

# Sustainability Report 2012

Create...Connect...Into the Future



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Create...Connect...Into the Future

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## CSR Communication Policy

### Our Approach to Disclosure of Non-Financial Information

Fuji Xerox and its affiliates are closely observing the current trends in legal regulations that encompass the disclosure of non-financial information, with European countries leading the way, and we are preparing a system as well as ways of using the system to properly disclose non-financial information. This includes not only our results, but also the transparency of our decisionmaking processes and the soundness of our Plan-Do-Check-Act (PDCA) cycle, while also increasing our compliance with international reporting standards such as those in the Global Reporting Initiative.

The primary medium that we use to report our non-financial information is through this annual Sustainability Report.

We have put the task of communicating with our internal and external stakeholders into practice through this Report as well as through disclosing comprehensive and detailed information on our website.

Although Fuji Xerox is not a listed company, we advance the disclosure of information, to reflect the interests of investors, given that we are a consolidated affiliate of FUJIFILM Holdings (listed on the First Section of the Tokyo Stock Exchange).

Further, since our stakeholders are increasingly interested in CSR, as well as the fact that we expect stronger demand for the disclosure of non-financial information that meets a variety of different needs, we are also looking at ways of expanding our information disclosure practices, opening up more opportunities to receive questions, responding to them, and creating opportunities for dialogue.

### Our Approach to What Information to Disclose

Corporations and organizations need to disclose requisite CSR information in an accurate, timely and accountable manner. However, if each organization is given too much discretion on what to disclose, there are concerns that only arbitrary information will be disclosed. Accordingly, Fuji Xerox and its consolidated affiliates take the following approach to reporting CSR information:

- Information on sustainability for Fuji Xerox and its consolidated affiliates is reported in this Report and on our website.
- Our affiliates in each country or region will prepare and issue separate sustainability reports where they are required to do so under local legislation or needs from the local market.

### Our Approach to Ensuring the Accuracy of the Information We Disclose

We need to do our utmost to ensure the accuracy of the information we disclose in view of the fact that CSR-related information disclosures can have a significant impact on the interests of our stakeholders. Fuji Xerox discloses information only after checking it three times: by the department responsible for the information, the department responsible for editing the information and the Corporate Communications Department.

While Fuji Xerox is examining the possibility of having third party providers ensure the accuracy of the disclosed information or applying relevant international standards, we have been unable to find anyone, to date, that sufficiently provides services suited to the purpose, as well as that are comprehensive, complete and objective. However, we have incorporated an expert Third Party Opinion, to demonstrate our willingness to listen to third party comments.

## Editorial Policy

This report describes to our stakeholders how Fuji Xerox is challenging to realize a future where people are connected and create value in society; it is also a tool for gathering opinions that can be used for improvements. In addition, we have prepared three communication medium: the *Sustainability Report*, the *Stakeholder Summary*, and the corporate website, to target the interests of different readers (see the diagram below).

### Structure of the Sustainability Report 2012



<http://www.fujixerox.co.jp/company/public/sr2012/>

#### CSR information covering our global operations

This Report is published in Japanese, English and Chinese. Our Stakeholder Summary is available in Japanese. Our website is available in Japanese and English.

Sustainability Report



Stakeholder Summary



Website



Detailed information can be found on our website, including the *Sustainability Report* and the *Stakeholder Summary*.

#### CSR information from our affiliates

Our affiliates publish CSR information in line with local requirements. Please see our website above.

Our fiscal 2012 report has the following features:

1. Fuji Xerox celebrated its 50th anniversary in February 2012. To mark this milestone as we set forth on our next half century, we created a section to reflect on the origins of our CSR management, with an eye to reconnecting with our initial intentions.
2. We included a section to summarize areas for improvement brought to light by the Great East Japan Earthquake and to
- report on current advancements as we seek to apply the lessons we learned from the earthquake to all aspects of our business.
3. Having considered the possible transition of disclosing non-financial information on a global scale, we defined our CSR policies and reporting by paying close attention to international standards and applying them throughout this report.

### Other relevant information

- Corporate Profile <http://www.fujixerox.co.jp/company/public/company.html>
- Financial Data <http://www.fujixerox.co.jp/company/profile/finance/>
- Information Security Report <http://www.fujixerox.co.jp/company/public/security.html>
- CSR Approach by FUJIFILM Holdings <http://www.fujifilmholdings.com/ja/sustainability/index.html>

### Features of our 2012 Sustainability Report

#### ●Reporting Period

Our *Sustainability Report 2012* focuses on Fuji Xerox's CSR efforts during fiscal 2011 (April 2011 to March 2012) and also covers some policies and activities for fiscal 2012.

#### ●Organizations Covered

Our *Sustainability Report 2012* covers Fuji Xerox and its domestic and overseas affiliates. When we report on matters restricted to specific regions or corporations, we specify that in the Report.

#### ●Guidelines Consulted

We have followed the third edition of the *Global Reporting Initiative's Sustainability Reporting Guidelines*. Our self-evaluation indicates that our reporting falls within Application Level A prescribed by those Guidelines.

We also consulted the 2012 edition of the Ministry of the Environment's *Environmental Reporting Guidelines* and the corporate evaluation standards for CSR in the 15<sup>th</sup> *Corporate White Paper* published by the Japan Association of Corporate Executives.

#### ●Report to the Global Compact

We have submitted this Report to the United Nations as our *Global Compact Communication on Progress* in the four areas and 10 principles of the Compact in our capacity as a corporate signatory of the Global Compact.

Please see page 24 for our activities regarding the Global Compact.

- Next Release of our Sustainability Report  
September 2013





Top Commitment

# Becoming an Excellent Company by Renewing Our Commitment to CSR As We Move beyond Our 50th Anniversary

Tadahito Yamamoto  
President and Representative Director  
Fuji Xerox Co., Ltd.



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## 1. Our 50th Anniversary

Fuji Xerox celebrated its 50th anniversary in February 2012. I would like to take this opportunity to express my heartfelt gratitude to all who have supported and guided the company over the past half century by offering their cooperation and advice.

Our 50th anniversary was an important milestone for Fuji Xerox, but also a key checkpoint for us as a sustainable company that is trusted by society and loved by its customers.

Since its founding, Fuji Xerox has maintained a core commitment to enhancing the understanding of society and customers through ever-improving communication. Moreover, we have constantly innovated our manufacturing methods and work styles to create an energy- and resource-efficient business model. In addition to applying this model to all our activities, we have endeavored to promote its application in society. The Great East Japan Earthquake and the power shortage that followed taught us, however, that our risk management and business continuity plan (BCP) were much less solid than what we had thought.

Now is the time to renew our commitment to CSR and walk hand in hand with our stakeholders. We believe that living up to this responsibility is the best way we can repay those who have favored us with their valuable cooperation and support.

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## 2. The Path We Have Walked

As this is a milestone year, I would like to review the path that Fuji Xerox has walked over the past 50 years.

Fuji Xerox was founded in 1962 as a joint venture of Fuji Photo Film Co., Ltd. and Rank Xerox Ltd. of the UK (then a subsidiary of Xerox Corporation USA). The purpose of the company was to market plain-paper copy machines.

This unique joint-venture company had two key values to offer—copying and rental—and was committed to liberating people from the onerous task of making handwritten copies and sharing written texts by reading them aloud. We referred to the dramatic impact of our products in facilitating speedy and accurate communication as the “democratization of information.” We were convinced that a service where customers did not purchase the equipment but rented it and then paid according to their usage volume would lead to streamlined, waste-free consumption.

In the years that followed, we added our own technologies to the highly innovative products of Xerox Corporation to develop a wide range of revolutionary items that included fax machines, printers, network devices, and workstations (the original format of PC products).

Though we started as a sales company and production subcontractor, the total quality control (TQC) activities we vigorously pursued during the 1970s allowed us to make a fresh start as a full-fledged manufacturing company, a process that culminated in our winning the Deming Prize in 1980. During the 1980s, Fuji Xerox strived to create a company where individual capabilities were put to optimal use by initiating the New Work Way Program (1988) which focused on respecting the individual and creativity, developing a comfortable work environment, and giving full rein to imagination.

Coming into the 1990s, Fuji Xerox announced the Good Company Concept (1992) for creating a company characterized by the following three words: “strong,” “kind,” and “interesting.” This remains the framework for the company’s CSR to this day.

Times have changed and we now live in an age where many of our customers are using new information technologies to full advantage to create value globally. In this environment, the role of Fuji Xerox is to contribute to our customers’ value creation by providing efficient and accurate document management. With the advancement of information technologies, communication is no longer limited to paper-based output. It is our view that audio, visual, and all other forms of media comprise “documents,” and Fuji Xerox will continue to meet document service and communication needs.

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## 3. Overall Assessment of Fiscal 2011 Performance

Fuji Xerox faced an extremely difficult business environment in fiscal 2011. While the Great East Japan Earthquake and Thailand’s floods seriously affected the supply of our products, demand was impacted by the global economic slowdown that followed the European debt crisis. Additionally, the appreciation of the yen against all currencies created new challenges.

The events of fiscal 2011 brought home the realization that our risk management assumptions were too optimistic. For instance, we faced delays, although only temporarily, in supplying maintenance services and paper to customers, a failure that impacted the BCP implementation of our customers. Our proposals for the backup management of medical charts, family registers, and other basic documents were shown to be inadequate. Our supply chain of parts and components came to a standstill. While we quickly overcame most of these problems, they nevertheless forced us to rethink our crisis response on numerous levels. With the risk of a major earthquake hitting Tokyo in mind as well, we spent a whole year radically revising our BCP.

**The role of Fuji Xerox is to contribute to our customers’ value creation by providing efficient and accurate document management.**



In fiscal 2011, we took what we had achieved over the past three years under the corporate direction of “Go To Customers” (fiscal 2008–10) and brought it to the next level with “Go for the Next.” With an eye to giving solid form to this new corporate direction, we managed our business based on the three priorities of “Globalization and Glocalization,” “Professionalization and Collaboration,” and “Provision of New Value with ICT.”

