want to work for an organisation with a lesser target?

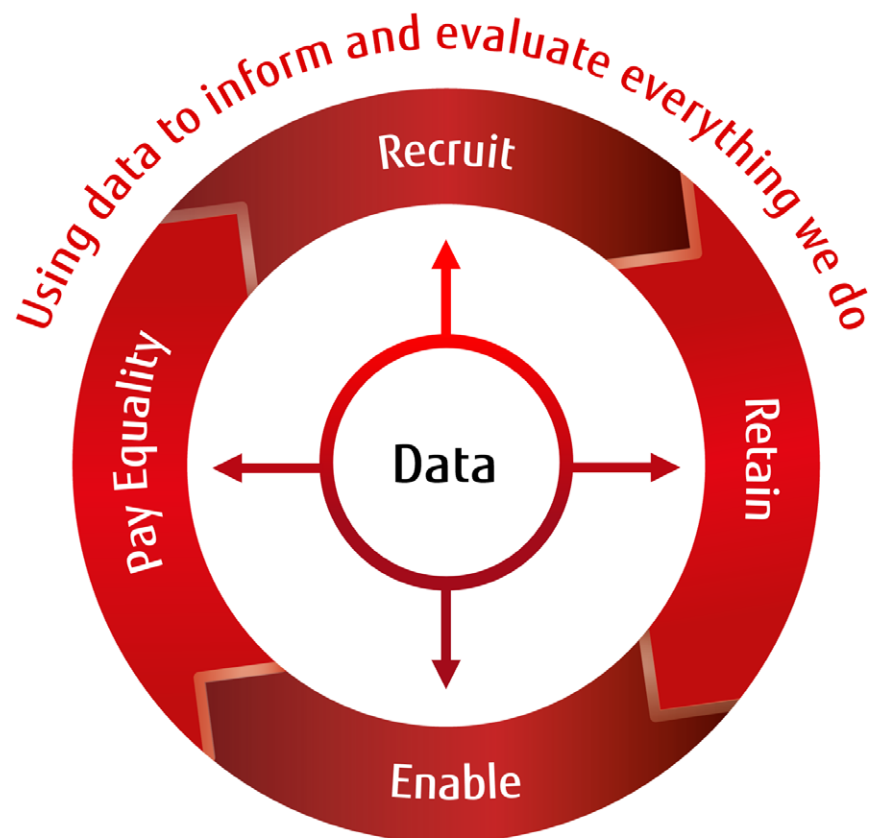
To push our emphasis on using data to inform our progress and decisions, we have recently launched a new gender diversity dashboard, which highlights our key KPI's on gender diversity – from gender balance in the UK, to gender balance in Sales, Leadership and Technical roles. This is critical as it helps us really understand how women progress their careers, it shows us what the barriers and enablers are to improve our gender balance. In addition, we will be reviewing our gender pay gap figure quarterly to help understand progress and the impact that our plans are having.

What are some of the specific actions that you see as really shifting the culture right across the employee lifecycle that will deliver on our goal?

