

# Sustainability Report 2020

Management Performance

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# 1.0 About *Management Performance*

*FUJIFILM Holdings Sustainability Report 2020—Management Performance* introduces our basic approach, promotion systems and an overview & results for each of the activities that corporations are expected to engage with by society. To make it simple and easy to understand, it mainly shows the basic results from the ESG point of view, including Governance, Environmental Aspects and Social Aspects.

Please see the full report on the management performance in Sustainability Report 2020 at:  
<https://holdings.fujifilm.com/en/sustainability/data>

On the other hand, we identified our high priority issues (materiality) from various CSR issues related to our business and established the Fujifilm Group's CSR Plan, "Sustainable Value Plan 2030 (SVP 2030)." Now we are implementing the activities along with the Plan. We will prepare a separate report, *FUJIFILM Holdings Sustainability Report 2020—SVP Stories*, to introduce the progress of our activities in fiscal 2019. Please refer to *SVP Stories* together with this *Management Performance*.

## • Period covered by the report

Fiscal 2019 (April 1, 2019—March 31, 2020) is covered in the performance data.

With regards to the contents of activities, wherever possible, we have conveyed the most recent trends, including activities in fiscal 2020.

## • Organizations covered by the report

The Fujifilm Group (FUJIFILM Holdings, and all the consolidated companies)

Major consolidated companies are shown on our website. <https://holdings.fujifilm.com/en/about/affiliates>

## • Date of publication (*Management Performance*)

August 2020 (next report: July 2021, previous report: July 2019)

## • Referenced guidelines

- Japan's Ministry of the Environment: Environmental Reporting Guidelines (2018 Version)
- GRI: The GRI Sustainability Reporting Standards
- Sustainability Accounting Board (SASB)
- Japan's Ministry of the Environment: Environmental Accounting Guidelines (2005 Version)
- ISO 26000: Social Responsibility

## • Supplemental information regarding reported matters

- The term "employees" refers to all employees, including managers, general employees, and part-time staff. The term "company employees" indicates employees (full-time staff). To further ensure the accuracy of the report, the terms "regular employees" and "non-regular employees" (temporary staff, part-time staff, others) have been used separately as required.

# 1.1 Fujifilm Group Organization Overview

The Fujifilm Group, runs wide ranging businesses utilizing the technologies based on advanced silver halide photography.

We are improving our fundamental technologies that are the base of our business and exclusive core technologies that differentiate us in terms of sustainable superiority. Combining those technologies, we are able to offer a diverse range of products and services.

To celebrate the 80th anniversary in 2014, we established our new corporate slogan, “Value from Innovation,” which seeks to continue creating new technologies, products and services that inspire and excite people everywhere, and empower the potential and expand the horizons of tomorrow’s business and lifestyle.

We continue to deliver new value through our business operations and technologies aiming to resolve social issues under the spirit of our corporate slogan: “Value from Innovation.”

## Holding Company: FUJIFILM Holdings Corporation

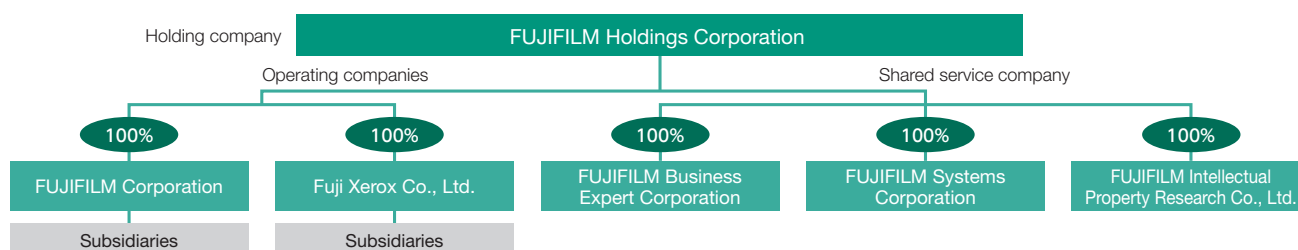
Company name:	FUJIFILM Holdings Corporation
Representative:	Shigetaka Komori
Head office:	Tokyo Midtown, 9-7-3 Akasaka, Minato-ku, Tokyo 107-0052, Japan
Established:	January 20, 1934
Capital:	¥40,363 million (as of March 31, 2020)
Employees:	228 (as of March 31, 2020)
Consolidated company employees:	73,906 (as of March 31, 2020)
Consolidated subsidiaries:	317 (as of March 31, 2020)

## Proportion of Consolidated Company Employees by Region (FY2019)

(as of March 31, 2020)

Japan	The Americas	Europe	Asia and others
49%	9%	7%	35%

## Fujifilm Group Organization Overview



For information about the consolidated subsidiaries of FUJIFILM Holdings Corporation, please visit:

<https://holdings.fujifilm.com/en/about/affiliates>

## Consolidated Revenue/Consolidate Operating Income

Unit: 100 millions of yen

	FY2015	FY2016	FY2017	FY2018	FY2019
Consolidated revenue	24,604	23,222	24,334	24,315	23,151
Consolidate operating income	1,806	1,723	1,233	2,098	1,866

## Proportion of Consolidated Revenue by Region (FY2019)

Japan	The Americas	Europe	Asia and others
43%	18%	13%	26%

## Proportion of Consolidated Revenue by Operating Segments (FY2019)

Imaging Solutions	Healthcare & Materials Solution	Document Solutions
14%	42%	44%

### Imaging Solutions

	Photo Imaging	Optical Devices and Electric Imaging
Proportion of revenue by business (FY2019)	69%	31%

Unit: 100 millions of yen

	FY2017	FY2018	FY2019
Consolidated revenue*	3,830	3,869	3,326
Consolidate operating income	558	511	251

### Healthcare & Materials Solution

	Healthcare	Graphic Systems/ Ink Jet	Industrial Products/ Electronic Materials, etc.	Display Materials	Recording Media	Others
Proportion of revenue by business (FY2019)	49%	21%	17%	8%	4%	1%

Unit: 100 millions of yen

	FY2017	FY2018	FY2019
Consolidated revenue*	10,026	10,390	10,242
Consolidate operating income	914	976	924

### Document Solutions

	Office Products/ Office Printers	Solution Services	Production Services	Others
Proportion of revenue by business (FY2019)	55%	29%	12%	4%

Unit: 100 millions of yen

	FY2017	FY2018	FY2019
Consolidated revenue*	10,478	10,056	9,583
Consolidate operating income	84	964	1,050

\* The figures in the financial results for FY2017 have been revised according to changes in the presentation of the net periodic pension cost and net periodic postretirement benefit cost following the change of US GAAP.

## 1.2 CSR Management

### 1.2.1 Basic Approach

The Fujifilm Group's business originated with photographic film, a product for which lots of clean water and fresh air are essential to the manufacturing process. It is also a product which requires customers to "buy on trust," since they cannot try it out beforehand. Thus, for the Fujifilm Group, an approach which emphasizes environmental conservation and maintaining the trust of stakeholders has been a major premise at the very foundations of our business activities. This approach is the starting point for our corporate social responsibility (CSR) activities and continues to be passed down within our Group, as the Fujifilm Group's "DNA."

### 1.2.2 Philosophical Concepts and Related Policies of the Fujifilm Group

Fujifilm Group established the Fujifilm Group Corporate Philosophy and Vision following the shift to a holding company structure in 2006. Founded on the spirit of contribution to advancement of society, improved health, environment protection and enhancement of the quality of life of people, by providing top-quality products and services with open, fair and clear workplace culture and leading-edge, proprietary technologies, we have established the Fujifilm Group Charter for Corporate Behavior and the Fujifilm Group Code of Conduct and implement them thoroughly throughout the Group. To ensure awareness and implementation by all employees, we established the Fujifilm Group's Approach to CSR. Seven additional policies (environmental, social contribution, biodiversity, procurement, quality, occupational health and safety and global security trade and control) have been established to promote activities. In addition, we have established the Human Rights Statement to clearly specify our stance in 2018. We are promoting our activities along with them.

In recent years, the sales volume and importance of the healthcare business in the Fujifilm Group is increasing. In promoting the healthcare business, corporations are required not only to comply with laws and regulations, but also to conduct business operations fairly with higher ethics and transparency.

In order to meet these social demands, the Fujifilm Group established the "Fujifilm Group Global Healthcare Code of Conduct" in July 2020, and in addition to the Fujifilm Group Code of Conduct, appropriate directors and employees in the healthcare business must be followed in order to promote proper business activities.

#### The Fujifilm Group's Approach to CSR

The Fujifilm Group's approach to corporate social responsibility is to contribute to the sustainable development of society by putting our Corporate Philosophy into practice through sincere and fair business activities.

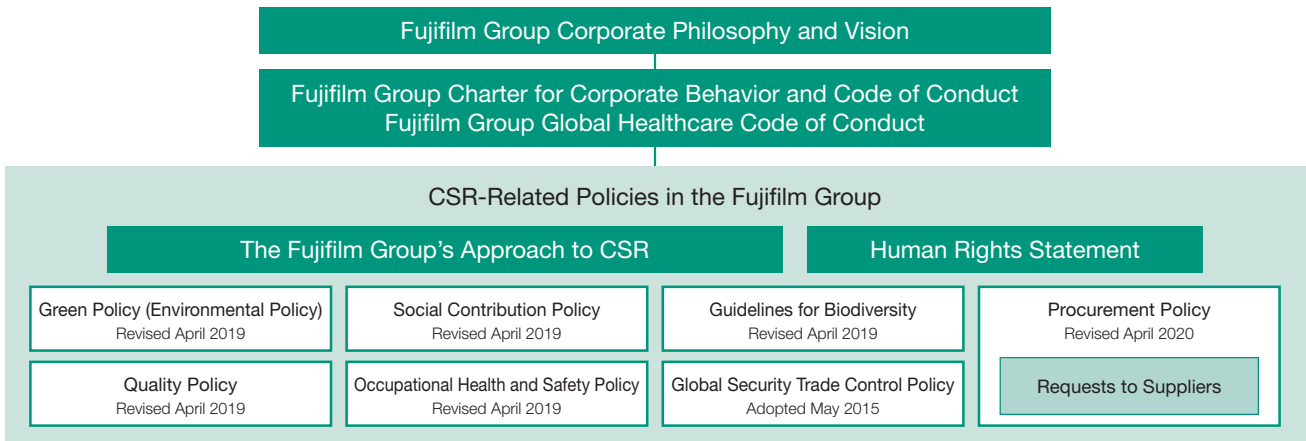
We will not only fulfill our economic and legal responsibilities, but also:

1. endeavor to understand global as well as local environmental and social issues and create value to address these issues through our business activities.
2. continue to evaluate the environmental and social impact of our business activities and strive to improve the performance while increasing our positive impact on society.
3. constantly reassess whether our activities are responding adequately to the demands and expectations of society through proactive stakeholder engagement with our stakeholders.
4. enhance corporate transparency by actively disclosing information.

Revised in February 2014

Fujifilm Group Corporate Philosophy/Vision (full text)  
 Fujifilm Group Charter for Corporate Behavior (full text)  
 Fujifilm Group Code of Conduct (full text)

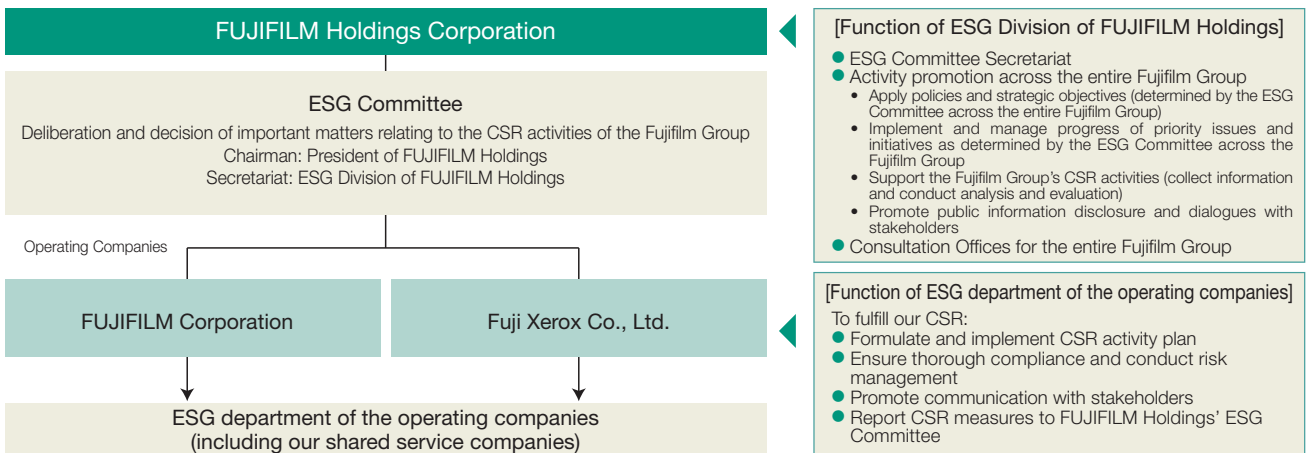
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<https://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html>  
<https://www.fujifilmholdings.com/en/about/philosophy/law/index.html>



### 1.2.3 CSR Management System

#### 1. The Fujifilm Group's CSR promotion system

The Fujifilm Group established the ESG Committee (reorganized from CSR committee in June 2019) chaired by the President of FUJIFILM Holdings. The Committee takes decisions on the important matters relating to the CSR activities of the entire Group. The ESG Division of FUJIFILM Holdings, which is the Secretariat of the ESG Committee, is responsible ensuring rigorous CSR management by the Fujifilm Group. The Division considers the priority issues for the entire Group, discloses information outside, communicates with stakeholders, supports the CSR activities of Group companies, audits the CSR activities of the entire Group, and operation of the whistle-blowing offices.



#### 2. Effective management system

Since 2007, the year following the group was reorganized under FUJIFILM Holdings, the Fujifilm Group has been formulating medium-term CSR plans along with the medium-term management plans.

Every year since then, we disclose the progress of the year in our Sustainability Reports etc., and also review our activities through opinions from inside and outside the company. We also summarize our activities of every three years in accordance with the drafting of the next medium-term management plan, and the every review has led to the formulation of the next medium-term CSR plan.

Each medium-term CSR plan has been deliberated and approved by the ESG Committee (reorganized from the CSR Committee in June 2019) chaired by the President of Fujifilm Holdings

In 2016, we changed our policy of establishing the three-year medium-term CSR plan and announced our long-term CSR plan, Sustainable Value Plan 2030 (SVP 2030). SVP 2030 is a long-term target for 2030, but as ever, we will basically review every three years in line with the formulation of the medium-term management plan, and also when there is a big change in the direction of our business as needed.

(For our environmental management system, please refer to 3.1.2 Environmental Policy and Management System.)



## 1.2.4 Background of CSR Planning and Process for Identifying Priority Issues (Materiality)

### 1. Social background and basic approach

In recent days, international long-term targets such as Sustainable Development Goals (SDGs\*<sup>1</sup>) and the Paris Agreement\*<sup>2</sup> have been announced in the drive to resolve social issues. In particular, expectations are growing for the role of companies as players in resolving social issues and building a sustainable society. In view of these developments, the SVP 2030 has set as its long-term goal for fiscal 2030 to contribute to achieving the goals for resolving global social issues set by SDGs, the Paris Agreement, etc.

The long-term targets for fiscal 2030 set out in SVP 2030 were set as part of the drive from two perspectives; an “inside-out” perspective, starting from existing business activities and an “outside-in” perspective, originating from social issues and examining what our products and services should be.

SVP 2030 reaches beyond the Fujifilm Group’s products and services (i.e., output\*<sup>3</sup>), exploring what products and services are necessary and what technologies are needed for our contribution to the sustainable society (i.e., outcome\*<sup>4</sup>). It lays down as our final goals both the growth of the Group and solutions to social issues.

In the years ahead, we will continue working to achieve the targets of SVP 2030 by creating new value through the development of cutting-edge products, services and technological innovations that benefit society and that make a bigger contribution to resolving social issues and upgrading our corporate value.

\*1 SDGs (Sustainable Development Goals): Goals in sustainable development adopted by the United Nations General Assembly in 2015, to be addressed as social issues by the international community until 2030. There are 17 goals and 169 targets established to address the issues of poverty, inequality and injustice, health, education, fulfillment in work, climate change and the environment, etc.

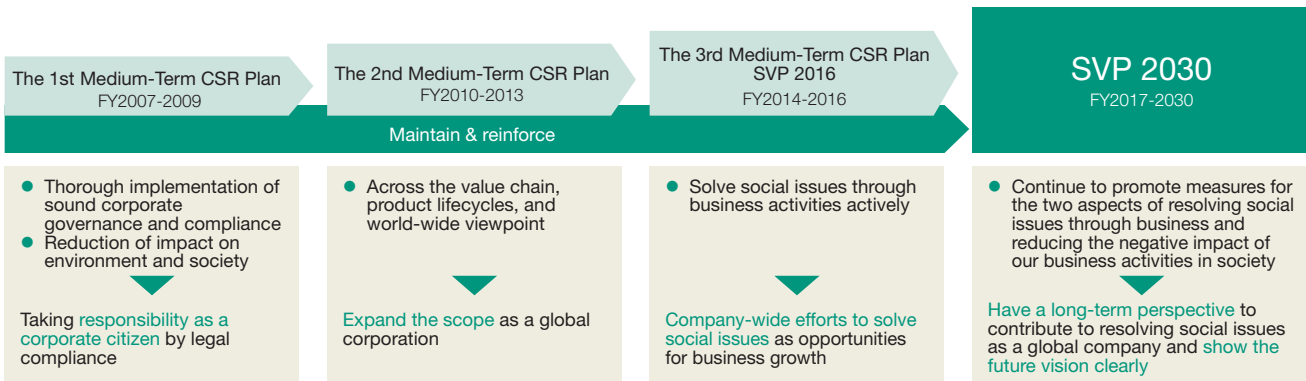
\*2 Paris Agreement: International, multilateral agreement on arresting climatic changes that was adopted by The 21st Session of the United Nations Framework Convention on Climate Change Conference of the Parties (COP 21) held in Paris in 2015. The Agreement calls for holding the global temperature rise to less than 2°C over the level before the Industrial Revolution.

\*3 Output: Products, services, etc., produced by our organizational and business activities.

\*4 Outcome: Change, benefits, learning and other effects that are generated by an organization or business operation.

### 2. Developments from the medium- and long-term CSR plan

The Medium-Term CSR Plan started in 2007, the year following the group was reorganized under FUJIFILM Holdings, to put in place comprehensive governance and compliance. In 2017, Sustainable Value Plan 2030 (SVP 2030) was announced with longer-range targets for the year 2030.



### 3. Process for identifying materiality (priority issues)

#### [STEP 1] Clarifying the Basic Policies

In addition to the review of CSR activities under SVP 2016, issues that should take priority in SVP 2030 were identified with attention given to global developments in response to climate change, etc. As a result of the review, the perspective adopted in SVP 2016 to make company-wide efforts to solve social issues as opportunities for business growth was upgraded to clearly specify a future vision from the long-term perspective on contributions to resolving social issues as a global company and was adopted as the basic policy.

#### [STEP 2] Extracting Social Issues Based on Business Strategy

In identifying social issues, a comprehensive list of some 300 items has been created, with the addition of items that must be addressed from a long-term perspective, including roughly 130 items from various indexes such as the global standards ISO 26000 and GRI Guidelines/Standard, the goals of the Paris Agreement and the 169 goals under the SDGs. In addition, technologies, products and services that were developed by all our divisions have been reviewed for the degree to which they will contribute to resolving social issues, and a list of relevant social issues has been created.

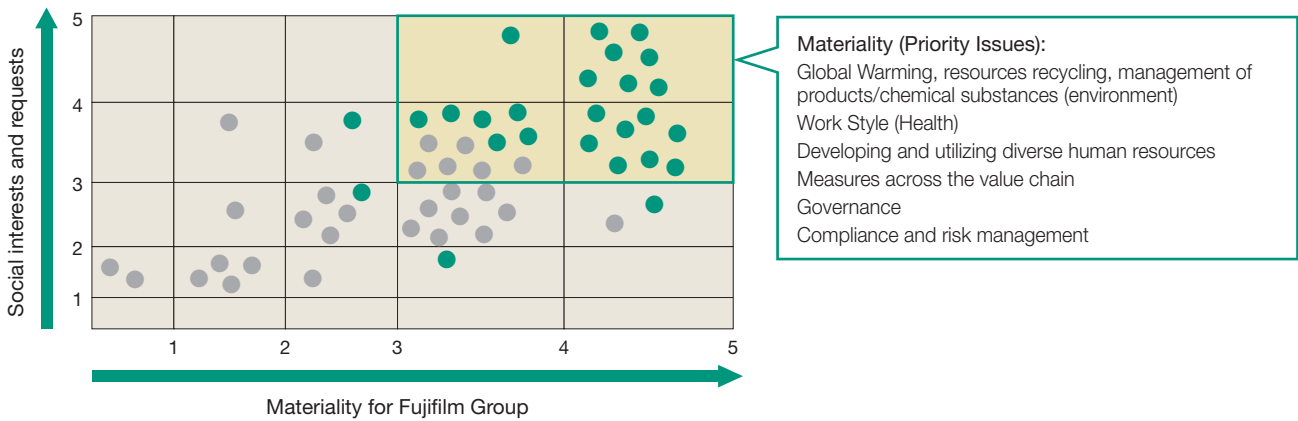
Main CSR Issues (PDF) [https://www.fujifilmholdings.com/en/sustainability/svp2017/process/pack/pdf/main\\_CSR\\_Issue\\_en.pdf](https://www.fujifilmholdings.com/en/sustainability/svp2017/process/pack/pdf/main_CSR_Issue_en.pdf)

[STEP 3] Evaluation of Materiality

In evaluation of materiality, we adopted the two sides of approaches reducing/making consideration of the social impact generated from business activities and resolving social issues through business.

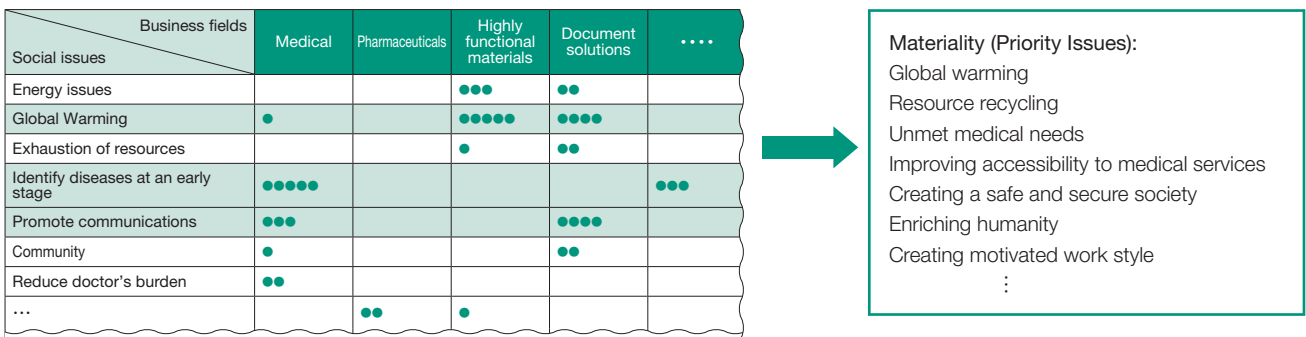
(1) Taking into consideration and reducing the impact our business activities have on the environment and society

In addition to our own evaluation of materiality, the CSR specialist E Square has conducted an evaluation of social interests and requests. Based on these findings, the priority issues shown at top right were identified and materiality was established accordingly.



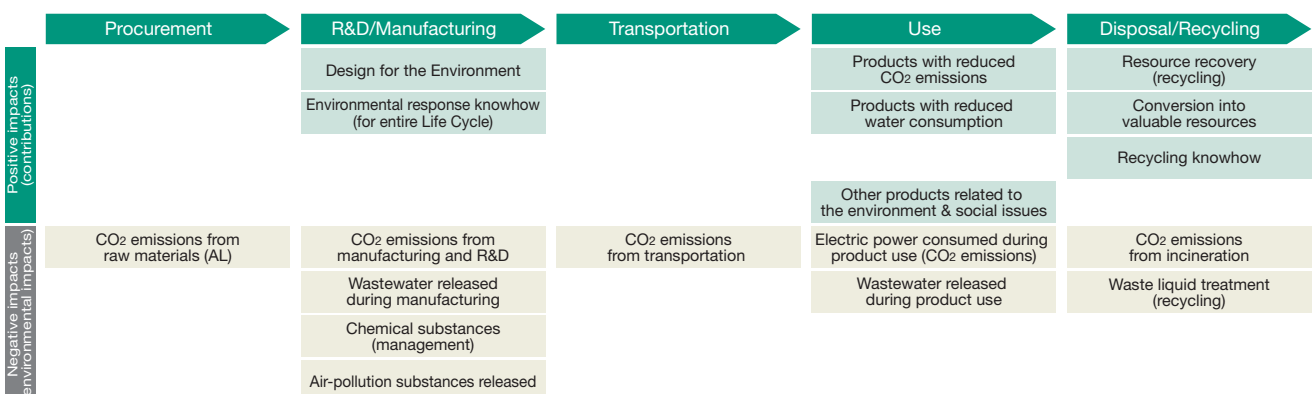
(2) Resolving social issues through our business activities

Social issues to which the present and future technologies, products and services of our business divisions can contribute were identified and organized in a matrix chart. The issues with major impacts (shown by the large number of dots) in both our business and social issues were given priority and identified as materiality.



Furthermore, regarding social issues we have selected through the above two processes, to organize the contents which we can have some impacts, we have laid them out in the following map especially from environmental viewpoints, which is an issue of urgency, of both the negative impacts from business processes (risk) and the positive impacts from social contribution through business (opportunity) based on the SDG Compass.

Impact on Business Processes across the Value Chain (Ex. Environment)



\* Study of priority issues based on the SDG Compass from viewpoints of both the negative impacts from business processes and the positive impacts from social contribution through business

### [STEP 4] Planning and Review

For each priority issue defined in STEP3, we classified them by fields and make them easier to understand. To ensure concrete action, we also defined targets for fiscal 2030 considering business issues our businesses should address and indicators to boost progress together with relevant business divisions at operating companies.

Regarding environmental issues on a global scale, numerical targets for 2030 were set.

Priority issues of SVP 2030 were finalized in the deliberations by the CSR Committee (present ESG Committee), headed by the President of FUJIFILM Holdings. After approval by the ESG Committee, we are now addressing the issues under a group-wide policy.

Fiscal 2019 used to be the last year of our Medium-Term Management Plan, VISION 2019 (for the time being, the next medium-term management plan was postponed to be announced owing to Corona virus influence). In light of progress on VISION 2019 and the latest global trends in issues, we have reviewed the following three perspectives that had been emphasized in the planning of SVP 2030, our CSR Plan that started in 2017.

As a result of these reviews, we have decided to continue the basic policy of clearly specifying our long-term vision of how the Group will contribute to resolving social issues as a global company.

- Define long-term targets (for 2030)
- Promote measures based on disclosed numerical targets for global environmental issues
- Promote priority measures for solving social issues through our business activities (contribution to environment and society) and considering society and the environment in our business processes (minimization of environmental and social impacts).

For achievement of SVP 2030, we will re-examine our group-wide activities and long-term targets through PDCA every three years by planning for medium-term management reform.

#### Sustainable Value Plan 2030

Priority Area	Priority Issues	Solving social issues through business activities	Considering society and the environment in our business processes	Relevant business/parties
Environment	1. Address climate change	●	●	Entire Group (especially for factories/ Highly Functional Materials)
	2. Promote recycling of resources	●	●	Entire Group (especially for factories/ Highly Functional Materials)
	3. Address energy issues toward a decarbonized society.	●		Entire Group (especially for Highly Functional Materials)
	4. Ensure product and chemical safety.	●	●	Entire Group (especially for factories/ Highly Functional Materials)
Health	1. Fulfill unmet medical needs.	●		Healthcare
	2. Improve accessibilities to medical services.	●		Healthcare
	3. Contribute to identifying diseases at an early stage.	●		Healthcare
	4. Contribute to health promotion and beauty.	●		Healthcare
	5. Promote management of a healthy workplace.		●	(Internal)
Daily Life	1. Contribute to creating a safe and secure society.	●		Highly Functional Materials
	2. Contribute to enriching humanity and relationships between people.	●		Imaging
Work Style	1. Create environments that lead to motivated workplace (provision of solution services).	●	●	Document solution
	2. Develop and utilize diverse human resources.		●	(Internal)
Supply Chain	Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.			Supplies (+ Entire Group)
Governance	Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture.			Entire Group (+ Supplies)

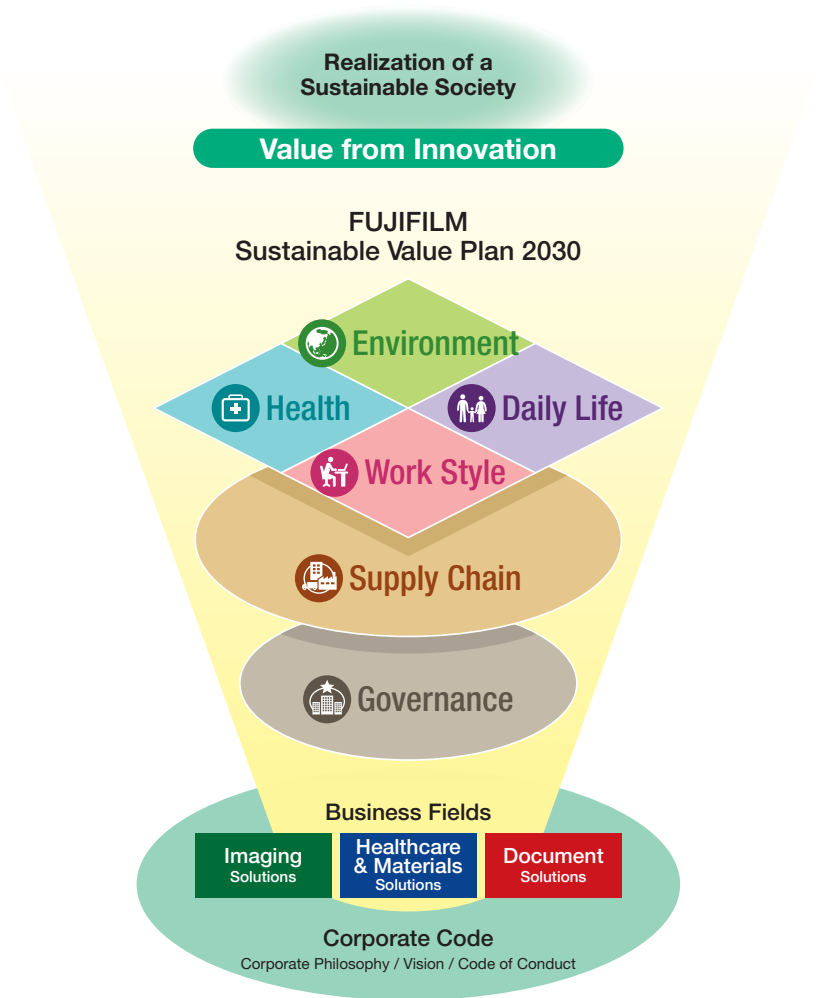
Major Progress in Materiality Issues

Priority Area	Priority Issues	Major Targets for FY2019 *The following targets are all for FY2030.	Major Activities in FY2019
Environment	<ol style="list-style-type: none"> <li>1. Address climate change</li> <li>2. Promote recycling of resources</li> <li>3. Address energy issues toward a decarbonized society.</li> <li>4. Ensure product and chemical safety.</li> </ol>	<ul style="list-style-type: none"> <li>• Reduce the Fujifilm Group's CO<sub>2</sub> emissions by 45% by FY2030 (compared to the FY2013 level).</li> <li>• Contribute to a reduction in the CO<sub>2</sub> emissions generated in society by 90 million tons by FY2030.</li> <li>• Minimize adverse effect on chemical substances on human health and the environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Endorsed the TCFD recommendation and joined RE100.</li> <li>• Certified new solution service under the in-house "Green Value Products" certification system (16 products).</li> <li>• Received first certification of A List on the CDP Climate Change.</li> <li>• Established targets for FY2030 regarding chemical substances.</li> </ul>
Health	<ol style="list-style-type: none"> <li>1. Fulfill unmet medical needs.</li> <li>2. Improve accessibilities to medical services.</li> <li>3. Contribute to identifying diseases at an early stage.</li> <li>4. Contribute to health promotion and beauty.</li> <li>5. Promote management of a healthy workplace.</li> </ol>	<ul style="list-style-type: none"> <li>• Develop new treatment solutions/ Improve accessibility to new treatment solutions.</li> <li>• Expand and scale up AI &amp; IoT technology to reduce burdens on medical professionals.</li> <li>• Promote management of health and productivity to maintain employees' vitality.</li> </ul>	<ul style="list-style-type: none"> <li>• Approved for inclusion within national health insurance coverage as regenerative care for epidermolysis bullosa.</li> <li>• Together with Kyoto University, we have successfully developed an AI technology to support diagnosis of interstitial pneumonia.</li> <li>• Launched SYNAPSE SAI viewer, an AI diagnosis support platform, as the first product under the brand of our medical AI technology, REiL.</li> <li>• Announced Fujifilm Employee Wellness Declaration.</li> </ul>
Daily Life	<ol style="list-style-type: none"> <li>1. Contribute to creating a safe and secure society.</li> <li>2. Contribute to enriching humanity and relationships between people.</li> </ol>	<ul style="list-style-type: none"> <li>• Aim at 100% preservation of records archived on tapes.</li> <li>• Offering opportunities to enjoy photos that give forms to memories.</li> </ul>	<ul style="list-style-type: none"> <li>• Released a magnetic tape storage media that achieves a maximum recording capacity of 30TB, which is twice the conventional capacity.</li> <li>• Held Fujifilm Global Photo Exhibition in 8 countries including Africa, displaying 110,000 works worldwide.</li> </ul>
Work Style	<ol style="list-style-type: none"> <li>1. Create environments that lead to motivated workplace (provision of solution services).</li> <li>2. Develop and utilize diverse human resources.</li> </ol>	<ul style="list-style-type: none"> <li>• Actions for work style reform for customers.</li> <li>• Improve the rate of women in managerial positions.</li> </ul>	<ul style="list-style-type: none"> <li>• Launched "CocoDesk," a private room-type workspace that supports telework for business people.</li> <li>• Improved the rate of women in managerial positions (from 13.9% in 2018 to 14.5 % in 2019).</li> </ul>
Supply Chain	Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.	Promote sustainable procurement.	<ul style="list-style-type: none"> <li>• Re-informed our suppliers across the world about the Request to Suppliers and collected receipts from 398 suppliers.</li> </ul>
Governance	Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture.	Improve compliance awareness across the entire global Group and reinforce risk management.	<ul style="list-style-type: none"> <li>• Conducted the Harassment awareness survey in Japan.</li> <li>• Revised the Fujifilm Group Charter for Corporate Behavior and Code of Conduct.</li> </ul>

### 1.2.5 The CSR Plan of the Fujifilm Group Sustainable Value Plan 2030 (SVP 2030)

The Fujifilm Group announced its Sustainable Value Plan 2030 (SVP 2030) in August 2017. The new plan sets itself apart from previous medium-term CSR plans in characteristically targeting fiscal 2030 as its longterm goal, which is expected to lay the foundations of the Group's business management strategies for sustainable growth.

Under SVP 2030, the Fujifilm Group will introduce further measures to resolve social issues through our business activities, including the launch of innovative products, technologies and services, in our aim to develop into a company that can make a greater contribution to creating a sustainable society.



#### SVP 2030 Priority Area/Priority Issues (Materiality)

	Solving social issues through business activities		Considering society and the environment in our business processes		Fujifilm Group's Contribution to SDGs
	Contribution (Opportunities)		Impact (Risks)		
<b>Environment</b> <ol style="list-style-type: none"> <li>1. Address climate change.</li> <li>2. Promote recycling of resources.</li> <li>3. Address energy issues toward a decarbonized society.</li> <li>4. Ensure product and chemical safety.</li> </ol>	●	●	●	●	
<b>Health</b> <ol style="list-style-type: none"> <li>1. Fulfill unmet medical needs.</li> <li>2. Improve accessibilities to medical services.</li> <li>3. Contribute to early disease detection.</li> <li>4. Contribute to health promotion and beauty.</li> <li>5. Promote management of a healthy workplace.</li> </ol>	●	●	●	●	
<b>Daily Life</b> <ol style="list-style-type: none"> <li>1. Contribute to creating a safe and secure society.</li> <li>2. Contribute to enriching humanity and relationships between people.</li> </ol>	●	●	●	●	
<b>Work Style</b> <ol style="list-style-type: none"> <li>1. Create environments that lead to motivated workplace (provision of solution services).</li> <li>2. Develop and utilize diverse human resources.</li> </ol>	●	●	●	●	
<b>Base for business activities</b>					
<b>Supply Chain</b>	Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.				
<b>Governance</b>	Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture.				

### Relationship between CSR plan and management plan

Our Long-Term CSR Plan SVP 2030 toward fiscal 2030 is our targets for contributing to building a sustainable society along with SDG's. Our Medium-Term Management Plan VISION 2019 sets out the concrete business strategies to achieve these targets.

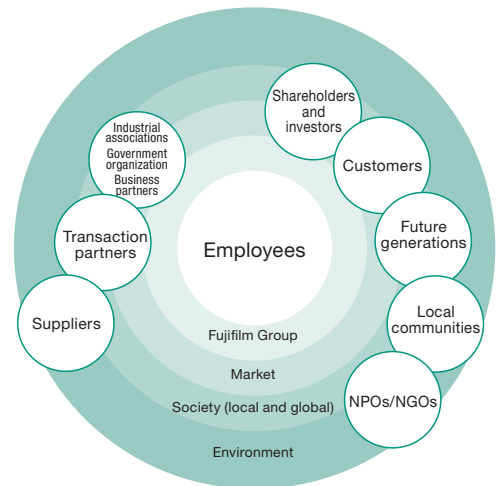
#### Themes That Are Significantly Related with our Business in the Priority Issues of SVP 2030

Item	CSR Priority Issue 1	CSR Priority Issue 2	CSR Priority Issue 3
<b>Material Issues</b>	Contribute to resolving social issues related to health, daily life, environment and work style through products and services (Issues related to social impact in the four areas "Environment", "Health", "Daily Life", and "Work Style" of SVP 2030)	Business processes that respond to environmental issues. (Issue related to the company's operation in the "Environment" of SVP 2030)	Develop and make use of diverse human resources. (Priority Issue 2 in the "Work Style" of SVP 2030)
<b>Relations to Business</b>	In the above four areas "Environment", "Health", "Daily Life", and "Work Style" of SVP 2030, contributing to resolving social issues including improving access to medical services, identifying disease at an early stage, fulfilling unmet medical needs and promoting health are priority areas in our Medium-Term Management Plan VISION 2019 and lead to business growth.	Business operations that respond to environmental issues (energy conservation) not only contribute to reduced costs and improved earnings for a company in the chemical, electrical and machinery industries but are also essential in ensuring stability and continuity of business, as well as in maintaining our social reputation.	The people working at the various worksites form the foundation of our global business operations in diverse fields. Improving working conditions and assuring employee diversity in the company and in the supply chain at large is the key to reducing job turnover, increasing motivation and ultimately leading to business growth. In addition, the expertise gained in the course of these activities has led to us offering work style reform services to other companies.
<b>Business Impact</b>	Revenue & profit	Costs & risks	Risks, sales & revenue
<b>Business strategies</b>	<ul style="list-style-type: none"> <li>Grow sales in the growth areas of medical IT, endoscopes and ultrasonic diagnosis systems in markets including emerging countries and expand our lineup of products with functional claims using our exclusive technologies.</li> </ul>	<ul style="list-style-type: none"> <li>Launch of innovative new products founded on value co-creation and incorporating our high levels of fundamental and core technologies that contribute to solving environmental issues in partnership with external parties.</li> <li>Maximizing profits through energy conservation and implementing a cost-cutting business structure.</li> </ul>	<ul style="list-style-type: none"> <li>Creating a corporate environment in which diverse employees are able to demonstrate their individual strengths through the introduction of Work Style Innovation.</li> </ul>
<b>Long-Term Target/Index</b>	<p>[Health] Increase healthcare business sales by 30% over FY2016 levels in line with the Medium-Term Management Plan VISION 2019.</p> <p>[Environment]  <ul style="list-style-type: none"> <li>Long-Term CSR plan</li> <li>Reduce CO<sub>2</sub> emissions by 90 million tons by FY2030.</li> </ul> </p>	<p>Increase sales of highly functional materials by 20% over FY2016 levels in line with the Medium-Term Management Plan VISION 2019.</p> <p>Medium-Term CSR Plan  <ul style="list-style-type: none"> <li>35% reduction in CO<sub>2</sub> emissions over FY2013 levels by FY2025</li> <li>20% reduction in water consumption of the entire group over FY2013 levels by FY2025</li> </ul> <p>Long-Term CSR Plan  <ul style="list-style-type: none"> <li>45% reduction in CO<sub>2</sub> emissions over the product lifecycle over FY2013 levels by FY2030</li> <li>30% reduction in water consumption of the entire Group over FY2013 levels by FY2030</li> </ul> </p> </p>	<ul style="list-style-type: none"> <li>Raise the percentage of woman in managerial position by 25% (the Fujifilm Group) and by 15% (the Fujifilm Group Japan) by FY2030</li> </ul>
<b>Target Year</b>	FY2030	FY2030	FY2030
<b>Executive Compensation</b>	Applied when determining compensation of the company president serving as COO and executive officers supervising relevant divisions	Applied when determining compensation of the company president serving as COO and executive officers supervising relevant divisions, as well as executive officers in charge of CSR	Applied to personnel administration and when determining compensation of executive officers in charge of HR and CSR

### 1.2.6 Communication with Stakeholders

Companies conduct their activities while interacting and maintaining relations with a wide variety of stakeholders, and it is important to listen carefully to their various views and expectations. At the Fujifilm Group, we ensure that we make appropriate information disclosures as well as verifying, at various opportunities, whether or not our business activities are responding to the demands and expectations of all our stakeholders, and reflecting our findings in our business activities. To ensure that our stakeholders' views are reflected in our CSR activities, we also review them in our Sustainability Report.