**Globalization and Glocalization:** Today, countries and regions other than Japan account for 48 percent of our employees and 43 percent of our revenues. This means that Headquarters in Japan cannot directly supervise all activities, and our business operations depend on the combined efforts of our 45,282 employees worldwide. To our customers, we explain that we are in the business of providing a broad range of values both globally and glocally. Fuji Xerox is actively engaged in optimizing the cross-border assignment of employees, not only between Japan and overseas offices but also between overseas offices, as a critical step toward independently developing and offering products and services that meet regional needs.

**Professionalization and Collaboration:** As a multinational group representing a great breadth of cultural and experiential diversity, we see our employees increasingly engaged in cross-border collaboration and capacity building. Within Japan, powerful teams comprising Account Sales responsible for identifying and coordinating the solution of customers’ business challenges, Expert Sales in charge of IT, operations, organization, and internal controls, and Development and Headquarters staff take on the task of creating a framework that can provide the high-level services demanded by customers.

**Provision of New Value with ICT:** Taking advantage of the bidirectional communication made possible through the IT networks that link us to customers, we continue to explore possibilities for highly innovative services to enhance customer convenience.

Although we see many budding opportunities, quite frankly, there is much left to be done before these initiatives can reach fruition. Our assessment therefore is that constant efforts are needed to achieve our objectives. In particular, we realize that fostering global human resources and ICT-based location-independent work styles constitute important challenges that require continued efforts.

## 4. Assessment of Fiscal 2011 Performance by Stakeholder Group

Next, our performance in fiscal 2011 is examined from the perspective of various stakeholder groups. (Please also read “Main CSR Indicators” beginning on page 30.)

### Customers

Fuji Xerox came in first in the three areas of “Products,” “Sales Response,” and “Maintenance Services” in surveys conducted by J.D. Power Asia Pacific, Inc., an agency specializing in international surveys on customer satisfaction. This earned us first place in the color copy machine category in Japan for the second consecutive year. We cannot afford to be satisfied with these victories, however. Rather, we must strive to achieve equivalent results in markets outside of Japan. Our ultimate challenge is to gain overwhelming strengths that will lead customers to immediately think of Fuji Xerox whenever document management is mentioned.

### Employees

Although our employees all work very hard, overall productivity has been stagnant, and progress toward recruiting and fostering human resources with an eye to diversity and willingness to take on new challenges has been slow. We believe these problems are caused by the lack of horizontal cooperation in management, unevenness in commitment to change, and insufficient experience in global operations. Steps are being taken to eliminate these obstacles.

### Global Environment

In response to Japan’s power shortage, we have reduced power consumption by more than 15 percent companywide, and have drawn wide attention for voluntarily installing “EneEyes,” an easy-to-use tool for monitoring and analyzing power consumption, in the Fuji Xerox R&D Square located in the Yokohama Minato Mirai Zone. We have also launched a new initiative for reviewing our basic environmental policies covering all business areas.

### Suppliers

Fuji Xerox is strengthening its ties with reliable suppliers to further its strategy to create more dynamic manufacturing sites. Additional measures are also being taken to further improve ethical procurement, including CSR assessment of suppliers and on-site visits for early identification of problems and challenges in the supply chain.

### Local Communities

Fuji Xerox has supported recovery from earthquakes and floods through the provision of relief supplies, donations, and volunteers. Many of our employees have participated in these efforts. As mentioned in ISO 26000, the time has come for companies to conduct a review of their approach to community participation and development. Recognizing this, we launched a companywide review of our basic policies regarding local contribution activities overall.

### Shareholders and Investors

To achieve the business results promised to shareholders and investors, we are steadily taking steps to increase revenues, streamline costs, and build the foundations for future earnings. Progress on these fronts remained generally on schedule in fiscal 2011.

## 5. Fiscal 2012 Challenges and Goals

We have set building the foundations for a sustainable future as an excellent company for our fiscal 2012 management goal. What I envision by the term “excellent company” is a company with not only an excellent financial profile but also a corporate culture that motivates individual employees and empowers them to be dynamic in their work. With this as a base, we will promote our management aims of raising customer trust, developing a robust cost structure, achieving high-level globally integrated management, and pursuing the challenges of further changes and innovations. These objectives are bound together under two companywide slogans: “Volume with Technology” and “Value with Services.”

“Volume with Technology” calls for acquiring new customers by introducing a wide range of attractive products supported by outstanding technologies and cost competitiveness.

“Value with Services” focuses on developing outstanding solutions to provide additional value to products purchased by customers and offering efficient one-stop services.

These slogans identify two principles that will serve as focal points within our corporate direction without altering it. To survive amid our extremely competitive environment, Fuji Xerox must provide new solutions one after the other that meet the true needs of customers. I believe the path to accomplishing this lies in the thorough implementation of unity of word and deed which equips us to offer services fully backed by our own experiences and successes.

## 6. Pledge of Responsible Management

It is my conviction that CSR and corporate management are one and the same. That is, both are about creating values that affect the future direction of the company and of society.

In this sense, have we provided values that lead society in the true sense? What are the sources of any shortcomings? What must we do to satisfy our customers? These questions make me keenly aware that we must renew our commitment to CSR.

As we start our next 50 years, much thought must be given to the question, “For what purpose does this company exist?” Without resting on the laurels of our first 50 years, I am determined to unite the minds and actions of our employees in the task of creating new value, as we bring to bear on this important work the gift of our employees’ diversity in terms of race, nationality, experience, and values.

The milestone of our 50th anniversary offers a valuable opportunity for us to review our operations on all levels and for all employees to eliminate muri (overburdening of people and equipment) and muda (waste) in order to change the way we work. We are committed to pursuing these objectives prudently and persistently.



**We will renew our commitment to CSR as we set off on our next 50 years.**



# At the Threshold of Another Half Century, Reflecting on the Origins of CSR Management at Fuji Xerox

CSR management at Fuji Xerox has its origins in the business philosophy of Joseph C. Wilson, founder of Xerox Corporation. Wilson's philosophy, which anticipated today's concept of corporate social responsibility, is the foundation on which Fuji Xerox built its Good Company Concept and Mission Statement.

*Our business goal is to achieve better understanding among men through better communications.*

*You will see Xerox, as we see it, as a cluster of enthusiastic, innovative people who have a dream that they are building an institution which will make a mark in our society, not only for profit and for business success, but also for behaving responsibly and for rendering services which are valuable to their users and, equally important, a source of pride for the servers.*

*To be a whole man; to attain serenity: through the creation of a family life of uncommon richness; through leadership of a business which brings happiness to its workers, serves well its customers and brings prosperity to its owners; by aiding a society, threatened by fratricidal division to gain unity.*



**Joseph C. Wilson**  
1909—1971

Founder of Xerox Corporation of the United States. Wilson commercialized the dry photocopying technology known as xerography and in doing so helped create an environment in

which virtually anyone could share information easily. At the same time, he championed the notion that corporations should tackle social issues like poverty, education, racial discrimination, and pollution as responsible members of society and moved proactively to address those problems himself.

## CSR Chronology

1960s

1970s

1980s

### Corporate Management

- Fuji Xerox established (1962)
- Operations launched into Southeast Asian markets via joint ventures and dealerships (1965–)

- Establishes integrated manufacturing and sales organization (1971)
- Partners with regional capital to form Japanese sales subsidiaries (1979–)

- Awarded the Deming Prize in recognition for its excellence in quality control (1980)

### Philosophy/Vision

- Adopts Corporate Philosophy (1979)

### Major CSR Initiatives

- Establishes Setsutaro Kobayashi Memorial Fund to promote mutual understanding and friendship through academic interaction between Japan and other Asia-Pacific countries (1977)

- Introduces the New Work Way program to achieve a corporate transformation through the creation of a pleasant corporate environment so as to foster the ideas of individuals (1988)
- Launches large-print textbook program (1989)



## The Fuji Xerox Mission: Lighting the Way for the Next 50 Years



Tadahito Yamamoto

President and  
Representative Director  
Fuji Xerox Co., Ltd.

CSR at Fuji Xerox, as I see it, is synonymous with corporate management. After all, the essence of our CSR policy is a commitment to solving customers' business challenges and contributing to social development in a sustained manner by doing what we do best. And that has also been the central goal of corporate management at Fuji Xerox.

With the advance of economic globalization in recent years, we have seen an escalation in various social and environmental problems that have begun to exert a profound impact on our lives and business activities. In such a world, it is more important than ever to foster mutual understanding between people of all nationalities and viewpoints, whether from government, business, or the nonprofit sector.

Looking ahead to the next 50 years at Fuji Xerox, I believe the company's basic mission remains essentially the same: to foster mutual understanding and help bring about solutions to a wide range of social problem through our core business—document services—in a manner consistent with the principles of our Mission Statement. These are lofty goals, but if all of us at Fuji Xerox work together in the pioneer spirit to achieve them, I am confident we can make a meaningful contribution to the creation of a sustainable society.

### Mission Statement We will strive to:

Build an environment for the creation and effective utilization of knowledge.

Contribute to the advancement of the global community by continuously fostering mutual trust and enriching diverse cultures.

Achieve growth and fulfillment in both our professional and personal lives.

#### 1990s

- Establishes Chinese (Shenzhen) manufacturing subsidiary (1995)

- Announces Good Company Concept, aiming to be "strong," "kind," and "interesting" (1992)
- Reshapes Corporate Philosophy into Mission Statement in response to globalization (1999)

- Launches HASU Club as scheme for channeling fractional remainders from paychecks into fund for social initiatives (1992)
- Begins recycling recovered parts into production line, aiming for "zero waste" (1996)

#### 2000s

- Begins business development in Chinese market (2000–)

- Announces "Open Office Frontier" business vision (2002)

- Signs UN Global Compact (2002)
- Starts operating international resource recycling system with recycling centers built in Thailand (2004) and China (2008)
- Institutes ethical procurement in Japan, China, and South Korea (2007)

#### 2010s

- Establishes Fuji Xerox R&D Square at Yokohama Minato Mirai 21 (2010)
- Reinforces product development in China targeting Chinese market (2012)

- Reinforces initiatives to conserve biodiversity (2010–)
- Starts official operation of Recycling System in South Korea, Australia, and New Zealand (2012)

# Our CSR Management Structure

## Toward Achieving a Sustainable Society and Environment

Fuji Xerox is working extensively toward the goal of contributing to the sustainability of stakeholders and, beyond that, to the sustainability of society and the earth itself by promoting mutual understanding in society through the evolution of communication.