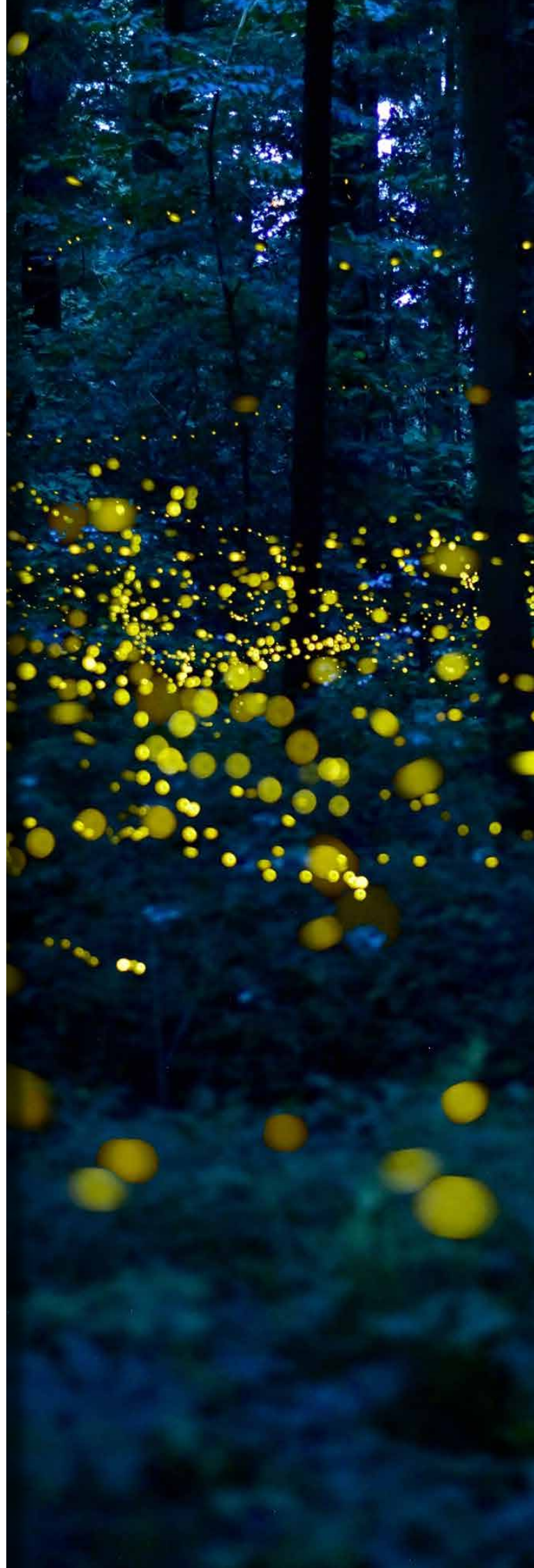
We are systemically tackling the whole employee lifecycle, from the point someone looks at potential roles with Fujitsu onwards. Examples of what we are doing include setting targets for our recruiters to ensure gender balanced shortlists, reviewing gender equality data across all parts of the business and all levels and generating a pool of allies who can proactively champion an inclusive working environment for our female colleagues.

We are promoting and normalising parental leave for employees at all levels and reviewing our flexible working practices to be even more inclusive. We have targeted development programmes for women at different levels of the business and we celebrate female role models across the company to shine a spotlight on what women can achieve in Fujitsu.

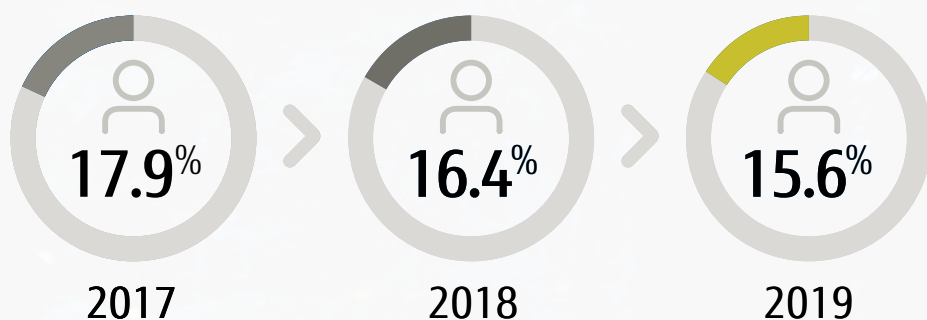
It's not a quick fix and it's not just one action. It is a sustained effort from across the business. We are in a good position in that we now have strong base line data and can measure and report clearly on our progress. I am committed and hugely driven in this role, having personally benefited from flexible working and favourable parental leave and I am determined to be able to accelerate our progress.