In addition to opinions relating to our CSR activities as a whole, regarding priority issues such as "Environment," "Work Style," etc., we conduct individual briefings on the content of the activities to external parties, to receive their advice and evaluation.\* Looking back over our activities and obtaining the views of external parties in this way provides a good opportunity to reexamine our activities.



The Fujifilm Group's Communications with Stakeholders

Main stakeholders		Main issues and areas of responsibility	Methods of communication	Frequency
Customers	We have a diverse range of customers, from individuals, businesses, corporations to government offices, etc., since we have business deployed all over the world, and we offer such a wide lineup of products, ranging from digital cameras and cosmetics to office printers, medical systems, medicine, highly functional materials and equipment and materials for graphic arts.	<ul style="list-style-type: none"> <li>• Securing the safety and quality of products</li> <li>• Design for Environment</li> <li>• Provision of appropriate information on services &amp; products</li> <li>• Improvement of customer satisfaction levels</li> <li>• Customer response &amp; support</li> </ul>	• Customer Center (liaison office for responding to inquiries)	• Day-to-day
			• Usability evaluation meetings and monitor surveys	• As needed
			• Customer satisfaction surveys	• As needed
			• Questionnaires at product purchase	• Day-to-day
			• Showrooms, exhibitions	• As needed
			• Holding seminars	• As needed
			• Websites and social media	• As needed
Employees	Employees working for the Fujifilm Group total approx. 73,000 people in 317 companies. They are active all over the world and their composition by country is Japan 49%, the U.S. 9%, Europe 7% and Asia 35% (as of end-March 2020).	<ul style="list-style-type: none"> <li>• Ensuring occupational health and safety</li> <li>• Respect for human rights</li> <li>• Utilization and training of human resources</li> <li>• Respect for diversity</li> </ul>	• Providing opportunities for dialogue with top management	• As needed
			• Personnel management division liaison & interviews	• Day-to-day/As needed
			• Compliance & Sexual Harassment Helpline	• Day-to-day
			• Regular meetings between the company and labor unions/Health & Safety Committee	• As needed
			• Intranet; in-house magazines	• Day-to-day
Shareholders & investors	FUJIFILM Holdings has 135,049 shareholders, characterized by a high proportion of overseas and institutional investors. Japanese financial institutions account for 32.9% of our shareholders, while foreign companies constitute 27.2% (as of end-March 2020).	<ul style="list-style-type: none"> <li>• Maintenance and expansion of corporate value</li> <li>• Appropriate redistribution of profits</li> <li>• Timely &amp; appropriate information disclosure</li> <li>• Measures for Socially Responsible Investment (SRI)</li> </ul>	• General shareholders meetings/Business report briefings/Briefings for investors	• Once a year/4 times a year/As needed
			• IR conferences/Individual meetings	• As needed
			• Integrated reports/Shareholder communications	• As needed
			• IR information website	• Day-to-day
			• Liaison office for responding to inquiries	• Day-to-day
Transaction partners	The Fujifilm Group conducts transactions worldwide with suppliers of raw materials and components and retailers of our products, etc.	<ul style="list-style-type: none"> <li>• Thorough implementation of fairness &amp; transparency in transactions</li> <li>• Promotion of CSR issues in the supply chain, such as human rights and the environment</li> </ul>	• Briefings to suppliers (on CSR procurement including green supply, management of chemical substances contained, etc.)	• As needed
			• CSR Self-Check (self-audited) and Onsite "Visit and Check" by expert team	• As needed
			• Website for exclusive use of transaction partners	• Day-to-day
			• Regular discussions with partners	• As needed
			• Liaison office for responding to inquiries (in each procurement and sales division)	• Day-to-day
Future generations & local societies	The Fujifilm Group has bases in approx. 40 countries across the world and conducts its activities by treating the local culture and customs with respect, as well as putting efforts into educational support for future generations.	<ul style="list-style-type: none"> <li>• Contribution activities which make use of our main business strengths</li> <li>• Respecting local culture &amp; customs and environmental conservation</li> <li>• Prevention of fires and accidents in the workplace</li> <li>• Educational support for future generations</li> </ul>	• Environmental communication meetings/Factory tours	• As needed
			• Community volunteer activities	• As needed
			• Regular discussions with local governments (city hall, mayor, community association presidents, etc.)	• As needed
			• Liaison offices (at each factory & office)	• Day-to-day
			• Dispatch of lecturers to the academic organization & endowed chairs	• As needed
Government organizations & industrial associations	The Fujifilm Group has businesses in countries all over the world. Each of these businesses belongs to several industrial associations and has active relations with the respective government organizations, including participating in collaborations and information exchanges, etc.	<ul style="list-style-type: none"> <li>• Legal compliance</li> <li>• Joint research &amp; development and cooperation in public policy aimed at the resolution of social issues</li> </ul>	• Participation in various industrial committees	• As needed
			• Participation in the development of industry guidelines	• As needed
			• Announcement of public comments through industry associations	• As needed
			• Joint research & development of government or industry association	• As needed
			• Proposals aimed at the resolution of social issues	• As needed
NGOs & NPOs	We are conducting dialogues with NGOs & NPOs who are actively aiming for a sustainable society, for the resolution of social issues and environmental conservation.	<ul style="list-style-type: none"> <li>• Dialogue, collaboration and support aimed at the resolution of social and environmental issues</li> </ul>	• Obtain views on the Sustainability Report	• As needed
			• Participate in stakeholder dialogue	• As needed
			• Administration committee of Public Trust Fujifilm Green Fund	• As needed
			• Review meetings on various CSR issues	• As needed
			• Afflicted area support activities with NPO	• As needed



## 2.1 Corporate Governance

### 2.1.1 Basic Approach

The Fujifilm Group aims to contribute to the sustainable growth of society while improving its corporate value through sincere and fair business activities. As the foundation to achieve this, we regard corporate governance as a primary issue in our business management. We also position the Board of Directors as the organization that determines basic Group management policies and strategies and other important matters relating to business execution, as well as supervising the implementation of business affairs.

This idea is clarified in the Corporate Governance Guidelines, which are approved by the Board of Directors.

**Corporate Governance Guidelines**

[https://asset.fujifilm.com/holdings/files/2020-06/0a34c0bd6edc052b798655ba12838d90/about\\_governance\\_ff\\_governance\\_guideline\\_en.pdf](https://asset.fujifilm.com/holdings/files/2020-06/0a34c0bd6edc052b798655ba12838d90/about_governance_ff_governance_guideline_en.pdf)

**Report on Corporate Governance (Tokyo Stock Exchange)**

[https://asset.fujifilm.com/holdings/files/2020-06/b2ad6c1ec376694c5918beb5d9ff5dde/about\\_governance\\_ff\\_ab\\_2020\\_001.pdf](https://asset.fujifilm.com/holdings/files/2020-06/b2ad6c1ec376694c5918beb5d9ff5dde/about_governance_ff_ab_2020_001.pdf) (in Japanese only)

**Our Basic Policy on Internal Control Systems**

[https://www.fujifilmholdings.com/en/about/governance/internal\\_control/index.html](https://www.fujifilmholdings.com/en/about/governance/internal_control/index.html)

**Articles of Incorporation**

[https://ir.fujifilm.com/ja/investors/stock-and-shareholder/shareholders-meeting/main/02/teaserItems1/00/tableContents/0/multiFileUpload2\\_0/link/ff\\_irnews\\_20150626\\_001j.pdf](https://ir.fujifilm.com/ja/investors/stock-and-shareholder/shareholders-meeting/main/02/teaserItems1/00/tableContents/0/multiFileUpload2_0/link/ff_irnews_20150626_001j.pdf) (in Japanese only)

**Fujifilm Tax Policy**

*Sustainability Report 2020 Management Performance 2.1.8*

**Yuka Shoken Hokokusho (Securities Report) 2020**

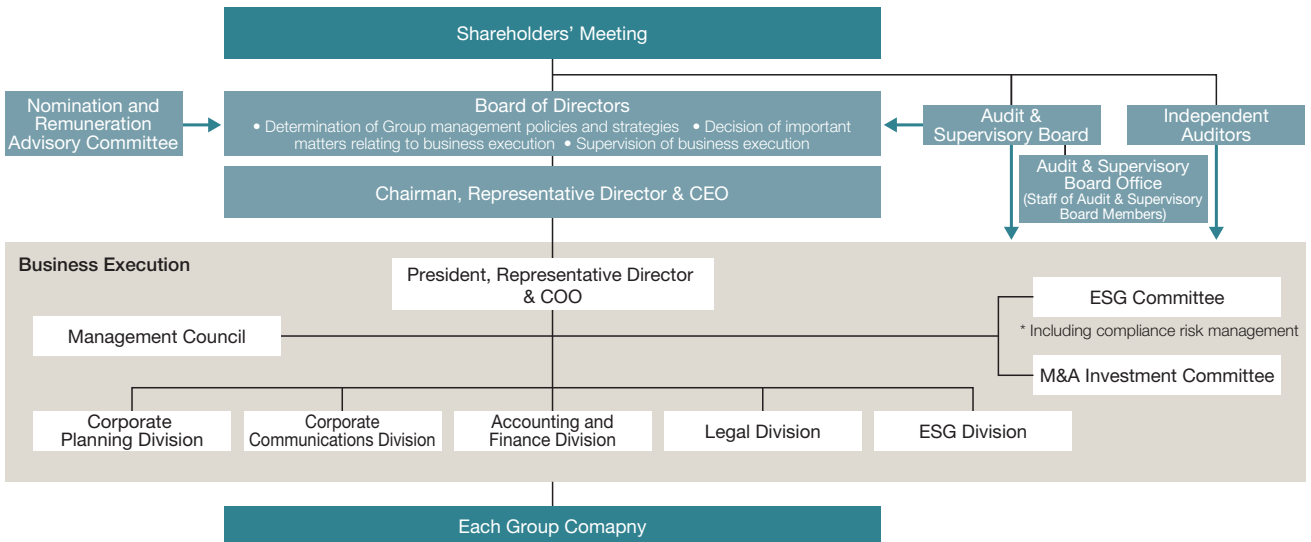
[https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff\\_sr\\_2019q4\\_allj.pdf](https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff_sr_2019q4_allj.pdf) (in Japanese only)

**Integrated Report 2019**

<https://ir.fujifilm.com/en/investors/ir-materials/integrated-report.html>

### 2.1.2 Corporate Governance and Governing Structure

**Corporate Governance and Governing Structure**



Structure of the Board of Directors: 4 independent outside directors, 7 inside directors

Structure of the Audit & Supervisory Board: 2 independent outside auditors, 2 full-time auditors

Structure of the Nomination and Remuneration Advisory Committee: 2 independent outside directors, 1 inside director

## Auditing structure

As part of upgrading our corporate governance, we have adopted an auditing system based on interactive coordination of internal audits, auditor's audits and financial audits (including internal control audits for financial reports) by independent audit corporation.

As of July 31, 2020, the Audit & Supervisory Board consists of 4 members, of which 2 (50%) are outside auditors. One of the 2 current outside auditors is a certified public accountant with extensive experience and knowledge of global business management and specialized knowledge of accounting and financial affairs. The other outside auditor is a qualified lawyer with a career as a public prosecutor and extensive experience in law, as well as knowledge of and experience in the field of compliance. Each auditor attends the Board of Directors meetings and the full-time auditors always attend the management meetings and engage in regular exchanges of views with the representative director. They also receive regular audit reports from the internal audit division and independent audit corporation. Overview of the business year is reported to the Audit & Supervisory Board.

The internal auditing departments consist of the Global Auditing Division currently made up of 86 members who are independent of our business execution divisions, and is responsible for evaluating and inspecting the appropriateness of business operations across the entire Group.

An independent audit corporation has been selected for a comprehensive study into factors such as quality control, independence and expertise of audit teams, audit compensation and organization capability for a comprehensive audit of our global activities as a whole. After selection, auditors and Audit & Supervisory Board confirm it is good through regular evaluations.

### 2.1.3 Independence of Outside Directors

There are 11 directors as of the end of July 2020, 4 of which are independent outside directors (36% of the board). Outside Directors observe the Board of Directors' decision making and its processes objectively to judge and discuss their rationality from a perspective of increasing corporate value considering the benefit of stakeholders including minority shareholders. They are playing role of contribution to ensure validity and appropriateness of Board decision making.

Outside directors and outside Audit & Supervisory Board members of FUJIFILM Holdings Corporation are deemed to be independent when none of the following conditions apply:

**Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members**

<https://www.fujifilmholdings.com/en/about/governance/officers/index.html>

### 2.1.4 Diversity among Directors

Director candidates are selected giving overall consideration including diversity of the Board of Directors, to enable exchange of opinions from the diverse perspectives of all Directors along with free and open deliberation no distinction between race, ethnic group, nationality, gender, or age, to their personality and acumen, wealth of professional experience, international business experience, depth of insight into the Fujifilm Group's business and management environment, ability to analyze and judge matters objectively and such.

Outside Director candidates in addition to the selection criteria of the Directors candidate, are selected giving overall consideration to their having sufficient acumen and wealth of professional experience for supervising management from independent perspective, high level of expertise in fields such as corporate management, finance, and accounting, and law and experience regarding Fujifilm business fields, and such. We appointed our female outside director in June 2018.

## Expected Expertise and Experience for Directors and Auditors

As end of July 2020

	Name		Global management	Experience of priority business and industry	Innovation/Technology	Finance/Accounting	Legal/Risk management	ESG (Environment/Social/Governance)
Directors	Shigetaka Komori		○	○	○			○
	Kenji Sukeno		○	○		○		○
	Kouichi Tamai		○	○	○			○
	Takashi Iwasaki		○	○	○			
	Takatoshi Ishikawa		○	○	○			
	Junji Okada		○	○		○		
	Teiichi Goto		○	○				
	Tatsuo Kawada	Outside	○	○	○			○
	Kunitaro Kitamura	Outside	○			○		○
	Makiko Eda	Outside	○	○				○
	Takashi Shimada	Outside	○				○	○
Auditors	Kazuya Mishima						○	○
	Nobuo Hanada					○	○	
	Masataka Mitsuhashi	Outside	○			○		○
	Tatsuya Inagawa	Outside					○	

\* Indicates the best four items for Director and Auditor. This table does not show all the knowledge and experience each Director and Auditor has.

## 2.1.5 Effectiveness of Directors

### Attendance Status for the Board and Audit & Supervisory Board Meeting (between April 1, 2019 and March 31, 2020)

Outside directors and auditors are indicated with \*. The chair person is indicated with ◎

	Name	Board meeting (No. held: 11)	Audit & Supervisory Board meeting (No. held: 14)
Directors	Shigetaka Komori	◎ (Attendance rate: 11/11, 100%)	
Directors	Kenji Sukeno	○ (Attendance rate: 11/11, 100%)	
Directors	Kouichi Tamai	○ (Attendance rate: 11/11, 100%)	
Directors	Junji Okada	○ (Attendance rate: 11/11, 100%)	
Directors	Takashi Iwasaki	○ (Attendance rate: 11/11, 100%)	
Directors	Teiichi Goto	○ (Attendance rate: 11/11, 100%)	
Directors	Takatoshi Ishikawa	○ (Attendance rate: 9/9, 100%)	
Directors*	Tatsuo Kawada	○ (Attendance rate: 10/11, 91%)	
Directors*	Kunitaro Kitamura	○ (Attendance rate: 10/11, 91%)	
Directors*	Makiko Eda	○ (Attendance rate: 10/11, 91%)	
Directors*	Makoto Kaiami	○ (Attendance rate: 11/11, 100%)	
Auditors	Kazuya Mishima	○ (Attendance rate: 11/11, 100%)	◎ (Attendance rate: 14/14, 100%)
Auditors	Naohiko Sugita	○ (Attendance rate: 10/11, 91%)	○ (Attendance rate: 14/14, 100%)
Auditors*	Hisayoshi Kobayakawa	○ (Attendance rate: 2/2, 100%)	○ (Attendance rate: 4/4, 100%)
Auditors*	Masataka Mitsuhashi	○ (Attendance rate: 9/9, 100%)	○ (Attendance rate: 10/10, 100%)
Auditors*	Shiro Uchida	○ (Attendance rate: 10/11, 91%)	○ (Attendance rate: 12/14, 86%)

\* The attendance rate is since the appointment.

\* Director's duty period: One year

\* Auditor duty period: Maximum four years

\* Takatoshi Ishikawa was appointed a director on June 27, 2019, Masataka Mitsuhashi was appointed an auditor on June 27, 2019, and Hisayoshi Kobayakawa retired from an auditor on June 27, 2019

## 2.1.6 The Evaluation of the Effectiveness of the Board of Directors

Here is the summary of the outcome of the evaluation which we have recently conducted.

### 1. Method of the evaluation

Evaluated Board Meetings:	All of 12 Board Meetings held in the fiscal 2019
Evaluators:	All of 11 Directors and 4 Audit and Supervisory Board members
Survey Execution Period:	The end of January through mid March, 2020
Outline:	Evaluation point

The decision of management basic policies, management strategies and the deliberation of propositions about the decision and supervision of the important business execution (added as new point from this time)  
The composition, the deliberation and the administration of the Board of Directors ("BoD")

Outline: Evaluation method :

- After answering questionnaire, individual interviews are carried out based on the result of the questionnaire and reported to the BoD for discussion.
- For the purpose of securing transparency and objectivity, a part of the questionnaire making and the evaluation analysis was consigned to a third party agency.

## 2. Results of the evaluation and analysis

- The BoD appropriately performed its roles and duties as stipulated in our Guidelines with regard to efficient deliberation and decision-making, and supervision of the business execution for factors and perspectives that the board members place importance to in the strategic decision and the supervision that the important matters related business execution;
- The BoD maintains an appropriate composition, and its administration is managed well. We have implemented measures to improve the quality of the deliberation by the BoD by setting separate opportunities to make sufficient explanation to the Independent Officers with regard to businesses and propositions. In this fiscal year, the Independent Officers deepened their understanding through briefing sessions about our important human resources strategy, IT strategy, and an approach to promotion of ESG, which are important for achieving sustained growth.

## 3. Measures for enhancement of effectiveness

Based on the result of the evaluation, we will continue our efforts to further enhance the deliberation and effectiveness of the BoD by taking the following countermeasures.

- To improve the quality of the deliberation at the BoD, we will promote the understanding of the board members for propositions to be deliberated by giving information to be conscious of the consistency with the company's corporate and management philosophy, and the company-wide point of view.
- In the deliberation of important M&A's and capital investments, we will provide information about the process of discussions in the company and establish opportunities to subsequently review the effects of the execution.
- We will increase opportunities to discuss management issues from a medium- and long-term point of view and opportunities to discuss environmental issues and SDGs as important issues of the management.

### 2.1.7 Executive Remuneration

#### 1. Remuneration decision process

- The total (upper limit) of the remuneration for either a director or an auditor is determined at the shareholders' meeting.
- The remuneration of each director (including performance-based remuneration) is determined by the resolution in the board meeting after deliberations of the Nomination and Remuneration Advisory Committee. The remuneration of each auditor is determined through discussions by the auditors.

#### 2. Remuneration structure linked to business performance

- Remuneration for directors consists of a fixed remuneration decided by their position and responsibilities and a performance-based remuneration that depends on their business performance. Performance-based remuneration comprises a short-term performance-based remuneration that is associated with their performance and target achievements in a single business year, and a stock option that is a medium- and long-term performance-based remuneration.
- Remuneration for outside directors and auditors consists of a fixed remuneration only, due to the nature of their role and to maintain their independency.
- The total amount of remuneration for directors who also serve as employees is determined according to the position.
- It includes employee salaries, employee bonuses and the amount of stock option costs.
- As a guide, the ratio in the total amount is as follows;
- 50% (fixed compensation), 15% (short-term performance-linked compensation), and 35% (giving stock options).

They are therefore subject to vary depending on our evaluation of their business performance and changes in our stock value. The evaluation is carried out by adding ESG initiatives, which are important for improving the corporate value and sustainable growth of the company, to the indicators.

- For short-term performance-based remuneration, "consolidated sales" and "consolidated operating profit," which are the numerical targets for the Company's short-term business management, are selected as performance-based indicators in a single fiscal year, and the amount of short-term performance-based remuneration is changed between 0% and 150% of the standard value based on the achievement level of the indicators and the comparison with the previous fiscal year's result.
- Stock options are granted to directors (excluding outside directors) as middle- and long-term performance-based remuneration for the purpose of encouraging directors to share the interests of stock price fluctuations with our shareholders and to contribute to improvement of corporate value. The stock option plan is an incentive for management to improve the corporate value, and the amount of shares granted as stock options is determined by the Board of Directors according to rules in consideration of the position, responsibility, authority etc. of each director.

### 3. Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee, which was established in June 2018 as a voluntary advisory organization to the Board of Directors, is made up of 3 members, 2 of which (including the chairman) are outside directors. The Committee normally convenes more than once a year to deliberate on CEO succession plan and the basic policies and procedures for director remuneration and reports its deliberations to the Board of Directors. The Committee met three times in fiscal 2019 (with 100% attendance each time) and the main activities are as follows.

- Confirmation of criteria for appointing a CEO
- Confirmation of criteria for dismissing executive officers
- Deliberations on the list of CEO candidates
- Deliberation and agreement on fiscal 2019 director remuneration
- Review of the director remuneration system
- Report to the Board of Directors of the above items

#### Remuneration for Each Director (FY2019)

Name	Category	Company	Basic remuneration (million yen)	Short-term based remuneration (Bonus) (million yen)	Stock option (million yen)	Total (million yen)
Shigetaka Komori	Directors	FUJIFILM Holdings Corporation	97	25	169	293
	Directors	FUJIFILM Corporation	50	14	33	98
	Directors	Fuji Xerox Co., Ltd.	52	18	—	71
	<b>Total</b>					<b>463</b>
Kenji Sukeno	Directors	FUJIFILM Holdings Corporation	87	21	85	194
	Directors	FUJIFILM Corporation	37	10	17	65
	Directors	Fuji Xerox Co., Ltd.	9	2	—	11
	<b>Total</b>					<b>270</b>
Kouichi Tamai	Directors	FUJIFILM Holdings Corporation	24	3	33	62
	Directors	FUJIFILM Corporation	2	—	7	10
	Directors	Fuji Xerox Co., Ltd.	82	33	—	116
	<b>Total</b>					<b>188</b>
Takashi Iwasaki	Directors	FUJIFILM Holdings Corporation	28	10	12	50
	Directors	FUJIFILM Corporation	19	7	12	40
	Directors	FUJIFILM Electronic Materials Co., Ltd.	6	—	—	6
	<b>Total</b>					<b>97</b>
Takatoshi Ishikawa	Directors	FUJIFILM Holdings Corporation	9	3	—	12
	Directors	FUJIFILM Corporation	44	14	20	79
	<b>Total</b>					<b>92</b>
Junji Okada	Directors	FUJIFILM Holdings Corporation	16	6	12	35
	Directors	FUJIFILM Corporation	25	9	2	37
	Directors	FUJIFILM Toyama Chemical Co., Ltd.	6	—	—	6
	<b>Total</b>					<b>78</b>
Teiichi Goto	Directors	FUJIFILM Holdings Corporation	11	3	12	26
	Directors	FUJIFILM Corporation	39	13	12	65
	<b>Total</b>					<b>91</b>

For further details, please refer to the *Yuka Shoken Hokokusho (Securities Report) 2020*.

[https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff\\_sr\\_2019q4\\_allj.pdf.pdf](https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff_sr_2019q4_allj.pdf.pdf) (in Japanese only)

The Number and Amount of Remuneration Paid to Executive Officers (FY2019)

Category	Number	Basic remuneration (million yen)	Short-term based remuneration (Bonus) (million yen)	Stock option (million yen)	Total (million yen)
Directors (excluding outside directors)	7	275	73	325	674
Auditors (excluding outside auditors)	2	43	—	—	43
Outside Executive Officer	7	60	—	—	61
Total	16	380	73	325	779

\* The above amounts include remuneration paid as compensation for the duties of executive officers and Directors.

For further details, please refer to the *Yuka Shoken Hokokusho (Securities Report) 2020*.

[https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff\\_sr\\_2019q4\\_allj.pdf.pdf](https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff_sr_2019q4_allj.pdf.pdf) (in Japanese only)

### 2.1.8 Tax Policy

#### Fujifilm Group Tax Policy

1. In line with its Code of Conduct, which advocates an “Open, Fair and Clear” corporate culture, the Fujifilm Group shall comply with taxation laws of countries around the world, international taxation regulations and the spirit of such laws and regulations. The Group shall make payment of all required taxes by all specified dates in all countries in which it operates
2. The Fujifilm Group shall thoroughly examine the contents of all business transactions in advance from the perspective of tax, receive advice from competent tax advisors if and when required, and implement reporting and preliminary approval processes for important tax matters in accordance with internal regulations in order to maintain and improve governance on tax affairs
3. The Fujifilm Group shall maintain trusting relations with tax authorities, and give full consideration to, and if deemed necessary, shall proceed with its application for the Advance Pricing Agreement, so as to avert any lack of transparency in tax affairs
4. The Fujifilm Group shall actively utilize beneficial tax treatment in countries in which it operates while complying with their legislative intent in order to maximize consolidated cash flow. The Group shall not engage in tax planning or use tax havens for the sole purpose of obtaining tax benefits.

#### Control of tax matters

The Fujifilm Group closely monitors our tax-related activities and management.

We do not recognize any serious issue concerning tax-related risks at this moment.

- The director responsible for managing the accounting departments takes responsibility for execution of tax processing and instructions, and the creation of financial statements. Note that the financial statements are audited by an independent audit corporation.
- With the recognition that each auditor is an independent authority to form an overall corporate governance system, the auditors closely examine the directors’ business fully adhering to the auditing standards specified by the Audit & Supervisory Board, as well as the company’s auditing policies and plans.

*Yuka Shoken Hokokusho (Securities Report) 2020*

[https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff\\_sr\\_2019q4\\_allj.pdf.pdf](https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff_sr_2019q4_allj.pdf.pdf) (in Japanese only)

## 2.2 Compliance and Risk Management

### 2.2.1 Basic Approach

The Fujifilm Group defines “compliance” as “not only to pursue the law but to behave correctly within the framework of common sense and ethics.” Moreover, we think the compliance and the risk are two sides of the coin, as the lack of compliance awareness among employees would lead to grow the possible corporate risk. For this reason, we are promoting compliance and risk management.

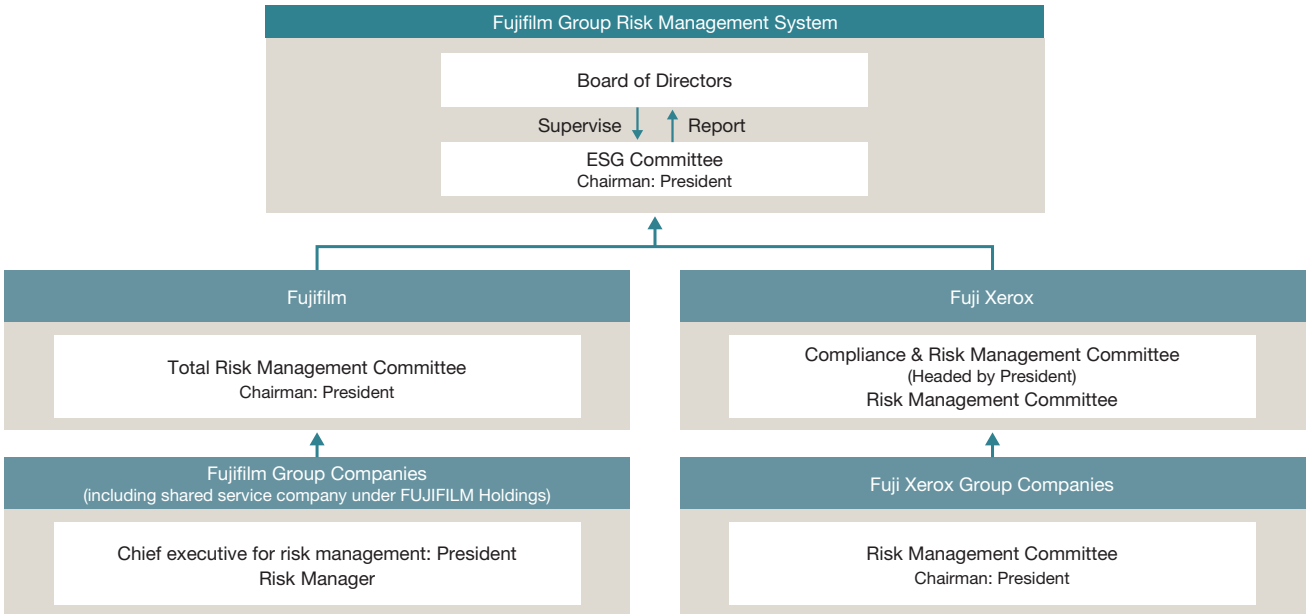
### 2.2.2 History of the Measures Implemented for Compliance and Risk Management

<p>1995-2005</p>	<p><b>Establishment and reinforcement of foundation at each company</b></p> <ul style="list-style-type: none"> <li>• Formulation of a Code of Conduct for employees</li> <li>• Establishment of responsible organization (committee)</li> <li>• Opening of a helpline and whistle-blowing office</li> <li>• Start raising employees' Awareness, education, and monitoring through awareness surveys and briefings sessions</li> </ul>
<p>2006-2008</p>	<p><b>Establishment and reinforcement of foundation for the entire Fujifilm Group</b></p> <ul style="list-style-type: none"> <li>• Establishment of FUJIFILM Holdings CSR Committee</li> <li>• Revision of Group's Corporate Philosophy and Charter for Corporate Behavior , and formulation of Vision and code of Conduct and raising awareness</li> <li>• Expansion of initiative to Group companies outside of Japan</li> </ul>
<p>2009-2013</p>	<p><b>Addressing new priority issues</b></p> <ul style="list-style-type: none"> <li>• Introduction of anti-corruption regulations</li> <li>• Review of Group-wide risk issues related to natural disasters, such as large earthquake or possible eruption of Mt. Fuji</li> <li>• Establishment of a system to ensure no relations with anti-social forces</li> <li>• Introduction of information security regulations and guidelines etc.</li> </ul>
<p>2014-2016</p>	<p><b>Further activity promotion toward Sustainable Value Plan 2016 targets</b></p> <ul style="list-style-type: none"> <li>• Review and clarification of major risks for the Fujifilm Group</li> <li>• Strengthening measures to raise awareness on existing rules and regulations etc.</li> </ul>
<p>2017-2019</p>	<p><b>Strengthening Corporate Governance as the Fujifilm Group</b></p> <ul style="list-style-type: none"> <li>• Compliance education for all Employees and distribution of CEO message concerning the inappropriate accounting issue</li> <li>• Establishment of whistle-blowing system to report directly to FUJIFILM Holdings</li> <li>• Revision of the Charter for Corporate Behavior and the Code of Conduct</li> <li>• Establishment of FUJIFILM Holdings ESG Committee reorganized from CSR committee</li> </ul>



### 2.2.3 Compliance and Risk Management Promotion Structure

Fujifilm Group Compliance and Risk Management System



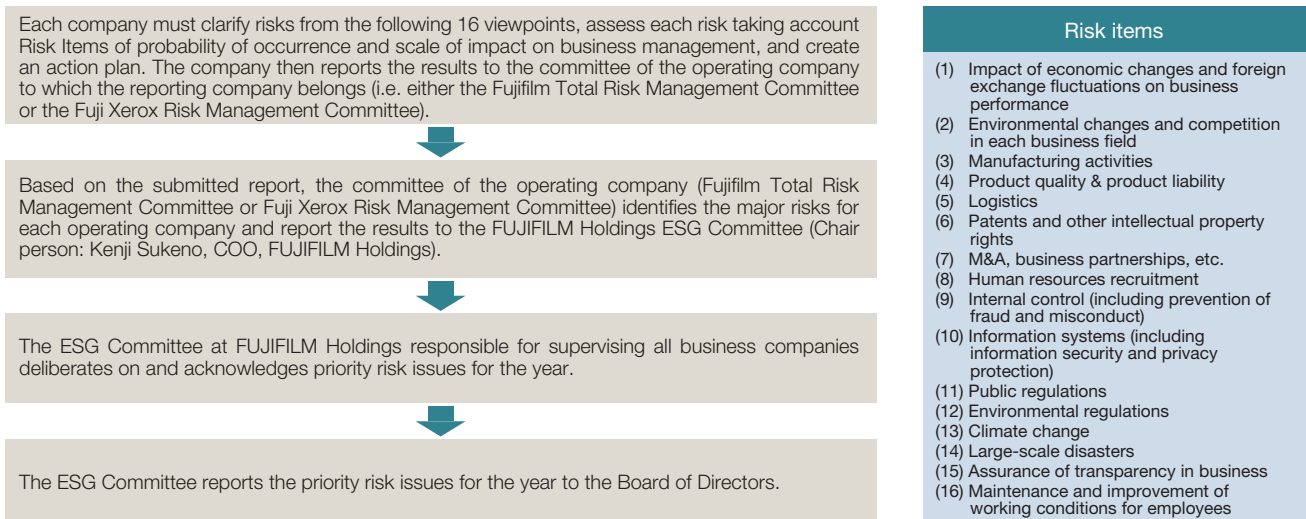
The Fujifilm Group appoints officers in charge of compliance and risk management at each of its businesses and Group companies and implements a variety of measures to establish throughout the Group the business spirit treasured by the Group and a corporate culture that is “open, fair and clear.” Status on implementation of such measures is reported regularly from each organization to the ESG Committee of FUJIFILM Holdings, and from the ESG committee to the Board of Directors on a regular basis. The Board of Directors is responsible for supervising compliance and risk management for the entire Group and for assuring the effectiveness of the processes.

### 2.2.4 Risk Management

Under the risk management regulations of Fujifilm Group, we identify issues for risk prevention and take action in the event of a risk incident.

To strengthen our risk prevention activities, especially in normal circumstances, we implement the following process every year on a global scale, covering all companies controlled by FUJIFILM Holdings, to identify the risks at each company and develop action plans to address them.

#### Risk Extraction and Process for Establishing an Action Plan



**Priority risks in FY2019**

Please refer to the *Yuka Shoken Hokokusho (Securities Report)* for risk issues not listed below.

Risk item	Reason for selection	Countermeasures
Personal data management	In the face of the growing reinforcement of local regulations in each country, the effects of violations and information leaks are growing. Therefore, more comprehensive management is necessary.	<ul style="list-style-type: none"> <li>•Improvements to internal rules and risk management systems</li> <li>•Comprehensive implementation of a range of compliance, information security and risk training programs</li> </ul>
Information security	In response to the expansion of ICT in products, services and manufacturing, enhancement of our conventional system is necessary.	
Compliance of healthcare business (Securing ethics and transparency)	In the healthcare business, ethical conduct and transparency are requested by the regulation authorities in each country. Meeting social requirements as well as compliance with laws and regulations are necessary.	
Eliminating misconducts and fraud	Incidents are declining; however, more comprehensive management and education mainly for overseas are necessary.	
Labor management	In line with the Work Style Reform Law that was enacted in April 2019, we manage working hours to suitable lengths to prevent long working hours.	
Harassment	With society's increasing interest in harassment issues, harassing behavior must be prevented.	

**Response to crises**

Any crisis that takes place in a Group company is handled by the Compliance and Risk Management promotion structure described in 2.2.3 and in accordance with the procedures set out in our risk management regulations. When found, it is reported to each business company and ESG Division of FUJIFILM Holdings, and at the same time addressed swiftly to prevent further propagation of the risk.

Each business company supervises the execution of recurrence prevention measures at the Group company in question and takes exhaustive action to prevent any recurrence through group-wide dissemination and application of the measures throughout the Group.

Serving as Secretariat, the ESG Division of FUJIFILM Holdings reports incidents received through our business companies to the ESG Committee and at the same time takes action to strengthen and promote risk management for the entire Group, based on the information received.

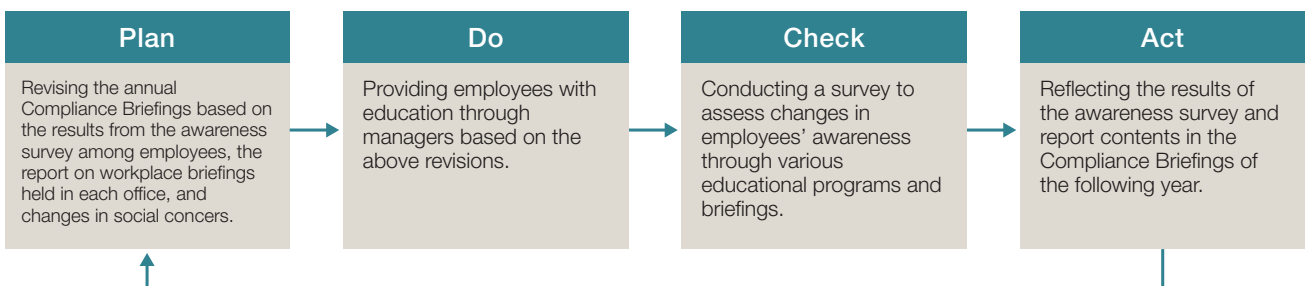
In the event of a serious incident, reports to the ESG Committee do not only include a summary of the incident, but also detailed information. We monitor the effectiveness of risk management in the Group through such information reports from the ESG Committee to the Board of Directors in every quarter.

**Status for FY2019**

No major crisis worthy of public announcement took place in fiscal 2019.

**2.2.5 Efforts to Promote Compliance**

At the Fujifilm Group, the following four steps have been implemented in the PDCA (plan-do-check-act) cycle in the drive to maintain and increase awareness of employees' compliance.



### 1. Charter for Corporate Behavior and Code of Conduct

In step with changes in social conditions and our business operations, the Fujifilm Group has revised its Charter for Corporate Behavior and Code of Conduct and has disseminated the changes made to its employees.

In April 2019, revisions were made from a perspective more global in scale than previously, in step with the changes in our policy on corporate social responsibility taking place in recent years. To ensure that our employees have an accurate understanding of the changes, the Charter and the Code of Conduct were translated into 23 languages and disseminated in 24 languages through the entire Group.

Fujifilm Group Charter for Corporate Behavior

<https://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html>

Fujifilm Group Code of Conduct

<https://holdings.fujifilm.com/en/about/philosophy/law#>

<https://holdings.fujifilm.com/en/about/philosophy#24languages>

### 2. Compliance education

To establish compliance awareness widely among its employees, the Fujifilm Group has been organizing annual training courses on the Fujifilm Charter for Corporate Behavior and Code of Conduct since fiscal 2019. At the same time, we ask all employees to pledge compliance with “understand, observe and act” in accordance with the provisions set out in the Charter and the Code of Conduct.

Additionally, workplace discussions are organized on a regular basis for employees in each workplace for exchanges on concrete issues related to compliance and risks that are closer to home for them, such as harassment and preventing misconduct.

Training is also conducted for specific job levels and functions to ensure that the necessary information is disseminated to those who require it and comprehensive compliance is implemented.

Intended audience	Category	Objective
All employees	Charter for Corporate Behavior and Code of Conduct and declaration of compliance (Global)	Gaining a greater understanding of the Charter for Corporate Behavior and Code of Conduct Declaration of understanding, complying with and behaving according to the Code of Conduct
	Compliance in general (Prevention of misconduct, prevention of harassment, whistle-blowing, etc.)	Application of the Charter for Corporate Behavior and Code of Conduct to concrete behavior in compliance
	Information security	Acquire a correct understanding of the information security rules and prevent leaks of confidential information
New employees (New executive officers, new managerial personnel, new general employees)	Compliance and risk management in general	Establish awareness of compliance and risk management pertaining to each employee's job level and function, to assure appropriate behavior.
Officers in charge of compliance/risk management at each organization	Risk management in general Handling harassment inquiries and current topics on information security, etc.	Promotion and guidance on compliance/risk management activities in each organization, in accordance with the groupwide policy.
Managerial personnel and general employees of organizations to be strengthened	Program content focused on key points in preventing misconduct, workplace discussions, preventing harassment, etc.	Education and training focused on key points to be strengthened in each organization, to ensure deeper knowledge and greater awareness and improvement

### 3. Compliance awareness survey

The Fujifilm Group conducts regular awareness surveys to examine the degree of awareness of compliance and comprehension among employees and to review the effectiveness of the Code of Conduct. The survey results are reported to the Board of Directors, ESG Committee and top management at each company. At the same time, feedback is given to various organizations and all employees for training purposes and measures are implemented in each organization to maintain and upgrade compliance awareness and prevent violations.