We feel that it is important, to this end, to be continually enhancing the values we provide to society as well as incorporating our stakeholders' demands and expectations into our management

practices in response to changes in society. Our aim is to continually contribute to the development of society based on the principle that "CSR is synonymous with corporate management" to reform our own business through CSR activities, while also providing a fresh appeal for our stakeholders and continuously increasing our competitiveness.



## CSR Management Framework

Fuji Xerox is in the process of emphasizing not only monitoring and communications but also building mechanisms to embed evaluations and feedback concerning our CSR activities into our management processes so that CSR will take root within the company.

**1. Communication:** Fuji Xerox is promoting dialogue with our stakeholders by exchanging information about our CSR activities through such means as our *Sustainability Report* and our website. Of these, we regard our *Sustainability Report* as one of the tools we use for communicating with our employees. This is because our officers and employees actively explain Fuji Xerox's thinking and actions to our customers and others, and we will further increase

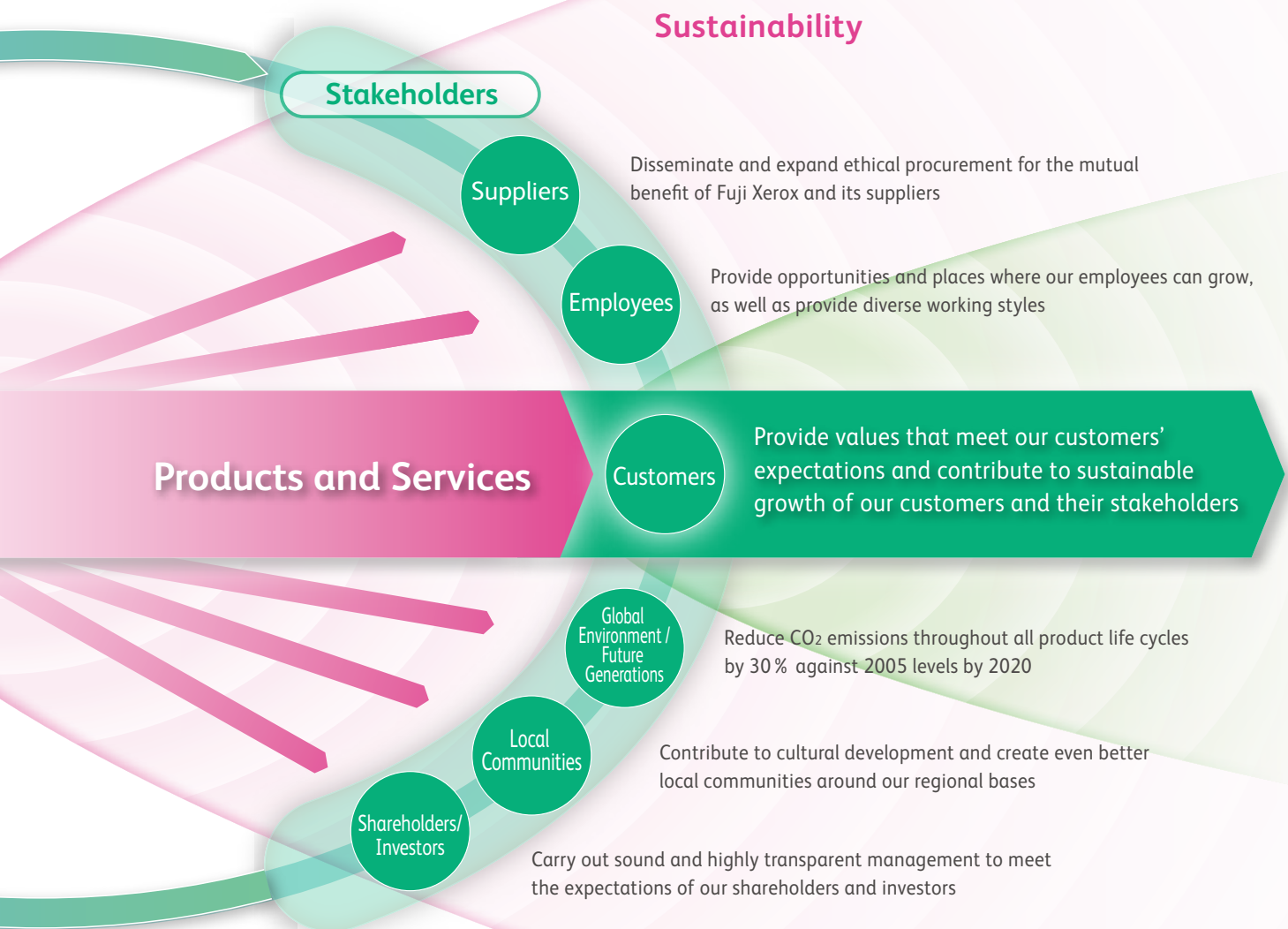
awareness of the issues and ideas that are locally-grounded by expanding our points of contact with society, and this will enable us to deliver value to our stakeholders.

**2. Monitoring:** Fuji Xerox believes it is vital to take a quantitative and accurate snapshot as to what extent our business activities meet the expectations of stakeholders, and use the results to improve our business activities. To that end, we conduct an annual survey at our facilities and affiliates in Japan and overseas. The surveys include a customer satisfaction survey, employee moral survey and the Fuji Xerox internal CSR survey.

## Management System That Promotes CSR

Fuji Xerox established a CSR Committee as one of the Corporate Executive Meetings in April 2010. The aim is to conduct management that integrates sustainability into our business operations. The CSR Committee goes beyond financial or business operation perspectives, to more actively debate ideal

CSR management at the managerial level. We believe that this enables Fuji Xerox to enhance competitiveness over the medium to long-term, and facilitate mutual development of both Fuji Xerox and society.



## Priority CSR Themes

We are moving forward in fiscal 2012 with the themes described on the right with the aim of focusing on activities from the shareholder perspective.

**Customers** : Provide values in line with our customers expectations, which foster our customers' prosperity

**Employees** : Build an environment where all employees can fulfill their maximum potential

**Environment/Future generations** : Strengthen efforts toward environmental management that is integrated across the entire company

**Suppliers** : Strengthen our suppliers' engagement

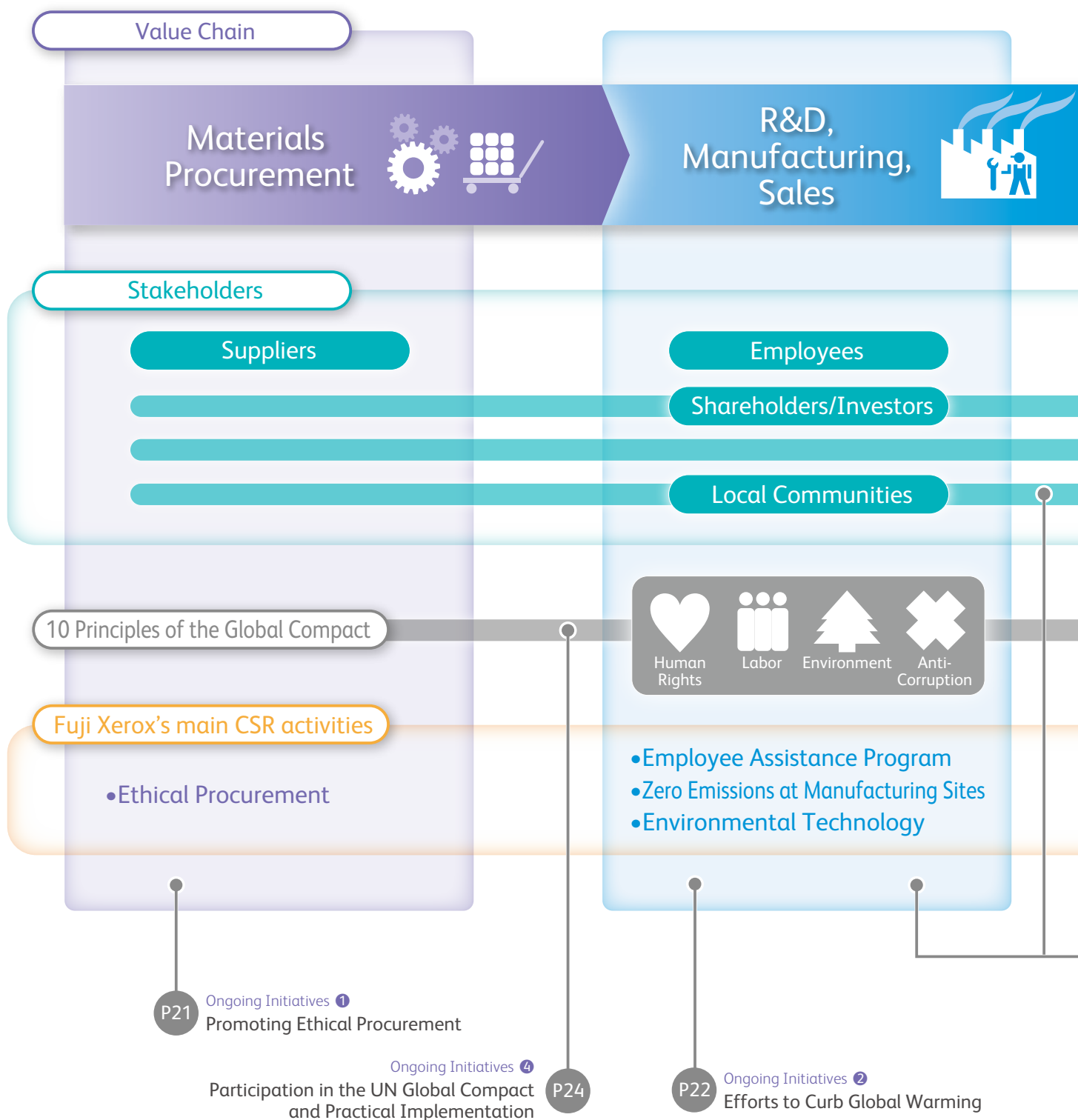
**Local communities** : Contribute to positive social change through our business activities and societal participation by our employees