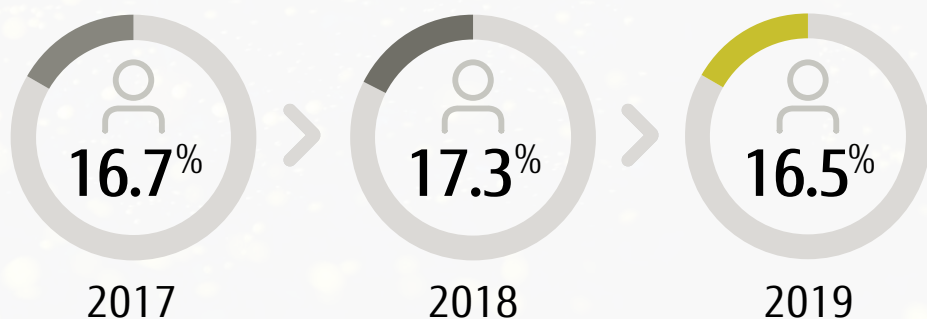
Statutory reporting duty



Fujitsu Median Gender Pay Gap



Fujitsu Mean Gender Pay Gap

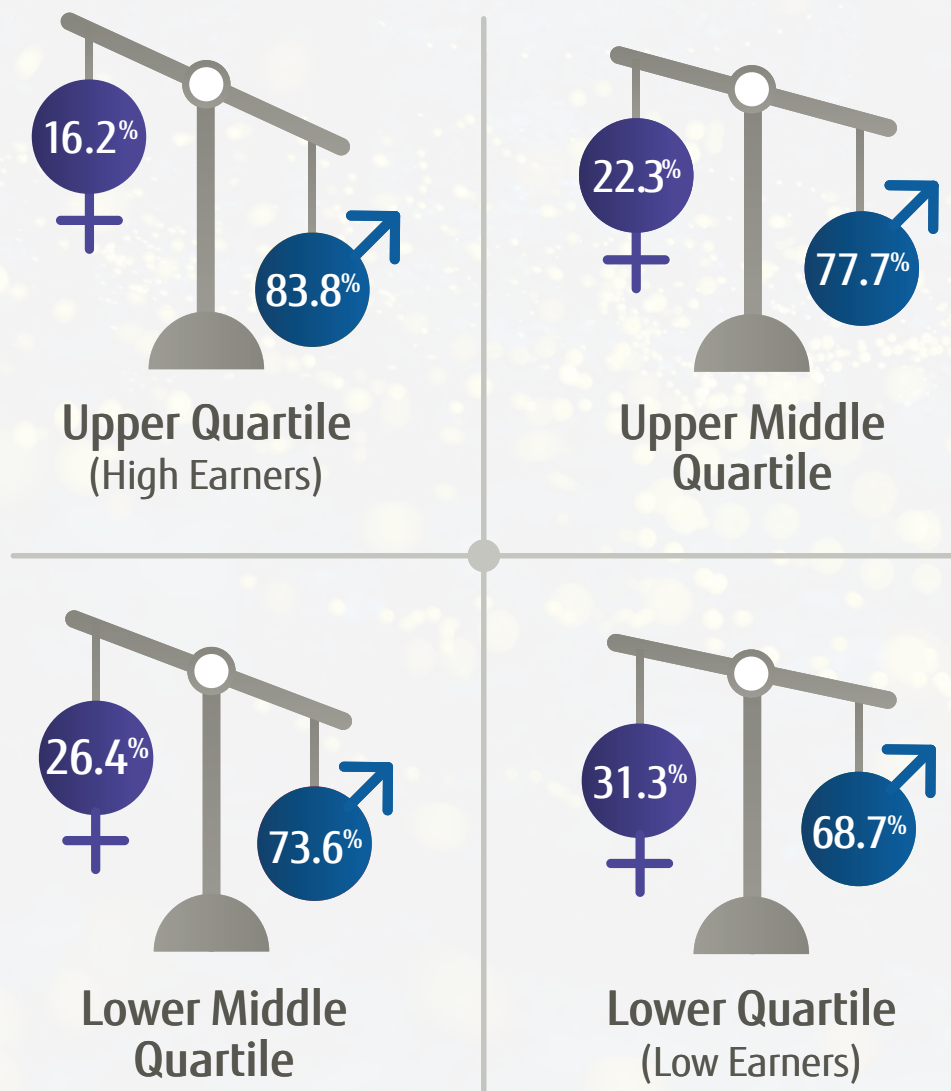


Bonus Median Pay Gap



Bonus Mean Pay Gap







Percentage of Men Receiving a Bonus (comparison)



Percentage of Women Receiving a Bonus (comparison)