- Compliance awareness surveys (global): Conducted in alternate years  
Objective: Examine the level of dissemination of awareness and comprehension of compliance in general
- Harassment awareness survey (Japan): Conducted in alternate years  
Objective: Examine the level of comprehension of harassment and current conditions

### 4. Whistle-blowing office and consultation office

The Fujifilm Group has a separate whistle-blowing system. One is in FUJIFILM Holdings that can be accessed directly by all Fujifilm Group employees across the world (consultation available in Japanese, English and other 23 languages), and the other enables employees to report to each regional headquarter.

Anonymous reporting is possible to the various reporting systems. Privacy of the reporting person is protected by the regulations, to ensure that the person does not suffer any discrimination as a result of the report. We are promoting this whistle-blowing system among all employees through posters and the intranet to ensure that they can make contact whenever necessary.

The offices handle each report and consultation promptly and appropriately to lead to a resolution. In the case that a possible infringement of the Code of Conduct becomes known through whistle blowing or an internal audit, a compliance division takes responsibility for factual investigation and making an appropriate response.

For external stakeholders, we provide “Contact Sustainability” form on our official website to listen to the feedbacks on our sustainability activities including those related to human rights from the public at large, both anonymously and otherwise. All complaints and suggestions will be considered and handled appropriately after investigating the facts.

## 2.2.6 Effort Results

### 1. Compliance education

- Training on the Charter for Corporate Behavior and Code of Conduct revised in April 2019 and request for pledge of compliance were implemented for approximately 80,000 global employees. They have been completed for 99% of the global workforce by the end of March 31, 2020.
- In January and February 2020, we held training programs for employees to learn about compliance and risk management, including workplace discussions about identifying potential risks and their countermeasures. The programs were provided for all 47,000 employees in Japan, and with a 94% attendance rate.
- The workplace discussions have been held only in Japan. To expand them to overseas Group companies, the first session was provided to managers in the US under the theme of misconduct prevention.
- We provided training programs about compliance and the mindset of a corporate person for our new employees in April 2019. In January 2020, another training programs about compliance and risk management from the managerial viewpoint was held for new managers.
- In September 2019, risk management officers in each Group company joined training programs to learn about the Group's priority risk issues, the appropriate attitude as an responsible officer, and information security.

### 2. Compliance awareness survey

- In December 2017, a compliance awareness survey was conducted on 93,000 Group company employees.
- Compliance priority marked more than 90%, which was a good result. The survey results are shared across the Group for further improvement of compliance awareness.
- We made the follow-up investigation for companies which answered some concerns about misconducts in the 2018 compliance awareness survey. We confirmed that there was no serious issue.
- July–August 2019: Harassment awareness survey was conducted on 50,00 employees at 69 Fujifilm Group companies in Japan. From all companies, the number of employees who responded that “they had received sexual or power harassment in some form during the past year” remained roughly unchanged from the two previous surveys, showing that frequent training and awareness promotion are necessary. Subsidiaries that rated below the Group average in the findings were designated for intensive training. After studying and implementing these measures during the next 12 months, we will conduct a repeat survey in fiscal 2021.

### 3. Whistle-blowing and consultation results

- Number of whistle-blowing reports and consultations in fiscal 2019: 136 (112 in Japan and 24 in overseas)  
Among the whistle-blowing reports and consultations received, issues related to human relationships, personnel and labor affairs and harassment accounted for 60% of the total. We have handled each case appropriately. There have been no incidents that could lead to a serious situation for the Group.
- In fiscal 2019, we did not experience any critical violation of Code of Conduct that we needed to make public.

## 2.2.7 Efforts for Each Theme Related to Laws and Regulations Particularly Important in Business Management

An “open, fair and clear” corporate culture is the fundamental principle of the Fujifilm Group in conducting its business activities. Chapter 2 of the Charter for Corporate Behavior and Code of Conduct (Fair Business Activities) states explicitly that the Group will uphold fair competition, fair sales activities, fair procurement activities, prevention of corruption, prohibition of bribery and restrictions on gifts and entertainment and compliance with export control regulations.

### 1. Efforts to prevent corruption (bribery)

In the Charter for Corporate Behavior and Code of Conduct, the Fujifilm Group has declared that we will refuse any involvement in corruption or in any dubious action that could cause suspicion of fraud with suppliers, business partners, public officials and government representatives. Also, each Group company implements the Corruption Prevention Regulations and conducts regular on-site audits in areas where the risk is deemed to be high.

The Corruption Prevention Regulations prohibit actions that are for inappropriate purposes or lacking in propriety by general social norms, involving provision, request or promise of monetary and other benefits. Both the Corruption Prevention Guidelines and the Regulations specify the procedure to make advanced application for the provision of benefits within a scope that is socially acceptable, to obtain approval and record the procedure, to conduct self audits at least once a year, to report the results of the self audit to the Secretariat of FUJIFILM Holdings and to report to the Secretariat if violations are found. These measures are implemented appropriately at each company.

Relationships with middlemen such as sales agents require advanced inspection prior to starting to trade, inclusion of corruption prevention stipulations in contracts and submission of reports once a year.

#### Status for FY2019

- Self audits have been carried out by each Group company worldwide and no serious incidents were found. The results were reported to the Secretariat at FUJIFILM Holdings.
- The Fujifilm Group never had a corruption or bribery, and we have never been investigated by administrative authorities concerning any corruption matters.

### 2. Efforts to prevent anti-competitive practices, etc.

The Fujifilm Group is working hard to observe anti-trust laws and have developed manuals and guidebooks that provide basic knowledge of anti-trust laws, standards of conduct to be observed and important points to be noted. We maintain regular employee education systems, and introduce annual self audits.

For compliance with Japan's subcontractor law (Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors), regular training sessions are organized for personnel responsible for order management at business divisions where subcontractor business volumes are large. At the same time, divisions are monitored for their state of compliance with the subcontractor law in response to inspections conducted once a year either by the Japan Fair Trade Commission or the Small and Medium Enterprise Agency.

#### Status for FY2019

##### • Anti-trust Laws:

Internal audits were carried out at each Group company worldwide and no serious violations were found. Since 2003, we have never been subject to a penalty concerning antitrust/anti-competitive practice nor are there any ongoing antitrust lawsuits.

##### • Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors:

Internal inspections were carried out in fiscal 2019 based on the written survey conducted by the regulatory authorities and no serious violations were found. In response to the domestic consumption tax hike in October 2019, the purchasing system was modified, and transaction partners were notified of the changes in the consumption tax rate, in order to prevent violations.

The Fujifilm Group never had a case pointed out by administrative authorities concerning the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors.

### 3. Export and import control

The Fujifilm Group has created the Global Security Trade Control Policy, one of the basic policies commonly shared across the Fujifilm Group, and control our exports based on this policy. This is our means of preventing products and goods that could be converted into arms or be adapted for military use from being obtained by terrorists or nations that could threaten international security. We can therefore state that we contribute to maintaining international safety not only by observing the related laws. The Fujifilm Group has established Regulations on Export Security Control based on its Export Security Control Policy for export control in compliance with laws and regulations by an export control organization chaired by the President.

We have prepared an e-learning program to train employees in the purpose and outline of export and import control to facilitate acquisition of the necessary knowledge.

Additionally, we hold briefings on revisions to laws and rules, concrete details on export and import control methods, etc., to foster greater understanding among employees.

For each division in Group companies, we conduct on-site audits in addition to annual written audits to check whether improvements are required.

#### Status for FY2019

We carried out written audits and on-site audits in fiscal 2019 and did not find any serious violations.

The Fujifilm Group never had a case pointed out by administrative authorities concerning export and import control.

Global Security Trade Control Policy

<https://www.fujifilmholdings.com/en/sustainability/vision/control.html>

## 2.2.8 Information Security

### 1. Basic policy

The Fujifilm Group recognizes information security as one of the priority risk issues in management and has laid down its Basic Information Security Policy as a group-wide action policy covering the following six items. All the employees share this Policy.

#### Basic Information Security Policy

Under an “open, fair, and clear” corporate culture, the Fujifilm Group establishes the Basic Information Security Policy to maintain and improve corporate information security, which is one of the priority issues in our business activities, so that we will remain as a reliable corporation that fulfills its social responsibility.

#### 1. Development of rules on information security

To observe all laws and regulations applicable to the areas in which we operate, we establish and implement rules and guidelines based upon this policy.

#### 2. Establishment of an information security control system

To ensure that information security measures are appropriately carried out, we clarify the security system and responsibilities.

#### 3. Training in information security

To ensure that information security measures are appropriately carried out, we disseminate knowledge about information security and improve security awareness through educational programs for employees, and fully implement the information security regulations.

#### 4. Continual improvements to information security measures

To remain up-to-date with changes in laws and regulations and technological innovations, we review the rules and guidelines based on the policy in both a regular and ad-hoc manner. We continuously improve such rules and regulations to keep our information security practices at a high standard.

#### 5. Preservation and protection of corporate assets and information

Based on the Code of Conduct, we endeavor to protect our corporate assets and information.

#### 6. Compliance with laws and regulations

We observe laws such as the Unfair Competition Prevention Act, Act on the Protection of Personal Information Held by Administrative Organs, Intellectual Property Basic Act, and Act on Prohibition of Unauthorized Computer Access, and the contracts made with customers and suppliers.

### 2. Promotion structure

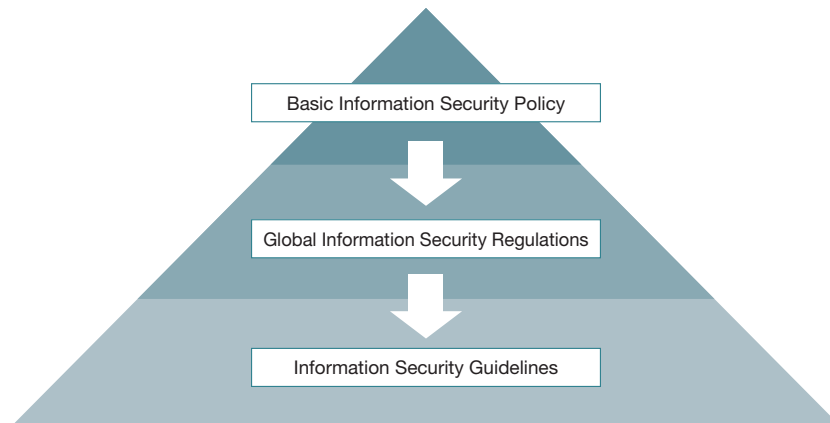
The Fujifilm Group has appointed the director in charge of ESG-related matters as the corporate executive officer for information security who is to engage in the maintenance and improvement of information security management for the entire Group.

The group-wide information security strategy is determined by the ESG Committee chaired by the President of FUJIFILM Holdings, and strategy-related information is regularly reported from the ESG Committee to the Board of Directors. The Board of Directors is responsible for monitoring group-wide compliance and risk management, including information security and protection of privacy as one of the priority issues. In this way, the effectiveness of the process is secured. Information security and personal information protection activities are implemented by a system in which the policy decisions are made by the ESG Committee, followed by communication of the measures to be implemented from the ESG Division of FUJIFILM Holdings, which is responsible for information security management, to the various Group companies and comprehensive implementation of the measures by the information security manager at each organization.

### 3. Information security management system

The Fujifilm Group ensures a uniform global security level led by our regional headquarters in Japan, the US, Europe, Southeast Asia, and China, based on the group’s Information Security Guidelines and the Global Information Security Regulations, which complies with ISO/IEC 27001, the standards for an information security management system. The Information Security Guidelines define concrete security management methods that are globally applicable and each company manages their security accordingly. The guidelines include, for example, device encryption, mandating antivirus software installation, ID management and access control by building an authentication platform, and mandating installation of an email filtering system to prevent information leakage.

Structure of Information Security Rules at Fujifilm Group



4. Summary of efforts

(1) Information security training and education

To maintain information security at a high level, it is necessary for each and every employee to maintain a high level of awareness and the knowledge essential to handling information securely each day. We hold e-learning courses on information security and personal information protection each year for all our employees in Japan and overseas.

Additionally, we conduct training on cyberattacks, including sophisticated persistent threats, by actually sending emails posing as phishing emails to employees. This suspicious email handling training, aimed at increasing sensitivity to security through the experience of receiving such emails, has been conducted every year since 2011.

The Fujifilm Group work regulations incorporate an article stipulating the observation of information security. Any employee who breaches this article become subject to disciplinary action. We are keen to prevent the occurrence of information security incidents by raising awareness through sharing near-incident cases both from our own and other companies.

(2) Incident response

To prepare for information security incidents, both Fujifilm and Fuji Xerox have set up their respective information security incident response teams to minimize damage from such incidents.

Due to the need to take prompt and comprehensive action in the event of a cyberattack in accordance with the response procedure, the information security incident response team works together with business divisions related to services and products to conduct cyberattack response training (desktop training) every year on a regular basis. This includes activities to improve the actual desktop training procedure and an incident response manual by presenting trainees with training scenarios.

Desktop Training Procedure

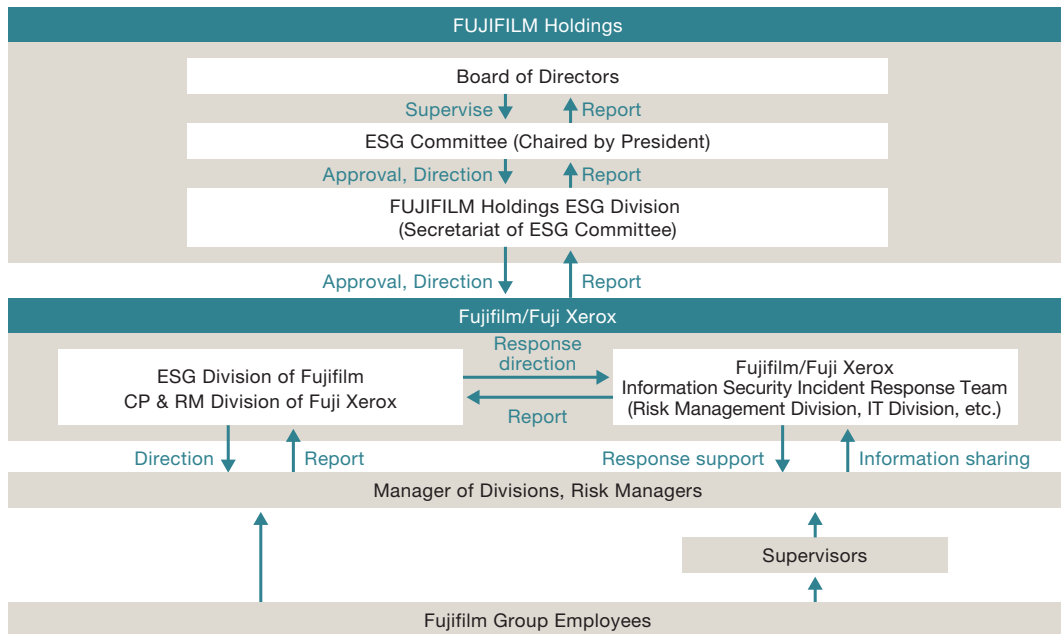




**(3) Escalation procedure of Security incident case**

The Fujifilm Group specifies an escalation procedure in the event of an information security incident or suspicious case. Should such an incident or case occur, we respond quickly and appropriately to minimize any damage or loss that could occur.

**Security Incident Reporting Procedure**



**(4) Coordination with external incident response organizations**

To deal with the ever-changing cyber security risks, it is important to cooperate with various cyber security response organizations to share the latest information on cyber threats and system vulnerabilities, along with exchanges of know-how in responding to incidents and improving response skills. For this reason, we participate in international communities of cyber security response teams such as FIRST and Nippon CSIRT Association and we are building cooperative relationship with external parties. At the same time, we are actively participating in various working groups organized by these communities and are working on greater information security not only for us but also for the entire network society.

**(5) Security audits and continual improvement**

We are making efforts to eradicating information security incidents and to improve how we manage them, so that we can assure customers that their information assets will be protected securely when they use our solutions and services.

Web servers that are likely to be targeted by external attacks undergo vulnerability tests semiannually, and the necessary security measures are implemented. In addition, we employ external security ventures to conduct security assessments of our major services to ensure that our security assessments are objective.

We examined information security in the course of identifying risks and developing action plans for the entire Group each year as part of our risk management activities, to ensure the effectiveness of our group-wide risk management. We continue to improve our measures with the PDCA cycle, and increase our security levels.

**5. Incidents and violations on information security**

There were no serious cases related to information security were pointed out by any third parties or administrative authorities and assessed to require public disclosure in the last five years.

## 2.2.9 Privacy Protection

### 1. Basic policy

In the Fujifilm Group, the Code of Conduct that sets out how all Fujifilm employees are to conduct themselves, protection of privacy has been defined as an item affecting respect for human rights.

The policy is being applied to external suppliers as requests to suppliers and is being applied to all Fujifilm Group operations. Each Group company specifies a privacy protection policy, that includes common contents are shared across the Fujifilm Group to handle personal information in a uniform manner. FUJIFILM Holdings Privacy Policy is shown below as an example.

### 2. Promotion structure

Based on the Privacy Policy, the Fujifilm Group established the Personal Information Management Regulations to specify the methods of handling personal information. The General Manager of the ESG Division is appointed as the officer responsible for building and maintaining the personal information protection structure.

The policies and targets related to the group-wide personal information protection are determined by the ESG Committee, chaired by the president of FUJIFILM Holdings, and its report is submitted to the Board of Directors regularly. The Board of Directors is responsible for monitoring group-wide compliance and risk management, including protection of personal information, as one of the priority issues. In this way, we ensure the effectiveness of the process. After the ESG Committee has determined policies concerning personal information protection, The ESG Division of FUJIFILM Holdings takes responsibility for overall management of such policy implementation and other privacy protection. The ESG Division's tasks include dissemination of the policies and targets, implementation of such policies, inspecting the implementation and management status, promoting details of the Personal Information Management Regulations among employees, and providing instructions and advice to managers of organizations that handle personal information.

Especially, as social awareness of personal information protection rises, we check our security measures in the processes of risk identification and action planning from the viewpoint of risk management. Our risk management structure spans the entire Group.

### 3. Employee training

The Fujifilm Group believes that each and every employee who handles information each day must acquire the necessary knowledge and a high level of awareness of security in handling personal information, to enable them to prevent incidents or violations in this area. For this reason, e-learning programs on personal information protection are being conducted every year for all employees.

Our work regulations specify imposing disciplinary action on employees who take information out from the company without permission. We also raise security awareness by sharing near-incident cases that occurred in our own and other companies across the group to maintain the high level of personal information protection.

### 4. Appropriate handling of personal information

Based on the Privacy Policy, the Fujifilm Group stipulates internal regulations concerning the handling of personal information and implements appropriate security measures to protect the personal information we have acquired. Once a year, each department conducts an "inventory check" of the personal information they hold, confirm and reform security measures as necessary, and delete the information they no longer require. This check is audited by the Compliance and Risk Management Division.

### 5. Incidents and violations in personal information handling

In fiscal 2019, there were no cases related to personal information handling were pointed out by any third parties or administrative authorities and assessed to require public disclosure.

Acquisition of P-Mark and ISMS at Fujifilm Group

As of March, 2020

Certification	Certified affiliates		
P-Mark*1	FUJIFILM Medical Co., Ltd.	FUJIFILM Techno Service Co., Ltd.	FUJIFILM Imaging Protec Co., Ltd.
	FUJIFILM Imaging Systems Co., Ltd.	Fuji Xerox System Service Co., Ltd.	FUJIFILM Media Crest Co., Ltd.
ISMS*2	FUJIFILM Global Graphic Systems Co., Ltd.	Fuji Xerox Co., Ltd.	Fuji Xerox Manufacturing Co., Ltd.
	FUJIFILM Software Co., Ltd.	Fuji Xerox domestic sales companies (37 companies)	Fuji Xerox Service Creative Co., Ltd.
	FUJIFILM Imaging Systems Co., Ltd.	Fuji Xerox System Service Co., Ltd.	Fuji Xerox Service Link Co., Ltd.
	FUJIFILM Imaging Protec Co., Ltd.	Fuji Xerox Printing Systems Co., Ltd.	Fuji Xerox overseas manufacturing companies (4 companies)
	FUJIFILM Business Expert Corporation	Fuji Xerox InterField Co., Ltd.	Fuji Xerox Asia Pacific Pte Ltd
	FUJIFILM Recording Media Products Division		Fuji Xerox overseas sales companies (16 companies)
	FUJIFILM Medical Co., Ltd.		

\*1 Privacy Mark (P-Mark): A mark granted by the Japan Information Processing Development Corporation (JIPDEC) to companies in which personal information is handled appropriately.

\*2 ISMS: Certification regarding the overall management framework for information including personal information (Information Security Management System).

\*3 Fuji Xerox "Information Security Report" Page 18:

[https://assets.fujixerox.co.jp/sites/com/files/2019-09/15a48c07d388aad47397a2063cadd0c1/i\\_security.pdf#page=18](https://assets.fujixerox.co.jp/sites/com/files/2019-09/15a48c07d388aad47397a2063cadd0c1/i_security.pdf#page=18)

### 2.2.10 Preparations for Large Scale Natural Disasters

As the global environment changes, such as rising sea level by climate change and abnormal weather occurrence, risks concerning natural disasters are increasing.

Based on the damage estimations, we are enhancing and reinforcing the anti-disaster measures as a part of the Business Continuity Plans (BCPs) to further improve the Group response to a wide-area natural disasters in Japan, including preparations for a Tokai-Tonankai-Nankai multiplate earthquake (Nankai megathrust earthquake), Tokyo Metropolitan earthquake, eruption of Mt. Fuji., torrential rain, river floods and rising sea level.

In particular, we are reinforcing preparatory measures for heavy rains, which are increasing in frequency in Japan, and adopting an alert system for early damage prediction to implement damage control measures. We also implement BCPs and reinforce employee safety measures for natural disasters specific to America, Europe, and Southeast Asia, such as earthquakes, tornados, and wildfires.

## 2.3 Innovation Management

Under the Group's corporate slogan, "Value from Innovation," aimed at being continuously innovating—creating new technologies, products and services that inspire and excite people everywhere, the Fujifilm Group will continue to create a wide range of products and businesses, supported by the diverse technologies we have accumulated in manufacturing photographic / motion picture film and other fields with the aim of resolving social issues in a broad range of areas.

In the drive to generate innovation, activities are underway to create innovative new products and services, as well as new businesses and new values, chiefly in our priority areas of healthcare and highly functional materials.

We believe in the fundamental importance of engaging in face-to-face communication with parties outside the company, in addition to building co-creation ties with equal relationship and sharing the same ambitions and goals with our partners, to achieve real innovation that will have a significant impact on society. For this purpose, we created an "Open Innovation Hub" in Japan in 2014 as a center for these activities. As of July 2020, 3 of these centers have been created in regions including the United States and Europe to accelerate collaborative efforts for open innovation. Moreover, in 2018 we set up a center on the development of the next-generation AI technology named "Brains" to advance these co-creation activities for the added value of our products and services.

## 2.4 Supply Chain Management

### 2.4.1 Basic Approach

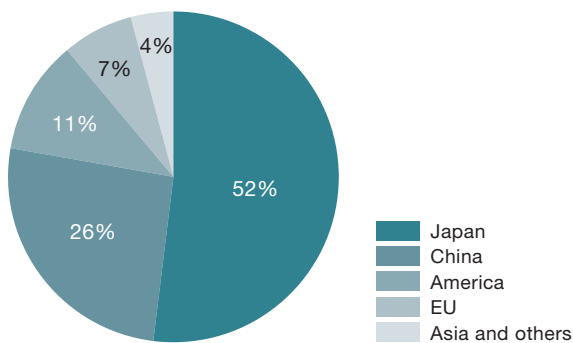
As a global company, the Fujifilm Group distributes a range of products to customers across the world, procuring numerous materials and components for such products. We believe that we are responsible for not only ensuring the quality and safety of our products, but also appropriately managing the supply chain of materials and components used in their production. In response to recent increases in social demands, we are keen to fulfill our social responsibility across the entire supply chain of the Fujifilm Group including our suppliers. The scope of this responsibility covers the global environment; ethics; human rights; and health and safety, and other labor conditions of those working within the supply chain from the CSR point of view.

Under a partnership with our suppliers based on mutual understanding and trust, the Fujifilm Group aims to build a more robust supply chain through socially responsible procurement that reduces business risks in the supply chain and increases the competitiveness and corporate value of all parties in the chain.

### 2.4.2 Fujifilm Group Procurement Overview

The Fujifilm Group manufactures a wide range of products, including chemical products; functional materials; and medical, precision, optical, and office equipment. Our major production sites are located in Japan, Americas, China, the Netherlands, and Vietnam. Procurement items are also diverse, including sensitive commodities, chemicals, equipment, and packaging materials. The costs are shared among different regions: 52% in Japan, 26% in China, 11% in Americas, 7% in Europe, and 4% in Asia and other regions.

Proportion of Procurement Amount by Region



The Fujifilm Group pursues optimization of production and the procurement process in all businesses in order to manufacture ever better products and offer them at appropriate prices. As a concrete procurement strategy, we place emphasis on the three points listed below. We continually improve our procurement activities by setting strategy plan and targets every year.

- (1) Cost improvement (pricing)
- (2) Constant and stable procurement and supply (quality and delivery deadlines)
- (3) Business Continuity Plan (BCP) for procurement

To secure stable procurement and business continuity, one important aspect is to understand and reduce CSR risks in the areas of human rights, labor, environment, safety, and ethics—not only within our own company but also in our suppliers.

The Fujifilm Group bears a variety of CSR risks because we use various suppliers with different regional characteristics for our businesses and products, which span a broad range of categories. Further, social demand for corporations to pursue CSR is also increasing as a part of the ever-changing business environment.

Taking account of such situations, we are working to maintain CSR conscious procurement (sustainable procurement) by incorporating CSR-based assessments when choosing a supplier and in periodic evaluations. In general, labor disputes tend to occur relatively frequently in Asian countries other than Japan. For this reason, and due to the rapid tightening of environmental regulations propelled by international public opinion, factories in Asian countries have a higher risk of operational cessation. To avoid such risk, the Fujifilm Group focuses on sustainable procurement in Asia, including China.

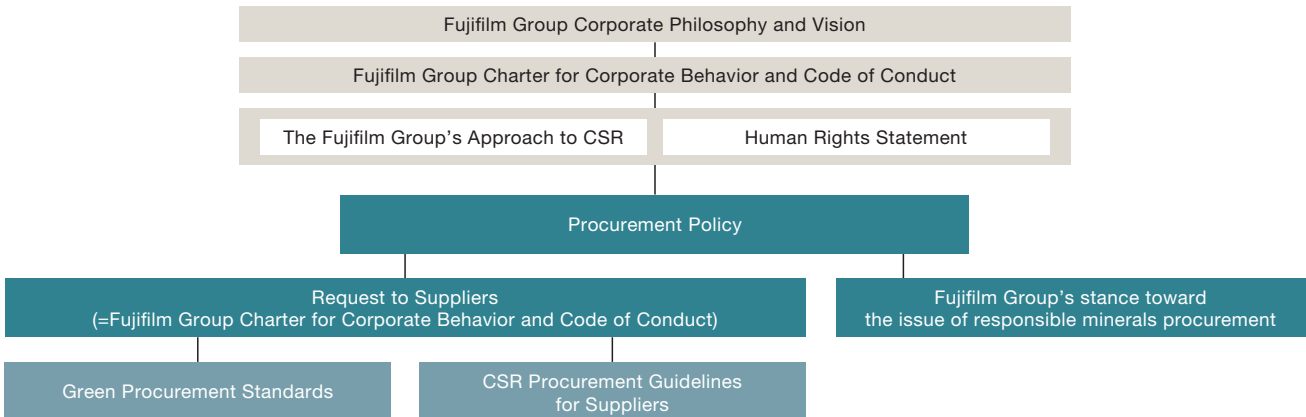
The Fujifilm Group’s pursuit of sustainable procurement is not only to avoid risks, but also for the positive benefits it brings.

We believe that respecting the human rights of workers in the supply chain increases productivity and moral action, which in turn lead to the provision of better products and services, as well encouraging innovation. We aim to develop together with our suppliers by encouraging them to take initiatives in CSR activities to spread such positive effects.

### 2.4.3 Procurement Policy and Structure

#### 1. Procurement policy and rules

The Fujifilm Group's CSR policy and rules concerning procurement are described below.



#### 2. Fujifilm Group Procurement Policy

Fujifilm Group upholds the Fujifilm Group's Procurement Policy as a group-wide policy. We believe it is important that the business partners and suppliers, especially production materials suppliers, understand the importance of CSR (environment, human rights, occupational health and safety, corporate ethics, etc.) and work together with us in resolving issues. Therefore, we added the aspects of CSR for our supplier evaluation standard.

Fujifilm Group Procurement Policy: <https://holdings.fujifilm.com/en/sustainability/vision/policy/procurement>

#### 3. Request to Suppliers (Supplier Code of Conduct)

The Fujifilm Group recognizes the importance of social responsibility and corporate ethics in undertaking business activities not only within the Group itself but also in partnership with our suppliers as we strive to build stronger partnerships. With this aim, we inform and request suppliers to adhere to the Fujifilm Group Charter for Corporate Behavior and the Code of Conduct. We also ask our suppliers to request adherence to the Supplier Code of Conduct by its own employees and subcontractors (that is, secondary contractors of the Fujifilm Group).

Fujifilm Group Request to Suppliers <https://www.fujifilmholdings.com/en/sustainability/vision/procure.html>

Fujifilm Group Charter for Corporate Behavior/ Code of Conduct

[English] [https://asset.fujifilm.com/holdings/files/2019-12/e12d042816e0b60935df86d6fca9a970/02\\_FF\\_CoC\\_2019\\_English.pdf](https://asset.fujifilm.com/holdings/files/2019-12/e12d042816e0b60935df86d6fca9a970/02_FF_CoC_2019_English.pdf)  
 [24 languages] <https://holdings.fujifilm.com/en/about/philosophy#24languages>

Items for Fujifilm Group Code of Conduct

Respect for Human Rights	Respect of human rights, Respect and promotion of diversity, Prohibition of discrimination, Prohibition of bullying and harassment, Protection of privacy, Promotion of work-life balance, Prohibition of forced labor/child labor, Promotion of occupational safety and health, Respect of labor rights,
Fair Corporate Activities	Active communication, Information disclosure, Fair competition, Fair sales activities, Fair procurement, Prevention of corruption, Prohibition of bribery and restriction on gift-exchange and entertainment, Prohibition of ideological/religious activities in our roles as executives and employees, Rejection of organized crime, Compliance with trade control regulations, Accuracy of financial reporting and appropriate tax payments, Quality assurance/safety of products and services, Responsible marketing,
Protection/Preservation of Corporate Assets and Information	Effective use of corporate assets, Prohibition of improper use of corporate assets, Prohibition of conflicts of interest, Prohibition of insider trading, Protection of confidential information, Protection of others' intellectual property, Protection of personal information, Crisis management
Measures Related to Environmental Issues	Response to climate change, Contribution to a circular economy, Safety and effective use of chemicals, Protection of local environments and partnerships with local communities

4. CSR Procurement Guidelines for Suppliers

The Fujifilm Group has compiled the most important points and an explanation of the Fujifilm Group Code of Conduct as a set of guidelines so that suppliers can fully grasp the CSR rules to which they must adhere. The guidelines also contain an action checklist, and cover the international CSR framework organized by the electric and electronics industry and all the items specified in the RBA's\* Code of Conduct.

\* RBA: Responsible Business Alliance

Reference: Elements of CSR Procurement Guidelines for Suppliers

<p><b>1. Human Rights and Labor (Social)</b>                  Prevention of Forced and Child Labor; Prevention of Unfair Discrimination and Privacy Infringement; Consideration for Human Rights of International Employees; Prevention of Violence, Sexual Abuse, Sexual Harassment, and Excessive Punishment in Workplaces; Provision of Appropriate Wages and Proper Management of Working Hours and Mandatory Days Off; Guarantee of Right of the Directly Employed for Organization and Collective Bargaining; Prevention of Work-Related Accidents at Workplaces and on Duties; Establishment of Measures on Treatment of Illnesses and Injuries and Maintenance of Health; Sufficient Healthcare Facilities and Welfare Measures; Promotion of Human Resource Development (Capacity Building); Promotion of Third-Party Certification</p> <p><b>2. Environment</b>                  Prevention of Global Warming; Promotion of Resource Conservation in Products (Reduced Use of Natural Resources); Recycling and Proper Waste Disposal; Proper Management of Chemical Substances; Promotion of the Natural Environment Preservation (Biological Diversity and the Ecosystem); Adherence to Administrative Procedures; Promotion of Third-Party Certification of an Environmental Management System (EMS)</p> <p><b>3. Corporate Ethics (Governance)</b>                  Corporate Ethics and Compliance Management; Anti-Corruption; Protection of Intellectual Property; Guarantee of Fair Procurement Transaction; Establishment and Management of Raising Concerns and Whistleblowing; Establishment of Information Security System</p> <p><b>4. Extended application of the provisions by suppliers to their suppliers (secondary suppliers for Fujifilm Group)</b>                  Fuji Xerox requests its suppliers to promote of recommendation and application of each of the three aforementioned provisions to their suppliers.</p>
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Fujifilm CSR Procurement Guideline for Suppliers

[https://asset.fujifilm.com/www/jp/files/2019-12/1eccfe0689686a3e1e354e0fc0a7ee38/about\\_sustainability\\_procurement\\_index\\_pdf\\_02\\_en.pdf](https://asset.fujifilm.com/www/jp/files/2019-12/1eccfe0689686a3e1e354e0fc0a7ee38/about_sustainability_procurement_index_pdf_02_en.pdf)

Fuji Xerox CSR Management Guidelines

[https://www.fujixerox.com/eng/company/csr/svp2030/governance\\_supply/supplychain.html](https://www.fujixerox.com/eng/company/csr/svp2030/governance_supply/supplychain.html)

### 5. Other standards

Other than the above, individual Fujifilm Group companies may request suppliers to follow certain rules specific to their company based on the FUJIFILM Holdings Environmental Policy and other standards.

To resolve environmental issues, it is important that we work together across the supply chain to reduce GHG emissions and energy consumption, seeking environmental solutions. We continue to build even closer relationships to help solve problems that our suppliers may encounter by offering support utilizing the technologies and knowledge concerning energy saving that our group has accumulated.

- Environmental Policy

Fujifilm Group Green Policy (Environmental Policy)

<https://holdings.fujifilm.com/en/sustainability/vision/policy/green>

- Requests to suppliers on environment

Fujifilm Green Procurement Standards

[https://asset.fujifilm.com/www/jp/files/2019-12/7759a2fe60f6bfd732e7570e522b33c2/about\\_sustainability\\_procurement\\_ff\\_greenbasic\\_ver3\\_3e.pdf](https://asset.fujifilm.com/www/jp/files/2019-12/7759a2fe60f6bfd732e7570e522b33c2/about_sustainability_procurement_ff_greenbasic_ver3_3e.pdf)

Fuji Xerox Green Procurement Standards

[https://www.fujixerox.co.jp/company/eco/green/pdf/green\\_procurement\\_standards\\_ver60\\_english.pdf](https://www.fujixerox.co.jp/company/eco/green/pdf/green_procurement_standards_ver60_english.pdf)

- Policy on human rights

Fujifilm Group Human Rights Statement

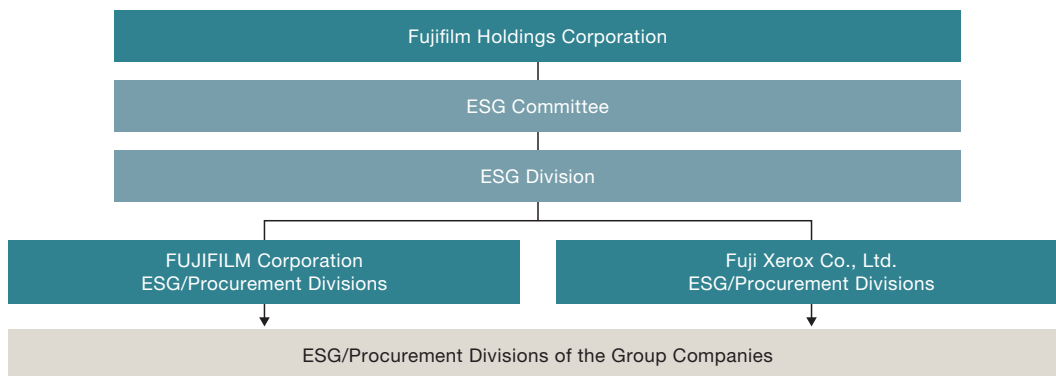
<https://holdings.fujifilm.com/en/sustainability/vision/policy/statement>

### 2.4.4 Structure of Sustainable Procurement Promotion

Collaborating with FUJIFILM Corporation and Fuji Xerox Co., Ltd., the ESG Division of FUJIFILM Holdings Corporation formulates policies and plans for sustainable procurement within the Fujifilm Group. Among these activities, important matters related to corporate management are approved and adopted by the FUJIFILM Holdings ESG Committee, chaired by the CEO of FUJIFILM Holdings.

The matters approved and adopted by the ESG Committee and the policies and plans formulated by the ESG Division are disseminated to the CSR promotion and procurement divisions of the Group companies and implemented by each company. The sustainable procurement promotion structure and roles of the organizations within it are as follows.

Sustainable Procurement Promotion Structure





Roles of Each Organization

Organization	Major roles
FUJIFILM Holdings Corporation ESG Committee (headed by the President)	Deliberation and decision on important matters
FUJIFILM Holdings Corporation ESG Division	Formulation of group-wide policies and plans, support for Group companies, and liaison office* for external inquiries.
ESG and Procurement Divisions in FUJIFILM Corporation and Fuji Xerox Co., Ltd.	Dissemination of the group-wide policies and plans to the relevant divisions, formulation of concrete action plans based on such policies and plans, and support for CSR activities in the company and other Group companies.
ESG Divisions in Group companies	Dissemination of group-wide policies and plans, and support for CSR activities within the company.
Procurement departments in FUJIFILM Corporation, Fuji Xerox Co., Ltd., and Group companies	Request to suppliers of CSR activities based on Fujifilm Group Procurement and Environmental Policies; checking CSR activities implementation status by surveys and site visits; and advice and support for improvement.

\* Liaison office for suppliers concerning Fujifilm Group CSR activities. It accepts any type of enquiry, including consultations and complaints.

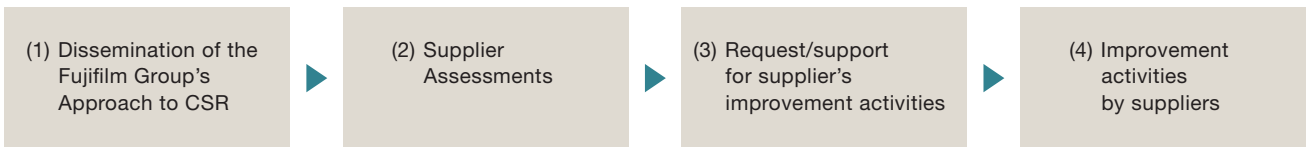
Contact Sustainability <https://holdings.fujifilm.com/en/contact>

2.4.5 Efforts to Improve Sustainability in the Supply Chain

1. Sustainable procurement activity cycle

The Fujifilm Group has designated an Sustainable Procurement Promotion Program that covers (1) dissemination of procurement-related policies (including our Supplier Code of Conduct); (2) risk assessments of suppliers; (3) request to improve and offer support to any supplier facing CSR risks (environment, human rights, labor management and corporate ethics). The program is run cyclically in the following four steps.

Sustainable Procurement Activity Cycle



Activities in Each Step

(1) Dissemination of the Fujifilm Group's Approach to CSR

To help our suppliers gain an understanding of the Fujifilm Group's CSR approach and requirements, instead of just disclosing our Code of Conduct and Procurement Policy on our website, we hold supplier briefings to explain our policies and standards directly, and request for their compliance. To go even further, we also send out our Code of Conduct to the suppliers and receive their confirmation on a regular basis.

(2) Supplier Assessments

To identify supplier's CSR risks and issues in high risk areas\*<sup>2</sup>, such as in China or in other Asian countries, we conduct regular CSR risk assessments and CSR self-check\*<sup>3</sup> of suppliers we see as critical\*<sup>1</sup> according to the value and characteristics of the items being procured.