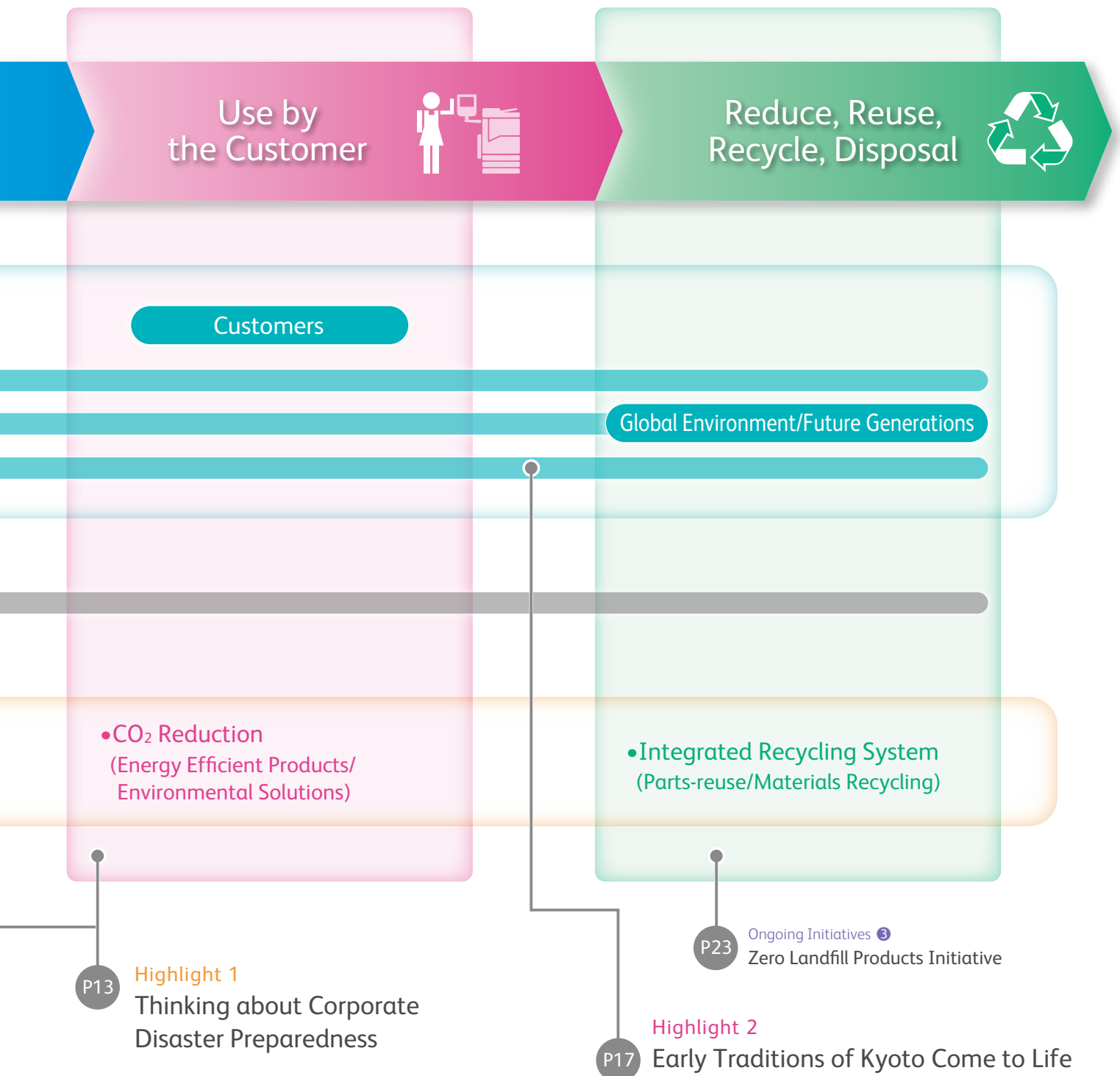
**Shareholders/Investors** : Carry out sound and highly transparent management



# Fuji Xerox CSR Activities Throughout the Value Chain

We have created a summary of Fuji Xerox's main CSR activities at all stages of our business activities, from materials procurement all the way through to reuse, recycle and disposal (the value chain). We are determined to take responsible actions that create value for society throughout the entire value chain, and thus contribute to sustainable progress for our company and for society.











## Highlight 1

# Thinking about Corporate Disaster Preparedness

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### Sharing Knowledge among Fuji Xerox's Global Family



Natural disasters strike without warning and shake a society to its foundations. The damage sustained by society at that time will of course impact a company's business activities, but the company's response to that damage will reveal its true stance regarding its role as a member of society.

At Fuji Xerox, it is our responsibility to use our document services and communications technologies to support the crisis management efforts of our customers. In light of our relationship with the community, what specific role are we called on to play when a major disaster such as an earthquake, tsunami, or flood strikes? What preparations and training do we need to do in order to ensure that we can fulfill that role properly? In a spontaneous initiative, the presidents of our overseas sales companies have started a collaborative project to share expertise and responsibilities.

#### Major disasters in the Asia-Pacific region over the past decade

- Indonesia.....Earthquake/Tsunami (2004)
- China.....Earthquake (2008)
- Australia.....Wildfires (2009)
- New Zealand.....Earthquake (2011)
- Japan.....Earthquake/Tsunami (2011)
- Thailand.....Floods (2011)
- The Philippines.....Typhoon (2011)

Total cost of disaster damage worldwide in 2011, including Japan earthquake

..... Over US\$380 billion (approx. 31 trillion yen)  
(according to UN Office for Disaster Risk Reduction, March 5, 2012)

Sectors in which Fuji Xerox Miyagi and Fuji Xerox New Zealand sales personnel visited customers in immediate aftermath

.....Public services (fire and police departments), hospitals

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## No Knowing Where and When Disaster Will Strike

In 2011, natural disasters took a terrifying toll around the world. The earthquakes in New Zealand (February) and East Japan (March), floods in Thailand (October) and typhoon in the Philippines (December) claimed a great many lives and devastated the infrastructure of communities in these regions. According to the United Nations, the total cost of disaster damage around the globe in 2011 was over US\$380 billion (approximately 31 trillion yen), the highest figure on record.

In 2010, Fuji Xerox's International Business Group (IBG) launched the Asia-Pacific Sustainability Project, which aims to share best practices and know-how in socially responsible management among our sales companies in 12 countries. With the goal of exploring how best to contribute to their regions and communities, Fuji Xerox CSR Champions from each country have been holding discussions based on actual cases in their own territories.

In meetings held after the March 11 earthquake in Japan, they volunteered their assistance to the devastated areas and also expressed their desire to learn how Fuji Xerox Miyagi had responded. This request struck a chord with Katsuhiko Yanagawa, Senior Vice President in charge of overseas sales, and the presidents of the overseas sales companies, as many of the companies have experienced severe natural disasters and are faced by the same concerns about what role they should play in emergencies as a member of the community and what regular training and preparations they need to carry out in order to perform that role properly.

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## The Miyagi Workshop

In November 2011, the presidents, executives, and CSR Champions of all the overseas sales companies—a total of 45 people—gathered for a workshop at the Disaster Countermeasures Headquarters of Fuji Xerox Miyagi.

The president of Fuji Xerox Miyagi, Atsuhiko Sousui, who had been through the March 11 disaster, talked about creating solid bonds with customers by first identifying the damage status and needs of individual customers in affected areas and then supplying information and support useful to them in carrying out appropriate relief and restoration.

Next, he explained how our work is relevant in a major disaster: "Our job is to support customers' documents and communications, and our top priority must be saving lives. With computers and the Internet down, vital information has to be written out by hand and communicated reliably by means of our multifunction devices. High priority must go in particular to restoring functions at rescue and relief operation centers such as fire stations, hospitals, and police stations."



The president of Fuji Xerox Miyagi, Atsuhiko Sousui shares his experience at the workshop.

Lastly, he stressed the importance of preparedness, concluding that Fuji Xerox Miyagi had coped well thanks to its regular earthquake drills and emergency stockpiles. Mr. Sousui was also in Kobe during the 1995 Great Hanshin-Awaji Earthquake, and he is keenly aware that in an emergency we can only do things we are well practiced at doing in our daily life.

Neil Whittaker, managing director of Fuji Xerox New Zealand, shared his firsthand experience of disaster response after the 2010 and 2011 Christchurch earthquakes. He gave a detailed account of the ordeal. Like their colleagues in Miyagi, the New Zealand team struggled to confirm the safety of employees and customers and to ascertain how they were affected, to fund the work they did in the immediate aftermath, and to conduct business as the city began to return to normal. Clearly, the challenges faced in a disaster are the same around the world.



Neil Whittaker  
Managing Director  
Fuji Xerox New Zealand

In the discussion that followed, presidents who had experience in dealing with natural disasters talked about the difficulties involved. For example, Iwao Abe, managing director of Fuji Xerox Philippines, recalled, "In the monsoon flooding several years ago, we were unable to confirm the safety of three of our employees until the floodwaters receded. We were beside ourselves until their safety was confirmed by directly dispatching our employees to the affected area." The discussion led to calls for identifying the know-how that needs to be shared and creating a structure for mutual support among affiliated companies in the interests of disaster preparedness.

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## Executives Roll Up their Sleeves for Cleanup Work

The day after the workshop, the participants made a visit as observers to the tsunami-ravaged town of Minami-sanriku, where mountains of debris remained. They then lent a hand in the cleanup of houses and shore areas on Oshima Island in Kesennuma City.

As they rolled up their sleeves amid the wrenching scenes of destruction, the company presidents and CSR Champions from



Executives experience firsthand the damage through cleanup work.

around the world recognized firsthand that company executives are responsible for protecting the lives of employees and customers. At the same time, they felt a responsibility as human beings to create something positive from the tragic suffering of the disaster victims, and they resolved to work to reduce disaster risks in their own countries so as not to let their colleagues' experiences go to waste.

## Follow-up at the Local Level

After a major earthquake, strong aftershocks can be expected. Mr. Whittaker, Fuji Xerox New Zealand managing director, instructed Quality and Compliance Manager Mike Pollard to add disaster response measures to the Business Continuity Plan (BCP) manual which was in preparation at the time. Based on the lessons learned from the Christchurch earthquake, Mr. Pollard outlined a series of practical responses, from policy guidelines to working-level instructions for everything from confirming employee safety to providing restoration support to customers.

During the same period, a meeting of the CSR Champions in Bangkok, discussed core principles of conduct in case of disaster. The

meeting set down ten principles that covered the three key areas of confirming employee safety, caring for customers, and caring for the community.

On returning from this meeting, Steven Counce, Fuji Xerox New Zealand's CSR Champion, proposed adding these ten principles to the BCP manual and sharing the completed manual with the other sales companies. Mr. Whittaker readily agreed. Thus began another spontaneous initiative toward collaboration among the overseas sales companies.

## Committed to Steady Implementation

As Mr. Whittaker of Fuji Xerox New Zealand noted, "This effort to share our expertise and responsibilities and to play a role in the community is very meaningful, both to the community and to the sales companies, because when we make a commitment to take care of the community, it creates trust. Our work requires a healthy community. I visited Christchurch right after the earthquake, and it was heartbreaking to see the damage and trauma. I realized that we must not let this painful experience end there. I hope and pray that such a disaster will never happen again, but praying won't fulfill my responsibilities as a managing director. We must think about what to do in the event of a future disaster and be prepared to act at any time."

Fuji Xerox is a company that delivers high-quality communications tools. In a disaster, we must continue to provide full support so that our customers' relief and recovery efforts can proceed smoothly.

Our sales companies in the Asia-Pacific region view the harrowing experiences of natural disasters as their own experiences, and have taken a step forward in the effort to keep their employees and customers safe and fulfill their responsibilities to their community.



**Joseph Yu**  
Managing Director, Fuji Xerox  
Hong Kong  
(Currently, Managing Director of  
Fuji Xerox China)

Although I was aware of the importance of BCP in natural disasters, Mr. Sousui, president of Fuji Xerox Miyagi, showed me a new model of leadership in times of disaster. I was able to look at it from a different angle than in the past. As managing director of Fuji Xerox China, I want to strengthen our own CSR operations while continuing to learn.



**Osamu Miyajima**  
Chairman, Fuji Xerox Taiwan

Taking part in this workshop brought home the fact that disaster can strike anytime, anywhere. I recognized afresh the need for us to be prepared always and for me, as head of the company, to run through various scenarios in my mind. Also, I realized that there is a difficult relationship between recovery support and keeping the business running after a disaster.



**Yoshio Hanada**  
Managing Director, Fuji Xerox  
Vietnam

Visiting the affected region myself for the first time and taking part in volunteer work gave me an understanding of the victims' pain. In Vietnam we provide assistance to disadvantaged children, and I can see more clearly now the need for continuity in such work. I feel that the discussions and experiences in Miyagi have helped me think through what we should do in case of disaster.





## Highlight 2

# Early Traditions of Kyoto Come to Life

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### Giving Back to the Community the Fuji Xerox Way



Kyoto—home to 1,200 years of Japanese culture and history. This old capital city is also home to untold volumes of historical documents and manuscripts that lie dormant in old estates, temples, and shrines. Fuji Xerox Kyoto has taken on the project of bringing these documents back to life in the form of exact reproductions using Fuji Xerox's multifunction devices. This project to support communication beyond the ages has brought inspiration to clients and helped foster deep communication with the community. This project was made possible by the enthusiasm of our technology development engineers motivated by the excitement of discovering new needs. Described in this section is Fuji Xerox Kyoto's unique community contribution activity that has given birth to new ideas for product development.

- History of Kyoto ..... Approx. **1,200** years
- Number of documents replicated ..... **60**
- Oldest document replicated ..... Approx. **788** years old
- Number of participating Fuji Xerox engineers ..... **10**
- Number of participating university interns ..... **15**  
(FY2011)

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## Bringing Smiles to Customers

Designated a World Heritage, Kyoto's Kamo Mioya Shrine (popularly known as Shimogamo Shrine) is one of the oldest Shinto shrines of the land and home to Onmatsuri shinpo shinki ezu, a beautifully illustrated manuscript completed in 1870 to catalog the numerous religious instruments and costumes used in the fabled annual festivals of the shrine. Holding the reproduction created by Fuji Xerox Kyoto in his hand, priest Jun Sugita of Shimogamo Shrine beams, "This is a manuscript that will remain in use a few centuries from now. Now it can be handled the way the original was intended to be handled. We can now have peace of mind when we pick it up because we do not have to worry about damaging the precious document." Priest Sugita continues, "Fuji Xerox Kyoto came up with the wonderful idea of reproducing the original in an A3-sized double-spread format. Previously, the details of illustrations caught between the bound pages were difficult to see. But face-to-face pages have been reproduced seamlessly on single sheets that present all the details in perfect clarity."

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## Passion of the President of Fuji Xerox Kyoto

President Hidetoshi Hamada of Fuji Xerox Kyoto experienced firsthand the significance of preserving historical assets during the years he was stationed in England. Back in Japan, he found himself wondering how Fuji Xerox Kyoto could contribute to the community by becoming involved with local people carrying forward the traditions of old Kyoto.



Hidetoshi Hamada  
President  
Fuji Xerox Kyoto

The commitment to reproducing historical documents goes back to October 2008 when Fuji Xerox Kyoto was asked to create a full-color reproduction of Saichuoboe, a detailed record of Kyoto customs and meal menus from the Edo period. This finely illustrated manuscript has been passed down from generation to generation in the Naraya-Sugimoto House, a traditional Kyoto townhouse designated an Important Cultural Property by the national government.

Hamada experienced an epiphany as he cradled the original of Saichuoboe in his hands. "I suddenly realized that it was everyday documents like these that had sustained Kyoto's 1,200 years of history and that in these historical documents were stored the wisdom and aesthetic values of many past generations. The decision was instant—to use Fuji Xerox products and technologies to create an exact three-dimensional reproduction that would preserve this document for future generations." To head up the project, Hamada chose Takahiro Mazawa who was then serving as the head of the Administrative Department. Initially, Mazawa had his doubts. "Our equipment simply was not designed to handle Washi-traditional handmade Japanese paper." But Hamada was unrelenting and finally convinced Mazawa that "Sugimoto family will be very happy with our service." Drawing on outside expertise where needed, Saichuoboe was completed as the project's first reproduction and presented to the Naraya-Sugimoto House. By



Original of Saichuoboe and the reproduction.

now, Hamada was convinced that the reproduction of historical documents could be carried forward as an in-house project. In May 2010, a Cultural Affairs Office was established within Fuji Xerox Kyoto under the banner of "communication beyond the ages." Hamada opened up the president's office for the project and purchased a fireproof safe for storing the precious originals.

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## In Pursuit of Higher Quality

Mazawa was appointed head of the Cultural Affairs Office and staff members were gradually increased. Requests for reproducing historical documents started to come in by word of mouth. Inspired and motivated by clients' excitement, staff members committed themselves to creating reproductions of ever higher resolution and quality.



Takahiro Mazawa  
Fuji Xerox Kyoto

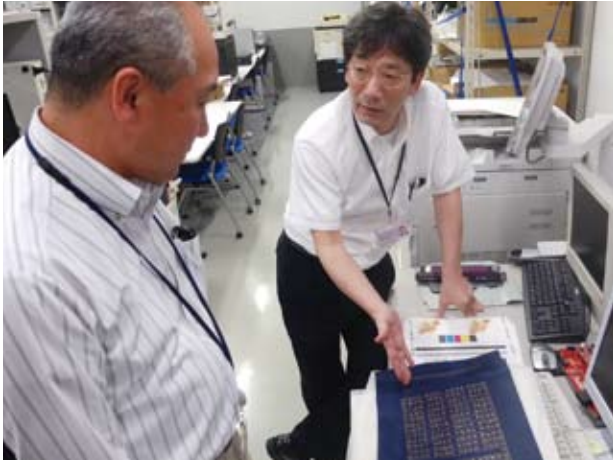
But each step forward was met by an increasingly difficult challenge. For instance, the reproduction of monochrome documents was easily achieved, but the faithful reproduction of gold and subtle tints of white proved elusive. At their normal settings, copy machines developed for office use simply could not do justice to the subtle shades and halftones unique to historical documents. Ultimately, the color adjustment requirements for producing exact reproduction presented a hurdle that could not be cleared by the staff members of the sales company alone.

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## Engineers Join the Project

Help arrived unexpectedly. Fuji Xerox technology development engineers contacted Fuji Xerox Kyoto as part of their Go to Genba Activities, a customer satisfaction initiative in which technology development engineers visit and consult with customers and also conduct in-depth consultation with sales companies. The engineers use the information gathered as feedback in their own developmental projects.





Asano of Taskforce Leader and Yoshida of Fuji Xerox Kyoto.

“Getting the color right has been a very difficult challenge,” reflected Mazawa. The engineers returned to Kyoto soon afterwards to identify the problem and proposed a joint project for making the necessary improvements. The discussions that followed culminated in the creation of the Historical Documents Taskforce in February 2011, a group consisting of ten technology development engineers and staff from Fuji Xerox Kyoto.