(3) Request/support for supplier's improvement activities, and (4) Improvement activities by suppliers

As we identify high risk suppliers through the supplier self-check in Step 2 or daily procurement practices, after conducting individual reviews of suppliers, we request them to improve and offer them support. In China and Asia, expert teams conduct onsite visit and check for CSR activities by the supplier and provides advice on making improvements. Based on the check results, we encourage the suppliers to proceed with improvements, and thereby promote the Fujifilm Group's sustainable procurement methods across the whole supply chain.

\*1 The Fujifilm Group considers suppliers that could potentially have a large impact on our business continuity and competitiveness as critical suppliers. The Fujifilm Group identifies critical suppliers by weighing the value of items procured, substitutability, partnership continuity, etc.

\*2 The Fujifilm Group identify risk areas within its procurement chain from the viewpoint of CSR by analyzing the regional environment, social risks and the relevant regulations in countries and regions.

\*3 Fields and elements in the supplier CSR self-check (see next page).

Field	Elements
Human rights & Labor	Policy, Legal monitoring, Forced labor, Human rights of international employees, Child/youth labor, Discrimination and harassment, Discipline, Working hours management (control of long working hours, etc.), Wages (minimum wage, overtime allowance), Working conditions, Collective bargaining rights, Supplier management
Environment	Policy, Legal monitoring, Prevention of global warming, Reduction of resource use, Recycling and proper disposal of waste, Anti-pollution, Licenses, EMS, Supplier management
Health & Safety	Policy, Monitoring of law/regulation, Personal protective equipment, Machinery safety, Chemical substance management, Disaster prevention, Physical examination, Hygiene control in the canteens and dormitories, Management system, Supplier management
Ethics	Fair business, Legal monitoring, Compliance investigation, Anti-corruption, Intellectual property, Fair business, Whistle-blowing, Information security, Supplier management
BCP	Business Continuity Plan (BCP)

## 2. Overview of FY2019 activities

### (1) Dissemination of the Fujifilm Group’s Approach to CSR

We re-informed our suppliers across the world about the Request to Suppliers (Fujifilm Group Charter for Corporate Behavior and Code of Conduct), which had been revised in April 2019, and we collected receipts from 398 suppliers.

### (2) Supplier assessments

We requested our critical suppliers both inside and outside Japan to conduct CSR self-check. We communicate with suppliers if any question arises out of their check results. This then serves to clarify the improvement points in our supply chain. Although the self-check response rate increased over last fiscal year, the response rate from overseas suppliers still require additional improvement. We will make efforts for further improvement in the coming fiscal year. When a significant risk is identified through the self-check, we request the supplier to make improvements and provide support to achieve this. No such serious cases were identified in fiscal 2019.

### (3) Request/support for supplier’s improvement activities

#### ① Onsite visit and check by expert teams

Reviewing CSR self-check results, efforts in regard to QCD, environment and so forth, we judged that we need to conduct risk assessment on 51 suppliers located in China and Vietnam. Expert teams from our production sites provided onsite visit and check to 39 suppliers out of 51. Especially, environmental and safety risks that may lead to environmental destruction or occupational accidents were identified, and we requested improvements to relevant suppliers. With their accumulated knowledge through activities, the teams offered advice to help improve other CSR issues identified in the suppliers. For the identified issues, we monitor the progress of improvements made according to the supplier’s improvement plan, and also revisit the sites to confirm the improvement status.

#### ② Training, Capacity building

Fujifilm holds a chemical management seminar for domestic suppliers every six months. We explained the importance of CSR and our efforts in sustainable procurement as the Fujifilm Group to deepen suppliers’ understanding.

Fuji Xerox Shenzhen (FXSZ) held an occupational health management seminar to share information on establishment of the labor and health management structures. FUJIFILM Imaging System (Suzhou) (FC) started full-scale sustainable procurement in fiscal 2019, and held CSR briefings for 32 particularly important suppliers, utilizing the knowledge acquired from FXSZ. The briefings encouraged suppliers to understand the importance of CSR and the Fujifilm Group’s focus on sustainable procurement.

#### ③ Support for resolving issues through collaboration with suppliers

The Fujifilm Group is proactively strengthening partnerships with suppliers in order to address climate change, one of the most important international issues, through united efforts across the supply chain. Concretely, we disseminate the Fujifilm Group’s climate change policy through the supplier briefings. We also started supporting suppliers in resolving the CSR-related issues they face, such as reducing GHG emissions and reducing energy consumption, utilizing the technologies and expertise owned by FUJIFILM Engineering Co., Ltd.

Results of Sustainable Procurement Activities and Targets (KPI)

Activity	Item	FY2017	FY2018	FY2019	FY2020 target	
Dissemination of Code of Conduct, Collection of receipt	Number of suppliers requested	-	-	398	400	
	Receipt collection rate	-	-	98%*1	90% or over	
CSR self-check by suppliers (Supplier self-assessment questionnaire)	Number of suppliers requested	635	408	263	400	
	Response rate	88%	86%	98%*2	90% or over	
	Percentage of suppliers with 90% or higher conformance rate	(Most critical items)	96%	94%	87%*3	
		(Critical items)	69%	75%		
Visit and check	Number of suppliers evaluated	49	46	39	Plan achievement rate 100%	
	Plan achievement rate	100%	100%	76%		

\*1 Fujifilm: 96%, Fuji Xerox: 100%

\*2 Fujifilm: 96%, Fuji Xerox: 99%

\*3 For FY2017 and FY2018, results of Fuji Xerox. In FY2019, classification of most critical items and critical items is abolished, and total percentage for Fujifilm Group was calculated.

## 2.4.6 Efforts in Fujifilm Group Production Sites

### 1. Audit by customers

We appropriately respond to audits conducted by our customers, to whom we supply our products. In fiscal 2019, we received several customer audits in both Japanese and overseas sites and no issues that could have an effect on the continuation of our partnerships were identified.

### 2. Self-check by our production sites

We conducted the CSR self-check in 8 production sites across the world, and confirmed that all sites observed 100% compliance. The RBA self-assessment questionnaire results (conducted in 7 sites) also remained “green” evaluation for all sites.

We also made a site visit to a production site in the Philippines to inspect their CSR efforts—including their contractors. As a result, we found out that they imposed a pregnancy test on female workers. Although the test was conducted in consideration of their working situation, it may have led to the detriment of gender equal opportunities and fair working conditions. Therefore, we requested the abolishment of the test, applying accepted international standards. We also confirmed that no other Group companies carried out similar practices.

### 3. Reinforcement of CSR activities in China

In June 2019, Fujifilm and Fuji Xerox jointly held a meeting in Suzhou, China, under the theme of environment and sustainable procurement. The meeting was attended by 33 people from 12 companies, including Tokyo head office and major Group companies in China. The attendants shared their environmental and sustainable procurement plans and goals, CSR activity statuses at each site, and discussed potential CSR risks in suppliers and countermeasures against them. The results of the discussions will be reflected in addressing future challenges.

## 2.4.7 Response to Conflict Minerals

### 1. Policy and framework of efforts

The Fujifilm Group is aware of conflict minerals\*1 issues, the mining of which causes human rights violations and disputes, and clearly declares that it will not be complicit, directly or indirectly, in supporting activities related to such disputes and human rights violations. The Fujifilm Group manages minerals by following the five steps of the Due Diligence Guidance specified by the Organisation for Economic Co-operation and Development (OECD) to ensure responsible procurement across our supply chain.

Fujifilm Group's stance toward the issue of responsible minerals procurement

<https://holdings.fujifilm.com/en/sustainability/vision/policy/procurement>

#### Fujifilm Group Efforts

OECD 5 steps	Fujifilm Group efforts
(1) Establish strong company management systems.	Because the document business is particularly relevant to targeted minerals, HQ and the procurement and sales departments have formed an intra-company structure to accurately track the origins of minerals by monitoring the supply conditions. An annual plan is formulated every year and a survey is conducted. We are extending this scheme to the whole Group.
(2) Identify and assess risks in the supply chain.	We track the origin of minerals through monitoring our supply chains, verifying the results and identifying the country of origin, following the procedures specified by the Responsible Minerals Initiative (RMI)*2. We report the investigation results to our clients for OEM products in the document business. In other businesses such as the optical devices & electronic imaging business, the graphic systems business and the recording media business, we have received inquiries about the origin of minerals from many clients and have responded to them appropriately.
(3) Design and implement a strategy to respond to identified risks.	Although it is possible that minerals from conflict areas have been used, there has been no proof that any terrorist groups were involved. Because there are recognized humane mining companies and organizations in the area, we have not withdrawn from mineral usage uniformly.
(4) Carry out independent third-party audit of the due diligence practices of smelters/refiners.	In the Fujifilm Group, Fujifilm and Fuji Xerox participate in the Responsible Minerals Trade Working Group of JEITA*3 and discusses RMAP*4 jointly with other companies. We encourage suppliers to use conflict-free smelters that are verified by the RMI after a third-party audit.
(5) Report annually on supply chain due diligence.	The Fujifilm Group's conflict minerals policies, measures and results are disclosed on the official website.

\*1 Minerals (tantalum, tungsten, tin, and gold) regarded to be problematic because profits may be used for inhumane purposes or its mining may infringe human rights.

\*2 RMI = Responsible Minerals Initiative

\*3 JEITA: Japan Electronics and Information Technology Industries Association.

\*4 RMAP: Responsible Minerals Assurance Process.

### 2. Results and targets for avoiding conflict minerals

In conflict minerals survey for fiscal 2019, we got a response from 98% of suppliers in scope relating to the document business. As a result of surveys, we identified 331 suppliers listed as a smelter or refiner by the Responsible Minerals Initiative (RMI). Out of these smelters or refiners, 250 were compliant with the Responsible Minerals Assurance Process (RMAP). (As of March 31, 2020)

	FY2017	FY2018	FY2019	FY2020 target
Supplier response rate for conflict minerals survey	100%	99%	98%	95% or higher
Percentage of conflict-free smelters in conflict minerals survey	46%	55%	76%	Continuous improvement of conflict-free smelter percentage

### 2.4.8 Efforts in Paper Procurement

To maintain natural forest resources, the Fujifilm Group has established a policy for paper and paper materials to ensure responsible paper procurement. Since our document business sells paper for printers and copiers as one of its major products, we declare that we procure pulp from forests that are managed with consideration given to the environment and human rights, avoiding any involvement in forest destruction or human rights infringements. We have also formulated Environmental, Health and Safety Requirements regarding Paper Procurement. These requirements specify paper quality standards for procurement and selection criteria for material suppliers. These requirements instruct material suppliers to pay attention to biodiversity and respect the rights of local residents in their business operations.

We hold annual meetings of the CSR Paper Procurement Committee, chaired by the director responsible for procurement, to confirm the compliance status of existing suppliers regarding these requirements and to select new suppliers.

#### Paper Procurement Regulation Standards

##### (1) Principles on paper procurement

- ① The paper materials shall be derived from forests managed in a sustainable manner.
- ② For recycled pulp, the supplier of waste paper used as raw materials shall be clearly identifiable.
- ③ The chemical substances used in the manufacturing process shall be confirmed to be safe.
- ④ The bleaching process used for the paper shall be chlorine-free.
- ⑤ The manufacturing facilities shall have environmental management systems.

##### (2) Principles on transactions with paper suppliers

- ① Environment: Suppliers shall comply with both national and regional laws and regulations in the countries where they operate, and shall conduct business in consideration of the protection of valuable local forests and their ecosystem
- ② Right of local communities: Suppliers shall see to it that the rights of local communities, such as the right to exist, are protected, and shall fully engage in dialogue with local communities whose rights might be seriously affected by their business activities.
- ③ Corporate ethics: Suppliers shall protect the rights of their workers, conduct fair transactions as a matter of routine, and avoid any association with antisocial forces or organizations.

#### Paper Procurement Efforts KPI

	FY2017	FY2018	FY2019	FY2020 target
Percentage of suppliers inside and outside Japan fulfilling our paper procurement requirements (Fuji Xerox)	100%	100%	100%	100%

### 2.4.9 Sustainable Procurement Efforts in Logistics

The number of items delivered by courier services has significantly increased since 2017 due to continued popularization of internet commerce. This has caused social problems in logistic companies' employees, such as long working hours by courier drivers, death from overworking, and environmental and safety issues caused by poorly maintained vehicles.

FUJIFILM Logistics Co., Ltd., which delivers Fujifilm Group products, has been requesting its logistics partners (primary suppliers) to cooperate in our sustainable procurement for logistics in Japan since fiscal 2009. Through such requests, logistics partners conduct CSR self-checks and if they identify that their conformance rate is less than 90%, FUJIFILM Logistics visits the partner company to offer advice for correction. In 2019, 123 partners conducted CSR self-checks.

#### Sustainable Procurement Effort KPI in Domestic Logistics

	FY2017	FY2018	FY2019	FY2020 target
Percentage of companies with 90% or more CSR self-check conformance rate	97%	100%	97%	100%

### 2.4.10 Collaboration with Initiatives in the Supply Chain Area

The Fujifilm Group participates in various initiatives to meet the evolving globally-applicable production and procurement standards and deliver our products with confidence, valuing the importance of global CSR trends. Below are the initiatives in which we participate in the supply chain area.

- **Joint Article Management Promotion-consortium (JAMP)**  
JAMP aims to disseminate a system to manage chemical substance information and smoothly communicate such information across supply chains.
- **United Nations Global Compact (UNGC), and Global Compact Network (GCNJ)**  
Fuji Xerox became a signatory to the United Nations Global Compact in 2002, and participated in the Action Platform on Decent Work in Global Supply Chains in 2019. (Since June 2020, we have signed UNGC as FUJIFILM Holdings.) Moreover, we are working actively in the Supply Chain Working Group and the Human Rights Due Diligence Working Group of the Global Compact Network (GCNJ).
- **Responsible Minerals Trade Working Group of JEITA**  
Both Fujifilm and Fuji Xerox participate in the Responsible Minerals Trade Working Group led by the Japan Electronics and Information Technology Industries Association (JEITA), the industrial organization of the Japanese IT and electronics industry.
- **International Labour Organization (ILO)**  
In 2019, Fuji Xerox responded to the ILO's request to prove best practices for the Responsible Supply Chains in Asia programme.

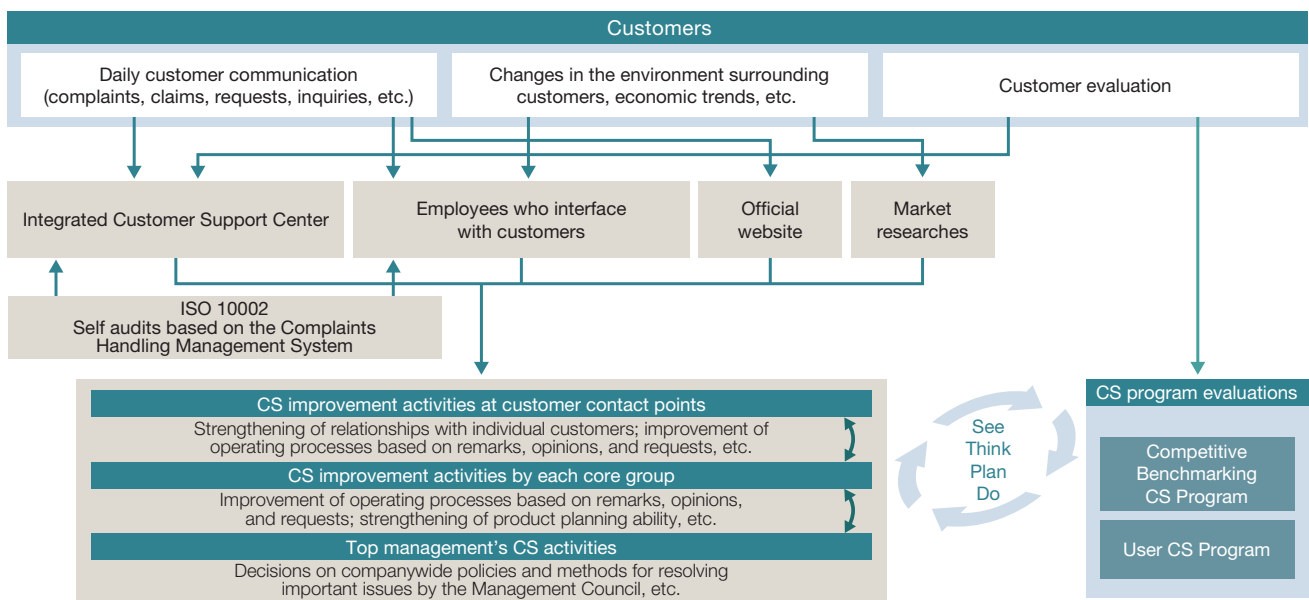
## 2.5 Customer Relationship Management

### 2.5.1 Basic Approach for Customer Relationship

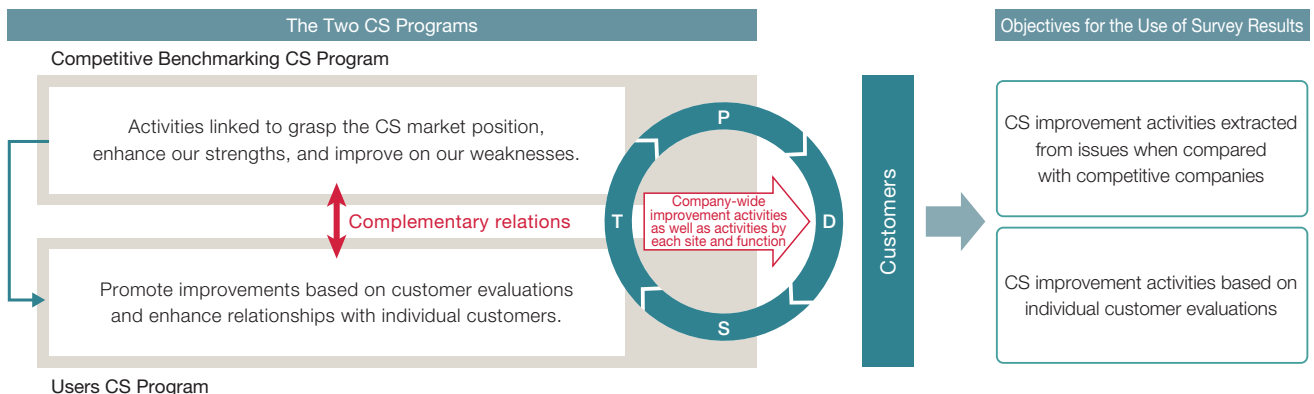
As we declare in our corporate philosophy, the Fujifilm Group aims to provide the best quality products and services which are safe, appealing to customers and provide them with peace of mind, by basing our management on Customer Satisfaction (CS).” In order to achieve customer satisfaction, it is important to obtain the views of a wide range of customers and to have a mechanism in place for effectively reflecting these in our products and services. For this purpose, we pay special attention to communicating with our customers at customer centers which are our point of contact with them. We aim to correctly grasp their views, as well as seek to respond in a speedy, kind, accurate and fair manner, and we are constructing a system to link these views to improvements in our work processes and product development.

### 2.5.2 Structure for Customer Relationship

#### Mechanisms for Communicating with Customers



#### CS Program (Improvement activities based on the CS surveys)



## 2.5.3 Efforts to Improve Customer Satisfaction

### 1. Education and training programs for our employees and sales distribution network

The Fujifilm Group offers training not only to our own customer engineers but also to our external partners in authorized retailers to further improve our customer satisfaction.

In order to deliver high and consistent support quality to customers, we offer all partners product and service training sessions that cover the skills and knowledge required for software and hardware installation of various products and services, maintenance, repair, and usage instructions. We also share the results of customer satisfaction surveys in different regions, and hold associated training sessions to ensure better maintenance services and sales activities. Uniting the efforts of our companies and our external partners, we aim to further improve customer satisfaction across the world.

### 2. Online service

#### Online Service Usage Status

Unit: %

	FY2017	FY2018	FY2019	Target in FY2019
Online customers* <sup>1</sup> (Percentage of customers who use online services or sales platforms among all customers)	74.7	79.3	83.4	82
Online sales* <sup>2</sup> (Percentage of online sales (direct sales and advertising))	4.8	4.9	4.9	5.0

\*1: Online customers refers to customers using Fuji Xerox's multifunction machine online remote maintenance contract in Japan.

\*2: Online sales were calculated from the business fields of imaging, life science, and document solution, where online business has been reinforced.

### 3. Customer satisfaction survey results

#### (1) Customer satisfaction survey

Customer satisfaction percentage was calculated in the area of FUJIFILM Holdings to take track of customer satisfaction where after-sales services are critical, i.e., in photograph-related products, digital cameras, medical systems and the document solution business.

#### ① Results of customer satisfaction survey

Unit: %

	FY2017	FY2018	FY2019	Target in FY2019
Percentage of satisfied customers among all customers (%)	83.5	85.1	86.3	86
Data coverage (e.g. within sales, customers, etc.)	73	77	77.6	

#### ② Customer satisfaction for business fields in the above data

Unit: %

Business field	FY2017	FY2018	FY2019
Imaging Solutions business (digital cameras and photograph-related products)	85.2	89	89
Healthcare & Materials Solutions business (medical systems)	80	78	79
Document Solution business	93.2	91	92

#### (2) Received awards for customer satisfaction survey in 2019

Fuji Xerox Ranks Highest for two years in a row, in J.D. Power 2019 Japan Technical Support Call Center Customer Satisfaction Study <Copiers/Printers>.

The study measures overall customer satisfaction with companies with five or more employees for technical support; troubles shooting and support.

<http://jdpower-japan.com> (in Japanese only)



#### 4. Efforts in the healthcare business

The healthcare business is one of the most critical field that directly influences on people's life.

As the foundation of its business activities, the Fujifilm Group increases awareness of our Charter for Corporate Behavior and Code of Conduct among all employees. We also implement the following activities with the healthcare business in mind.

##### (1) Efforts to improve access to healthcare services

The Fujifilm Group appoints health as one of our priority areas and aims to improve the quality of life for people through our products, services, and technologies. Setting “Improve Accessibilities to Medical Services” as the priority issue in the area, we are promoting various efforts such as introducing a health check service within different regions and developing an early tuberculosis diagnosis system for use in developing countries.

<https://holdings.fujifilm.com/en/sustainability/activity/health/priority-issue-2>

##### (2) Efforts to ensure fairness and transparency in the healthcare business

###### ① Sales activities through fair competition

The Fujifilm Group recognizes the importance of ensuring transparency and trust in our relationships with medical institutions in the healthcare business. All activities conducted by the Fujifilm Group follow industrial regulations, such as the Code of Ethics, the Charter of Business Behavior, the Promotion Code of the Medical Devices Industry, and the Fair Competition Code of the Medical Devices Industry in Japan, as specified by the Japan Federation of Medical Devices Associations, the Japan Fair Trade Council of the Medical Devices Industry, and the Japan Pharmaceutical Manufacturers Association. Further, we have set up the Fujifilm Group Charter for Corporate Behavior and Code of Conduct, as well as each company's regulations involved in the healthcare business.

In view of the laws and regulations we are required to comply with, we established Fujifilm Group Global Healthcare Code of Conduct for relevant Group companies in the healthcare business in July 2020. Employees in the relevant Group companies follow these regulations in carrying out their business to ensure fair business competition.

###### ② Information disclosure

The Fujifilm Group regularly discloses healthcare business information, such as funding, in order to gain the wider understanding of society with regards to the manner in which the Group operates its business to a high ethical standard.

## 3.1 Environmental Policy and Management System

### 3.1.1 Basic Approach

The Fujifilm Group organizes activities aimed at contributions to “sustainable development” in all the Group’s business activities, in accordance with its environmental policy (Fujifilm Group Green Policy).

#### Fujifilm Group Green Policy

##### Basic Policy

“Sustainable development” is the most important issue for our planet, the human race, and all business entities in the 21st century. Through all products and services and businesses, we will strive our contributions to “sustainable development” by initiative to address climate change, promote resource circulation, ensure chemical safety, preservation for regional environment and biodiversity conservation.

##### Action Guidelines

1. We will contribute to solving environmental issues with original and advanced technology in the product life cycle.
2. We will comply with the rules established by each country and region, self-regulations of the Fujifilm Group companies, standards, individually agreed requirements.
3. As a member of the supply chain and community, we will work with each stakeholder to promote activities to solve environmental issues.
4. We will actively disclose information on environmental initiatives and their results to various stakeholders such as local communities, governments, shareholders and investors, NGOs and NPOs, employees of the Fujifilm Group companies, and ensure good communication.
5. We strengthen the foundation to address environmental issues voluntarily by providing education to employees of each group company thoroughly to raise awareness.

Established in October 2002, Revised in April 2019

### 3.1.2 Environmental Management

The Fujifilm Group collects environmental performance data from all of our sites each year to determine the priority actions for the following fiscal year. Each site operates based on the priority action list to improve their environmental performance and reduce environmental risks. Utilizing the Integrated Management System (IMS)\* for these continuing environmental activities, enhances their effect.

In 2017, we released SVP 2030, the Fujifilm Group CSR Plan toward 2030, setting targets in six areas to build a sustainable society. VISION 2019, the Medium-Term Management Plan released in the same year, is a concrete business strategy to achieve the SVP 2030 targets. The Priority Issues listed below are the environmental and other items we need to resolve chiefly within fiscal 2020 in order to achieve the SVP 2030 targets.

\* Integrated management system (IMS): Management system integrating, quality management system (QMS), occupational health and safety assessment system (OHSAS) and information security management system (ISMS).

<https://holdings.fujifilm.com/en/sustainability/vision/management/management-system>

## FY2020 Fujifilm Group Priority Issues

Priority Issues	Priority Measures
1. Address Climate Change	(1) Reduce CO <sub>2</sub> emissions across the entire product lifecycle from material procurement, product manufacturing, transportation, to use and disposal. (2) Develop and disseminate products and services that contribute to CO <sub>2</sub> emissions reduction in society. (Creation of the Fujifilm Group environmentally conscious products, Green Value Products) (3) Globally promote strategic energy-saving activities. ① Group-wide expansion of energy-saving and renewable-energy-usage measures. ② More efficient energy usage using cogeneration systems. (4) Assess risks and opportunities concerning climate change, reflect the assessment results in the business strategy, and disclose relevant information.
2. Promote Recycling of Resources	(1) Promote efficient water usage. (2) Develop and disseminate products and services that contribute to water resource conservation in society. (Creation of the Fujifilm Group environmentally conscious products, Green Value Products) (3) Improve resource usage per unit in production. (4) Promote waste reduction. (5) Improve the quality of resource recycling. ① Promotion of recycling and recovering valuable materials from waste. ② Increase recycling of used products.
3. Address Energy Issues	(1) Develop technologies that contribute to energy saving, storage and creation.
4. Ensure Product and Chemical Safety	(1) Promote voluntary control over high priority substances for risk management; and continue management of VOC emissions. (2) Contribute to chemical safety utilizing the chemical library. (3) Develop a safety assessment method taking account of animal welfare and apply the method to intra-company chemical management. (4) Disseminate management of chemicals in products across the supply chain. (5) Promote safe chemical handling. (6) Assess and improve performance of internal rules concerning product safety and chemical management. (7) Continue improving legal compliance to support product expansion.
5. Promote Management of a Healthy Workplace (work accident prevention)	(1) Improve management level by standardizing biological material handling across the group. (2) Prevention of work accidents by assessing occupational safety and health risks.
6. Strengthen CSR Foundations across the Entire Supply Chain	(1) Request suppliers to run their business with consideration for the environment, ethics, and human rights. (2) Establish regular onsite "Visit and Check" in critical suppliers and reinforce improvement activities. (3) Appropriately procure plant-derived materials.
7. Improve Communications, and Information Disclosure & Provision	(1) Proactively disclose corporate information through the official website and the Sustainability Report. (2) Enhance the quality of environmental performance information.
8. Employee Training	(1) Thoroughly educate employees about product safety, workplace safety, and environmental laws.

## 3.1.3 EMS: Certification/Audit/Verification

Status of EMS Certification and Audit in FY2019

\* Main sites with production function and some non-production sites

Certification/audit/verification system by specialized companies with International Certification (ISO14001, EMAS)	Coverage: 88.2% Target sites: 68 Certified sites: 60
Certification/audit/verification system by internal experts	Coverage: 11.8% Our internal experts verify the status of environmental activities based on the Environmental Policy and the priority issues. Target sites: 68 Certified sites: 8
Total Coverage of Environmental Management System (EMS) for our company (The sum of the above two)	100%

<https://www.fujifilmholdings.com/en/sustainability/vision/activity.html>

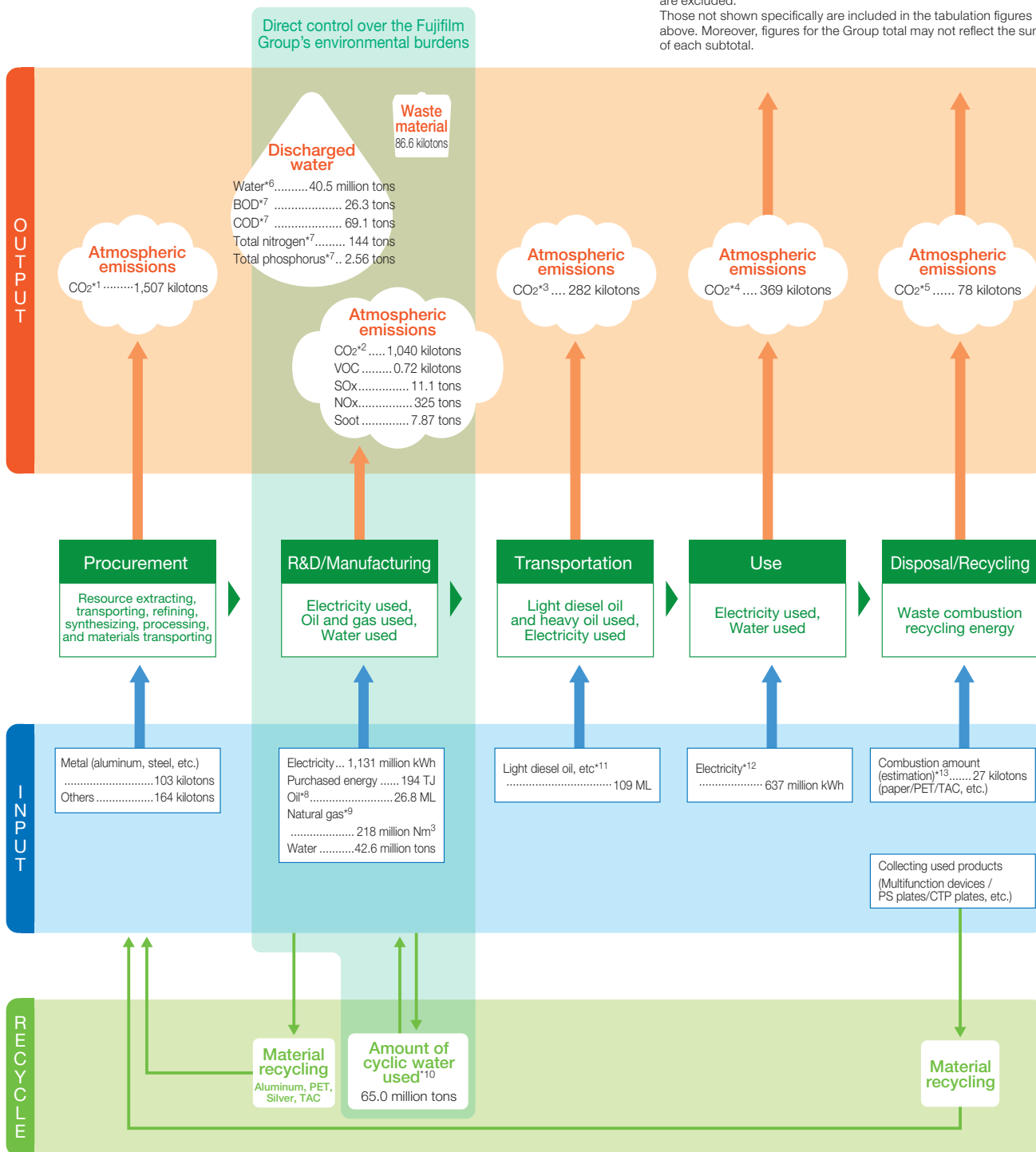
## 3.1.4 Risk Management by Environmental Due Diligence

When we acquire lands and buildings through M&A, we undertake environmental due diligence, including a pollution assessment of the land and underground water. In addition to conducting surveys on the history and contamination level of the lands and buildings, we check whether they comply with environmental laws to minimize any environmental risks.

## 3.1.5 Overview of FY2019

### 1. Material flow

\* Organizations covered in the environmental performance data are, as a general rule, those that are shown in the consolidated financial statements, and are significant in terms of environmental burden. However, certain sales and manufacturing (assembly) subsidiaries are excluded. Those not shown specifically are included in the tabulation figures above. Moreover, figures for the Group total may not reflect the sum of each subtotal.



\*1 Environmental burdens due to raw materials procurement (CO<sub>2</sub> emitted during the process of extracting, transporting, refining, synthesizing, processing, and transporting raw materials) is calculated for the main raw materials procured.

\*2 Environmental burdens due to product manufacture is calculated based on the total amount of energy (electricity, petroleum, and gas) consumed in the production process.

\*3 For the calculation of environmental burdens due to product transportation, estimates are made based on domestic and overseas transportation methods and distances traveled. The typical amount of CO<sub>2</sub> emissions per unit of weight and distance for each method and correction factors such as the yield rate are multiplied by the weight of the raw materials procured.

\*4 For copy machines, printers, and fax machines, environmental burdens due to use of products is calculated as energy consumption for a 5-year period for the machines installed this year. For other products, the estimated number of machines in operation is multiplied by typical energy consumption.

\*5 Environmental burdens due to product disposal is calculated based on the estimation of stress on the environment caused by the disposal of the raw materials procured.

\*6 Wastewater released as a result of business activities

\*7 Volume released to public water

\*8 Total of heavy oil A, heavy oil C, kerosene, light diesel oil, and gasoline (Amounts of the petroleum-based products are summed after appropriated energy conversions, and the total is expressed in terms of the amount of heavy oil A.)

\*9 Total of natural gas, liquefied natural gas (LNG), urban gas, butane, and liquefied petroleum gas (LPG) (Amounts of the gases are summed after appropriate energy conversions, and the total is expressed in terms of the amount of urban gas.)

\*10 This includes the amount of water used in a cyclic manner.

\*11 Calculation assuming transport by truck

\*12 Based on the average CO<sub>2</sub> emission coefficient of the Federation of Electric Power Companies of Japan

\*13 Hypothetical combustion rate for each substance used

(For the above, data from the input-output table and other sources are used to obtain CO<sub>2</sub> emissions per unit of output.)

## 2. Response to environmental laws and regulations

### Legal Compliance and Reports on Complaints in FY2019

In 2019, there were two violations of environment-related laws and no customer complaints, and no incidents. The legal violation issue concerned shipment/notification of deleterious substances in Japan and expired storage of hazardous waste in the United States— in both case preventive measures have already been completed.

	Fujifilm Group total
Number of legal violations (number of cases solved)	2 (2)
Penalty	0 yen
Number of complaints (number of cases solved)	0 (0)
Number of incidents (number of cases solved)	0 (0)

### Responses to Environment-Related Complaints and Legal Violations in FY2019\*

Company/Site name	Description	Responses
Fujifilm Kaisei area	Violation associated with shipment/ notification of products containing deleterious substances	Review of work procedures and check system
FUJIFILM Manufacturing U.S.A. Inc.	Expired storage of hazardous waste	Improvement of waste management system

\* Relatively minor violations have been excluded.

## 3.2 Climate Change Strategy

### 3.2.1 Basic Approach

The Fujifilm Group has set CO<sub>2</sub> emissions reduction targets toward 2030 to create of a decarbonized society aimed at by the Paris Agreement. Along with CO<sub>2</sub> emissions reduction across the entire product lifecycle (from material procurement, product manufacturing, transportation, use and disposal), we are continuing to actively reduce CO<sub>2</sub> emissions in society through providing our products and services. At the manufacturing stage, we direct our efforts at using lower carbon energy sources, including adopting and utilizing renewable energy, in addition to the promotion of energy saving and efficient energy usage. We aim to achieve zero CO<sub>2</sub> emissions in all the energy we use by converting our electricity purchasing to 100% renewable energy sources by fiscal 2050 and by adopting new technologies, such as changing the fuel for cogeneration system to hydrogen.

#### Targets and Progresses of Climate Change

**Long-term target:** Reduce the Fujifilm Group's CO<sub>2</sub> emissions by 45% by the end of FY2030 (compared to the FY2013 level)

**Progress:** 30% reduction at the end of FY2019 (compared to the FY2013 level).

**Mid-term target:** Reduce the Fujifilm Group's CO<sub>2</sub> emissions by 35% by the end of FY2020 (compared to the FY2005 level)

**Progress:** 30% reduction at the end of FY2019 (compared to the FY2005 level).

**Short-term target:** Reduce the Fujifilm Group's CO<sub>2</sub> emissions by 2% by the end of FY2020 (compared to the FY2019 level).

\* Long-term targets are set down in SVP 2030 and certified as Science Based Targets by the SBT Initiative.

From fiscal 2020, we are promoting CO<sub>2</sub> emissions reduction by setting an activity target of "implement one or more CO<sub>2</sub> emissions reduction measures in each site per year."

### 3.2.2 Climate Change Strategy and Management

At the Fujifilm Group, the Energy Strategy Promotion Committee has been working group-wide to maximize efficiency in energy usage and to seek further CO<sub>2</sub> emissions reductions at the procurement stage. We are promoting these measures proactively throughout the Group. We are utilizing the carbon pricing scheme (price of CO<sub>2</sub> emissions) to evaluate risks and opportunities for climate change, and are now examining impact probabilities and future measures.

At the manufacturing stage, we promote CO<sub>2</sub> emissions reduction measures that include improvements to efficient energy usage, conversion to renewable energy-derived electric power, conversion of natural gas and heavy oil used in our in-house cogeneration systems to hydrogen sources (after fiscal 2030). At the procurement stage, we are reducing the input of material resources by a more sophisticated system for reusing and recycling them. In response to the physical risks accompanying the climate change, we are introducing risk countermeasures for product supplies in procurement and manufacturing in various countries.

Furthermore, we are contributing to reducing CO<sub>2</sub> emissions on a global scale by promoting design for the environment and providing, disclosing and introducing appealing products and solutions that have a high CO<sub>2</sub> reduction efficiency through the FUJIFILM Holdings Environment Conscious Certification System (established in May 2018).

#### 1. Information disclosure based on TCFD

In December 2018, the Fujifilm Group announced that it would endorse the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, we are participating in the TCFD support program of the Ministry of the Environment and have started a scenario analysis on climate change.

Governance	Risk Management
<ul style="list-style-type: none"> <li>Deliberate on climate change risks and opportunities at the ESG Committee (chaired by the President) to reflect them in our management, and report to the Board of Directors.</li> </ul> <p>[Examples]</p> <ul style="list-style-type: none"> <li>Establish a target for renewable energy use and endorse the TCFD recommendations.</li> <li>Join RE100, the global corporate leadership initiative.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the levels of CO<sub>2</sub> emitted by each business and through the product lifecycle with the global system.</li> <li>Analyze factors affecting energy efficiency and CO<sub>2</sub> emissions at the Energy Strategy Promotion Committee.</li> <li>Identify water risks using indexes for “water stress,” “water usage” and “relation to business” at all sites.</li> </ul>
Strategy	Index and Target
<p>[Establishing the CSR Plan]</p> <ul style="list-style-type: none"> <li>Establish Sustainable Value Plan 2030 (SVP 2030) with FY2030 as its long-term targets.</li> </ul> <p>[Risks and opportunities derived from climate change]</p> <ul style="list-style-type: none"> <li>Identifying risks based on scenario analysis and establishing countermeasures.</li> <li>As a business opportunity, develop and distribute products that mitigate and address climate change by making use of the internal certification system for environmentally conscious products.</li> </ul> <p>* See the following scenario analysis results for details.</p> <p>[Other CO<sub>2</sub> emissions reduction strategies]</p> <ul style="list-style-type: none"> <li>Aim at zero CO<sub>2</sub> emissions not only by changing our electricity purchasing to renewable sources, but also by adopting new technologies, such as by utilizing hydrogen as the fuel for private cogeneration power systems.</li> <li>Clarify our approach to a decarbonized society through RE100, the international initiative, and promote infrastructure development as a consumer.</li> </ul>	<ul style="list-style-type: none"> <li><b>Target for reducing CO<sub>2</sub> emissions (Certified by Science Based Targets).</b> <ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 45% across the entire product lifecycle by FY2030 (compared to the FY2013 level).</li> </ul> </li> <li><b>Renewable energy usage target</b> <ul style="list-style-type: none"> <li>Convert 50% of purchased electric power to renewable energy-derived power by FY2030.</li> <li>Convert 100% of purchased electric power to renewable energy-derived power by FY2050. (Aim at zero CO<sub>2</sub> emissions from energy such as electricity, fuels, etc.)</li> </ul> </li> <li><b>Water usage reduction target</b> <ul style="list-style-type: none"> <li>Reduce the amount of water used in production by 30% by FY2030 (compared to the FY2013 level).</li> </ul> </li> </ul>

## 2. Analysis results of our scenario based on TCFD recommendations

Based on the Representative Concentration Pathway (RCP) 2.6 to 8.5 presented in the Intergovernmental Panel on Climate Change (IPCC) Assessment, we established our own 2°C and 4°C scenarios and undertook analyses based on these scenarios. The risks we identified in the 4°C scenario include the negative impact of extreme weather on production facilities and possible cessation of supplies of product materials, and factory shutdowns from power cuts. We are now forming countermeasures for these risks, such as decentralization of production sites and material suppliers and installation of private power generators. The major risk in the 2°C scenario is a financial risk due to the possible introduction of carbon taxes. The countermeasure for this is adoption of renewable energy and a range of energy-saving activities to meet the CO<sub>2</sub> emissions reduction targets.

Opportunities associated with the 2°C scenario include offering energy-saving equipment and solution services that support the future remote working society. Such solution services can save travelling, transportation time, and office space, all of which can contribute to CO<sub>2</sub> emissions reduction.



## Analysis of Risks and Opportunities by Scenario Based on 4°C and 2°C Scenario

4°C scenario: Continued CO <sub>2</sub> emissions, attributable to man, causes CO <sub>2</sub> buildup on the Earth, increasing temperatures by 4 degrees Celsius or above from the level at the Industrial Revolution.			
	Environment, social conditions and systems	Risks	Measures
Risks	Temperature increase triggers weather events frequently, including torrential rains, floods and drought.	<ul style="list-style-type: none"> <li>• Cessation in material procurement and factory production due to natural disasters, such as flooding.</li> <li>• Factory production stoppages due to drought.</li> <li>• Power grid breakdown and Power cuts due to typhoons.</li> </ul>	<ul style="list-style-type: none"> <li>• Create a BCP to secure emergency suppliers and distribute production sites.</li> <li>• Obtain and monitor the latest rain forecast and flood prevention by controlling water gates to factories.</li> <li>• Continual water risk assessment for all sites by our own water risk assessment system (Please refer to 3.3.5 <i>Effective Use of Water Resources</i>.)</li> <li>• Install regular and emergency in-house cogeneration systems.</li> </ul>
	<p>Changes in temperature and precipitation patterns alter animal habitats, lowering their population and even driving them into extinction.</p> <p>This causes supply instability and a price increase of plant-derived materials.</p> <p>Other results include depletion of fossil fuel as well as supply instability and a price increase of oil-derived materials.</p>	<ul style="list-style-type: none"> <li>• Material shortages due to tree and forest withering. (Paper: pulp, Film: cellulose)</li> </ul>	<p>[Paper]</p> <ul style="list-style-type: none"> <li>• Reduce paper with Document Solution Services utilizing digital and IT technologies.</li> </ul> <p>[Film]</p> <ul style="list-style-type: none"> <li>• Reduce film materials by using thinner films and promotion of recycle.</li> </ul>
Opportunities*1	<p>There is an increased demand for systems, products and technologies required for society to adapt to climate change.</p> <ul style="list-style-type: none"> <li>• Monitoring and predicting climate</li> <li>• Deterioration diagnosis of infrastructures such as structures and catchments</li> </ul> <p>Changes in climate and ecosystems make it difficult to secure drinking water and foods, boosting the manufacturing of drinking water and production at plant factories.</p>	<ul style="list-style-type: none"> <li>• Providing high-sensitivity surveillance cameras capable of monitoring rivers and weather even in rough weather or at night</li> </ul> <p><a href="https://holdings.fujifilm.com/en/sustainability/activity/other-activities/social-contribution-activities/kyushu">https://holdings.fujifilm.com/en/sustainability/activity/other-activities/social-contribution-activities/kyushu</a></p> <ul style="list-style-type: none"> <li>• Offer infrastructure degradation diagnosis services for bridges, dam walls, and embankments in case of typhoons.</li> </ul> <p><a href="https://www.fujifilm.com/jp/ja/business/inspection/infra-service/hibimikke">https://www.fujifilm.com/jp/ja/business/inspection/infra-service/hibimikke</a> (in Japanese only)</p> <ul style="list-style-type: none"> <li>• Contribution to measures for water shortage by water filtration technology and ion exchange membranes.</li> </ul> <p><a href="https://www.fujifilmmembranes.com/water-membranes/technology">https://www.fujifilmmembranes.com/water-membranes/technology</a></p>	<ul style="list-style-type: none"> <li>• Utilizing used multifunction devices. (reuse)</li> </ul> <p><a href="https://www.fujixerox.com/eng/company/csr/svp2030/environment/recycle.html">https://www.fujixerox.com/eng/company/csr/svp2030/environment/recycle.html</a></p> <ul style="list-style-type: none"> <li>• Aim at appropriate number of multifunction devices by expanding sharing services.</li> </ul> <p><a href="https://www.fujixerox.com/eng/solution/outsourcingservices/services/next_gen_mps.html">https://www.fujixerox.com/eng/solution/outsourcingservices/services/next_gen_mps.html</a></p>

2°C scenario: Human-caused CO <sub>2</sub> emissions become virtually eliminated due to technological innovation and the development of social systems, keeping the temperature increase by no more than 2 degrees Celsius from the time of Industrial Revolution.			
	Environment, social conditions and systems	Risks	Measures
Risks	<p>During transition into a decarbonized society, the government imposes a carbon tax as a policy for restricting the use of fossil fuels and promoting technological innovation. A border carbon tax is introduced to mitigate industrial transfer, prompted by disparity in carbon tax rates in different countries.</p>	<ul style="list-style-type: none"> <li>• Increase in manufacturing costs due to carbon taxes on fossil fuel.</li> <li>* Total financial effects on direct CO<sub>2</sub> emissions from our manufacturing must bear some 5 billion yen/year.*<sup>2</sup></li> </ul>	<p>[Promote energy saving and renewable energy usage.]</p> <ul style="list-style-type: none"> <li>• Convert 50% of purchasing energy to renewables by FY2030.</li> <li>• Achieve no CO<sub>2</sub> emissions in the manufacturing stage by converting energy purchasing to 100% renewables by FY2050, and using hydrogen for in-house cogeneration systems.</li> </ul> <p><a href="https://holdings.fujifilm.com/en/news/list/500">https://holdings.fujifilm.com/en/news/list/500</a></p> <p>[Prediction for 2030]</p> <ul style="list-style-type: none"> <li>• Accomplish CO<sub>2</sub> emission targets in our SVP 2030 by these measures and other energy saving measures. Cost reduction of 2.3 billion yen/year for CO<sub>2</sub> emissions at manufacturing stage.*<sup>2</sup></li> </ul>
Opportunities* <sup>1</sup>	<p>Systems and products with high energy efficiency are given priority in social implementation in order to minimize the load of energy-supply systems. Society adopts a distributed structure due to its affinity with natural energy, creating the demand for reducing transportation of humans and goods and time required for it.</p>	<ul style="list-style-type: none"> <li>• Providing environmentally conscious products. Energy-saving multifunction devices. Energy-saving data storage by high-capacity magnetic tape data archiving systems.</li> <li><a href="https://www.fujifilm.com/about/profile/business_fields/recording_media/">https://www.fujifilm.com/about/profile/business_fields/recording_media/</a></li> <li>• Reduce CO<sub>2</sub> emissions by cutting back on time, transportation and space with Document Solution Services utilizing digital and IT technologies.</li> <li><a href="https://www.fujixerox.co.jp/solution/work_style_reform/telework_202003.html#clm05">https://www.fujixerox.co.jp/solution/work_style_reform/telework_202003.html#clm05</a> (Telework Solution) (in Japanese only)</li> <li><a href="https://www.fujixerox.co.jp/solution/menu/cocodesk">https://www.fujixerox.co.jp/solution/menu/cocodesk</a> (CocoDesk) (in Japanese only)</li> <li>• Resource and energy usage reduction by process-less thermal CTP plates for printing.</li> <li><a href="https://fujifilm.com/products/graphic_systems/ctp/processless_plate/">https://fujifilm.com/products/graphic_systems/ctp/processless_plate/</a></li> </ul>	

\*1 Develop and offer products that contribute to alleviation of and adaptation to climate change by utilizing the Green Value Products Certification Program. (Please refer to 3.4.3 "Green Value Products" Certification Program.)

\*2 When calculating with 5,000 yen/ton-CO<sub>2</sub> for carbon tax.

### 3.2.3 Activity Overview

To reduce impact by Fujifilm Group's business activities, the Energy Strategy Promotion Committee has been working group-wide to maximize efficiency in energy usage and to seek CO<sub>2</sub> reduction measures in the energy procurement. We have been actively working to disseminate these measures across the Group.

Recently, we are directed efforts to the active introduction of renewable energy, both in Japan and other countries, including the introduction of wind power-generated electricity at FUJIFILM Manufacturing Europe B.V. (Netherlands), installation of a photovoltaic power facility at its Kumamoto Plant (Japan) and installation of a new large-scale photovoltaic power facility at FUJIFILM Printing Plate (China) Co., Ltd., in fiscal 2018. In January 2019, we established a renewable energy usage target, and we plan to continue pursuing further energy conservation and introducing renewable energy sources to meet our CSR targets for the year 2030 as established in SVP 2030.

In developing environmentally conscious products, we are developing products that have a low impact on the environment. We try to design products that not only reduce their environment impact by themselves such as energy- and resource-saving design but that also contribute to reducing CO<sub>2</sub> emissions in society. Based on the internal rules and guidelines for Design for Environment, we evaluate the level of environmental impact reduction and calculation results of the contribution to reduce CO<sub>2</sub> emissions from our products and services in society. We are working to reduce environmental impact accordingly.

We believe that developing products to address climate change issues is the first step to resolving environmental issues in society as well as to creating business opportunities. (For further details, please refer to 3.4 Product Stewardship (Design for the Environment).)

## 3.2.4 Status of Renewable Energy Usage

### Renewable Energy Usage Targets

- Converting 50% of purchased electric power to renewable energy-derived power by FY2030.
- Converting 100% of purchased electric power to renewable energy-derived power aiming at zero CO<sub>2</sub> emissions from our energy consumption by converting using fuels to hydrogen in our in-house cogeneration systems by FY2050.
- This target was certified as being in line with the purpose of the RE100 by the Climate Group, an international NPO; we joined the RE100 in April 2019.

### Renewable Energy (Electric Power) Consumption

Unit: MWh

		FY2015	FY2016	FY2017	FY2018	FY2019
Renewable energy consumption	Fujifilm Group Total	46,675	102,552	101,435	96,100	95,827
	Fujifilm	44,848	100,772	99,883	94,738	94,658
	Fuji Xerox	1,827	1,780	1,552	1,362	1,170

Year	Site		Status	Type	Capacity
1998	FUJIFILM Kanagawa Factory	Japan	Installed	Solar power	20 KW (Suspended)
2006	FUJIFILM Kyushu	Japan	Installed	Solar power	100 KW
2006	FUJIFILM Kaisei Factory	Japan	Installed	Solar power	72 KW
2009	FUJIFILM Manufacturing U.S.A., Inc. (Greenwood)	USA	Purchase of methane gas generated from waste landfills	Methane gas (Biogas)	(Purchase)
2011	FUJIFILM Manufacturing Europe B.V.	Netherlands	Installed	Wind power	10,000KW (2,000 kW×5)
2012	FUJIFILM Manufacturing U.S.A., Inc. (North Kansas City)	USA	Installed	Solar power	71 KW
2014	FUJIFILM Recording Media U.S.A., Inc.	USA	Installed	Solar power	667 KW
2015	FUJIFILM Manufacturing Europe B.V.	Netherlands	Purchased	Wind power	(Purchase)
2015	FUJIFILM Speciality Ink Systems Limited	UK	Installed	Solar power	200 KW
2018	FUJIFILM Printing Plate (China) Co., Ltd	China	Installed	Solar power	1,440 KW
2018	FUJIFILM Wako Pure Chemical Corporation Osaka Factory	Japan	Purchased	Water power	(Purchase)
2019	FUJIFILM Techno Products Sano Factory	Japan	Installed	Solar power	95 KW
2019	FUJIFILM Electronic Materials (Europe) N.V.	Belgium	Purchased	Solar power, wind power, and others	(Purchase)
2019	FUJIFILM Belgium NV	Belgium	Purchased	Solar power, wind power, and others	(Purchase)

\* Some sites purchase renewable power and Tradable Green Certificates.

## 3.2.5 Data Related to Climate Change Measures (GHG and CO<sub>2</sub> emissions)

### GHG Emissions (Scope 1, 2)

		Unit		FY2015	FY2016	FY2017	FY2018	FY2019
Total direct GHG emissions (Scope 1)	Total emissions	t CO <sub>2</sub> e (metric tons CO <sub>2</sub> equivalents)	Fujifilm Group Total	687,000	659,000	637,000	624,000	593,000
			Fujifilm	643,000	617,000	595,000	584,000	555,000
			Fuji Xerox	44,000	42,000	42,000	40,000	38,000
		Unit		FY2015	FY2016	FY2017	FY2018	FY2019
Total indirect GHG emissions (Scope 2)	Total emissions	t CO <sub>2</sub> e (metric tons CO <sub>2</sub> equivalents)	Fujifilm Group Total	616,000	580,000	526,000	502,000	474,000
			Fujifilm	449,000	417,000	373,000	358,000	343,000
			Fuji Xerox	167,000	163,000	153,000	144,000	131,000

\* Scope 1: CO<sub>2</sub> emissions in fuel.

\* Data coverage is for 100% of total sales

\* The above Scope 1 & 2 data have been verified by the third party organization: SGS Japan, Inc.

### FY2019 Results of GHG Scope 3 Emissions for Fujifilm Group

Unit: %

	Purchased goods and services	Capital goods	Energy excluding Scope 1,2	Upstream transportation and distribution	Waste generated in operation	Business travel	Employee commuting	Upstream leased assets	Downstream transportation and distribution	Use of sold products	Disposal or products	Downstream leased assets	Downstream leased assets
Fujifilm Group Total	54.5	9.2	2.0	0.3	0.3	1.2	1.0	-	10.5	2.5	3.4	4.0	11.1
Fujifilm	64.9	10.5	2.4	0.3	0.4	0.8	0.6	-	6.7	3.4	4.6	5.4	-
Fuji Xerox	24.9	5.5	0.8	0.2	0.1	2.6	2.0	-	21.4	-	-	-	42.5

### CO<sub>2</sub> Emissions (Scope 1, 2, 3)

	FY2015	FY2016	FY2017	FY2018	FY2019
CO <sub>2</sub> Emissions (kt- CO <sub>2</sub> /year)	5,017	4,839	4,389	4,102	3,738
Scope 1	14%	14%	15%	15%	16%
Scope 2	12%	11%	12%	12%	13%
Scope 3	74%	75%	74%	73%	71%

### FY2019 Result of CO<sub>2</sub> Emission for Fujifilm Group

 Unit: kt-CO<sub>2</sub>/year

		Procurement	Manufacturing		Transportation	Use		Disposal	Total
		1,507	1,040		282	369		78	3,276
Items	PET, TAC, etc.	306	Gas	493	282	Medical equipment	60	78 (including emission trading)	
	Aluminum	1,027	Petroleum	73		Minilab	24		
	Copiers/Printers/Fax machines	174	Electricity	474		Copiers/Printers/Fax machines	296		
						Others (including emission trading)	-12		

## CO<sub>2</sub> Emissions\*

 Unit: kt- CO<sub>2</sub>/year

		FY2015	FY2016	FY2017	FY2018	FY2019
R&D/ Manufacturing/ Office	Japan/Manufacturing	894	853	783	757	724
	Japan/ Non-manufacturing	30	33	32	30	27
	Overseas/Manufacturing	311	273	275	270	255
	Overseas/ Non-manufacturing	37	50	42	39	35
	<b>Group total</b>	<b>1,272</b>	<b>1,209</b>	<b>1,132</b>	<b>1,097</b>	<b>1,040</b>
Vehicle		31	31	31	29	27
<b>Total</b>		<b>1,303</b>	<b>1,240</b>	<b>1,163</b>	<b>1,126</b>	<b>1,068</b>

\* Calculation method: Calculation of CO<sub>2</sub> emission by energy usage specified in the Act on the Rational Use of Energy. Emission coefficient by electric power utility used for purchased power.

## FY2019 CO<sub>2</sub> Emission by Region\* (R&D/Manufacturing/Office)

 Unit: kt-CO<sub>2</sub>/year

Japan		751
Overseas	Americas (USA, Canada & Brazil)	144
	Europe (Netherlands, Germany, Belgium, UK & France)	53
	China	57
	Asia excl. China & Oceania (Australia, South Korea, Singapore, etc.)	36
<b>Group total</b>		<b>1,040</b>

\* Calculation method: Calculation of CO<sub>2</sub> emission by energy usage specified in the Act on the Rational Use of Energy. Emission coefficient by electric power utility used for purchased power in Japan, and emission coefficient released by IEA for each country used for other countries.

## Annual Changes in Transport Volume\* (Japan)

Unit: million tons/kilometer

	FY2015	FY2016	FY2017	FY2018	FY2019
Transportation volume	190	190	168	155	135

\* Range of transportation volume is calculated within the range of ownership in compliance with reporting under the Act on the Rational Use of Energy

## Annual Changes in Total CO<sub>2</sub> Emissions in Logistics\* (Japan)

 Unit: t- CO<sub>2</sub>/year

	FY2015	FY2016	FY2017	FY2018	FY2019
Total CO <sub>2</sub> emissions	50,229	49,761	47,100	45,846	43,205

\* Total CO<sub>2</sub> emissions are calculated as the amount of CO<sub>2</sub> emitted by FUJIFILM Logistics Co., Ltd. in its logistics activities for the Fujifilm Group companies. Since FY2006, we shifted calculation method to the method based on revised Energy Conservation Law (travel distance of empty cars not included in calculations, etc.).

## Amount of CO<sub>2</sub> Reductions and Reduction Rates through Transportation Efficiency Improvements in Distribution\* (Japan)

	FY2015	FY2016	FY2017	FY2018	FY2019
Amount of CO <sub>2</sub> reductions (tons of CO <sub>2</sub> /year)	12,692	15,790	13,156	12,927	10,775
CO <sub>2</sub> reduction rate (%)	20.2	25.4	21.8	22.0	20.0

\* CO<sub>2</sub> reduction rate (%) =  $\frac{\text{Amount of CO}_2 \text{ reductions}}{\text{Total CO}_2 \text{ emissions} + \text{CO}_2 \text{ reductions}}$

\* In the FY2019, we enforced our activities for CO<sub>2</sub> reductions in collaboration with a specified consigner. Major reduction initiatives, which proved effective, include starting modal shifts (road transport to sea transport) in FY2017, as well as improving carrying efficiency by double stacking during transport and enhancing gasoline mileage by eco-driving. The amount was a total figure of each facility's CO<sub>2</sub> reduction measure.

## Utilizing carbon offset

### Efforts in FY2019

Business fields	Coverage
Life Science	We offset CO <sub>2</sub> emissions by customers per day when a customer purchases either an ASTALIFT Jelly Aquarysta or Moist Lotion (Registered with third-party certification by Japan Management Association)
Graphic System	Conducting the Green Graphic Project through which all the CO <sub>2</sub> emissions can be offset by using our SUPERIA Process-less Thermal CTP Plate and providing a carbon zero plate to customers. (METI Acorn Mark acquired)
Document Solution	We utilize the Tradable Green Certificate (issued by Japan Natural Energy Co., Ltd. for wind power energy) to use renewable energy of approx. 44,000 kWh in total for the venue of FUJI XEROX SUPER CUP 2020, All Japan High School Soccer Tournament (semi-finals and final), events and seminars for customers, and our welfare events.

## 3.2.6 Energy Consumption Data

## Annual Changes in Energy Consumption\*1

Unit: TJ

Fujifilm Group Total			FY2015	FY2016	FY2017	FY2018	FY2019
Japan	Electric power, purchased electric power	Fujifilm Group Total	6,718	6,583	6,032	5,760	5,530
		Fujifilm	4,621	4,523	4,019	3,853	3,750
		Fuji Xerox	2,097	2,060	2,013	1,906	1,780
	Heavy oil, etc.*2	Fujifilm Group Total	2,040	1,569	1,299	1,110	1,023
		Fujifilm	2,039	1,568	1,299	1,110	1,022
		Fuji Xerox	1	1	0	0	0
	Gas*3	Fujifilm Group Total	8,495	8,609	8,348	8,507	8,097
		Fujifilm	8,158	8,284	8,023	8,172	7,762
		Fuji Xerox	337	325	325	335	334
	Renewable energy	Fujifilm Group Total	1	1	1	4	5
		Fujifilm	1	1	1	4	5
		Fuji Xerox	0	0	0	0	0
Overseas	Electric power, purchased electric power	Fujifilm Group Total	5,215	4,922	4,983	4,990	5,016
		Fujifilm	4,325	3,994	4,120	4,169	4,313
		Fuji Xerox	890	927	862	820	703
	Heavy oil, etc.*2	Fujifilm Group Total	33	30	24	23	23
		Fujifilm	18	19	18	19	20
		Fuji Xerox	15	10	6	4	3
	Gas*3	Fujifilm Group Total	1,796	1,811	1,798	1,713	1,687
		Fujifilm	1,772	1,784	1,768	1,686	1,669
		Fuji Xerox	24	27	30	27	18
	Renewable energy*4	Fujifilm Group Total	291	874	844	788	646
		Fujifilm	284	867	839	783	641
		Fuji Xerox	7	6	6	5	4
Total	Fujifilm Group Total	24,588	24,397	23,328	22,895	22,026	
	Fujifilm	21,217	21,040	20,087	19,797	19,183	
	Fuji Xerox	3,371	3,357	3,242	3,098	2,843	

\*1 Per unit calorific value is based on the Energy Conservation Act.

\*2 Total of heavy oil A, heavy oil C, kerosene, light oil and gasoline

\*3 Total of natural gas, liquefied natural gas (LNG), city gas, butane and liquefied petroleum gas (LPG)

\*4 FUJIFILM Manufacturing Europe B.V. (EF) classified its energy usage as renewable energy because the supply of wind-generated power has been 100% since FY2015.

Breakdown of Consumption of Heavy Oil, Etc. (FY2019)\*

Unit: thousand kiloliters

	Heavy oil	Kerosene	Light oil	Gasoline
Japan	24.5	1.1	0.1	0.0
Overseas	0.0	0.0	1.3	0.0
<b>Group total</b>	<b>24.5</b>	<b>1.1</b>	<b>1.5</b>	<b>0.0</b>

\*Consumption in manufacturing only



## 3.3 Promoting Resource Recycling

### 3.3.1 Basic Approach

Since our establishment, the Fujifilm Group has been actively recycling resources, through reducing water usage, recycling and reusing water, recovering and reusing resources (e.g. silver), and establishing a recycling system for multifunction devices and copiers, etc. We are conducting efforts to use resources effectively and reduce waste through measures which take into account the total lifecycle of a product, by considering the 3Rs (reduce, reuse, recycle) in the product design, reducing loss at the manufacturing stage, collecting, reusing and recycling used products, and recycling or converting into valuables.

### 3.3.2 Reducing Waste and Using Resources Effectively

The Fujifilm Group is proceeding more effective use for resources and reduction of waste, not only at the manufacturing stage but across the entire product lifecycle as well. In addition to the emphasis on recycling and conservation of resources at the product design stage, reductions in the waste generated at the manufacturing stage are underway in ways that suit each region. We have been promoting Group-wide optimization, including extracting valuables from waste and improving the quality of recycling, not only at our production sites but over our entire business operations including offices and warehouses.

Since fiscal 2016, the amount of waste disposed of by incineration or in landfill has been increasing because of the increase in wastes resulting from our new business expansion and difficulties in recycling plastics by reinforcement of international regulations on plastics. We are working for the entire Group to reduce the amount of waste by improving processes and by recycling plastics to achieve our SVP 2030 targets.

#### Targets and Progresses on Waste Reduction and Resource Recycling (Target for 2030)

##### Long-term target

**Target 1:** Reduce the amount of waste generated by the Fujifilm Group by 30% by FY2030 (compared to the FY2013 level).

**Progress:** Increased by 11% at the end of FY2019 (compared to the FY2013 level).

##### New targets

**Target 2:** Recycle index: More than 10.

**Progress:** 6.8 at the end of FY2019.

**Target 3:** Valuable conversion index: More than 1.

**Progress:** 0.63 at the end of FY2019.

#### Waste Generation

Unit: ton

	FY2016	FY2017	FY2018	FY2019
A. Total waste generated volume* <sup>1</sup>	83,000	83,400	85,400	86,600
B. Total wastes used, recycled or sold	68,400	68,600	69,000	69,800
<b>Total volume of simple disposal waste*<sup>2</sup> (A – B)</b>	<b>14,600</b>	<b>14,800</b>	<b>16,400</b>	<b>16,800</b>

\* Data coverage is for 100% of total sales.

\* The above data has been verified by the third party organization: SGS Japan, Inc.

\*<sup>1</sup> Processed by external service providers and simple incineration or landfill disposal on sites.

\*<sup>2</sup> Simple incineration or landfill disposal by external service providers and on sites.

### Annual Changes in Valuable-converted Waste\*

Unit: thousand tons/year

	FY2016	FY2017	FY2018	FY2019
Valuable-converted waste	72.4	57.4	47.0	43.8

\* Valuable resources sold to the third party.

### Annual Changes in Recycling Index\* and Valuables Conversion Index\*\*

Unit: thousand tons/year

	FY2016	FY2017	FY2018	FY2019
Recycling index	9.6	8.5	7.1	6.8
Valuables conversion index	1.06	0.84	0.68	0.63

\* Recycling index = (Recycled volume + Valuable-converted volume)/Simple disposal volume

\*\* Valuables conversion index = Valuable-converted volume/Recycled volume

## Product packaging

### Annual Changes in Container and Packaging Material\* Used (Fujifilm non-consolidated)

Unit: thousand tons/year

	FY2015	FY2016	FY2017	FY2018	FY2019
Total consumption	15.2	15.6	15.6	16.3	16.1

\*Total of corrugated paper boxes, paper materials, paper containers, metal materials, plastic molds, plastic film/sheet and glass used.

### Annual Changes in Reduction in export Packaging Material Weight\*<sup>1</sup> (Cumulative total)

Unit: %

	FY2015	FY2016	FY2017	FY2018	FY2019
Packaging material reduction rate* <sup>2</sup>	10.5	12.7	17.5	17.8	14.1

\*<sup>1</sup> Total weight of export packaging materials handled by FUJIFILM Logistics in FY2019.

\*<sup>2</sup> Packaging material reduction rate (%) =  $\frac{\text{Weight reduced}}{\text{Total material weight} + \text{weight reduced}}$

## 3.3.3 Reducing Resource Input

The Fujifilm Group develops and offers a wide range of products such as chemical products, functional materials, optical devices, office equipment, and medical equipment, etc. For this reason, we formulated the Assessment Method of Resource Input per Unit (resource material input weight per converted production volume) that utilizes the “Converted Production Volume (production volume of each product converted using the energy used during production)” which is authorized by the Energy Saving Act in Japan. We started to use this method in fiscal 2017.

**Target:** Improve the Fujifilm Group’s Resource Input per Unit by 30% by FY2030.

**Progress:** Improved by 32% (Achieved)

### Resource Input per Unit (Fujifilm Group)

	FY2017	FY2018	FY2019
Improvement rate of Resource Input per Unit (compared to the FY2013 level)	22%	28%	32%

### 3.3.4 Effective Recycling of Used Products

As a part of resource input reduction, we employ the Closed Loop System of recycling in different business areas.

#### 1. Resource recycling system in Document Solution business

##### (1) Product recycling policy in Document Solution business

Promoting reuse of resources for infinite “Zero disposal”

Based on the concept that “used products are valuable resources, not waste,” our resource recycling system for multifunction devices and copiers in the Document Solution business takes the following three approaches for manufacturing aiming to reduce environmental impact across the product lifecycle.

Resource recycling system for multifunction devices and copiers	Closed Loop System	Utilize used products as a resource
	Inverse Manufacturing	Create products under the premise of reusing parts to minimize environmental impact
	Zero Emissions	Parts that cannot be reused are separated and recycled to be utilized again as new materials

##### (2) Basic principle of international resource recycling system construction

As our business becomes globalized, we aim to create an International Resource Recycling System across the areas we operate (Japan, China, and the Asia Pacific Region). In light of this aim, we have established the following systems for the resource recycling system for overseas operations so that our stakeholders can work with us without concern.

##### [Basic approach in overseas operations]

- ① Manage and operate factories under the manufacturer’s responsibility to avoid potential risks
- ② Ensure consistent recycling quality equivalent to that in Japan
- ③ Reduce environmental impact in each country and region

##### [Four principles]

- ① Prevent illegal dumping by collecting used products under the manufacturer’s responsibility
- ② Do not import items that could potentially end as waste
- ③ Do no cause environmental impact to the importer countries and regions (where recycling sites are established)
- ④ Offer benefits to the importer countries and regions (where recycling sites are established)

About collecting used cartridges <http://www.fujixerox.co.jp/support/cru/printer> (in Japanese only)

Resource recycling system in Document Solution business <https://www.fujixerox.com/eng/company/csr/svp2030/environment/recycle.html>

#### New Resource Reduction by Using Reuse Parts in Document Solution business\*

Unit: tons

	FY2015	FY2016	FY2017	FY2018	FY2019
New Resource Reduction	3,273	3,809	3,730	2,967	3,393

\* The total amount of new resource reduction in the production stage by using reuse parts.

\* Total for Japan, the Asia-Pacific Region, and China as Fuji Xerox trading areas.

#### The Percentage of Used Product Recycling by Sites in Document Solution business\*

	FY2015	FY2016	FY2017	FY2018	FY2019
Japan	99.9%	99.9%	99.9%	99.9%	99.9%
China	99.9%	99.9%	99.9%	99.8%	99.7%
Other Asia-Pacific Region		99.6%~99.9%	99.6%~99.9%	80.0%~99.9%	90.0%~99.9%

\* Our recycling system adheres to the Basel Convention

\* Asia Pacific Region: Australia, Philippines, Hong Kong, Indonesia, Korea, Malaysia, New Zealand, Singapore, and Thailand.

## 2. PLATE to PLATE – Closed loop recycling system in the Graphic System business

We have established a closed loop recycling system called “PLATE to PLATE” in the printing supply chain, through which we extract aluminum as pure as newly purchased aluminum from used CTP and PS plates and reuse it in the next plate production. Various stakeholders, including printing companies, aluminum recycling companies, alloy manufacturers, and roller manufacturers are involved in this system. Through this PLATE to PLATE system, we have reduced CO<sub>2</sub> emissions throughout the CTP and PS plate lifecycle by up to 60%, compared with using new aluminum. Compared to cascade recycling, in which lower grade materials are recycled from the original product, closed loop recycling is a more advanced and stable recycling system that can maintain the original quality without being affected by the quality of the materials purchased from recycled material vendors.

\* Closed loop system for used CTP and PS plates <https://holdings.fujifilm.com/en/sustainability/activity/environment/fpd#link01>

### 3.3.5 Effective Use of Water Resources

In the production of the motion picture and photographic film that had formed the mainstay of its business operations since its foundation, the Fujifilm Group had made extravagant use of clean water. For this reason, the Group has taken early steps in reducing water use and in water recycling. In face of the recent growth in the interest focused on water risks as an important international issue, the Group is implementing further steps for the reduction and efficient use of water resources.

Due to the concern over the possible expansion of areas stricken by water shortage issues, the Group created a matrix system for water risk evaluation in 2014 that uses conditions in “water stress regions” and “impact on businesses based on water usage” as its two indicators, and has engaged in continual evaluation of water risks for all business operations under the Group.

At the same time, we contributes to issues on water treatment in society by providing our product and services, including filtration materials.

#### Targets and Progresses on Water

**Long-term target:** Reduce the amount of water the Fujifilm Group uses for production by 30% by FY2030 (compared to the FY2013 level).

**Progress:** 15% reduction at the end of FY2019 (compared to the FY2013 level).

**Mid-term target:** Reduce the amount of water the Fujifilm Group uses for production by 20% by FY2025 (compared to the FY2013 level).

**Progress:** 15% reduction at the end of FY2019 (compared to the FY2013 level).

**Short-term Target:** Reduce the amount of water the Fujifilm Group uses for production by 1% by FY2020 (compared to the FY2019 level).

#### Water Withdrawal/Discharge/Intensity in FY2019

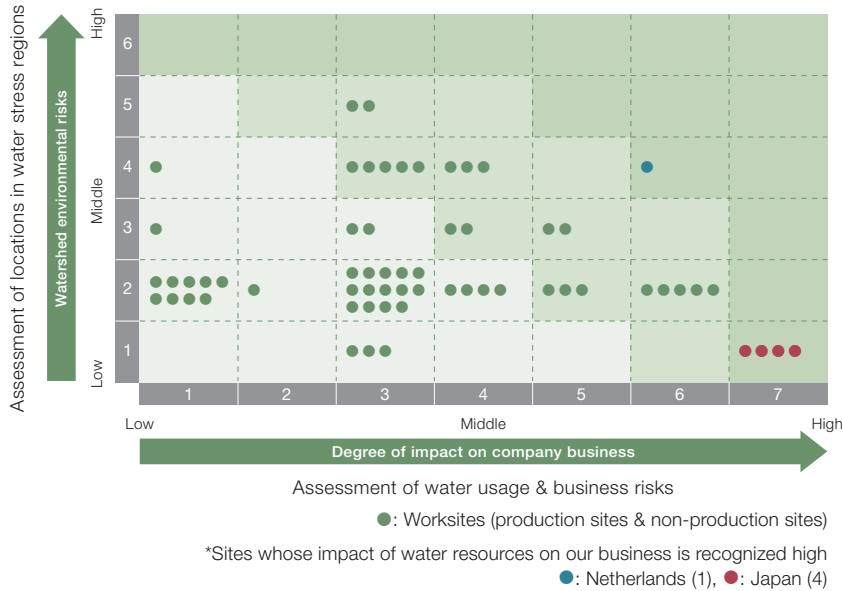
		Unit	FY2016	FY2017	FY2018	FY2019
Water withdrawal	Clean water	million m <sup>3</sup>	5.1	5.0	4.9	4.6
	Industrial water	million m <sup>3</sup>	3.5	3.3	3.3	3.1
	Underground water	million m <sup>3</sup>	37.5	35.6	34.5	34.6
	Rain water, others	million m <sup>3</sup>	0.2	0.2	0.3	0.2
Water discharge	Sewage water	million m <sup>3</sup>	18.9	18.0	17.8	18.7
	Rivers	million m <sup>3</sup>	22.5	22.2	21.8	22.7
	Others	million m <sup>3</sup>	0.1	0.1	0.1	0.0
Revenue intensity	Withdrawal	million m <sup>3</sup> / 100 million yen	1.99	1.82	1.77	1.84
	Water consumption		1.84	1.70	1.68	1.79

\* Data coverage for Fujifilm Group’s production sites & non-production sites

\* The above data has been verified by the third party organization: SGS Japan, Inc.

### 3.3.6 Response to Water Risks

Assessment Map of the Impact of Water Resources on Company Business



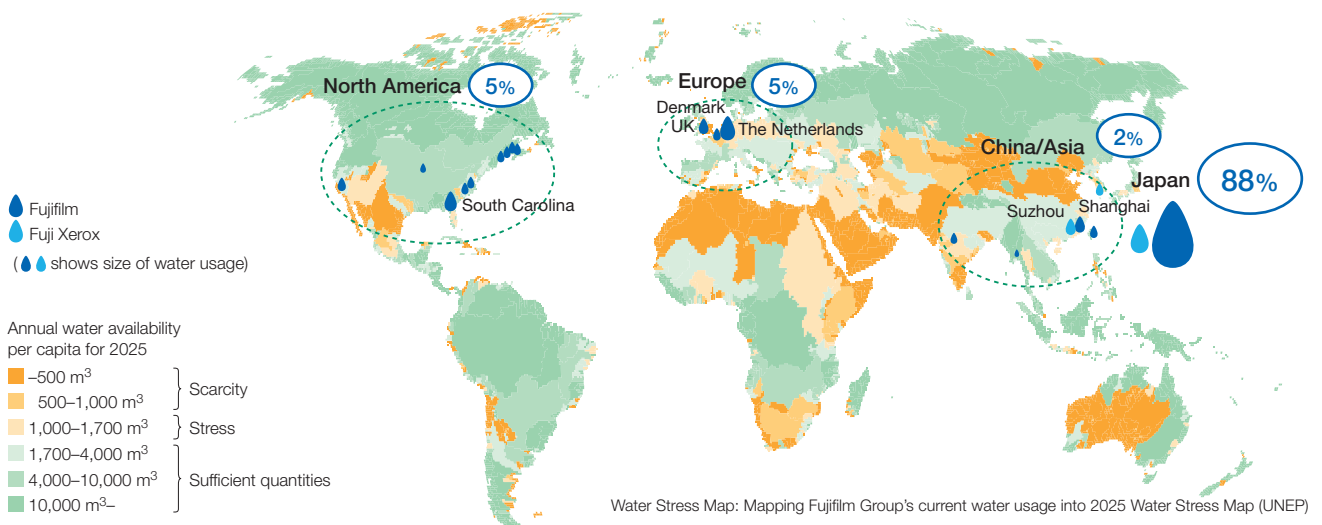
FY2019 Water Withdrawal by Region

Unit: %

		Japan	Americas	Europe	China, Asia/Oceania	Total
Water withdrawal	Clean water	20	48	11	21	100
	Industrial water	99	0	0	1	100
	Underground water	95	0	5	0	100
	Rain water, Others	98	0	2	0	100

\*Data coverage for Fujifilm Group's production sites & non-production sites

2025 Water Stress Map and 2019 Fujifilm Group's Water Usage



## 3.3.7 Working Together with Water-Related Stakeholders

The Fujifilm Group is promoting environmental protection activities together with local residents and NGOs. In the production of the motion picture and photographic film that had formed the mainstay of our business operations since our foundation, we have been working to protect water sources up to the present.

### Major Activities

Sites	Details	Stakeholders
FUJIFILM Kyushu Co., Ltd.	Tree planting in the important water recharge zone of the Shirakawa river	Minami-Aso village, Kumamoto
FUJIFILM (Shanghai) Trading Co., Ltd.	Voluntary tree planting for 23 years	Local NPO
FUJIFILM (Shanghai) Trading Co., Ltd.	Involved in Tree Planting Activities by the Industrial Collaboration of Green Printing since 2015	Printing Technology Association of China
FUJIFILM Manufacturing Europe B.V.	Conducting joint wastewater treatment with four neighboring corporations by installing a large-capacity water treatment facility in our own premises. This has also helped cost reduction.	Neighboring four companies

Suiden-Otasuke-Tai, FUJIFILM Kyusyu

<https://holdings.fujifilm.com/en/sustainability/activity/other-activities/social-contribution-activities/kyushu>

## 3.4 Product Stewardship (Design for Environment)

### 3.4.1 Basic Approach

Based on the Fujifilm Group Green Policy (Environmental Policy), we are working to implement Design for Environment in all new and re-designed products. We set environmental quality targets at the product development stage, then we conduct product assessment in the design and development stage in order to understand the level of achievement against our set environmental targets before market introduction of products. The assessment results and requirements from the market are then reflected in the targets for future product development. This approach is applied not only to the development of material products and equipment products, but also to software and solution development in a bid to reduce the environmental impact on society through our products, services and technologies. Along with the objective and quantitative appraisal of environmental impact by means of Life Cycle Assessment, we proactively demonstrate our environmental consideration through environmental labels.

Development and promotion of environmentally conscious products and services  
<https://holdings.fujifilm.com/en/sustainability/activity/environment#link07>

### 3.4.2 Design for Environment

The Fujifilm Group manages Design for Environment following the two standards below.

#### 1. Standards of Design for Environment

##### (1) Materials and equipment

In the development of environmentally conscious products, we also set targets concerning environmental quality from the perspective of climate change mitigation (reduced power use, etc.), the Reduce, Reuse & Recycle principle of resource saving and recycling, risk reduction of chemical substances, and biodiversity by considering each stage of product lifecycle including material procurement, manufacturing, transportation, use and disposal. The degree of target achievement is then assessed once a product has been developed.

##### (2) Software, service, and IT solutions

In the area of software and service solutions, we set resource conservation, energy conservation, transportation reduction, space saving, and time saving in customers' sites as our environmentally conscious evaluation items. We are working to create products that can contribute to environmental impact reduction throughout the whole of society.

#### 2. Life Cycle Assessment (LCA)

The Fujifilm Group is developing products with less environmental impact through objective and quantitative environmental impact assessment throughout product life cycle (material procurement, manufacturing, transportation, use, and disposal) utilizing Life Cycle Assessment (LCA) in the product development stage.

LCA is also used to assess the progress of efforts for the Group target, which is to reduce CO<sub>2</sub> emissions across our product lifecycle by 45% by FY2030 (compared to the FY2013 level).