Kazuo Asano, brought in from the Imaging Platform Development to head the Taskforce, explains some of the challenges presented to him by his team members. The team members shared that they could not reproduce the flowers and battle-gear that are depicted in white on colored Japanese paper, and that they could not re-create the metallic hue of armor that is illustrated with gold foil and pigment. Asano intuitively sensed the higher value of these challenges that required solutions lying beyond the scope of conventional technologies. To the engineers, the difficulty of the challenge made it all the more interesting and exciting.

The reproduction of a sacred scripture brought in by a noted Buddhist temple posed a set of new challenges. The text was written on tinted Japanese paper in colors that could not be captured with conventional toners. What the team wanted to create was not a color that was close to the original but the original color itself. When the first sample page was completed in May 2012, Kenichi Yoshida of Fuji Xerox Kyoto simply could not believe his eyes. “This is absolutely amazing. I can just imagine how happy the priests will be.” There is a tendency in all forms of work to unconsciously create mental barriers and limitations with the passage of time. What Fuji Xerox Kyoto’s community contribution activity did was to help engineers to break out of these invisible barriers.

## Providing University Students with a Chance to Gain Experience

As a long-time participant in the internship programs of the Consortium

of Universities in Kyoto, Fuji Xerox Kyoto decided to include the reproduction of historical documents in its internship offerings. Guided by word of mouth, many art students studying Japanese painting and imaging technologies in local art universities have applied to participate in the program. Up to nine university interns have worked on the project during the busiest periods. Coming into contact with rarely seen historical documents has created a heightened interest in traditional culture and has enabled the students to appreciate the historical value of the manuscripts. Bringing the knowledge of earlier times back to life has had the unexpected added benefit of nurturing a new generation of people with an interest in handing down traditional culture.

## Expanding Ties with Local Communities

Reviewing these activities in a special university lecture delivered in June 2012, Mazawa emphasized that these community contribution activities were made possible by Kyoto’s vibrant reservoir of cultural resources, and he expressed his desire to share the excitement with others who preserve Kyoto culture. As an example, he pointed out that the unique Japanese paper and traditional binding strings used in the reproduction project were all available within a two-kilometer radius of Fuji Xerox Kyoto.

As the scope of the project expands, President Hamada of Fuji Xerox Kyoto says “we are thankful for the opportunity to work in an environment surrounded by 1,200 years of history. The reproduction of historical documents is closely linked to our corporate mission of ‘building an environment for the creation and effective utilization of knowledge,’ and we look forward to working with our clients to find new ways of contributing to the preservation of culture through these activities.” There is no end in sight for future challenges to be surmounted by Fuji Xerox Kyoto and the Fuji Xerox engineers.



**Utako Sugimoto**  
Vice President of curatorial section,  
Foundation of Sugimoto House

What is passed down through historical documents is a rich spirituality. While the originals must be maintained in museums, reproductions offer us the luxury of paging through a manuscript while seated in the same rooms occupied by those that preceded us. This is an awe-inspiring experience that motivates us to play our part in conveying the spirit of the past to future generations. It fascinates me to think that this has been made possible by the modern technology.



**Professor Keigo Utsunomiya**  
Department of Japanese  
Language and Literature, Faculty  
of Literature, Osaka Ohtani  
University

While originals are too valuable to touch directly, reproductions bring us much closer to precious cultural assets and allow us to enter the space that existed at their creation. Reproductions are used extensively in university courses on bibliography and philology to master such skills as manuscript imaging and how to roll scrolls.



**Hitomi Nakai**  
Printmaking Course, Faculty of Art,  
Kyoto Seika University

The reproduction of historical documents starts with a careful examination of the original. Subtle differences in handwriting remind us that historical manuscripts are rarely the work of a single author. Working with reproductions, we are made aware that historical documents have passed through the hands of many people deeply committed to preserving its contents for future generations.

## Ongoing Initiatives ①

# Promoting Ethical Procurement

## Special Features

At Fuji Xerox, we view our suppliers as business partners who share our philosophy and policies, and we promote ethical procurement globally with the aim of building mutually beneficial relationships with them based on trust. We engage in ongoing study together of CSR-related values and objectives and talk about the environment, human rights, labour, and corporate ethics together, thereby minimizing risks connected to these issues.

To promote ethical procurement, we organize informational meetings and executive seminars. We also provide management

guidelines and a CSR self-checklist to our suppliers so that they can engage independently in CSR activities. To top off the program, our teams of experts make on-site visits to check the actual status of ethical procurement. Through face-to-face consultations, we support suppliers in their efforts to make effective and well-informed improvements.

Since fiscal 2008, we have expanded our ethical procurement activities to include logistics as well as materials procurement.

## History

Commencement	Continued Support for Improvements	Improved Management	Strengthened Support for Logistics	Continued On-site Visits and Tailored Support
<b>2007</b> <ul style="list-style-type: none"> <li>•Holds special CSR seminars</li> <li>•Releases commencement declaration and held informational meetings</li> <li>•Distributes self-checklists</li> <li>•Supports individual suppliers implementing CSR improvements</li> </ul>	<b>2008</b> <ul style="list-style-type: none"> <li>•Commences on-site visits by teams of experts (China)</li> <li>•Starts CSR actions in logistics</li> </ul>	<b>2009</b> <ul style="list-style-type: none"> <li>•Strengthens ethical procurement management</li> <li>•Enhances on-site visits</li> <li>•Expands CSR actions in logistics</li> </ul>	<b>2010</b> <ul style="list-style-type: none"> <li>•Commences on-site visits by teams of experts (Japan)</li> <li>•Strengthens support for CSR actions in logistics (Japan)</li> </ul>	<b>2011~2012</b> <ul style="list-style-type: none"> <li>•Continues on-site visits by teams of experts (Japan)</li> <li>•Launches on-site visit and check to all places of business (China)</li> <li>•Strengthens support of CSR actions in overseas logistics</li> </ul>

## Fiscal 2011 Performance

In materials procurement, our aim is for all our suppliers to achieve compliance on at least 90 % of the 57 key items that could lead to significant levels of risk. We again met this goal in fiscal 2011 as 96 % of our suppliers achieved this target (up from 93 % in the previous fiscal year). In Japan and China, our teams of experts (comprised of members from the Corporate Human Resources, Legal, and CSR Departments, and the Procurement Group) are continuing their on-site visits. In Japan we introduced a framework for “CSR Criteria and Best Practices” to showcase outstanding CSR cases. We are now devising new initiatives in China after finding that the checklist responses of some of our suppliers differ significantly from the real situation (on such items as “medical checkups for employees” and “preventing soil contamination”).

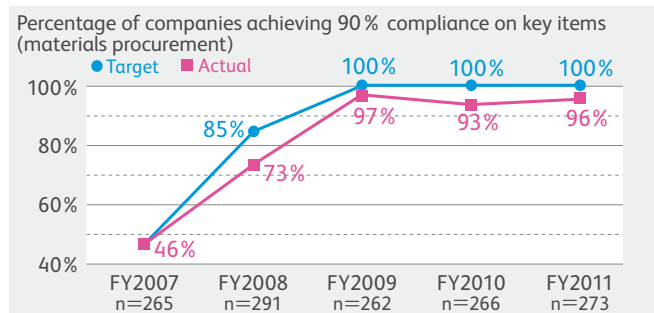
We have expanded our ethical procurement program in the logistics sector where we have identified 100 key items and sought to achieve a compliance rate of at least 90 % among our first-tier freight companies and offices that are in charge of delivery in Japan and five companies that oversee customs processing for our imports and exports to and

from Japan. As a result of follow-up through on-site visits, 99 % of these companies and offices met this standard in fiscal 2011 (up from 68 % in the previous fiscal year). Also during 2011, the ethical procurement program was expanded to include first-tier freight companies that handle trunk routes in Japan and overseas first-tier freight companies that are in charge of delivery.

## Fiscal 2012 Initiatives

In materials procurement, we plan to launch new initiatives in China to address the challenges described above. From fiscal 2012 onward, procurement personnel with basic CSR training will be assigned to carry out on-site visits of all places of business of our suppliers in China (including those of Japanese companies in China). The issues to be verified at such visits will be the checklist items that show a major discrepancy between responses and the real situation and that are apparently problematic. If the checks find that a particular supplier may face difficulty in solving its issues, an expert team will visit the supplier to discuss concrete measures to improve the situation.

In logistics, we plan to firmly establish our domestic programs while expanding CSR actions in overseas logistics starting with our international logistics hubs (China-Singapore hub and China-Australia hub).



Basic CSR training for procurement personnel in China



•Articles in Previous Sustainability Reports  
<http://www.fujixerox.co.jp/company/public/sr2012/backnumber.html>

•Learning about CSR Hand-in Hand With Business Partners (2007)  
 •Synergetic Exchanges Beyond Natural and Corporate Borders: The Evolution of Ethical Procurement (2008)

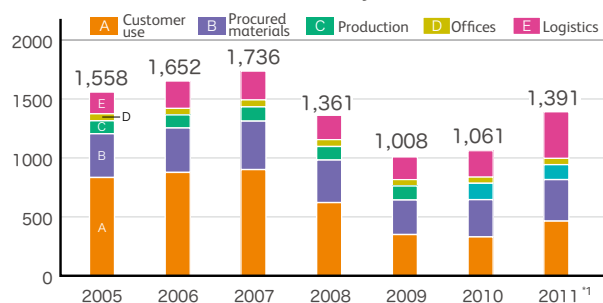
# Efforts to Curb Global Warming

## Special Features

Global warming measures are a core part of environmental management at Fuji Xerox. They are so important that in fiscal 2009 we announced 2020 Greenhouse Gas Emissions Reduction Targets. We have been promoting measures to achieve these goals ever since. We have set two targets: one concerning CO<sub>2</sub> emissions reduction for our entire value chain and the other focusing on contributing to the reduction of CO<sub>2</sub> emissions by customers and society by envisioning and proposing new work styles for a low-carbon society.

By attaining these targets, Fuji Xerox aims to expand its business at the same time as it contributes to customers and society.

CO<sub>2</sub> Emissions over Entire Product Life Cycle (kt-CO<sub>2</sub>)



<sup>1</sup> In procured materials, fiscal 2010 actual figures are used for consumables.