### 3.4.3 "Green Value Products" Certification Program

As a new means to create products with environmental consideration, the Fujifilm Group introduced the Fujifilm Group "Green Value Products" certification program in fiscal 2018 to certify products incorporating outstanding environmental consciousness. The standards and their operation of Design for Environment are made common across the Group so that the degree of environmental value is quantified through the standards set for each product and service. The products and services are then classified as Silver, Gold, or Diamond to indicate the improvement level. This also helps clarify the environmental issues to be addressed next for further reduction of environmental impact.

Level	Certification criteria
Diamond	Products and services that use their respective industries' innovative technologies to substantially contribute to reducing environmental impact
Gold	Products and services that reduce environmental impact at their respective industries' highest level
Silver	Products and services that reduce environmental impact at a higher level than their respective industries' standard

## 3.4.4 Result of Design for Environment

### 1. Certifications of Fujifilm Group Green Value Products

We established a new target for the environmentally conscious products in fiscal 2019.

**Target:** Make Green Value Products rate per sales 60% by FY2030.  
**Result:** 32% per sales.

Level	Number of products		Green Value Products
	FY2019	Total	
Diamond	0	1	<ul style="list-style-type: none"> <li>• SUPERIA ZN-II system for process-less CTP plates for newspaper printing</li> </ul>
Gold	5	36	<ul style="list-style-type: none"> <li>• SUPERIA ZD-II system for process-less CTP plates for commercial printing</li> <li>• Digital inkjet press Jet Press 750S</li> <li>• Data Management Solutions</li> <li>• ApeosPort/DocuCentre-V1 C7773/7771 series of color multifunction devices</li> <li>• Document Management Cloud Services “Working Folder”</li> <li>• Document handling software “DocuWorks”</li> </ul>
Silver	26	99	<ul style="list-style-type: none"> <li>• ApeosPort-V 7080N/6080N/5080N series of black-and-white multifunction devices, etc.</li> <li>• DocuPrint P450d/P450ps series of black-and-white printers, etc.</li> <li>• SYNAPSE series for medical imaging IT systems, etc.</li> </ul>

“Green Value Products” Certified Products <https://holdings.fujifilm.com/en/sustainability/activity/environment/green-value-products>

### 2. Products in response to climate change

#### (1) Measures for mitigating climate change

We reviewed the target for environmental impact reduction in product usage at customers’ sites (society) and changed the target from 50 million to 90 million in fiscal 2019.

CO2 emissions reduction in the entire product lifecycle	<p>(1) Target: Reduce CO2 emissions across the entire product lifecycle by 45% by FY2030, compared to the FY2013 level.</p> <p>(2) Results: Reduce by 30% compared to the FY2030 level.</p> <p>(3) Major products:</p> <ul style="list-style-type: none"> <li>• Process-less thermal CTP plates: No film development process and closed loop recycle by used plates</li> <li>• Digital inkjet press: Reduction of processes by digital printing</li> <li>• Multifunction devices/printers: Design for Environment; reuse, reduce and reuse by used products</li> <li>• TAC Display films: thinner film; using biomass materials</li> <li>• Cosmetics: Using refill container</li> </ul>
The Contribution of Products to Avoid Greenhouse Gas at customers’ site	<p>(1) Target: Contribute to 90 million tons CO2 emissions reduction by FY2030.</p> <p>(2) FY2018 results: Contribution amount was 16.1 million tons. Progress: 18%</p> <p>(3) Major products:</p> <ul style="list-style-type: none"> <li>• High capacity magnetic tape: Energy-saving by archive data storage</li> <li>• Multifunction devices/printers: Reducing energy consumption</li> <li>• Document handling software: Paper reduction</li> <li>• Medical IT System: Streamlining business process</li> </ul>

#### (2) Measures in response to climate change

Major product examples:

“Hibimikke (Crack Finder)”: Offer infrastructure degradation diagnosis services for bridges, dam walls, and embankments.

Document Management Cloud Services “Working Folder”: Improving business environment in response to social changes with secured large cloud storage services



## 3.4.5 Disclosing Environment-Related Information for Products

The Fujifilm Group actively discloses environment-related data for products, while aiming to contribute to the resolution of environmental issues through our products and services.

### 1. Environmental labels

The environmental labels indicate products with low environmental impact. We actively use the label as a part of environmental information disclosure. We use the following labels:

#### Environmental Labels Which the Fujifilm Group Obtained

<p><b>Type I:</b> Third party certification (ISO14024)</p>	<p>A third party certifier defines and operates product classification and judgment criteria for environmental certification. In response to a company's request, the certifier examines the product and permits use of their mark if the product meets their criteria. The certified product can then display the mark, which encourages consumers to choose products that support environmental protection.</p>	<p>Japan China Taiwan South Korea Thailand Vietnam Singapore Malaysia Philippines New Zealand Germany The US Canada</p>	<ul style="list-style-type: none"> <li>• Eco Mark (JEM)</li> <li>• Environmental Labelling (CEL)</li> <li>• Green Mark (TGM)</li> <li>• Eco-Label (KEL)</li> <li>• Green Label (TGL)</li> <li>• Green Label (VGL)</li> <li>• Green Label (SGL)</li> <li>• MyHIJAU Mark</li> <li>• Green Choice (GCP)</li> <li>• Environmental Choice (ECNZ)</li> <li>• Blue Angel (BA)</li> <li>• EPEAT</li> <li>• EcoLogo</li> </ul>
<p><b>Type II:</b> Self-declared environmental claims (ISO14021)</p>	<p>This is a program by manufacturers to promote the environmental quality of their products, services, and systems to the market through self-declaration. No third-party judgment is involved. Environmental quality is demonstrated by labels attached to products and descriptions in instruction manuals, promotional materials, and CSR reports.</p>	<p>Fujifilm</p>	<ul style="list-style-type: none"> <li>• Green Value Products (for all products)</li> <li>• PLATE to PLATE aluminum recycling label (CTP plates/PS plates)</li> </ul>
<p><b>Type III:</b> Environmental Product Declarations (ISO14025)</p>	<p>This is a method to indicate quantitative data on a product's environmental impact calculated by the Life Cycle Assessment (LCA). ECO LEAF is an environmental label that displays quantitative environmental data for various ranges, while Carbon Footprint shows simply quantitative data on global warming potential.</p>	<p>Japan Japan</p>	<ul style="list-style-type: none"> <li>• EcoLeaf</li> <li>• Carbon footprint (ISO14067)</li> </ul>
<p><b>Others</b></p>	<p>There are environmental labels other than Type I to III, including energy-saving labels that display the achievement level of a certain environmental performance. Also, green purchase systems are available to encourage consumers (including public organizations) to choose products and services with lower environmental impact.</p>	<p>Japan Japan, the US China China Hong Kong South Korea Taiwan Vietnam Europe (EU)</p>	<ul style="list-style-type: none"> <li>• Act on Promoting Green Purchasing</li> <li>• Energy Star Program</li> <li>• China Energy Label</li> <li>• Energy Efficiency Certification</li> <li>• Energy Label (VEELS)</li> <li>• e-Standby Power Program</li> <li>• Energy Efficiency Certification</li> <li>• Energy Efficiency Label</li> <li>• EU ErP (Lot 4, Lot 6/26)</li> </ul>

## 2. Safety Data Sheet (SDS) and Article Information Sheet (AIS)

To ensure customers' safety when handling our chemical products\*<sup>1</sup> and material products\*<sup>2</sup>, the Fujifilm Group publishes safety information on the chemical substances contained in the products and handling precautions.

\*1 Chemical products: Fine chemicals, various treatment chemicals, and other chemical substances or mixtures.

\*2 Material products: Various functional films, photographic papers, and other articles manufactured from chemical substances.

## 3.5 Management of Chemical Substances

### 3.5.1 Basic Approach

In addition to thorough compliance with the current laws and regulations of chemicals, the Fujifilm Group is voluntarily reducing the usage of chemicals that have been found to be seriously hazardous and a potential concern to society ahead of the introduction of new legal requirements. We lower chemical risks by reducing the usage of the substances or replacing them with safer alternative chemicals.

The Fujifilm Group established a safety test facility in 1975 and has been assessing the safety of the materials we have developed in terms of human health and the global environment. In recent years, we have been focusing on replacing animal testing for safety assessments from the viewpoint of animal welfare\*1. Utilizing the safety data and the chemical library we have accumulated to date, we are developing safer materials grounded upon our core technologies that contribute to resolving various social issues.

The products offered by the Fujifilm Group cover from the upstream to the downstream of supply chains, including fine chemicals, highly functional materials, optical devices, office equipment, and medical devices. This is why we are working to contribute to appropriate chemical management throughout the supply chains by disseminating our expertise and operational structure for the safe handling of chemicals.

\*1 3Rs of animal protection (Replacement: Use of alternative method; Reduction: Reduction of the number of animals used; and Refinement: Relief of animal pain)

### 3.5.2 Anticipatory Risk Management of Chemical Substances

The Fujifilm Group specifies the chemical substances that require special attention based on their hazard levels, the strictness of requirements specified by the applicable laws and regulations, and our own management policy. These chemical substances are classified into the S category and we have established a voluntary management policy for each category. Those chemical substances that are deemed to potentially fall into the S category are designated as “priority risk management chemical substances,” and we are starting to reduce their usage or to replace them as soon as possible to minimize the related risks.

#### Target of Anticipatory Risk Management of Chemical Substances

- Target:** Replace or reduce usage of “priority risk management chemical substances” by FY2030.
- Progress:** We have designated seven chemical substances as priority risk management chemical substances.

Since the commencement of S category and its voluntary management policy in 2011, we have made progress in reducing the usage of one of S3 substances, which was used most, to 13% of the maximum usage.

Table of the Classification of Our Chemical Management

S category and its voluntary management policy	
S0	Ban on use
S1	Substitute
S2	Reduce the usage or the emissions
S3	Plan to substitute
Priority risk management chemical substances	
Not classified	

### 3.5.3 Promoting Animal Testing Alternatives

The Fujifilm Group is actively developing alternative methods for skin sensitization testing, skin irritation testing, etc. as well as participating in joint studies on alternative methods in the safety evaluation of chemical substances.

- Target:** Adopting animal testing alternatives in all safety assessments.  
 Conduct all the safety evaluation as alternatives to animal testing.
- (1) Conduct the safety evaluation for our newly developed chemical substances using alternative methods for animal testing by FY2025\*1.
  - (2) Obtain the safety data on the safety data sheet for our chemical products using alternative methods for animal testing by FY2030\*2.

**Result:** The skin sensitization test, “Amino acid Derivative Reactivity Assay (ADRA)”, developed by Fujifilm, was evaluated as skin sensitization method with higher accuracy than conventional methods and was adopted in the OECD Guidelines (OECD TG 442C) in June 2019.

The skin corrosive test using the in-vitro 3D human skin tissue model developed by Japan Tissue Engineering Co., Ltd. (J-TEC) was also adopted in the OECD guidelines (OECD TG 431).

\*1 We haven't already tested with animals for safety evaluation of chemical substances used in cosmetics (including quasi-pharmaceutical products). We do not plan to conduct animal testing for this purpose unless such testing is required to achieve accountability of chemical safety or is instructed by the authorities concerned.

Note that we conduct legally specified safety evaluation for chemical substances used in medicines and foods.

\*2 Chemical products: Fine chemicals, various treatment chemicals, chemical substance or mixture.










## 3.5.4 Contribute to Resolving Social Issues through Development of New Materials and Processes

Based on our core technology of material and process development, the Fujifilm Group offers products and services that resolve various social issues.

**Target:** Contribute to resolving social issues through development of new materials and processes.

**Result:** Disclose our exclusive materials and processes developed by our Group to contribute SDGs.

### Examples of Our Exclusive Materials and Processes to Contribute SDGs

Materials and processes	Applicable SDGs	Contribution details
Water-soluble polymerized materials	  	<ul style="list-style-type: none"> <li>Water-soluble polyfunctional acrylamide monomer that can contribute to VOC reduction.</li> <li>It is both reactive and safe. Can be used as a material for various purposes, including medical equipment and components, electronic optics, data storage, and printing plates.</li> </ul>
Flow synthesis process	  	<ul style="list-style-type: none"> <li>Reduction of waste and heavy metal catalysts.</li> <li>Saving energy, space, and human labor.</li> <li>Enables on-demand production and short-period setup.</li> <li>Controls sensitive reaction process safely.</li> </ul>
Ion exchange membranes	 	<ul style="list-style-type: none"> <li>Can remove salt from irrigation water, brackish water, and river water to secure drinking and agricultural water in remote islands or arid lands.</li> <li>Can concentrate industrial wastewater to reduce or eliminate waste, contributing to cost reduction.</li> </ul>
RoHS testing reagents		<ul style="list-style-type: none"> <li>Reagents to accurately and quickly analyze restricted substances under the EU RoHS Directive.</li> </ul>

Water-soluble polymerized materials <https://specchem-wako-jp.fujifilm.com/en/whm/index.htm>

Flow synthesis process [https://specchem-wako-jp.fujifilm.com/en/cdmo\\_chemicals/](https://specchem-wako-jp.fujifilm.com/en/cdmo_chemicals/)

Ion exchange membranes <https://www.fujifilmmembranes.com/>

RoHS testing reagents <https://labchem-wako.fujifilm.com/europe/category/analysis/environmental/index.html>

### 3.5.5 Contribution to Appropriate Chemical Substance Management Across the Supply Chain

It is indispensable for effective chemical substance management to share information about the chemical substances contained in products and safe handling methods for such chemicals and products across the supply chain.

The Fujifilm Group uses chemSHERPA, a chemical information communication system compliant with international standards, to share information about chemical substances in our products with suppliers and customers. We are a member of the system's operational consortium, helping promote chemSHERPA throughout the supply chain by offering explanatory meetings and individual consultations to our transaction partners. It is a legal requirement to provide product safety information using Safety Data Sheet (SDS) for inks, treatment chemicals, and chemical products (i.e. articles). Voluntary use of an Article Information Sheet (AIS) in the photographic industry has been a common practice to communicate safety information concerning articles such as photographic films and printing paper. Now, the Fujifilm Group is proactively using AISs beyond our photographic products for other industrial materials, printing products, display monitor materials, etc. to communicate with our customers and ensure safe usage of our products.

**Target 1:** Communicate information on chemical substances in our products in compliant with international standards.

**Result:** Upgraded to a new version of chemSHERPA, in compliance with international standard IEC62474.

**Target 2:** Continue providing Article Information Sheets (AIS).

**Result:** Total of 231 AISs have been newly created or updated and published on our official website.

**Target 3:** Disseminate knowhow about the safe handling of chemical substances.

**Result:** As a reagent manufacturer, FUJIFILM Wako Pure Chemical Corporation has provided a total of 430 training program on the Safe Handling of Reagents for customers since fiscal 2000.

We provided training to the persons in charge of chemical management of the Fujifilm Group to learn about the safe handling of chemicals and related laws and regulations.

### 3.5.6 Perfluorocarbons (PFC) Emissions/Volatile Organic Compounds (VOC) Emissions

We are introducing measures to reduce perfluorocarbons (PFC), one of the greenhouse gases, according to the regulations in each country. We have set a target to reduce VOC emissions to less than half the previous year's level.

#### PFC and VOC Emissions

	Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Direct PFC emissions	kg PFC/ metric tons produced	0	1,257	62	112	0
Direct VOC emissions	metric tons	834	750	800	707	724

\* Data coverage (ratio to total profit or total employees) is 100% of the production volume.

\* PFC emissions data has been verified by a third-party organization, SGS Japan, Inc.; however, the production volume used in the calculations is out of certification.

#### Response to the PRTR Law (Fujifilm Group) in Japan

Fujifilm controls substances that must be reported under the PRTR Law (Pollutant Release and Transfer Register Law) and another substances on a voluntary basis, and has been endeavoring to reduce those emission. Data (usage volume, atmospheric emissions volume, emission into public water, volume going into sewage water, volume moved outside of facilities, and volume recycled) on substances used in amounts of one ton or more per year by Fujifilm and its domestic affiliates may be found on the following Fujifilm website.

 [https://holdings.fujifilm.com/en/sustainability/activity/environment/environmental-preservation#nav\\_02](https://holdings.fujifilm.com/en/sustainability/activity/environment/environmental-preservation#nav_02)

## Annual Changes in Atmospheric Emissions of VOCs

Unit: hundred tons/year

	FY2015	FY2016	FY2017	FY2018	FY2019
Japan	6.5	5.9	6.4	5.8	6.1
Overseas	1.8	1.6	1.6	1.3	1.2
Group total	8.3	7.5	8.0	7.1	7.2

## Reductions in VOCs Atmospheric Emissions\* (Fujifilm non-consolidated)

Category	Name of substance	Reduction (tons)	Reduction rate in comparison to previous fiscal year (%)
Substances requiring reporting under the PRTR Law	Dichloromethane	8	10
Substances voluntarily controlled by the company	Methyl alcohol	17	9
	Ethyl acetate	-38	-37
	Methyl ethyl ketone	-1	-2
	Acetone	-5	-12

\*Reduction in volumes in FY2019 compared with actual levels in previous year

## 3.5.7 Managing Hazardous Waste

We store hazardous waste in a place designated by a certified officer under appropriate management, and then treated by authorized disposers.

Items that contain polychlorinated biphenyls (PCBs) are strictly managed following the laws of different countries and treated according to a predetermined disposal plan.

## Annual Changes in Amount of Specified Hazardous Waste

	Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Amount of specified hazardous waste	t	1,231	2,235	2,094	1,570	1,304

## Storage and Management of Devices/Equipment Containing PCBs\* (FY2019)

Types of equipment containing PCBs Unit	Unit	Storing and managing amount	
		Japan	Group total
High voltage transformers	Quantity	7	24
High voltage condensers	Quantity	0	90
PCB oil waste, etc.	kg	0.0	0.0
Sludge, etc.	m <sup>3</sup>	0.0	0.0
Fluorescent lamp stabilizers	Quantity	10,658	10,669
Low voltage condenser excluding fluorescent lamps	Quantity	90,548	90,548
Low voltage transformer Quantity	Quantity	0	0
Rags	kg	1,145	1,145
Other devices Quantity	Quantity	295	295

\*Excludes PCB in low concentration

### 3.5.8 Managing Pollutants

We have established management standards for air and water pollutants to meet the requirements and limit values concerning concentrations and emission quantities specified by the laws and regulations applicable to each site. Pollutant emissions are monitored and regularly checked for compliance with these specified limits.

We also conduct environmental risk assessments to prevent accidents that may emit excess pollutants beyond our premises.

#### Annual Changes in Volume of Atmospheric Emissions

Unit: tons/year

		FY2015	FY2016	FY2017	FY2018	FY2019
Sox emissions	Japan	9	19	15	19	10
	Overseas	10	2	3	3	1
	Group total	19	21	18	22	11
NOx emissions	Japan	424	369	290	232	242
	Overseas	78	86	111	94	82
	Group total	502	455	401	326	325
Soot particle emissions	Japan	3.1	2.3	2.4	1.8	2.1
	Overseas	4.2	1.0	1.8	3.3	5.7
	Group total	7.3	3.3	4.2	5.1	7.9
Atmospheric emissions of specified CFCs*	CFC-11	0.21	0.00	0.16	0.00	0.00
	CFC-12	0.00	0.00	0.00	0.00	0.00

\*Group total, below the limit of detection = 0

#### Annual Changes in Water Contaminant Burden & Emissions\*1

Unit: tons/year

		FY2015	FY2016	FY2017	FY2018	FY2019
Total amount of COD*2	Japan	82.1	69.0	55.9	68.6	49.4
	Overseas	67.3	55.5	49.6	27.2	19.7
	Group total	149.4	124.5	105.4	95.8	69.1
Total amount of BOD*3	Japan	37.1	30.2	24.3	26.8	25.1
	Overseas	16.6	0.5	0.1	0.6	1.2
	Group total	53.7	30.7	24.4	27.4	26.3
Total amount of nitrogen emissions	Japan	232.3	170.9	181.7	167.2	143.1
Total amount of phosphorous emissions	Japan	4.2	1.4	2.7	1.8	2.0

\*1 Effluent release into public water bodies

\*2 COD (Chemical Oxygen Demand): An indicator of water pollution. COD indicates the amount of oxygen consumed when water-borne pollutants (primarily organic contaminants) are oxidized upon the introduction of an oxidant.

\*3 BOD (Biochemical Oxygen Demand): BOD is a way to measure the degree of water pollution, and indicates how much oxygen in the water is being used by organisms to decompose contaminants by looking at the reduction in oxygen in the water.

#### Surveying and remediating soil and underground water pollution (Fujifilm Group companies in Japan)

The Fujifilm Group autonomously conducts environmental surveys on soil and underground water pollution. Regarding substances that are used at manufacturing facilities and that are subject to environmental limits set by regulations, the Group rigorously manages the usage and storage of such substances and monitors the concentrations of such substances in underground water. We are prepared to deal with any unforeseen pollution incidents in a timely fashion.

<https://holdings.fujifilm.com/en/sustainability/activity/environment/environmental-preservation>

## 3.6 Biodiversity Conservation

### 3.6.1 Basic Approach

For the preservation and maintenance of biodiversity, the Fujifilm Group has established the Fujifilm Group Basic Concepts and Action Guidelines for Biodiversity Conservation (also known as Guidelines for Biodiversity) as the group-wide policy based on the Fujifilm Charter for Corporate Behavior and Code of Conduct.

To prevent our business activities having an adverse impact on biodiversity, we are committed to preservation, conservation and sustainable use and are working to reduce the destruction of biodiversity. We are engaged in constant communication with our stakeholders in this area from an international standpoint to ensure that we are responding to the needs of society.

- FUJIFILM Holdings “Guidelines for Biodiversity” <https://www.fujifilmholdings.com/en/sustainability/vision/creature.html>
- Fujifilm “Policies for Wood Pulp Procurement” [https://www.fujifilm.com/about/procurement/purchasing\\_policy/wood\\_pulp/](https://www.fujifilm.com/about/procurement/purchasing_policy/wood_pulp/)
- Fuji Xerox “Sustainable Paper Procurement” [https://www.fujixerox.com/eng/company/csr/svp2030/environment/chem\\_bio.html#anc02](https://www.fujixerox.com/eng/company/csr/svp2030/environment/chem_bio.html#anc02)

### 3.6.2 Risk Assessments of Our Business Activities

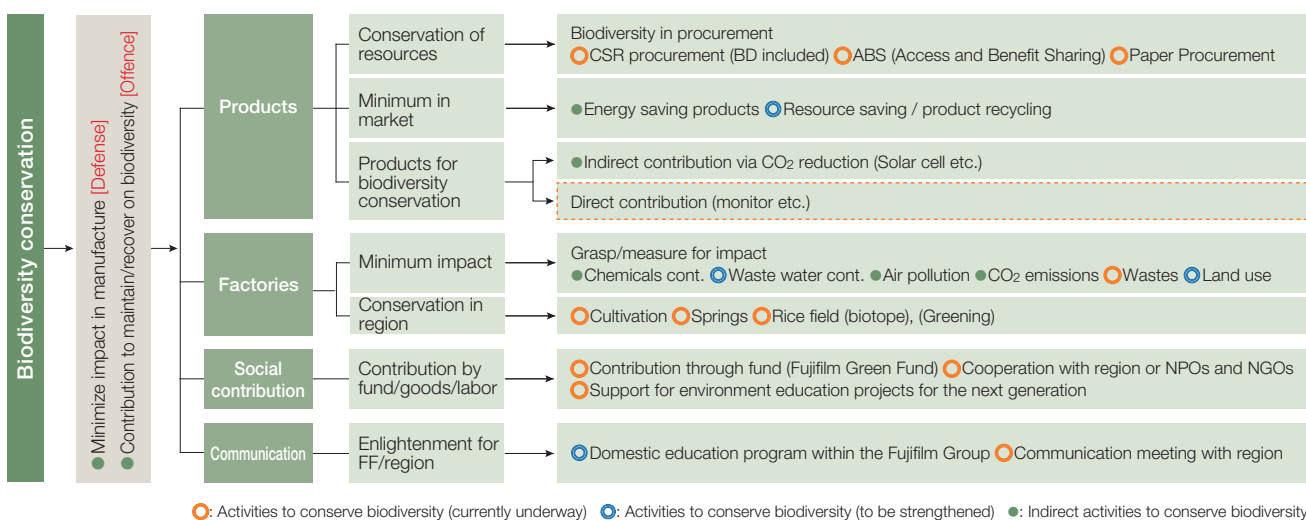
The Fujifilm Group assesses and promotes to minimize biodiversity risks in its business operations. Our findings regarding the impact of our business activities on biodiversity led to our designating paper procurement in our Document Solutions business as a priority area affecting forest resources. In 2018, in compiling the Natural Capital Accounting data we disclose in our Integrated Report, we used the Natural Capital Protocol from the Natural Capital Coalition to assess the impact of our Document Solution business on paper procurement and its dependency on natural capital. Specifically, we compared procurement of raw materials for paper production from sustainably managed forest resources with procurement from forest resources that have problems with sustainability and evaluated their respective impacts on climate change, public health and sanitation and biodiversity. The results showed that procurement from sustainable resources reduced our social loss in the range from 20 (in minimum) to 750 (in maximum) million dollars in comparison to procurement from unsustainable resources.

These findings substantiate the monetary value of our paper procurement activities, which we have been carrying out since 2004 with an awareness of ecosystems, biodiversity and the human rights of local communities. We now intend to expand the scope of our measures.

### 3.6.3 Activities for Biodiversity

In addition to the measures taken with paper procurement, we are introducing measures that address risks and opportunities in biodiversity, arranged into the key elements of “products,” “factories,” “social contribution” and “communication.”

Activities on Biodiversity Conservation —Outline—





## 1. Biodiversity in products

The Fujifilm Group manufactures environmentally conscious products that do not adversely affect biodiversity.

### (1) Design for the Environment

In product development, we have adopted conservation of biodiversity as a theme in Design for the Environment. Biodiversity assessments are conducted across the entire product lifecycle.

The key points in assessment are (1) reduction of environmental impact from the production stage to minimize or reduce the impact on the ecosystem; (2) investigation of losses, reductions, splits, etc., in the growth and habitat of biological resources at procurement locations; and (3) availability of sustainable biological resources. Confirming that there are no issues in these three assessment areas ensures that our products and services are sustainable and have high environmental value.

### (2) Efforts in paper procurement

As Fuji Xerox sells paper for printers and copiers, the company declares that it procures pulp from forests that are managed with consideration for the environment and human rights, avoiding any involvement in forest destruction and human rights infringements.

To realize this, we established the Environmental, Health, and Safety Requirements regarding Paper Procurement. These rules specify paper quality standards for procurement, as well as selection criteria for material suppliers. Through these rules, we request material suppliers to pay attention to biodiversity and respect the rights of local residents in their business operations.

We also hold an annual meeting of the CSR Paper Procurement Committee, chaired by the director responsible for procurement, in order to confirm the compliance status of existing suppliers and to select new suppliers.

Percentage of suppliers fully meeting our paper procurement standards for shared paper procurement (Document Solutions): 100%

Percentage of FSC®-certified paper brands for paper products in Document Solutions: 29%

Fuji Xerox paper procurement regulations:

[https://www.fujixerox.com/eng/company/csr/svp2030/environment/chem\\_bio.html#anc02](https://www.fujixerox.com/eng/company/csr/svp2030/environment/chem_bio.html#anc02)

## 2. Reducing environmental impact at our factories and contributing to local communities

### (1) Minimizing impact

Our factories handle a range of hazardous materials that adversely affect biodiversity. Air pollution, water quality contamination and soil contamination have led to the degradation of biodiversity, not only in areas where our factories are located, but also in surrounding regions and nearby river systems, which in some cases require a very long period of time for recovery. To prevent such incidents, in addition to compliance with relevant laws, we have established voluntary control levels designed to raise site management to a higher level.

### (2) Environmental protection in local communities

- Preservation of paddy fields in areas that are water sources

FUJIFILM Kyushu has signed contracts with farmers in Minami-Aso Village to support rice cultivation with the aim of replenishing groundwater levels and preserving the paddy field landscape. Employees of the company and their families participate in planting and harvesting rice every year.

- Maintaining forests that protect watersheds

FUJIFILM Kyushu cooperates in planting trees and maintaining forests that protect the catchment function of the watershed on the upper reaches of the Shirakawa River. This has contributed to providing sustainable water supplies for people living in the Kumamoto City area. Thirteen thousand broad-leaf trees including konara oak and yamazakura cherry have been planted over 5.24 hectares of land.

## 3. Social contributions

### (1) Tokyo Greenship Action

Since 2004, Fuji Xerox Tama has been participating in Tokyo Greenship Action, a greenery conservation activity organized by the Tokyo Metropolitan Government in cooperation with businesses and NPOs. Employees and their families participate every year as volunteers and learn about the importance of nature.

### (2) Promoting Environmental Awareness in Cooperation with NPOs and Other Organizations

Activities to promote greater environmental awareness among young people have been organized in cooperation with NPOs.

- Network for Coexistence with Nature, an approved NPO and others: 100 experts explained about the sea and the mountains to 100 high school students in the “Kikigaki-Koshien” project.
- Charitable Trust Fujifilm Green Fund and other funds: “Watashi-no-Shizenkansatsuro Competition” features elementary and junior high school students submitting picture maps of nature observation trails along with a text description.
- Green Cross Japan: Roughly 100,000 children think about and take actions related to nature close to their lives in the Kankyo Nikki program, “Midori-no-Komichi.”

## 4. Collaboration with initiatives regarding biodiversity

Fuji Xerox participates in the Japan Business Initiative for Biodiversity (JBIB), an organization promoting innovative actions to conserve biodiversity in Japan and contributes to member businesses conserving biodiversity in the supply chain by sharing standards on paper procurement and knowledge on inspection and audit methods.

## 4.1 Employee Overview

### Definitions in this section

Fujifilm Group: FUJIFILM Holdings Corporation and its consolidated companies

Fujifilm Group Japan: FUJIFILM Holdings Corporation and its consolidated companies in Japan

### 4.1.1 Basic Approach

Under our corporate slogan, "Value from Innovation," we are proactively reforming our business regardless of the quickly changing environment, aiming at generating value in society. To realize this aim, we value that each of our diverse employees has their own strengths and exerts their abilities to the fullest extent. We are establishing an environment to enable employees to deliver results through efficient manners of working, while collaborating with various stakeholders, both inside and outside the company.

### 4.1.2 Basic Data

#### Fujifilm Group Composition of Employees

As of March 31, 2020

	Total	Male	Proportion	Female	Proportion
Executive officer (exc. Directors)	7	5	71%	2	29%
Regular employees	73,906	53,396	72%	20,510	28%
Managerial personnel	13,327	11,390	85%	1,937	15%
General employees	60,579	42,006	69%	18,573	31%
Non-regular employees	10,010				

#### Status of Regular Employees

As of March 31, 2020

##### FUJIFILM Corporation

	Total	Male	Female
Number of employees	4,702	3,888	814
Proportion	100%	82.7%	17.3%
Managerial personnel	1,166	1,119	47
Proportion	100%	96.0%	4.0%
Average age	42.68	43.06	40.83
Average length of employment (years)	17.88	17.94	17.58
Utilization of paid leave*1	72.1%	—	—
Turnover rate*2	1.22%	1.15%	1.54%

\*1 Data on utilization of paid leave is calculated based on data for the period from April 1, 2019 to March 31, 2020.

\*2 Turnover rate = 
$$\frac{\text{Attrition} + \text{Voluntary}}{\text{Total number of employees at FUJIFILM Corporation at the end of the preceding fiscal year (Retirements including the company early retirement program are not counted)}}$$

##### Fuji Xerox Co., Ltd.

	Total	Male	Female
Number of employees	7,731	6,461	1,270
Proportion	100%	83.6%	16.4%
Managerial personnel	1,725	1,597	128
Proportion	100%	92.6%	7.4%
Average age	45.01	45.92	40.39
Average length of employment (years)	20.08	20.81	16.36
Utilization of paid leave*1	66.6%	—	—
Turnover rate*2	2.98%	2.85%	3.70%

\*1 Data on utilization of paid leave is calculated based on data for the period from April 1, 2019 to March 31, 2020.

\*2 Turnover rate = 
$$\frac{\text{Attrition} + \text{Voluntary}}{\text{Total number of employees at Fuji Xerox Co., Ltd. at the end of the preceding fiscal year (Retirements including the company early retirement program are not counted)}}$$

## Re-employment

### FUJIFILM Corporation

FY2015	FY2016	FY2017	FY2018	FY2019
19	37	45	65	59

\* Employees re-employed after retirement during the relevant fiscal year

### Fuji Xerox Co., Ltd.

FY2015	FY2016	FY2017	FY2018	FY2019
554	554	173	215	185

\* Employees re-employed after retirement during the relevant fiscal year

## 4.2 Promotion of Diversity and Equal Opportunities for Employees

### Definitions in this section

Fujifilm Group: FUJIFILM Holdings Corporation and its consolidated companies

Fujifilm Group Japan: FUJIFILM Holdings Corporation and its consolidated companies in Japan

### 4.2.1 Basic Approach

The Fujifilm Group lists “Respect and promotion of diversity” and “Prohibition of discrimination” in Chapter 1 Respect for Human Rights of the Fujifilm Group Code of Conduct. We aim to become a robust organization that can contribute to a prosperous society by generating new values through respecting, accepting, and being inspired by each employee’s personality and individuality.

Even during a major life event, such as child care and nursing care, our working environment allows flexible ways to enable employees to continue their work and then smoothly return to fulltime working. This support aims to ensure opportunities for employees to grow through their jobs and that their diversity can contribute to the organization.

Fujifilm Group Code of Conduct Chapter 1 Respect of human rights

<https://holdings.fujifilm.com/en/about/philosophy/law>

### 4.2.2 Management System to Drive Diversity and Inclusion

One of the Priority Issues listed in the Sustainable Value Plan 2030 (SVP 2030), our CSR Plan, states “Create frameworks and workplaces so that the Fujifilm Group’s diverse employees may exert their capabilities and creativity to the fullest extent.” Concretely, we set the following targets to progress work-style reform and diversity promotion: (1) Promoting talented employees worldwide; (2) Promoting women in leadership; (3) Continue exceeding the legally-stipulated rate of employment of people with disabilities (Japan); and (4) Achieve zero retirement of employees caused by childcare and nursing care (Japan).

In April 2019, we revised the Fujifilm Group Charter for Corporate Behavior and Code of Conduct with clear mention of respecting diversity and elimination of discrimination. The revised Code of Conduct was translated into 24 languages and global education was started for all Group employees across the world.

### 4.2.3 Effort Results and Progress

In fiscal 2019, the Fujifilm Group revised the indices to measure “the extent to which diverse employees are exerting their capabilities and creativity to the fullest extent” and set new long-term goals in line with, our CSR plan, Sustainable Value Plan 2030 (SVP 2030).

#### Target 1: Promoting talented employees worldwide

**Principal indices:** Percentage of international employees (i.e. non-Japanese) in major positions\* in the Fujifilm Group  
FY2030 target: 35%, FY2019 results: 26%

\* Major positions: Presidents of major subsidiaries, General Managers of major business

Taking our Group globally, we reviewed our core positions. In addition to the existing major positions in our Group companies, we include key positions in our businesses and Head Office functions that are becoming increasingly important when looking towards the future. We continue to promote talents who can lead our businesses in different markets regardless of their nationalities.

#### Target 2: Promoting women in leadership

**Principal indices:** (1) Percentage of women in managerial positions in the Fujifilm Group  
FY2030 target: 25%, FY2019 results: 14.5%  
(2) Percentage of women in managerial positions in the Fujifilm Group Japan  
FY2030 target: 15%, FY2019 results: 5.4%

We aim to promote talented female employees to managerial positions across the Fujifilm Group, and at the same time, we plan to enhance recruiting of a greater number of female future-manager candidates.

## Percentage of Women in Managerial Positions

	FY2018	FY2019	FY2030 target
Fujifilm Group	13.9%	14.5%	25.0%
Fujifilm Group Japan	5.4%	5.4%	15.0%

**Target 3: Continue exceeding the legally-stipulated rate of employment of people with disabilities (Japan)**

Principal indices: Percentage of employees with disabilities according to the group-wide calculation under FUJIFILM Holdings  
 FY2030 target: 2.35%, FY2019 results: 2.42%

Since fiscal 2016, the Fujifilm Group Japan's percentage of employees with disabilities remains higher than the legally-specified percentage. We will continue to maintain this figure in the future.

## Percentage of Employment of Persons with Disabilities\*

As of June 1, 2020

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2030 Target
Fujifilm Group	—			2.32%	2.42%	2.35%
FUJIFILM Corporation	2.10%	2.24%	2.27%			
Fuji Xerox Co., Ltd.	2.09%	2.22%	2.18%			

\* We disclose the actual percentage determined by the group-wide calculation method under FUJIFILM Holdings from FY2018.

**Target 4: Achieve zero retirement of employees caused by childcare and nursing care (Japan)**

Principal indices: (1) Job retention rate three years after returning from childcare leave  
 FY2030 target: 100% (Fujifilm Group Japan),  
 FY2019 results: 92.0% (FUJIFILM Corporation)  
 (2) Job retention rate three years after returning from nursing care leave.  
 FY2030 target: 100% (Fujifilm Group Japan),  
 FY2019 results: 100% (FUJIFILM Corporation)

We held seminars for both employees returning from childcare leave and their managers to raise awareness about ways of making their return to work problem-free. To enable a satisfactory balance between work and childcare, we also promoted childcare leave for male employees and the utilization of accumulated unused annual leave. For nursing care, we held specialist seminars to avoid employees quitting their jobs through having to provide nursing care and enhanced support services for those engaged in nursing care.

We are also accelerating workstyle innovations for all of our group employees, not limited to those currently facing major life events. This effort includes making new rules or altering existing rules to make working hours or holidays more flexible, shifting to online meetings, shortening meeting times, and organizing the remote working environment.

## System for a Work-life Balance

We have improved various programs that more than satisfy legal requirements in order to support a flexible work style according to the life event such as childcare and family care.

### FUJIFILM Corporation

Giving birth and childcare	Nursing care	Other
<ul style="list-style-type: none"> <li>• Catering for pre- and post-birth requirements</li> <li>• Leave of absence for childcare</li> <li>• Use of stock leave* for childcare</li> <li>• Support for employees working while raising children</li> <li>• Three-person interview at the time of returning to work from childcare leave</li> <li>• Child medical care leave program (1 relevant child: 12 days per year; 2 or more children: 24 days per year)</li> <li>• Reduced work hour program (child in the third grade or lower)</li> <li>• Use of stock leave* for fertility treatment</li> <li>• Leave of absence for birth support (one year leave system for fertility treatment)</li> <li>• Exemption from overtime work and from work on holidays</li> <li>• Reinstatement to same workplace after leave of absence for childcare</li> </ul>	<ul style="list-style-type: none"> <li>• Leave of absence for nursing care program</li> <li>• Nursing care leave program (1 care recipient: 12 days per year; 2 or more care recipients: 24 days per year)</li> <li>• Use of stock leave* for nursing care</li> <li>• Support for employees working while caring a family member</li> <li>• Expansion of nursing care counseling office</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible working hours</li> <li>• Working from home</li> <li>• Active Life Leave</li> <li>• Leave of absence for volunteer work, Using of stock leave* for volunteer work</li> <li>• Use of stock leave* for self development</li> <li>• Discretionary labor system</li> <li>• Leaving the office on time (2 days per week)</li> <li>• Re-employment Program</li> <li>• Paid Leave by the Hour System</li> </ul>

\* Stock leave is a system enabling employees to accumulate unused leave up to 60 days. Accumulated leave days may be used for treatment needed for personal health problems, rehabilitation, childcare, nursing care, and volunteer activities.

### Fuji Xerox Co., Ltd. (All those systems provide for generous leave beyond that required by law.)

Giving birth and childcare	Nursing care	Other
<ul style="list-style-type: none"> <li>• Maternity leave (paid)</li> <li>• Leave of absence for childcare program</li> <li>• Program for rehiring former employees who left the company for reasons such as spouse's transfer or childcare</li> <li>• Accumulated paid leave* for healthcare of employees' family</li> <li>• Shortened working hours program (to third grade of elementary school)</li> <li>• Limited off-hours work for childcare (until sixth grade of elementary school)</li> <li>• Limited late-night work for childcare (until six grade of elementary school)</li> <li>• Special leave for supporting the wife during her childbirth period (first child's birth: 2 days; second child's birth and thereafter: 5 days)</li> <li>• Leave of absence for birth support (one year leave system for fertility treatment)</li> </ul>	<ul style="list-style-type: none"> <li>• Leave of absence for nursing care program</li> <li>• Limited off-hours work for nursing care</li> <li>• Limited late-night work for nursing care</li> <li>• Nursing care leave program</li> <li>• Accumulated paid leave* for nursing care</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible working hours</li> <li>• Working from home</li> <li>• Continuous service award special vacation; "refresh vacation"</li> <li>• Accumulated paid leave* for volunteer activities</li> <li>• Social service system (leave of absence program for employees participating in socially beneficial activities)</li> <li>• Leave of absence for education</li> <li>• Leave of absence to support for senior employees' second career</li> <li>• Flexible work schedules (support for senior employees' second career)</li> <li>• A program for transfer and a leave of absence due to accompanying a spouse's transfer</li> </ul>

\* Accumulated paid leave is a system enabling employees to accumulate unused leave up to 60 days. Accumulated leave days may be used for healthcare, childcare, nursing care, and volunteer activities.

### Status of Returning Rate from Childcare and Nursing Care leaves

As of March 31, 2020

#### FUJIFILM Corporation

	Total	Male	Female
Returning rate from childcare leave*1	95.4%	100.0%	94.6%
Retention rate after 3 years from reinstatement (childcare)*2	92.0%	100.0%	91.8%
Retention rate after 3 years from reinstatement (nursing care)*3	100.0%	100.0%	100.0%

\*1 Number of returned employees whose expiration date of child care leave arrived in FY2019/Number of all employees whose expiration date of childcare leave arrived in FY2019

Returning rate from childcare leave is calculated with the expiration date.

\*2 Retention rate after 3 years from reinstatement (childcare) =  $\frac{\text{Number of employees as of the end of the current fiscal year among those returning to work after childcare leave in the second preceding fiscal year}}{\text{Number of employees reinstated after childcare leave in the second preceding fiscal year}}$

\*3 Using the same methods as \*2

#### Fuji Xerox Co., Ltd.

	Total	Male	Female
Returning rate from childcare leave*1	99.0%	100.0%	99.0%
Retention rate after 3 years from reinstatement (childcare)*2	89.2%	73.3%	93.2%
Retention rate after 3 years from reinstatement (nursing care)*3	0%	0%	0%

\*1 Number of returned employees whose expiration date of child care leave arrived in FY2019/Number of all employees whose expiration date of childcare leave arrived in FY2019

Returning rate from childcare leave is calculated with the expiration date.

\*2 Retention rate after 3 years from reinstatement (childcare) =  $\frac{\text{Number of employees as of the end of the current fiscal year among those returning to work after childcare leave in the second preceding fiscal year}}{\text{Number of employees reinstated after childcare leave in the second preceding fiscal year}}$

\*3 Using the same methods as \*2

### Number of Employees Taking a Leave of Absence

#### FUJIFILM Corporation\*

		FY2015	FY2016	FY2017	FY2018	FY2019
Leave of absence for childcare	Total	53	49	45	36	51
	Male	5	3	3	1	10
	Female	48	46	42	35	41
Leave of absence for nursing care	Total	2	4	3	5	0
	Male	0	2	1	3	0
	Female	2	2	2	2	0
Leave of absence for volunteer work	Total	0	0	0	0	0
	Male	0	0	0	0	0
	Female	0	0	0	0	0

\* Number of employees who began leave of absence during the relevant fiscal year.

#### Fuji Xerox Co., Ltd.\*1

		FY2015	FY2016	FY2017	FY2018	FY2019*2
Leave of absence for childcare	Total	60	84	69	96	106
	Male	10	11	14	35	38
	Female	50	73	55	61	68
Leave of absence for nursing care	Total	4	4	5	4	5
	Male	2	2	2	1	3
	Female	2	2	3	3	2
Leave of absence for volunteer work*3	Total	0	0	1	1	0
	Male	0	0	1	1	0
	Female	0	0	0	0	0

\*1 Number of employees who began leave of absence during the relevant fiscal year.

\*2 Fuji Xerox Co., Ltd. merged one of its affiliate companies in Japan, Fuji Xerox Advanced Technology Co., Ltd. as of April 1, 2019.

\*3 Number of employees who used the company social service program.



## Number of Employees Taking a Care Leave (number of days)

FUJIFILM Corporation\* Total number of days is shown in parenthesis.

		FY2015	FY2016	FY2017	FY2018	FY2019
Childcare care leave	Total	7	16 (161.5)	18 (141.5)	24 (97)	21 (131)
	Male	5	8 (117.5)	10 (86)	18 (85)	16 (124)
	Female	2	8 (44)	8 (55.5)	6 (12)	5 (7)
Nursing care leave	Total	15	26 (130.5)	39 (162)	25 (148.5)	38 (148.5)
	Male	10	15 (103)	25 (37.5)	22 (138)	24 (107)
	Female	5	11 (27.5)	14 (24.5)	3 (10.5)	14 (41.5)
Leave of absence for volunteer work	Total	1 (1)	0	0	1 (5)	1 (0.5)
	Male	1 (1)	0	0	1 (5)	1 (0.5)
	Female	0	0	0	0	0

\* Number of employees who began a leave during the relevant fiscal year.

Fuji Xerox Co., Ltd.\*<sup>1</sup>

		FY2015	FY2016	FY2017	FY2018	FY2019* <sup>2</sup>
Childcare care leave* <sup>3</sup>	Total	314	373	386	382	503
	Male	147	206	213	241* <sup>6</sup>	332
	Female	167	167	173	141	171
Nursing care leave* <sup>4</sup>	Total	44	59	84	85	98
	Male	27	40	64	69	82
	Female	17	19	20	16	16
Leave of absence for volunteer work* <sup>5</sup>	Total	20 (62)	11 (36)	7 (22)	8 (50)	21 (36)
	Male	16	8	5	6	12
	Female	4	3	2	2	9

\*<sup>1</sup> Number of employees who began a leave during the relevant fiscal year.

\*<sup>2</sup> Fuji Xerox Co., Ltd. merged one of its affiliate companies in Japan, Fuji Xerox Advanced Technology Co., Ltd. as of April 1, 2019

\*<sup>3</sup> Number of employees taking leave of nursing care leave under the “accumulated paid leave (nursing care for family members),” “nursing care for family members” and “one-day nursing care leave” programs.

\*<sup>4</sup> Number of employees taking childcare leave under the “accumulated paid leave (child healthcare)” and “child medical care” programs As a program equivalent to childcare leave, special leave (of 5 days at most) is granted for care of the eldest child at the time of birth of the second child.

\*<sup>5</sup> Volunteer work leave shows the number of employees who took “accumulated paid leave (volunteer activity)” and the number of days spent for such activities. Total number of days is shown in parenthesis.

\*<sup>6</sup> Including 70 taking a special leave when their wives’ gave birth on and after the second child.

## 4.2.4 Freedom of Association

The Fujifilm Group clearly states that we maintain a smooth relationship between staff and management, while respecting the right to engage in collective bargaining and the right to enjoy freedom of association, as permitted by applicable laws, and rules in the country in which it conducts business. Such statements are included in the Fujifilm Group Code of Conduct and the Fujifilm Group Human Rights Statement.

Fujifilm Group Human Rights Statement: Consideration for Fujifilm Group Personnel

<https://holdings.fujifilm.com/en/sustainability/vision/policy/statement>

Fujifilm Group Code of Conduct: Article 9, Chapter 1 Basic Labor Rights

<https://holdings.fujifilm.com/en/about/philosophy/law>

## Composition of Labor Union Membership

As of March 31, 2020

	Union Membership	Percentage of Union Membership*
FUJIFILM Corporation and Fuji Xerox Co., Ltd.	8,442	68.4%

\* Proportion of union membership = Ratio to regular employees including managerial staff.

## Revisions to Systems That Operate Based on Agreements between the Labor Unions and the Company (in the last five years)

FUJIFILM Corporation

As of March 31, 2020

FY	Item
2015	<ul style="list-style-type: none"> <li>• Partial revision of work regulations, wage rules, retirement allowance regulations and overseas travel regulations</li> <li>• Wider range of job assignment destinations within the Fujifilm Group in Japan</li> <li>• Introduction of Working from Home System</li> <li>• Introduction of Paid Leave by the Hour System</li> </ul>
2016	<ul style="list-style-type: none"> <li>• Partial revision of travel expense rules and company house management regulations</li> <li>• Partial revision of collective labor agreement and wage rules due to establishing a new branch</li> <li>• Partial revision of collective labor agreement, written agreement and work regulations regarding childcare and nursing care leave</li> </ul>
2017	<ul style="list-style-type: none"> <li>• Partial revision of collective labor agreement and wage rules</li> <li>• Partial revision of collective labor agreement, written agreement and work regulations regarding childcare leave</li> <li>• Established rules for employees to drive their own cars to the office.</li> </ul>
2018	<ul style="list-style-type: none"> <li>• Partial revision of wage rules</li> <li>• Wider range of job assignment destinations within the Fujifilm Group in Japan</li> </ul>
2019	<ul style="list-style-type: none"> <li>• Revision of maximum working hours and designation of timing to take Paid Leave, in line with the amendments to the Labor Standards Act.</li> <li>• Revision of the F-PRO*<sup>1</sup> allowance</li> <li>• Revision of parts of the employee leave system to improve convenience and address inadequacies in the system</li> </ul>

\*1 F-PRO: Discretionary labor system of FUJIFILM Corporation

Fuji Xerox Co., Ltd.

As of March 31, 2020

FY	Item
2015	<ul style="list-style-type: none"> <li>• Revision of working conditions, work support and employee welfare with consolidation of various programs at Group companies in Japan</li> </ul>
2016	<ul style="list-style-type: none"> <li>• Agreement between labor and management regarding the terms and conditions for applying a program to transfer and a leave of absence due to accompanying a spouse's transfer</li> <li>• Revision of systems for childcare and nursing care due to the change of the related laws</li> <li>• Change of starting point for reckoning on yearly paid vacation according to the systems at the Group companies in Japan</li> </ul>
2017	<ul style="list-style-type: none"> <li>• Labor-management agreement signed on the introduction of the Paid Leave by the Hour System on April 1, 2018 (February 2018)</li> </ul>
2018	<ul style="list-style-type: none"> <li>• Revision of regulations for employees working abroad (January 1, 2019)</li> <li>• Revision of regulations of travel expense (January 1, 2019)</li> <li>• Revision of personnel systems (April 1, 2019)</li> <li>• Expansion of coverage for remote working system (April 1, 2019)</li> <li>• Expansion of coverage for home working system (April 1, 2019)</li> </ul>
2019	<ul style="list-style-type: none"> <li>• Updates to the employee holiday and leave system (including congratulatory/condolence leave, alternative holidays, etc.)</li> </ul>

## 4.3 Health, Safety and Wellness of Employees

### 4.3.1 Basic Approach

In Fujifilm Group Code of Conduct, the Fujifilm Group clearly states that we comply with applicable occupational health and safety laws and regulations, such as those designed to prevent workplace accidents. We also state that we aim to maintain and enhance safe, healthy and fit working environments by giving due consideration to the physical and mental health of our employees. In April 2019, we revised Fujifilm Group Occupational Safety and Health Policy to show concrete measures based on this Code of Conduct. We have been putting this idea into practice and promoting activities.

In the following September, we adopted Fujifilm Group Employee Wellness Declaration to demonstrate our strong commitment to employee wellbeing. We believe it is one of the top managements' priorities to maintain and enhance the wellness of employees as our employees are the foundation imperative in realizing our Corporate Philosophy and Vision.

Fujifilm Group Employee Wellness Declaration and related information  
<https://holdings.fujifilm.com/en/sustainability/vision/policy/health-safety>

#### Fujifilm Group Occupational Safety and Health Policy

The Fujifilm Group operates its businesses based on this policy, considering that the promotion of workers' occupational safety and health is the most important foundation of its corporate activities.

1. We will consider the occupational safety and health of employees including dispatched workers and contractors as the top priority, and maintain safe, healthy and fit working environments.
2. We will comply with applicable occupational safety and health laws and self-regulations, such as those designed to prevent workplace accidents and excessive working hours.
3. We will promote health and productivity management through proactively supporting employees to maintain and enhance their physical and mental health.
4. We will establish smooth communications between all the Fujifilm Group companies and their employees on promoting occupational safety and health.
5. We will actively and continuously provide employee education and training on occupational safety and health.

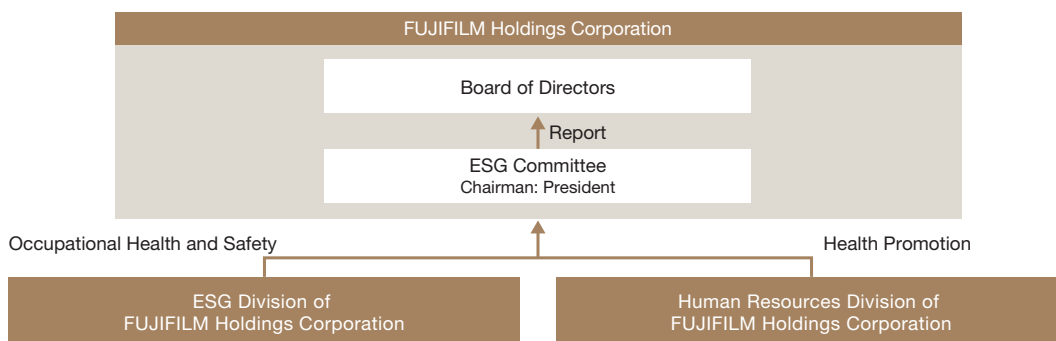
Established in January 2010, Revised in April 2019

Fujifilm Group Code of Conduct: Article 8, Chapter 1 Occupational Safety and Health/Health Promotion  
<https://holdings.fujifilm.com/en/about/philosophy/law>

### 4.3.2 Management System

In FUJIFILM Holdings, ESG Division is responsible for occupational health and safety and Human Resources Division is responsible for employee wellness. Major issues related to each topic are reported to the Board of Directors through the ESG Committee chaired by the President of FUJIFILM Holdings.

Promotion Structure



### 4.3.3 Occupational Safety

With the concept of “Occupational health and safety is the basis of all business activities,” FUJIFILM Holdings gives the highest priority to the health and safety of its employees and is fully compliant with the related laws and regulations. For companies newly joining our group following M&A, we manage their occupational safety risks appropriately by conducting related due diligence, including risks of workplace accidents deriving from the facilities and working procedures, along with their compliance with related laws and regulations. The priority issues and results of each Group company are reported to and discussed by the FUJIFILM Holdings ESG Committee, and then reported to the Board of Directors.

In major business sites inside and outside Japan, occupational health and safety officers are appointed. These officers create and implement measures and education programs to reduce workplace accidents and conduct self-checks using a designated checklist toward the target of zero workdays lost through accidents etc. They also monitor the progress of their measures. Further, each site sets its own measures to protect employees’ health and safety, such as chemical substance management, depending on the nature of its business.

Moreover, we regularly conduct labor-management consultations on occupational safety at each site of Fujifilm Group companies.

In 2020, FUJIFILM Holdings is to enact, at its sites all over the world, new Occupational Health and Safety Regulations that meet the requirements of ISO 45001:2018, an international occupational health and safety standard. The enactment and operation of the said regulations help clarify the safety management structure and safety promotion activity goals throughout the group to further reinforce our governance of occupational health and safety.

#### 1. Efforts for occupational health and safety

**Group-wide target #1:** Zero serious workplace accidents\*

\* Serious workplace accident: An accident that causes death or permanent disability.

**Group-wide target #2:** Workplace accident rate of 0.1 or less by 2030

#### Number of Employees Taking Occupational Health and Safety Training

	FY2019
Fujifilm Group*	23,157

\* Fujifilm and its subsidiaries in Japan

#### 2. Serious workplace accidents in FY2019

Fujifilm Group: 2

- Death of heart attack during the union activity (Fuji Xerox China Limited)
- Fall death from a carrier machine during transport (Fuji Xerox Manufacturing Co., Ltd)

#### Number of Fatal Workplace Accidents

		FY2016	FY2017	FY2018	FY2019	Target
Fujifilm Group	Employees	0	0	0	1	0
	Contracted	0	0	0	1	0
Fujifilm*	Employees	0	0	0	0	0
	Contracted	0	0	0	0	0
Fuji Xerox*	Employees	0	0	0	1	0
	Contracted	0	0	0	1	0

\* Fujifilm and Fuji Xerox (-2018), Fujifilm, Fuji Xerox and their subsidiaries (2019-)

## 3. Workplace accident rate and workplace accident severity

( ) : chemical industry average in parenthesis\*6

Japan		FY2016	FY2017	FY2018	FY2019	Target
Workplace accident rate*1	Fujifilm Group	0.00 (0.37)	0.35 (0.28)	0.12 (0.47)	0.42 (0.42)	Workplace accident rate of 0.1 or less by 2030
	Fujifilm*3	0.00	0.30	0.00	0.30	
	Fuji Xerox*4	0.00	0.37	0.18	0.54	
Overseas		FY2016	FY2017	FY2018	FY2019	Target
Workplace accident rate*1	Fujifilm Group*5	3.79	1.87	2.71	1.36	Workplace accident rate of 0.1 or less by 2030
	Fujifilm	3.79	1.87	2.71	1.53	
	Fuji Xerox	—			1.23	
Japan		FY2016	FY2017	FY2018	FY2019	
Workplace accident severity*2	Fujifilm Group	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.003 (0.01)	
	Fujifilm*3	0.00	0.00	0.00	0.005	
	Fuji Xerox*4	0.00	0.00	0.00	0.002	
Overseas		FY2016	FY2017	FY2018	FY2019	
Workplace accident severity*2	Fujifilm Group*5	0.07	0.04	0.06	0.031	
	Fujifilm	0.07	0.04	0.06	0.043	
	Fuji Xerox	—			0.022	

\*1 Workplace accident rate =  $\frac{\text{Number of employees involved in workplace accidents}}{\text{Gross number of hours worked}} \times 1,000,000$

\*2 Workplace accident severity =  $\frac{\text{Number of workdays lost}}{\text{Gross number of hours worked}} \times 1,000$

\*3 Fujifilm (-2018), Fujifilm and subsidiaries (2019-)

\*4 Fuji Xerox (-2018), Fuji Xerox and subsidiaries (2019-)

\*5 Fujifilm and subsidiaries overseas (-2018)

\*6 Source for chemical industry average: 2019 Survey on Industrial Accidents, Ministry of Health, Labour and Welfare

## 4.3.4 Employee Wellness

We have appointed Director, General Manager FUJIFILM Holdings Human Resources as Employee Wellness Officer for the Group. Our newly established FUJIFILM Holdings Employee Wellness Promotion Group acts the key role to manage the wellness promotion department in Fujifilm Group, and to plan and roll out Group-wide wellness promotion initiatives. Fujifilm Group Employee Wellness Declaration has been disseminated to all Group companies across the world, and the companies are now taking actions that most suit to their region and country.

In Japan, the company is working closely with Fujifilm Group Health Insurance Association and occupational health physicians to maintain and promote workplaces wellness. In fiscal 2019, we assigned individuals responsible for employee wellness promotion in every Group company in Japan at the officer and person-in-charge levels. Group-wide wellness promotion meetings are organized to share the Group wellness policy and related information.

## 1. Enactment and dissemination of Fujifilm Group Employee Wellness Declaration

With the adoption of Fujifilm Group Employee Wellness Declaration, we developed an e-learning course to gain a deep understanding of the declaration among all Group employees. In fiscal 2019, 44,224 employees in Japan completed the course. At the same time, we shared wellness information via FUJIFILM Holdings' and Group companies' intranets and newsletters. In February 2020, all the executive officers of FUJIFILM Corporation and Fuji Xerox, as well as the presidents of their affiliate companies, made their own wellness declarations on the intranets.

## 2. Central management and analysis of employees' health data

In 2015, we introduced an information system that centrally manages employees' health checkup results linked to their working hours and results of stress level checks. It visualizes each employee's health status per company or across the entire Group. On top of that, we analyze the health data combined with medical data provided by Fujifilm Group Health Insurance Association to evaluate collective employee health level for each Group company and issue a health report that includes specific advice for further wellness enhancements. Those reports enable each company to clarify health issues to be addressed.

## 3. Setting the mid-term target for wellness issues

Since fiscal 2018, we have focused on five priority areas associated with employee wellness: behavior-related diseases; smoking; cancer; mental health; and long working hours. For each of the priority areas, we have set KPIs and group-wide targets for fiscal 2022.

### KPIs in Health Issues, Mid-term Targets and FY2019 Results

Priority Areas	KPIs	Mid-term Targets for FY2022	Results for FY2019	
Behavior-related Diseases	Employees with BMI > 25	21%	25.9%	
	Employees with HbA1c > 6.0%	6%	7.7%	
Smoking	Employees who smoke	12%	22.6%	
Cancer	Employees who received screening	Lungs	100%	98.6%
		Stomach	100%	78.5%
		Endoscope rate	90%+	56.6%
		Large intestine	100%	82.0%
		Breasts	90%+	72.5%
		Cervical	90%+	59.2%

Scope: Fujifilm Group employees in Japan (Screening rates for stomach and large intestine cancers are for employees aged 40 or over)

### Efforts against cancer

Cancer is one of the five priority areas. We launched Fujifilm Nishi-Azabu Medical Center\* in our Nishi-Azabu HQ in 2014. The center has contributed to increase the number of employees who receive cancer screening. For example, the percentage of Group employees in Japan who received stomach cancer screening as a part of the company's regular health checkup program is now higher than that in fiscal 2015 by more than 10 percentage points. Moving forward, by fiscal 2022, we strive to bring this figure to 90% at lowest for stomach cancer, large intestine cancer, breast cancer, and cervical cancer. We promote this initiative with our strong will to minimize the number of Group employees passing away from cancer by increasing the chances of early cancer detection and receiving appropriate treatment.

\* Fujifilm Nishi-Azabu Medical Center is equipped with endoscopic systems incorporating our unique advanced technologies to offer upper endoscopy and colonoscopy services. Such technologies include a transnasal endoscope that is inserted through the nose to reduce nausea caused by gag reflex. The medical center also has mammography and breast ultrasound equipments to offer gynecological checkups to Fujifilm Group employees. Fujifilm Health Management Center in Minami-Ashigara City, Kanagawa Prefecture, Japan also offers similar screening and checkup services as Nishi-Azabu Medical Center.

## Cancer Screening (Fujifilm Group Health Insurance Association Subsidy Program)

Cancer type	Procedure	Target Group	Interval
Stomach	Endoscopy (X-ray)	Over 35/over 40	Annual
Esophagus			
Large Intestine	Fecal occult blood test	Over 35/over 40	Annual
	Colonoscopy	Over 50	Once during employment period
Breast	Ultrasound (under 39)	Female	Annual
	Mammography (over 40)		
Cervical	Cytologic diagnosis	Female	Annual
Prostate	PSA (blood)	Male over 50	Biennial
Lung	Chest helical CT	Over 40	Annual
Liver, kidney, pancreatic, biliary tract	Ultrasound	Over 35/over 40	Annual

## 4. Wellness initiatives

We have started a wide range of initiatives for workplace wellness under the leadership of the Employee Wellness Officer assigned in each company.

## (1) Initiatives in Japan

In Japan

Priority Areas	FY2019 Programs	FY2019 Highlights
Behavior-related Diseases	Walking events	22,649 employees participated (x 3.3 vs. FY2018)
Smoking	Online program for quitting smoking	436 applications (x 8.5 vs. FY2018)
	Non-smoking during working hours	Incorporated into working regulations since April 2020
	Monthly non-smoking day throughout the day including break time	Six times since October 2019
Cancer	Lecture on large intestine endoscopy by Director of Fujifilm Endoscopic Clinic in Nishi-Azabu	165 employees attended in the HQ; the lecture was recorded and made available on the intranet

## (2) Initiatives around the world

FUJIFILM Holdings Employee Wellness Promotion Group started regular communications with the wellness promoters in the U.S., Europe, China, and Asia Pacific in fiscal 2019. Through collaborative efforts, we offer wellness programs for overseas Group employees taking into account local conditions such as medical care system and wellness practices in each region or country.

### Around the World

Countries/Regions	Programs
U.S.	Launched Fujifilm Fit wellness program in North America. The program includes walking and yoga classes guided by instructors. 15,000 employees have joined the program since 2014. The company provides information on behavioral health such as diet and checkups via website "HealthyColors.com."
Europe	Reflecting the findings on wellness status in each country, programs tailored to meet local needs are offered. Examples in the U.K.: wellness information posted on "Wellbeing Hub" intranet website; healthy canteen menus; awareness raising program to prevent breast cancer
China	Similarly to Japan, increases in prevalence of behavior-related diseases and cancer are the major issues to be addressed. Employees can participate in company-sponsored wellness seminars and exercises to prevent lower back pain in addition to access wellness information on the intranet.
Asia Pacific	With the perception of cultural diversity among Southeast Asia, India, and Oceania, efforts are being made, as well as sharing related information, to build awareness that we should enhance our own wellness just as we contribute to the improvement of people's wellness through our healthcare business.

## (3) Recognition received as leading company to promote employee wellness

FUJIFILM Holdings, together with its operating companies Fujifilm and Fuji Xerox, was certified as "Health and Productivity White 500" accredited by the Ministry of Economy, Trade and Industry, Japan (METI). The certification is given to top 500 large enterprises engaged in promoting employees' well-being from strategic perspective. It is the fourth consecutive year for us to receive the honor. In addition, fifteen of our Group companies in Japan and Fujifilm Group Health Insurance Association also were certified as "Health and Productivity" companies for 2020 in the medium-sized entity category.

Certified as "Health and Productivity White 500" for the fourth consecutive year since 2016





# 4.4 Human Resource Development for Employees/Talent Attraction and Retention

**Definitions in this section**

Fujifilm Group: FUJIFILM Holdings Corporation and its consolidated companies  
 Fujifilm Group Japan: FUJIFILM Holdings Corporation and its consolidated companies in Japan

## 4.4.1 Basic Approach

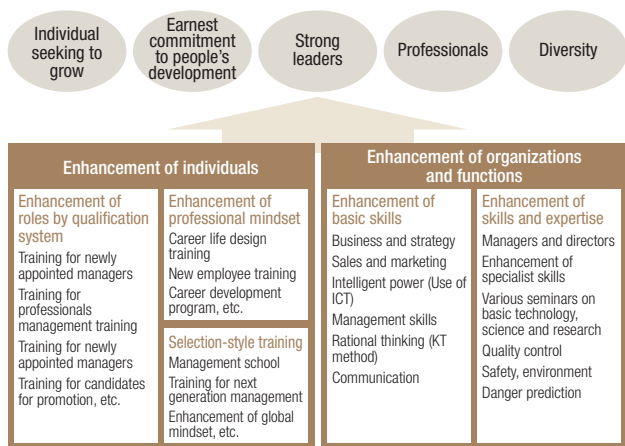
The Fujifilm Group values human resource development as we believe that individual growth is extremely important for the company’s growth. In order to accelerate the global development of a company in a rapidly changing business environment, it is indispensable that each employee initiates their own reforms by sensitively detecting and responding to social changes from a wide viewpoint while maintaining their own strengths as a professional. We are working to develop a corporate environment where individuals and organizations can build their capacities and concentrate on their tasks through exerting their abilities to the fullest extent and thereby improve their careers.

## 4.4.2 Structure for Human Resource Development

The Fujifilm Group is pushing forward global human resource development through collaborations among the human resource departments of each Group company under the leadership of the Human Resources Division of FUJIFILM Holdings. The universal foundation to determine the direction of our human resources development is the FUJIFILM WAY (FF-WAY), which focuses on reinforcement of See-Think-Plan-Do (STPD). The FF-WAY incorporates essential factors to change people’s minds towards realizing the company vision and to reform our corporate culture. The methods used for day-to-day business operations have been established in accordance with the FF-WAY. The Fujifilm Group promotes dissemination of the FF-WAY to all employees under the initiative of the director of each company.

### 1. Human resource development programs

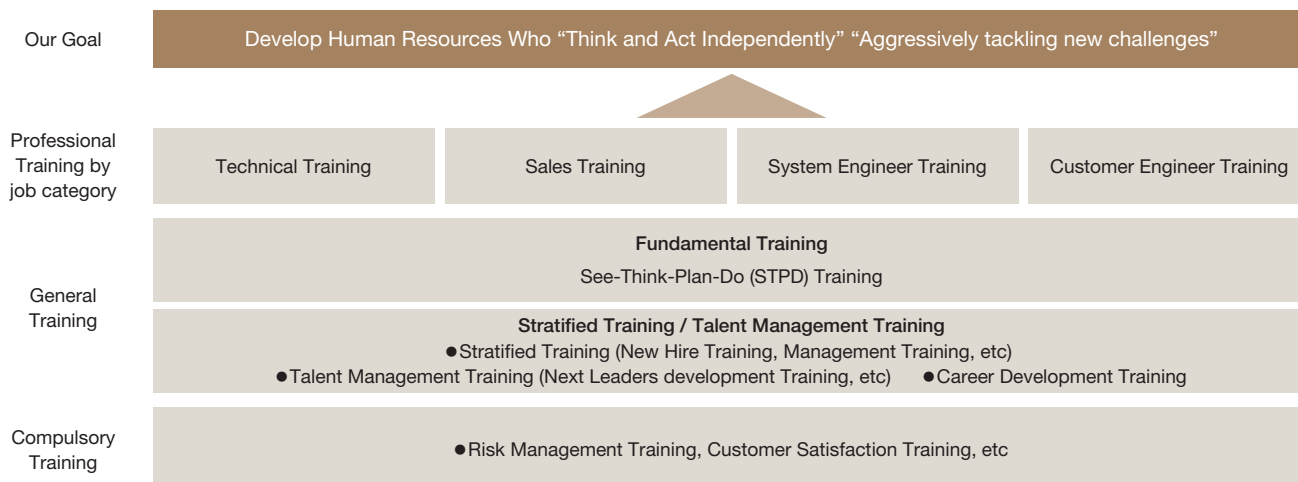
FUJIFILM Corporation’s Human Resource Development



FUJIFILM Corporation’s Training to Develop Global Human Resources

● For Japanese employees	
For employees appointed to overseas positions	Training prior to overseas appointment
	Training to develop overseas managers
Overseas onsite training	Short-term onsite training system
	Overseas trainee system
	Overseas study system
For interested employees	Language lessons, distance-learning (languages)
For technical position	MOT (technical management) training
● For employees of overseas subsidiaries	
Development of global leadership	FUJIFILM Global Leadership Seminar
	FUJIFILM Regional Leadership Seminar
Dissemination of corporate philosophy	FUJIFILM WAY Training

### Human Resources Development of Fuji Xerox Co., Ltd.



## 2. Individual performance appraisal

The Fujifilm Group has been introducing performance assessments through the Management by Objectives approach in Group companies across the world. The Management by Objectives approach draws out employees’ sense of ownership and facilitates mutual communication with their supervisors, and hence help build an “open, fair, and clear” corporate culture. We aim to embed this approach throughout the Group companies for a better corporate culture.

## 3. Employee engagement

One of our goals in the Sustainable Value Plan 2030 (SVP 2030) is “Create environments that lead to motivated workplaces.” The growth of each employee in the group and full exertion of their capabilities are the indispensable driving force to achieve our organizational goals. Based on this idea, we regard positive feedback concerning their work as the foundation of their will to exert their capabilities. For this reason, we conduct regular surveys on employees’ engagement with their jobs.

Also, the Fujifilm Group employees are free to access FUJIFILM Holdings’ consultation contacts directly without having their supervisor involved. For more details, refer to 2.2.5 *Whistle-Blowing Office and Consultation Office*.

## 4.4.3 Effort Results and Progress

### 1. Human resource development programs

We continued to provide our employees with the FUJIFILM WAY Training and STPD (See-Think-Plan-Do) Training in fiscal 2019. These programs are incorporated within the training sessions in Japan for new and promoted employees. We have started providing these programs worldwide through e-learning courses.

Number of participants to FUJIFILM WAY Training and STPD (See-Think-Plan-Do) Training

As of March 31, 2020

	FY2018	FY2019
Fujifilm Group	5,745 Of which, 753 were in Japan	4,865 Of which, 1,475 were in Japan

We continued offering our data science training programs in fiscal 2019 to bring digital reforms to the entire business and enhance employees’ IT literacy for better productivity. There have been some 500 participants to the programs to date, 150 of which were followed up to help them apply what they have learned from the programs in their jobs. At the same time, we further improved efficiency in business operations utilizing ICT, such as spreading the Robotic Process Automation (RPA) and Business Intelligence (BI) tools.

We also started the MATLAB program for employees in the medical business. This area currently takes the leading role among our businesses and this program will add further momentum. The program is designed to increase employees’ AI literacy and thereby enhance the application and implementation of AI within products.

## Number of MATLAB Participants and Sales of Related Products

As of March 31, 2020

	FY2019
Number of MATLAB participants	10
[Reference] Sales of related products	<ul style="list-style-type: none"> <li>• Sales increase of AI-based 3D image analysis system, VINCENT, compared to previous year: 112%</li> <li>• New product, SAI, developed and launched in 2019.</li> </ul>

## Training and Development Inputs

As of March 31, 2019

	Number of total hours	Number of hours per each employee	Number of total cost	Number of cost per each employee
FUJIFILM Corporation	28,766	5.44	197,620 thousand yen	37,371 yen
Fuji Xerox Co., Ltd.*	112,456	13.8	263,645 thousand yen	32,472 yen

\*Including executive officers and employees on temporary assignment

## 2. Individual performance appraisal

By fiscal 2019, we have implemented the MBO (management by objectives) to 100.0% of Fujifilm Group Japan employees.

## Implementation of MBO

As of March 31, 2019

	FY2019
Fujifilm Group Japan	100.0%

## 3. Employee engagement

In December 2017, we conducted a survey of all 93,000 Group employees to study their understanding of company policies and awareness of compliance (response rate: 97%). The survey found that 84% of employees felt proud to be working in the Fujifilm Group.

In addition, responses to the surveys carried out by each company conducted in fiscal 2019 have been analyzed, along with changes over previous fiscal years, and the results utilized to further improve employees' job engagement.

## (1) FUJIFILM Corporation survey on job motivation

	FY2017	FY2018	FY2019
Percentage of respondents who reported that they feel motivated in their jobs*	92.5%	92.2%	93.1%

**(2) Fuji Xerox employee engagement survey**

Fuji Xerox and its affiliated companies worldwide have been conducting an annual employee motivation survey based on the common indices “Core Morales”<sup>\*1</sup> as well as on unique indices customized for each region and country. In fiscal 2019, total 28,500 people (94.8% of target employees) responded to the survey.

Coverage		FY2016	FY2017	FY2018	FY2019
Scores for Core Morales, <sup>*2</sup> employee awareness indices	Fuji Xerox Co., Ltd.	3.38	3.33	3.37	3.40
	Sales companies in Japan	3.40	3.35	3.34	3.39
	Affiliate companies in Japan excluding sales companies	3.26	3.26	3.27	3.37
	Other affiliate companies (marketing and administration)	3.55	3.56	3.53	3.62

<sup>\*1</sup> Core Morales are the set of five indices Fuji Xerox regards as important to understand employees' morale. The five indices are: Job fulfillment, Workplace fulfillment, Trust in supervisors, HR operation satisfaction, Organization operation satisfaction.

<sup>\*2</sup> The average of scores for Core Morales (5.00 points max.) in the ES awareness survey

**(3) Employee stock ownership**

Fujifilm Group Japan started its employee stock ownership scheme in 1975 for Fujifilm Group employees in Japan to help motivate their job engagement.

	FY2018	FY2019
Number of employee stock owners	10,688	11,344
Percentage of ownership*	30%	32%

\* Ownership percentage =  $\frac{\text{Number of employee stock owners as of March 31, 2020}}{\text{Number of domestic Group company employees as of March 31, 2020}}$

**4. Regular employees new hires****FUJIFILM Corporation**

		Total	Male	Female
New graduate new hires <sup>*1</sup>	Technical positions	56	44	12
	Administrative positions	55	39	16
	Factory recruitment	2	0	2
Mid-career recruitment <sup>*2</sup>		39	35	4

<sup>\*1</sup> Number of new graduates hired for FY2019 as confirmed at the beginning of April, 2020. (including graduates from university & graduate school)

<sup>\*2</sup> Number of mid-career recruitment represents those from April 2019 to March 2020.

**Fuji Xerox Co., Ltd.**

		Total	Male	Female
New graduate new hires <sup>*1</sup>	Technical positions	117	50	8
	Administrative positions		37	22
Mid-career recruitment <sup>*2</sup>		75	62	13

<sup>\*1</sup> Number of new graduates hired for FY2019 as confirmed at the beginning of April, 2020. (including graduates from university & graduate school)

<sup>\*2</sup> Number of mid-career recruitment represents those from April 2019 to March 2020.

## 4.5 Human Rights

### 4.5.1 Basic Approach

The Fujifilm Group recognizes that respect for human rights is our responsibility. We clearly state our commitment to this responsibility in Fujifilm Group's Charter for Corporate Behavior and Code of Conduct translated into 24 languages. The Charter for Corporate Behavior and the Code of Conduct state our basic approach toward respecting human rights. We established Fujifilm Group Human Rights Statement, in which we declare our support for a range of global human rights principles, including the UN International Bill of Human Rights and the UN's Guiding Principles on Business and Human Rights and to take any necessary measures to assess and mitigate the risks that negatively impact human rights in business activities. To create the Human Rights Statement, we sought opinions and advice from our Group companies and stakeholders across the world and it was introduced after adoption by the CSR Committee (current ESG Committee), chaired by the President in 2018.

The Fujifilm Group aims to grow together with our suppliers through sharing with them the recognition of the importance of social responsibility and corporate ethics in undertaking business activities. With this aim, we clearly communicate to our suppliers our "Request to Suppliers" which refers to Fujifilm Group Charter for Corporate Behavior and Code of Conduct and request them to operate in line with the Charter and the Code.

In July 2020, we established Fujifilm Group Global Healthcare Code of Conduct to clarify the fundamental principles such as respecting patients and their human rights in all of our activities as well as ensuring appropriateness and transparency in our interactions with healthcare professionals. The Code of Conduct applies to all executive officers and employees involved in our healthcare business. Moreover, we will request our business partners including distributors, in addition to other executive officers and employees of Fujifilm Group, to respect the Code of Conduct.

Fujifilm Group Charter for Corporate Behavior Article 2. Social Responsibility, Article 3. Respect for Human Rights, Article 5. Vibrant Workplaces

Fujifilm Group Code of Conduct	<a href="https://holdings.fujifilm.com/en/about/philosophy/conduct">https://holdings.fujifilm.com/en/about/philosophy/conduct</a>
Fujifilm Group Human Rights Statement	<a href="https://holdings.fujifilm.com/en/about/philosophy/law">https://holdings.fujifilm.com/en/about/philosophy/law</a>
Request to Suppliers	<a href="https://holdings.fujifilm.com/en/sustainability/vision/policy/statement">https://holdings.fujifilm.com/en/sustainability/vision/policy/statement</a>
Fujifilm Group Global Healthcare Code of Conduct	<a href="https://holdings.fujifilm.com/en/sustainability/vision/policy/procurement">https://holdings.fujifilm.com/en/sustainability/vision/policy/procurement</a>
	<a href="https://holdings.fujifilm.com/en/sustainability/vision/policy/global-healthcare">https://holdings.fujifilm.com/en/sustainability/vision/policy/global-healthcare</a>

### 4.5.2 Management System

#### 1. Human rights due diligence process

The Fujifilm Group has implemented a human rights due diligence process in accordance with the procedures set out in the UN Guiding Principles on Business and Human Rights, covering all business activities we are operating or involved in. To facilitate the process, we referred to the requirements in the UN Guiding Principles Reporting Framework with Implementation Guidance, which we studied in the Human Rights Due Diligence Working Group under the Global Compact Network Japan. Specifically, we identify potential and actual risks, investigate where in the value chain of business activities such risks are likely to occur, specify the individuals who could be negatively impacted and how, examine and implement preventive or mitigating measures, communicate with external stakeholders, and disclose relative information. We summarize the findings from the risk assessment in a form of risk map and revisit it periodically.

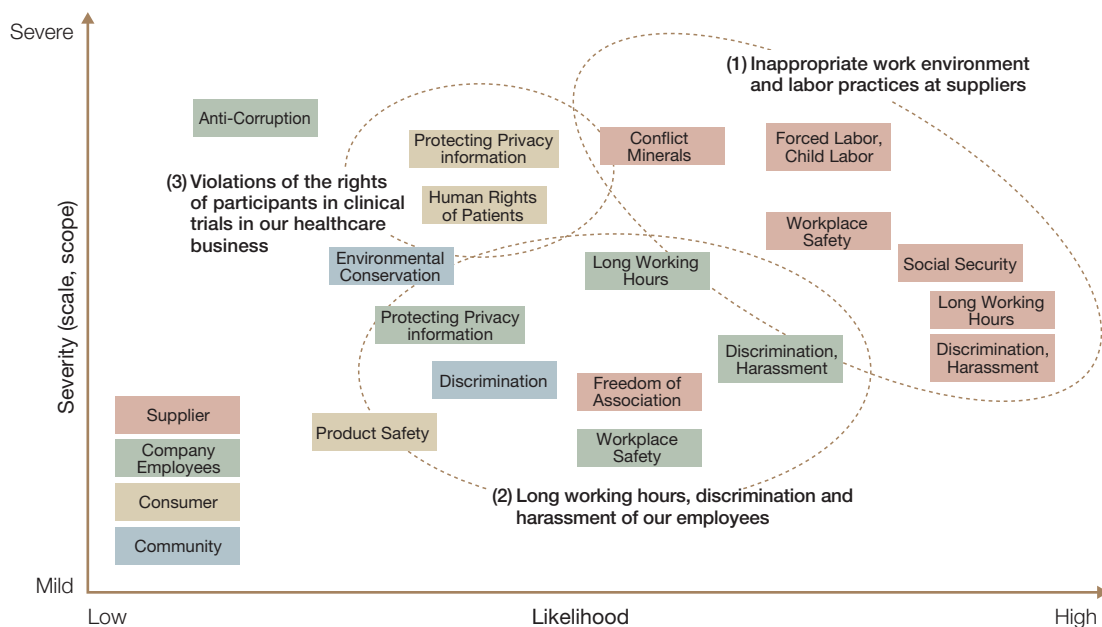
In the Fujifilm Group, priority issues concerning human rights are escalated, along with the progress of preventive or mitigating measures implemented, to the FUJIFILM Holdings ESG Committee for their deliberation and reported to the Board of Directors. On a day-to-day basis, resources to ensure respect for human rights are allocated depending on the individuals potentially impacted; Human Resource resources for issues concerning the Fujifilm Group employees, Procurement resources for issues concerning suppliers or in-plant contractors. Prior to the execution of a merger and acquisition or at the start of a new business involving large investment, we perform human rights checkup as a part of the comprehensive due diligence process, to assess the appropriateness of such investment.