### <2020 Greenhouse Gas Emissions Reduction Targets>

- By fiscal 2020, reduce CO<sub>2</sub> emissions over entire product life cycle by 30 percent from the level of fiscal 2005.
- By fiscal 2020, reduce CO<sub>2</sub> emissions by our customers by 7 million tons per annum.

### <Priority Measures>

1. Develop and mainstream products that reduce more and more the environmental burden that arises from customer use.
2. Build a low-carbon production system that includes the entire supply chain.
3. Provide solutions to comprehensively reduce the environmental burden created by customer offices.
4. Develop communication technologies that enable new work styles for a low-carbon society.

## History

### Energy conservation

#### 1995-2002

- Introduces long-term energy conservation targets for products
- Initiates procedures to acquire ISO 14001 certification
- Awarded Energy Conservation Grand Prize for the first time

### Environmental efficiency

#### 2002 Environmental efficiency targets<sup>2</sup>

<sup>2</sup> Targets that look at efficiency in terms of social value (net sales) and environmental burden (CO<sub>2</sub> emissions).

### Toward total emission reduction

#### 2008 Carbon balance targets<sup>3</sup>

#### 2009 2020 Greenhouse Gas Emissions Reduction Targets announced

#### 2011 Responds to call to save energy following Great East Japan Earthquake

<sup>3</sup> Targets that look at balance between CO<sub>2</sub> emissions reductions achieved at customer sites and Fuji Xerox's CO<sub>2</sub> emissions from business activities.

## Fiscal 2011 Performance

Total CO<sub>2</sub> emissions over entire product life cycle came to 1,391 kt-CO<sub>2</sub> (an 11 percent decrease from fiscal 2005 and a 31 percent increase from fiscal 2010).

#### • Customer Use

Although reductions in electricity consumed per unit moved along as planned, they were unable to offset the rise in CO<sub>2</sub> emissions from the growth in the number of units sold. As a result, CO<sub>2</sub> emissions increased.

#### • Procured Materials

With the increase in the percentage of small machines in the total number of units sold, procured materials per unit decreased, but CO<sub>2</sub> emissions increased because the total amount of procured materials grew with the rise in the number of units sold.

#### • Production

Thanks to the spread of energy-saving activities to all bases of operations, including those overseas, CO<sub>2</sub> emissions declined from last fiscal year.

#### • Offices

Despite the spread of energy-saving activities throughout Japan, total CO<sub>2</sub> emissions rose slightly from the previous fiscal year with the expansion of business activities overseas.

#### • Logistics

Air transport increased due to production delays that occurred because of the Great East Japan Earthquake and the flooding in Thailand. As a result, CO<sub>2</sub> emissions rose substantially.

## Fiscal 2012 Initiatives

With the growth in the number of units sold, we saw a rise last fiscal year in CO<sub>2</sub> emissions from customer use and from the increase in procured parts. To reduce these emissions, we will promote the launch of new products with high energy efficiency. We will also implement energy-saving measures like last year at our production sites and offices, introduce energy-saving equipment in our production lines, and improve production processes.

In the area of logistics, which was a source of emissions increase last fiscal year, we will reduce the use of air transport and promote various other measures.



Info

• News Room  
<http://news.fujixerox.co.jp/>

• Articles in Previous Sustainability Reports

• Fuji Xerox's IH Fusing Technology Receives Minister of the Environment's FY2011 Commendation for Global Warming Prevention Activity (December 14, 2011)

<http://www.fujixerox.co.jp/company/public/sr2012/backnumber.html>

• Innovative Service Business Helps Reduce Environmental Burden Generated by Offices (2010)



# Zero Landfill Products Initiative

## Special Features

Fuji Xerox believes that used products are not waste but rather valuable resources, and we have promoted our Recycling System based on this principle. By collecting our customers' used products and reusing or recycling them, this system aims to effectively utilize resources with the goal of achieving zero landfill\*. With the globalization of our business, we are setting up recycling systems as good as the Recycling System we have in Japan in all regions where we do business. Recycling centers in the Asia-Pacific region (Thailand) and in Suzhou, China, were opened in fiscal 2004 and in fiscal 2008, respectively.

\* Fuji Xerox defines "zero landfill" as simple incineration and simple landfill that is 0.5 percent or less of the total weight of the waste produced.



## History

### Creation of Fuji Xerox zero landfill system

- 1991**  
Establishes All-FX Basic Environmental Policy
- 1995**
  - Issues All-FX Product Recycling Policy
  - Introduces products containing recycled parts to Japanese market
- 2000**  
Commences zero landfill system across Japan for used products collected
- 2003**  
Designated as wide-area recycling-designated industrial waste processor

### Expansion of regions in which zero landfill system operates

- 2004**  
Starts operation of Recycling System in Asia-Pacific region
- 2008**  
Launches Recycling System in China

### Optimization of zero landfill system

- 2009**  
Achieves zero landfill in Asia-Pacific region (Thailand) thanks to Recycling System
- 2010**  
Attains zero landfill in China thanks to Recycling System
- 2012**  
Starts official operation of Recycling System in South Korea, Australia, and New Zealand

## Fiscal 2011 Performance

We set the target for resource recycling for collected products at 99.9 percent for Japan and the Asia-Pacific region and at 99.8 percent for China, and we achieved 99.9 percent in all three areas. Moreover, we changed our system so that we can now perform recycling processes locally—waste produced in South Korea, Australia, and New Zealand is now processed in those countries.

We set the goal of reducing new resource use by 1,900 tons by incorporating more reused parts. We exceeded this goal, managing to decrease the use of new resources by 2,272 tons. The main driver of this achievement is the increase in both products containing reused parts and the amount of resources recycled from consumable cartridges.

## Fiscal 2012 Initiatives

We will continue efforts to achieve zero landfill, no pollution, and no illegal disposal in all countries where we operate, including South Korea, Australia, and New Zealand which have recently started in-country recycling.

We will also work to increase the incorporation of reused parts in new product models, to reduce new resource use, and to expand the recycling of materials, including the reuse of plastics.



- Articles in Previous Sustainability Reports  
<http://www.fujixerox.com/eng/company/sr/2012/backnumber.html>

- Resource Depletion Has No National Boundaries (2005)
- The Long Road to a Recycling-Based Production System (2006)
- Recycling System Contributes to the Creation of a Truly Affluent China (2009)

# Participation in the UN Global Compact and Practical Implementation

## Special Features

Fuji Xerox supports the United Nations Global Compact\* and became a signatory in fiscal 2002. We and our affiliates view the principles of the UN Global Compact as fundamental to our own CSR values and applied these principles in the fiscal 2007 revision of our Code of Conduct. We also present the principles to our suppliers as a key requirement for ethical procurement.

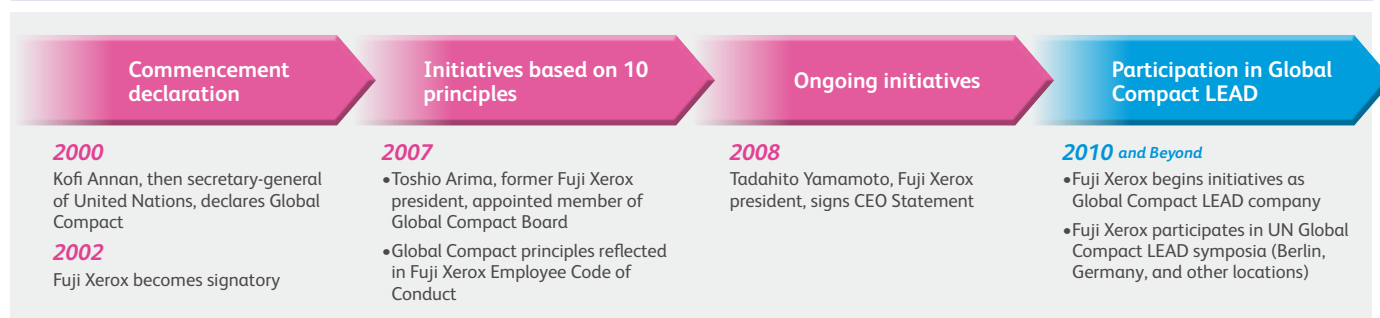
In fiscal 2008, Fuji Xerox became a signatory to the Global Compact CEO Statement, thus announcing that “We also reiterate our own commitment to respect and support human rights within our sphere of influence. Human rights are universal and are an important business concern all over the globe.”

In recognition of the commitment of Fuji Xerox top management and the company's proactive measures in relation to the Global

Compact, in fiscal 2010 Fuji Xerox was invited to participate in Global Compact LEAD, currently comprised of 56 leading sustainability companies worldwide. Also that same year, Fuji Xerox was invited to be a member of the UN Global Compact LEAD Steering Committee (currently 12 companies with Fuji Xerox being the Japanese representative). With this come high expectations for our role in mainstreaming the UN Global Compact in business activities throughout the world. We will continue to contribute to the spread of the Global Compact principles worldwide and to utilize the Compact as an effective network for learning about CSR best practices around the globe and for promoting CSR activities at Fuji Xerox.

\* The UN Global Compact details 10 universally accepted core principles for CSR in the areas of human rights, labour, environment, and anti-corruption, with signatories required to take proactive steps toward achieving these goals.

## History



## Fiscal 2011 Performance

The following are the main activities Fuji Xerox conducted in fiscal 2011 as a UN Global Compact LEAD company.

- Supported the UN Global Compact New York Office and Global Compact Japan Network by seconding employees.
- Co-chaired the Supply Chain Subcommittee of the Global Compact Japan Network and participated in discussions on what constitutes ethical procurement and what are effective methods for developing it.
- Delivered a presentation on Fuji Xerox's global supply chain management at the International Singapore Compact CSR Summit hosted by the UN Global Compact Singapore Network.
- Gave a presentation on the role of consumers in building a sustainable society at the Global Compact China-Japan-Korea Roundtable Conference held in Tokyo.