#### 2. Human rights impact assessment to determine Fujifilm Group's priority issues

In fiscal 2019, we re-examined our potential human rights issues based on the characteristics of our businesses and the countries in which we operated. We also assessed those potential issues based on their severity and likelihood. We have determined three human rights issues as our priority and initiated related activities: (1) Inappropriate work environment and labor practices at suppliers, (2) Long working hours, discrimination and harassment of our employees and (3) Violations of the rights of participants in clinical trials in our healthcare business.

We also remain involved in the Stakeholder Engagement Program (SHE) hosted by Caux Round Table Japan. The program highlights some high-priority human rights issues which we reflect in our assessment.

Impact Assessment of Potential Human Rights Issues (Risks Associated with Existing Businesses)



### 3. Prevention and mitigation of adverse impact on human rights and progress

#### (1) Inappropriate work environment and labor practices at suppliers

As the Fujifilm Group operates businesses that require assembling and processing products and parts, one of our priority human rights issues is inappropriate work environments and labor practices at our suppliers. The Fujifilm Group implements actions for respecting human rights in our supply chain at the suppliers, contractors and cooperation companies mainly within the framework of sustainable procurement. We clearly specify the Procurement Policy and Request to Suppliers as a procurement approach to gain the understanding of suppliers involved in the Group’s product manufacturing regarding the importance of CSR management. In the Sustainable Value Plan 2030 (SVP 2030), our CSR mid- and long-term plan announced in 2017, we committed to reinforce the CSR foundations such as labor practices, human rights, environment, and corporate ethics throughout the supply chain—which we appointed as one of the priority areas. The Group’s sustainable procurement program comprises (1) Communication of procurement-related policies; (2) Risk assessments at suppliers; (3) Requesting suppliers to improve and offering support; (4) Improvement activities by suppliers. As well as elimination of forced labor and child labor, we provide various checks and support for suppliers, including labor management, occupational health and safety, and consideration for migrant workers.

Procurement Policy and Request to Suppliers <https://holdings.fujifilm.com/en/sustainability/vision/policy/procurement>

#### (2) Long working hours, discrimination and harassment of our employees

##### Employee education regarding human rights issues

The Fujifilm Group has started the global education for all the employees to disseminate the Human Rights Statement as well as Fujifilm Group’s Charter for Corporate Behavior and Code of Conduct. As for the human rights issues on our employees, we raise awareness among Group employees in their new hire training programs and training programs for new managerial personnel. The training programs for new managerial personnel focus on workforce management in general, including prevention of long working hours and mental health measures, as well as harassment prevention. Regarding overtime working hours, trend in monthly overtime is monitored, and warnings and guidance are issued to the business divisions exceeding the designated levels and the necessary corrective measures are implemented continuously. We address harassment issues by implementing measures coordinated to fit the conditions at each company or business division, in addition to regular training programs.

### (3) Violation of the rights of clinical trial participants in Healthcare Business

The newly published Global Healthcare Code of Conduct opens with a declaration of respect for the right to self-determination, dignity, privacy and the human rights of clinical trial participants. The Code of Conduct not only applies to all executive officers and employees in our healthcare businesses, but also to our subcontractors, temporary workers, sales agents and distributors, and all other business partners and interested parties involved in the provision, sales and support of our products and services. We plan to implement appropriate steps to request all these parties to respect the standards and requirements of the Code of Conduct.

Complaints related to healthcare products and services are reported promptly to the relevant business division or affiliate. Appropriate investigation will then be carried out, followed by corrective measures where necessary. Complaints may be reported to the relevant regulatory authority where appropriate.

Our Global Healthcare Code of Conduct has been disseminated across the Fujifilm Group. We plan to develop e-learning programs for all employees working in the field of healthcare worldwide.

## 4. Human rights grievance mechanism for internal and external stakeholders

Chapter 1 of the Fujifilm Group Code of Conduct describes our policies on Respect for Human Rights. The Fujifilm Group employees have access to the internal whistle-blowing systems to report any concerns relating to violation of any item listed in the chapter or infringements of human rights that require correction and remedies. Reports can be submitted to either (1) each company or region, or (2) FUJIFILM Holdings. In either case, the anonymity of the whistle blower is ensured and therefore they cannot be unfavorably treated because of their report.

For the results of the whistle-blowing system in fiscal 2019, see 2.2.6 *Effort Results* in this report.

For external stakeholders, we provide “Contact Sustainability” form on our official website to listen to the feedbacks on our sustainability activities including those related to human rights from the public at large, both anonymously and otherwise. All complaints and suggestions will be considered and handled appropriately after investigating the facts.

Contact Sustainability  <https://holdings.fujifilm.com/en/contact>

## 5. Collaboration with initiatives regarding human rights

### (1) UN Global Compact

FUJIFILM Holdings is signed up for United Nations Global Compact, a voluntary initiative that encourages companies to undertake fair operations in the areas of human rights, labor, environment, and anti-corruption. We have also been in collaboration with the Global Compact local network in Japan, by participating in, to name those concerning human rights, the Human Rights Due Diligence Working Group, Supply Chain Working Group and Human Rights Education Working Group.

### (2) Caux Round Table (CRT) Japan


FUJIFILM Holdings has been participating in the Stakeholder Engagement Program (SHE) organized by the Nippon CSR Consortium (secretariat: CRT Japan) since 2012, discussing human rights issues by industry.\*<sup>1</sup> In the 2018 Business and Human Rights Conference in Tokyo, held by CRT Japan, we presented our human rights practices\*<sup>2</sup> as an example of a Japanese company. We also had individual dialogues with international business and human rights experts and reviewed our practices based on the learnings from the dialogue.\*<sup>3</sup>

\*1 CRT Stakeholder Engagement Program (SHE)

(Japanese)  <http://crt-japan.jp/portfolio/she-program/>


(English)  <http://crt-japan.jp/en/portfolio/human-rights-due-diligence-workshop/>

\*2 Presentation in the CRT International Conference (Agenda and report)

(Japanese)  <http://crt-japan.jp/human-rights/conference/>

(English)  <http://crt-japan.jp/en/seminar-overview/global-conference/>

\*3 CRT dialogues with experts (in Japanese only)

 <http://crt-japan.jp/human-rights/expert-dialogue/>

Please refer to 4.5.3 (2) in this report for more information on the dialogues.

### 4.5.3 Results for Measures Including Remedies and Corrective Actions

#### 1. Measures for the priority issues on human rights

##### (1) Inappropriate work environment and labor practices at suppliers

To assess human rights risks in our supply chain, we have been requesting suppliers to use a self-checklist covering areas such as labor, human rights, the environment, corporate ethics etc. As a result of our continued efforts, our first-tier suppliers in Japan, Europe, and the United States have all been recognized as having low CSR risks. Beyond these regions, we are currently enhancing to gather information on human right risks. In fiscal 2019, a certain labor practice at our production site in the Philippines and its subcontractor was uncovered in an internal audit and has been corrected to ensure that they respect for human rights is maintained.

For details of our sustainable procurement activities, including those related to conflict minerals and other themes that involve potential risk of human rights violations, please refer to *2.4 Supply Chain Management* in this report.

##### (2) Long working hours, discrimination and harassment of our employees

In fiscal 2019, 92 of the Fujifilm Group companies identified actual or potential risks related to long working hours and/or discrimination and harassment at their workplace. These were designated as priority human rights issues and preventive measures to mitigate the risks have been implemented in all these Group companies. For the business divisions where potential or actual risk levels were recognized to be high, we conducted customized harassment training. Also, we provided the risk managers in those divisions with detailed instructions on how to handle the situation when this kind of issue arises.

For details of our group-wide risk management, please refer to *2.2.4 Risk Management* in this report.

Among the reports and consultations processed by the Fujifilm Group's internal whistle-blowing system in fiscal 2019, there were no cases of human rights violations with such severity as to be publicly reported.

Taking account that human rights issues concerning foreign workers are surfacing in Japan, the Fujifilm Group started a survey on the status of foreign workers directly employed by our operating companies. In fiscal 2019, we identified the number of the foreign workers (312 at the end of fiscal 2018) and their nationalities. We plan to investigate their working conditions as our next step.

For occupational health and safety efforts, see *4.3 Health, Safety and Wellness of Employees* in this report.

We also confirm once again that no instances of child labor have been uncovered in our workforce in fiscal 2019.

##### (3) Violations of the rights of clinical trial participants

We have set up the Bioethics Review Committee to monitor clinical trials to protect the interests of participants.

No violations of Global Healthcare Code of Conduct were reported in fiscal 2019.

#### 2. Dialogue on human rights with external stakeholders

##### (1) Caux Round Table (CRT) Japan

In the Business and Human Rights Conference in Tokyo, organized by Caux Round Table (CRT) Japan, we had individual dialogues with international business and human rights experts again in 2019.

##### ● FY2019 Dialogue with human rights experts

**Date:** October 10, 2019

**Location:** Tokyo, Japan

**Participants:** Experts

Livio Sarandrea, Business and Human Rights Advisor, United Nations Development Programme, Bangkok Regional Hub

Neill Wilkins, Head of Migrant Workers Programme, Institute for Human Rights and Business

Dirk Hoffmann, Senior Advisor, Danish Institute for Human Rights

Pauliina Murphy, Engagement Director, World Benchmarking Alliance

**FUJIFILM Holdings**

Rumi Hagiwara, Manager, ESG Division

Yuko Araki, Manager, ESG Division

Toshihiko Hoshino, ESG Division

**Moderator**

Minoru Matsuzaki, Caux Round Table (CRT) Japan



**Topics:** Assessment of the Fujifilm Group's current efforts concerning human rights and opinion exchange on future challenges

**Discussion results:**

The Fujifilm Group received recognition that our efforts covered a wide scope of issues and were improving year by year. Also, our determination to explain how our corporate human rights policy follows UN principles in an easy-to-understand manner for an external audience was particularly valued. We also won assent for our focus on ESG, through which we provide positive impact by means of our business, rather than on CSR, which emphasizes one's philanthropic attitude but tend to leave human rights issues not sufficiently clarified.

At the same time, we were advised to extend our efforts concerning the supply chain other than through the self-assessment undertaken by suppliers themselves. Specifically, we were advised to hold direct conversations with local stakeholders with the help of local human rights experts and NGOs as well as to go through assessment by those local stakeholders. Another suggestion was that we need not try to realize these all by ourselves, but could leverage existing CSR programs and cooperate with other companies in the target countries.

**(2) Adopting opinions of external experts pertaining to life sciences (Bioethics Review Committee)**

We have set up Fujifilm Bioethics Review Committee to oversee our research and business activities related to life sciences. The committee members include external experts, allowing the committee to conduct comprehensive studies into protecting personal information and the viability of action in terms of ethics and science. The findings of such reviews are fed back to our research & development and other related activities appropriately. The targets for review are genetic analysis with the use of human-derived tissue, immunological research, clinical research and the handling of personal genetic data and related operations. In clinical trials, for example, our clinical trial plans are reviewed by the external experts to ensure that they do not affect the interests of the clinical trials participants.

In fiscal 2019, we concluded 18 bioethics reviews in total including simplified reviews. The Committee's regulations, list of members, related research documents published, and minutes of the committee meetings are available on our website.

**(3) Dialogue with community**

As a member of the community, the Fujifilm Group proactively discloses the Group's environmental protection activities and holds events in the form of environmental communication meetings and similar activities to collect feedbacks from the local community. We plan to upgrade the environmental activities conducted by our factories and carry out active and continuous information communication and disclosure to the public at large.

## 4.6 Corporate Citizenship

### 4.6.1 Basic Approach

The Fujifilm Group is committed to contributing to the sustainable development of society, working together with local communities as a good corporate citizen and responding sincerely to the demands and expectations of those communities. In 2008 we formulated the Fujifilm Group Social Contribution Policy. Based on the Policy, we are conducting activities focusing on the fields of research and education, culture, arts and sports, health and environmental conservation. We value cooperation and collaboration with local communities, institutions, NPO/NGOs, and others and contribution by employees' voluntary activities.

#### Fujifilm Group Social Contribution Policy

The Fujifilm Group will work together with local communities as a good corporate citizen and contribute to society by responding sincerely to needs and expectations of those communities. The Group has established following action plans to implement this policy.

##### 1. Focus of activities

The Fujifilm Group will primarily focus on the fields of education and research; culture, arts and sports; health; and environment.






##### 2. The Fujifilm Group will place value on following points when we conduct social contribution activities:

1. The Group will collaborate and work together with stakeholders. We place importance on mutual communication and partnerships with local communities, institutions, NPO/NGOs, and others.
2. The Group values the importance of employees to participate in volunteer activities that would enhance local community harmonization, as well as to enhance social improvements. The Group will fully support such employee volunteer activities.
3. As a means of social contribution, the Group will utilize its business strengths, such as products, services, technologies and know-how.

Established in April 2008, Revised in April 2019

### 4.6.2 Major Examples of Social Contribution through Business Activities

FF: Fujifilm, FX: Fuji Xerox

SVP 2030	Theme of social contribution	SDGs	Relation to business	Activities	Social/environmental results
Health	Contribution to improving medical environment & prompt disease prevention		Healthcare & Materials Solutions	<ul style="list-style-type: none"> <li>• Supporting prevention of Heart disease for American women (FF)</li> <li>• Implementing Global health program aiming to reduce global medical disparities (FF)</li> <li>• Fighting breast cancer campaign (FF) etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Improving medical environment by participating medical projects in emerging countries</li> <li>• Providing medical devices and technical instruction</li> </ul>
Life Style	Contribution to culture, art, education, and recovery from disaster utilizing photos, photographic film, and printing technologies	 	Imaging Solutions, Document Solutions	<ul style="list-style-type: none"> <li>• Replication of historical documents (FX)</li> <li>• Photo project for children who encountered death in the family (FF)</li> <li>• Photo restoration project (FF) etc.</li> <li>• Supporting the project of establishing a library in the school</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting various partnerships among each region</li> <li>• Increasing communicating population</li> <li>• Support for children who suffered</li> </ul>
Health/Others	Contribution to educational issues to the next generation and disabled people	 	Document Solutions	<ul style="list-style-type: none"> <li>• Offering learning materials in emerging countries (FX)</li> <li>• Support to make large-font textbooks to students with low vision (FX)</li> <li>• KID'S ISO (FX)</li> <li>• Donation books and stationery to deprived children (FF)</li> <li>• Photographic events for children with rare or intractable diseases (FF)</li> <li>• Mental support for children through photographs (FF)</li> <li>• Volunteer group that support employees take part in social participation: Hasu (fraction) Club etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Raising children's knowledge level and support for children in emerging countries</li> <li>• HR development to contribute to local community</li> </ul>

### 4.6.3 Social Contribution Activities Continued by the Fujifilm Group

Social contribution through business operations	<ul style="list-style-type: none"> <li>● Photo Rescue Project (Fujifilm)</li> <li>● Creating digital archives of cultural assets (Fujifilm)</li> <li>● The Heart to Heart Communication—“PHOTO IS” 50,000—Person Photo Exhibition (Fujifilm)</li> <li>● Album Café (Fujifilm)</li> <li>● Reproducing historical documents (Fuji Xerox)</li> <li>● Pink Ribbon Campaign (Fujifilm)</li> </ul>
Support for the education of the future generation	<ul style="list-style-type: none"> <li>●● Photo class for young people (Fujifilm)</li> <li>●● Support to make large-font textbooks to students with low vision (Fuji Xerox)</li> <li>●● Offering learning materials in emerging countries (Fuji Xerox)*1</li> </ul>
	<ul style="list-style-type: none"> <li>● Special Olympics (Fuji Xerox)</li> </ul>
Environmental conservation and biodiversity conservation	<ul style="list-style-type: none"> <li>●● Kikigaki-Koshien (Fujifilm)</li> <li>●● Kankyo-Nikki, “Midori-no-Komichi” (Fujifilm)</li> <li>●● “Kids’ ISO 14000” program (Fuji Xerox)</li> </ul>
	<ul style="list-style-type: none"> <li>● Charitable Trust Fujifilm Green Fund (Fujifilm)</li> <li>● “Watashi-no-Shizenkansatsuro Competition” (Fujifilm Green Fund, etc.)</li> <li>● Ground water conservation activities in Minami-Aso village (FUJIFILM Kyushu)</li> <li>● Volunteer tree planting activity in China (Fujifilm)</li> <li>● Training sessions for nature guides (HASU-Club, Fuji Xerox)</li> </ul>

Example of the Activities by FX Group Companies (\*1 Textbook provision in emerging countries)

Country	FY2018				FY2019			
	Number of textbook distributed	Number of children supported	Number of media exposed (including SNS)	Number of volunteers	Number of textbook distributed	Number of children supported	Number of media exposed (including SNS)	Number of volunteers
Philippines	0	0	0	0	0	0	0	0
Thailand	39	39	21	26	0	0	0	0
Vietnam (2 companies)	10,860	7,000	8	24	8,000	3,500	19	23
Malaysia	800	250	3	0	418	418	0	0
Total	12,199	7,289	32	50	8,418	3,918	19	23

### 4.6.4 Results of Social Contribution

#### 1. The amount of expense on social contribution

The Amount of Expense of FY2019 by Category in the Fujifilm Group

Type of contribution	Amount (million yen)
Education for future generations	49
Harmony with the local community	111
Promote culture and the arts in society (in Japan)	729
Consideration for the international community and international cultures	1
Cooperation with NGOs and NPOs	18
Total	908

\* See Chapter 5. Sustainability Accounting

## 2. Community investment cases

In Japan	Overseas
<p>● <b>Fujifilm Green Fund</b> In commemoration of FUJIFILM's 50th anniversary, Fujifilm started this Fund as Japan's first charitable trust to protect nature in 1983. Through this fund, we offer financial support for nature protection activities and research bodies, and host nature protection awareness raising programs for primary and junior high school pupils.</p> <p>● <b>HASU-Club (Fuji Xerox)</b> This is a volunteer support organization established by employees' own initiative in 1991. The organization is funded through the payroll giving by the employees who opted to donate a fraction (less than 100 yen) of their salary and bonus, plus an amount that the individual wishes to add monthly. The fund is then reserved and the company offers matching donations in four charity areas; "social welfare," "culture and education," "natural environment," "international aid," chosen by employees to support their volunteer activities and related NPOs.</p>	<p>● <b>Contribution to recover the original marshland and bushland</b> Dutch nature preservation group, Natuurmonumenten has been recovering woodland and agricultural land in Huis ter Heide back into the original marshland and bushland since 1993. Fujifilm's office is in Tilburg, near Huis ter Heide and the company has contributed to Natuurmonumenten's activities through financial support of more than 100,000 euros over the last 10 years.</p>

### 4.6.5 Efforts to Assess the Impact on Society and the Environment

#### 1. Contribution effect for customers through environmental activities in business (CO<sub>2</sub> and water)

The contribution effect for customers is the sum of customers' expenses brought by when a new product which is environmental friendly has replaced a conventional product. (For example, when customers use an environmental friendly product, we calculate the amount of money comparing the reduced cost for electricity, resources, or consumables which they used to use with a conventional product.)

(Unit: million yen)

Product	Amount		
	FY2017	FY2018	FY2019
1. High-density magnetic memory materials	7,165	8,414	8,252
2. Processless CTP plate that does not require developer*	1,746	2,598	3,382
3. Film for LCDs: WV films	4,120	2,790	2,398
4. Digital color multifunction device and printers	24,962	16,986	14,033
<b>Total</b>	<b>37,993</b>	<b>30,788</b>	<b>28,064</b>

\* The second item in the above chart is changed from "Pre-sensitized aluminium plate not using plate-making film" which has been listed until last year to "Processless CTP plate that does not require developer"

#### 2. Social impact assessment in social contribution

In 2018, Fuji Xerox worked to "visualize" its social contribution activities in order to understand their social significance, results, and effects and make them improve. We will continue to carry out impact assessments regularly to clarify and improve our activities.

##### [Implementation method]

To evaluate the social impact from our major social contribution activities, including the project to offer learning materials in emerging countries and reproduction and utilization of traditional documents, we created a logic model and made trial assessments.

(1) Considering a logic model utilizing the Social Impact Assessment Tool Set created by GSG.\*<sup>1</sup>

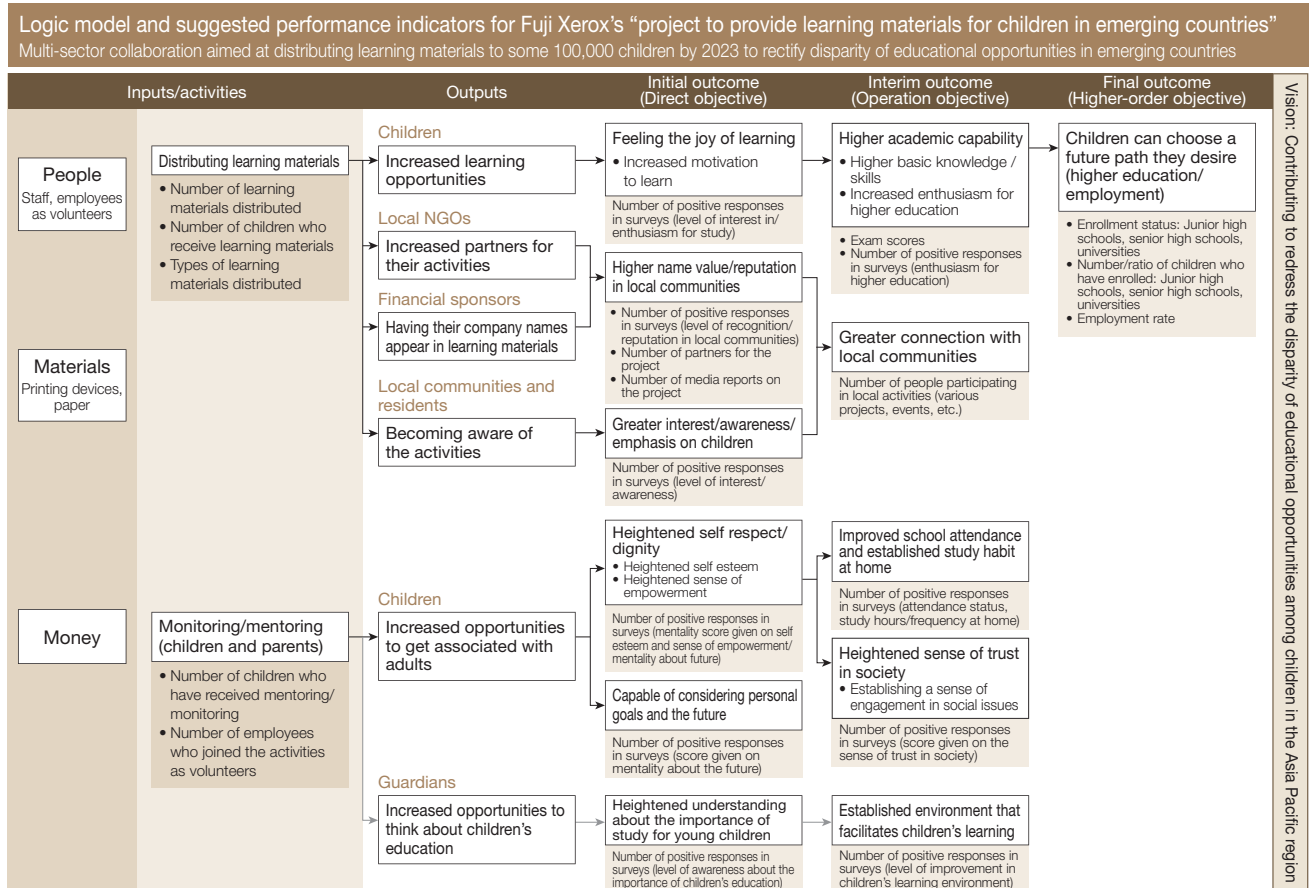
(2) Creating a logic model based on a program evaluation approach and a review by Meiji University.

To enhance the reliability of our own assessments, we asked the Institute for Program Evaluation of Meiji University to review our assessment results in FY2017.

\*1 GSG: <http://impactinvestment.jp/about/> (in Japanese only)

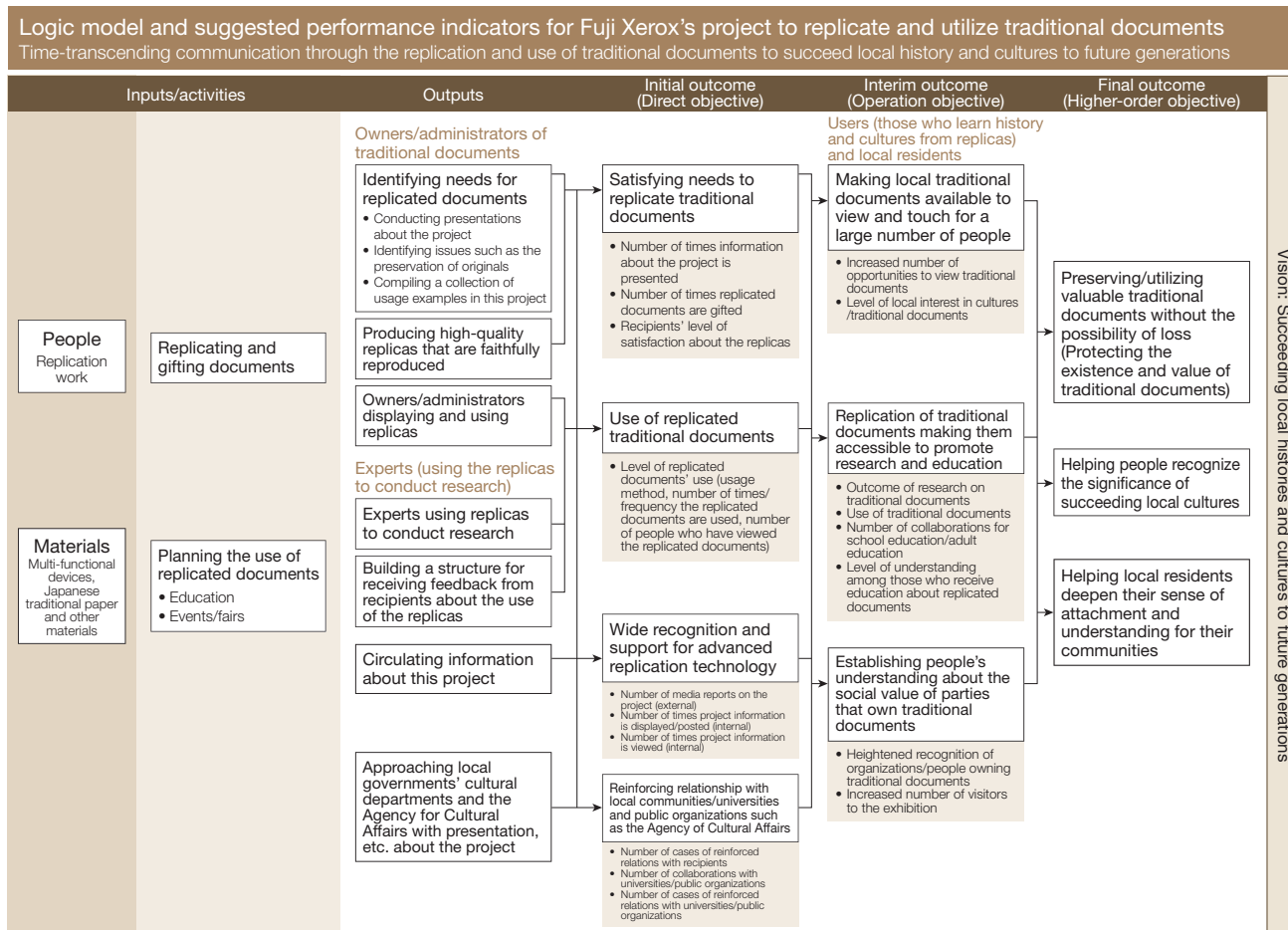
### 3. Discussion example: Suggested social impact assessment logic model and indices

#### (1) Project to provide learning materials for children in emerging countries



\* This shows a logic model and suggested performance indicators for social impact measurement as of June 2018.

(2) Project to replicate and utilize traditional documents



\* This shows a logic model and suggested performance indicators for social impact measurement as of June 2018.

## 5 Sustainability Accounting (Labor Environment and Social Benefit Accounting, Environmental Accounting)

<Period of coverage> FY2019 (April 1, 2019 to March 31, 2020)

<Scope of labor environment and social benefit accounting>

60 domestic companies in the Fujifilm Group  
(FUJIFILM Holdings, Fujifilm and 19 Fujifilm affiliates, Fuji Xerox and 38 Fuji Xerox affiliates)

### 5.1.1 Labor Environment and Social Benefit Accounting

<Basic items>

#### ●Objectives of labor environment and social benefit accounting

These accounts are prepared to get the picture of our activities in this area. The amounts spent for improving the working environment of our employees and social contributions are calculated with classification by each stakeholder.

#### ●Accounting method

The expenditures (including investments) for the year have been added up to arrive at the figures shown. These figures do not include depreciation. Figures for personnel training and social contributions may overlap with figures in the Environmental Account as well.

\*Values presented are rounded and the sums of the items do not always make up the totals.

#### Breakdown of Labor Environment and Social Benefit Accounting

Unit: million yen

Stakeholder	Goal	Cost totals	
		FY2018	FY2019
Employees	Work health and safety	1,586	1,548
	Personnel training	912	936
	Protect diversity	26	27
	Develop a workplace in which employees can work comfortably	864	896
Customers	Ensure appropriate customer response and safety	202	197
Future generations	Education for future generations	68	49
Communities (local society and government)	Harmony with the local community	220	111
	Promote culture and the arts in society (in Japan)	756	729
International community	Consideration for the international community and international cultures	96	1
NGOs and NPOs	Cooperation with NGOs and NPOs	34	18
Suppliers	Consideration for products	14	15
Total		4,778	4,529

## Volunteer Activities During Working Hours

	FY2018	FY2019
Hours spent on volunteer activities	1,440	790
Volunteering cost (million yen)	9	2

\* Volunteer activities

Calculated based on the hours spent on volunteer activities, such as area clean-up during working hours, the salary equivalent to that of those hours, and cost of the activities.

## Overview of FY2019

- Efforts are made to create a worker-friendly environment through expanding educational seminars and supporting mental healthcare programs.
- For local communities, expenditure includes a donation to build the Japan Photographic Preservation Center and a product donation to the Nature Conservation Society of Japan. In the promotion of art and culture, expenditure includes Fujifilm Square as the base for preservation and communication concerning photographic culture, as well as for photo contests.

## 5.1.2 Environmental Accounting

<Basic items>

### ●Objectives of environmental accounting

1. To provide accurate quantitative information on volumes and economic effects to interested parties inside and outside the Group
2. To provide numerical environment-related information useful for decision making by management and supervisors at the working level

### ●Accounting method

Based on the “Environmental Accounting Guidelines (2005 edition)” published by the Ministry of the Environment in Japan.

1. Depreciation is calculated in principle according to the straight-line method over a three-year period.
2. When costs include expenditures for both environmental and non-environmental purposes, the portion relating to non-environmental purposes has been excluded.
3. Economic impact within the Group: The difference in value terms from the previous year in fines for polluting and usage of energy, raw materials, water, and other resources is accounted for, as well as the real impact of recovery, recycling, and other measures in value terms for the year in question.
4. Economic impact outside the Group: The difference in value terms from the previous fiscal year has been shown for SO<sub>x</sub>, VOCs, and CO<sub>2</sub>. For recycling, the anticipated benefit in value terms has been shown for the year in question.

\* Values presented are rounded and the sums of the items do not always make up the totals.



# Sustainability Accounting

5 | Sustainability Accounting (Labor Environment and Social Benefit Accounting, Environmental Accounting)

## Environmental Accounting

Unit: million yen

Fiscal year	Environmental conservation costs				Environmental conservation benefits					
	Capital investment		Expenses		Economic impact inside the Group			Economic impact outside the Group		
	2018	2019	2018	2019	Fiscal year	2018	2019	Fiscal year	2018	2019
1. Costs incurred within the business site	1,168	1,539	6,355	6,242						
(1) Environmental damage prevention	367	293	1,738	1,535	Reduced pollution levy	-5	1	Reduction in SOx emissions*1	0	0
								Reduction in volume of SOx emissions	-4 t	9 t
								Reduction in volume of NOx emissions	75 t	-10 t
								Reduction in VOC emissions*2	2	-8
								Reduction in volume of VOC	6 t	-23 t
(2) Global environmental protection	797	1,201	2,073	2,132	Energy conservation	590	2,040	Reduction in CO2 emissions*3	142	103
								Reduction in volume of CO2 emissions	50 kilotons	44 kilotons
					Reduced raw materials and resources used	8,125	8,666	Reduced waste materials through reuse and recycling*4	7,554	7,178
					Reduced water resource consumption*5	412	-114			
					Silver	1,676	1,895	Reduced volume*6	75.5 kilotons	71.8 kilotons
					Polymeric materials	283	274			
					Aluminum materials	245	198	Reuse of aluminum materials	87	75
					Others	103	125	Reduced volume of CO2 emissions	30 kilotons	30 kilotons
2. Upstream/downstream costs					Parts recovered from used equipment	7,704	6,901			
Recovery from the market	0	0	6,976	6,173						
3. Cost of management activities	138	73	9,708	11,178						
4. Research and development costs	425	1,347	9,401	11,128				Customer benefits*7	30,788	28,064
5. Costs for social programs	0	0	4	5						
6. Costs for handling environmental damage										
Pollution levies	19	12	50	43						
<b>Total</b>	<b>1,750</b>	<b>2,972</b>	<b>32,494</b>	<b>34,768</b>		<b>19,133</b>	<b>19,985</b>		<b>38,572</b>	<b>35,413</b>

\*1 SOx emissions reductions: ¥1.1/ton

Bidding price of SOx emissions credits offered by the United States Environmental Protection Agency in March 2020 (US\$0.01/ton).

\*2 VOC emissions reductions: ¥350,000/ton

From the "Economics Evaluation Report on Countermeasures for Harmful Atmospheric Pollutants" issued by Japan Environmental Management Association for Industry, February 2004.

\*3 CO2 emissions reductions: 2,370.7/ton

Trading price of EU emissions credit 2019 futures (€19.83/ton) at the end of March 2020.

\*4 Landfill costs for the waste product (¥100/kg).

\*5 Water resource consumption reduction: ¥200/ton for clean water supply, ¥200/ton for sewage water times the reductions amount.

\*6 Volume of recycle and valuable resources in generated industrial waste

\*7 For further details of customer benefits, please refer to 4.6.5 Efforts to Assess the Impact on Society and the Environment.

## Overview of FY2019

### ●Environmental conservation costs

Total costs increased by 10% year-on-year. The facility investment was approx. 3% and expenditure was approx. 7%. Cost of R&D and resource recycling increased over last year.

[Facility investments] Increased by 70% year-on-year.

[Expenditure] Increased by 7% year-on-year.

### ●Environmental conservation benefits

This resulted in a year-on-year decrease of 4% when internal and external economic effects were combined. Energy-saving promotion benefits increased; however, customer benefits decreased.

[Internal economic effect] Increased by 5% year-on-year.

[External economic effect] Decreased by 8% year-on-year.

# 6 Independent Assurance Report

FUJIFILM Holdings Corporation commissioned SGS Japan Inc. to conduct an independent assurance of the environmental and social data contained in its Sustainability Report 2020.

For further details on the Independent Assurance Report, please refer to our website.

<https://holdings.fujifilm.com/en/sustainability/evaluation>

The details of the scope of a				
The scope				
Environmental Data				
1	The performance data Scope 2 include energy related greenhouse gas emissions. Energy consumption			
2	The performance data Scope include PFC,CFC-11,CFC-1			
3	Scope3 (category 1)			
4	Water usage			
5	Water discharge			
6	Total waste output volume*			
7	Direct VOC emissions			
Social Data				
1	Composition of Employees			
2	Status of Regular Employee (Average age, Turnover rate)			
3	Employment, Re-employment			
4	Percentage of Women in Regular Employees and in Management Positions			
5	Percentage of Employment Persons with Disabilities			
6	System for a Work-life Balance			
7	Number of Employees Taking Leave of Absence and a Career (number of days)			
8	A: Composition of Labor Union Employee Association Membership B: Revisions to Systems That Operate Based on Agreements between the Labor Unions and a Company (in the last five years)			
9	Training and Development Initiatives			
10	Employment			
11	Number of Employees Taking Occupational Health and Safety Training			
12	Work accident rate, Work accident severity, Number of Fatal Work Accidents	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">The Fujifilm Group</td> <td style="width: 70%;">Work accident rate:0.82 Work accident severity:0.015 Number of Fatal Work Accidents:2</td> </tr> </table>	The Fujifilm Group	Work accident rate:0.82 Work accident severity:0.015 Number of Fatal Work Accidents:2
The Fujifilm Group	Work accident rate:0.82 Work accident severity:0.015 Number of Fatal Work Accidents:2			


**AA1000 ACCOUNTABILITY PRINCIPLES**


**Inclusivity**  
The organization has considered the GRI guidelines, ISO26000, SDG extracted. These processes include external experts, regional exchange stakeholders are considered and identified process. The ESG division training and experience.  
SGS Japan Inc. confirmed the above.

**Materiality**  
The extracted issues emphasized business activities, and materiality business management and social (SVP)2030 depending on the material picture beyond its business strategy issues is expressed. External experts from the stakeholders are reflected reviewed with external experts. The SGS Japan Inc. confirmed the above.

**Responsiveness**  
The organization has disclosed a identified issues through various channels. The organization implements two-considered as the input information is highly important for the organization considering the GRI standards or separately into two editions, "Material according to the needs of the stakeholders. Efforts to use the unified indexes there is a certain amount of understanding company with various business strategies target achievement of the issues. As an example of addressing the advanced waste sorting process. SGS Japan Inc. confirmed the above.

For and on behalf of SGS Japan Inc.  
Director  
Certification and Business Enhancement  
27 July, 2020





## ASSURANCE STATEMENT

**SGS Japan's Report on Sustainability Activities in the FUJIFILM Holdings Corporation Sustainability Report 2020.**

**NATURE AND SCOPE OF THE ASSURANCE**  
SGS Japan Inc. was commissioned by FUJIFILM Holdings Corporation (hereinafter referred to as "the Organization") to conduct an independent assurance of its Sustainability Report 2020 (hereinafter referred to as "the Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the stakeholder management process, data on greenhouse gas(GHG) emissions (Scope 1 include fluorocarbons, 2, and category 1 of Scope 3), energy consumption, amount of water emission and disposal, waste, VOC emissions, social data, and the management systems supporting the reporting process. Refer to the attached sheet for the detailed scope of assurance.

The information contained in the Report and its presentation are the responsibility of the directors or governing body and the management of the organization. SGS Japan Inc. has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all the Organization's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a moderate level of scrutiny using our protocols for:

- Evaluation of content veracity;
- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
- Evaluation against the ISO14064-3(2006);

The assurance comprised a combination of pre-assurance research, interviews with the management and the person in charge of producing the report, on-site visits, verification and confirmation of vouchers, review of related materials and records, and analytical procedures. On-site verification and vouchers review carried out remotely by connecting the Organization's Headquarters with HEAD OFFICE/MIITO WORKPLACE, Fuji Xerox Co.Ltd Ebina Center via the Internet as special measures due to COVID-19 outbreak.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**  
The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; and environmental, social and sustainability report assurance. SGS Japan Inc. affirms our independence from the organization, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on the knowledge, experience and qualifications of each of the team members for this assignment, and comprised auditors registered with lead auditors of ISO9001, ISO14001, ISO45001, and lead verifiers of greenhouse gas emissions.

**ASSURANCE OPINION**  
Within the scope of the assurance activities employing the methodologies described above, nothing has come to our attention that caused us to believe that the information and data contained within the Report does not provide a fair and balanced description of the organization's sustainability activities from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020. The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

■ Please address inquiries on this publication to:

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