International Singapore Compact CSR Summit



UN Global Compact LEAD Symposium (Berlin, Germany)

## Fiscal 2012 Initiatives

Fuji Xerox will join hands with other LEAD companies to drive CSR forward internationally and will aim to provide global leadership for the mainstreaming of the UN Global Compact's 10 principles in business activities around the world.

### 10 Principles of the UN Global Compact

	Human Rights	Principle 1: Businesses should support and respect internationally proclaimed human rights; and Principle 2: ensure that they are not complicit in human rights abuses.
	Labour	Principle 3: Businesses should uphold the freedom of association and recognize effectively the right to collective bargaining; Principle 4: eliminate all forms of forced and compulsory labour; Principle 5: effectively abolish child labour; and Principle 6: eliminate discrimination in respect of employment and occupation.
	Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
	Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



## Fuji Xerox is the Stage That Connects Us to Society

Fuji Xerox is made up of 63 companies with 45,282 employees (as of March 2012, consolidated) in Japan and the Asia-Pacific Region.

Our executives and employees at each of our companies, who share our group's fundamental values, are coming to grips with issues in their local communities and putting into practice CSR initiatives that meet those ends.

We would like to introduce some of the most vigorous initiatives underway at our affiliates.

### Fuji Xerox China

Sales company in China:  
2,283 employees

#### Increasing educational opportunities for children with low vision

Founded in 1874, Beijing School for the Blind offers programs from kindergarten through high school for children with visual impairments. To date, the lack of textbooks with enlarged font has hindered education for such children. Seeing this need, Fuji Xerox China decided to produce free of charge large-font textbooks for students with low vision and committed to the program for a three-year period starting in 2010.

Fuji Xerox China employees participate on a volunteer basis. Over their lunch break, they create large-font textbooks by scanning standard-edition textbooks with the company's multifunction devices. When the completed textbooks were delivered to the school, the headmaster was delighted and noted that the work was very high quality—both the textbook and the bibliography were easy to read.

Through this program, we learned that we can contribute to the creation of a sustainable society by guaranteeing the right of children to education through our active cooperation in areas where government services do not yet reach.

We hope to expand our activities beyond the city of Beijing by calling on the participation of Fuji Xerox China's business entities in Shanghai and other areas where there is demand.



### Fuji Xerox Hong Kong

Sales company in Hong Kong:  
907 employees

#### Contributing to social inclusion by donating used PCs

More and more poor immigrants are coming to Hong Kong from neighboring countries. These immigrants do not have computers or IT skills, and so they cannot access the information they need for daily life and work. As a result, they end up becoming isolated from mainstream society. This is now recognized as a social problem in Hong Kong.

Fuji Xerox Hong Kong takes computers that have come to the end of their useful life at the office and donates them to an NGO working to train the next generation and support the poor. The donated PCs are not used just for the NGO's office work but also for PC workshops and other IT education for disadvantaged immigrants and children.

In recent years, e-waste which makes up 20 percent of all waste in Hong Kong has become a major environmental issue, and the government has embarked on the creation of regulations. Our program to provide used PCs to an NGO is also an effective eco-friendly initiative.

In the future, we will strengthen our partnership with the NGO and think together about effective ways to use the donated PCs.



### Fuji Xerox Osaka

Sales company in Osaka, Japan:  
929 employees

#### Enhancing the job skills of young people in the community

Improvement of the employment rate of young people has become a major challenge in Osaka Prefecture, and there are high expectations that companies will assist young people in enhancing their understanding of various occupations through work experience and help them develop the basic skills needed in the workplace.

In 2010, Fuji Xerox Osaka launched an undergraduate internship program in marketing where students accompany salespersons on their rounds. The two-week program is held twice a year and accepts a total of about twenty students a year.

At the end of the program, the interns thank us for the opportunity, saying that they now have an idea of what work life is like. We also receive many letters from the various universities' career services offices asking that we continue the program. In addition, we have also seen a ripple effect within the company, as employees who participate in the program and guide the interns report that they take more pride in their work now.

Through this internship program, we hope to contribute to the improvement of both young people's work skills and the employment situation in the area.







Initiatives at other affiliates can be found on our website.

Global Affiliate's CSR Activities:

<http://www.fujixerox.co.jp/company/public/sr2012/stakeholder/community/activity.html>

## Fuji Xerox Fukushima

Sales company in Fukushima, Japan:  
193 employees

### Supporting the Special Olympics Nippon Fukushima

Fukushima Prefecture was dealt a severe blow by the Great East Japan Earthquake and the ensuing nuclear power accident, and for a while it looked doubtful that the Special Olympics Nippon National Winter Games would be held in the prefecture as scheduled. Because of the desire of everyone involved to thank people throughout Japan for their support over the past year since the disasters and to assure them that Fukushima is doing well, the Games were held in February 2012 as planned, and the prefecture welcomed 894 athletes from throughout the nation.

A total of 100 employees from Fuji Xerox Fukushima branches and offices throughout the prefecture participated as volunteer staff at the three-day event. There were many volunteers particularly from the Iwaki Sales Center which suffered considerable damage during the natural disaster. By supporting the Games, they hoped to pass on to others the encouragement they had received from around the world after the disaster.

Visitors from other prefectures offered many warm words of encouragement, saying, "I am so glad I came to Fukushima. Let's join hands and overcome whatever we face!"

Valuing ties with the people of our community, we will continue to show how we are engaging in reconstruction and not allowing the natural and nuclear disasters to determine our future.



## Fuji Xerox Singapore

Sales company in Singapore:  
816 employees

### Assisting in the provision of lunches for disadvantaged children

Although Singapore has a high GDP per capita, it faces the issue of income disparity. To help address this social problem, Fuji Xerox Singapore supports the Student Advisory Centre's Lunch Box Fund, a program that sponsors about 550,000 lunches annually for children from low-income homes that are unable to pay the school lunch fee. In other words, about 2,000 to 3,000 children a year have lunch thanks to this program.

In 2011, Fuji Xerox Singapore organized charity movie screenings with the aim of soliciting donations for the Lunch Box Fund. We informed not only our employees but also our customers, and our business partners about the event. As a result, about 700 people attended and we were able to raise donations to cover about 20,000 lunches. We also held a sandwich-making workshop with primary school children, and employees enjoyed being with the children and, alongside them, also recognized afresh the importance of a healthy diet.

Fuji Xerox Singapore will continue to raise employee awareness and promote involvement in activities to support the next generation by arranging more of these kinds of events in the future.



## Fuji Xerox Tokyo

Sales company in Tokyo, Japan:  
2,123 employees

### Promoting ongoing afforestation work on Miyake Island with island residents

Tokyo's Miyake Island was struck by a great natural disaster in 2000 when Mt. Oyama began a series of eruptions. The volcano emitted large volumes of volcanic gas and spewed volcanic mudflow, necessitating the complete evacuation of the island for four years and five months. The eruptions destroyed much of the island's natural environment as well, and the impact of the disaster continues as witnessed by the decrease by one-third of the wild birds on Miyake Island that are designated as protected species.

In December 2011, Tokyo Kakehashi Club, a volunteer group of Fuji Xerox Tokyo employees, spearheaded afforestation activities on the island alongside island residents. A total of 23 employees participated. Three hundred saplings of evergreen broadleaf trees such as *Machilus thunbergii* and *Camellia japonica* L. were planted mainly in the summit area which had been destroyed by the eruptions. It is hoped that this effort to restore the island's lush mountains and rivers as well as the habitats for the wild birds will also rebuild the economy of Miyake Island whose core industry is tourism.

Miyake Island has asked us to continue our afforestation work, and we plan to respond heartily to their request.



# Applying the Lessons of the March 2011 Earthquake to All Aspects of our Business

Tadahito Yamamoto  
President and Representative Director  
Fuji Xerox Co., Ltd.

A year after the Great East Japan Earthquake of March 2011, the impact of that horrific event is still very much with us. As I see it, the most important task facing Fuji Xerox now—in addition to our ongoing support for post-disaster recovery and reconstruction—is to clarify exactly where we fell short in dealing with the disaster and reexamine every aspect of our business to determine how we can do better in the future.

We have two major causes for regret in our handling of the 2011 earthquake.

The first is the failure of our business continuity plan (BCP), which we had revised after the 1995 Great Hanshin Earthquake, to function as it was meant to. The disaster disrupted our supply chain, and we let our customers down.

Second, we were unable to provide services designed with such a contingency in mind. Although Fuji Xerox assisted in efforts to keep residents informed following the disaster by providing multifunction devices and volume printing services free of charge, we feel we could have prevented some of the suffering caused by poor access to information and the loss of important documents if we had equipped ourselves to provide secure document backup services and emergency communication systems.

At Fuji Xerox we understand the need to take this painful experience to heart and apply its lessons to the way we do business if we are to deliver new value to our stakeholders and rebuild their confidence. Henceforth, all of us at Fuji Xerox will be working together with this goal in mind.

## Improvement Agenda and Initiatives

		Agenda (weaknesses in 3.11 response)	Key initiatives implemented in fiscal 2011	Next steps
Internal management (employee perspective)	Disaster management organization and chain of command	<ul style="list-style-type: none"> <li>Speed up information gathering and decision making in emergency situations (Special Integrated Countermeasures Task Force functioned poorly as center for top-down decision making during crisis)</li> </ul>	<ul style="list-style-type: none"> <li>Clarified organization, responsibilities, and role of Special Integrated Countermeasures Task Force</li> </ul>	<ul style="list-style-type: none"> <li>Study additional contingency measures in case of major earthquake striking directly beneath Tokyo</li> <li>Practice setting up Special Integrated Countermeasures Task Force</li> </ul>
	Employee safety	<ul style="list-style-type: none"> <li>Provide swift delivery of emergency supplies to disaster areas</li> <li>Ensure cross-the-board application of safety confirmation system (with focus on employees away from workplace)</li> </ul>	<ul style="list-style-type: none"> <li>Built system to quickly ascertain need for supplies and personnel in disaster areas and stockpiled supplies at four locations nationwide</li> <li>Scheduled mandatory (twice yearly) company-wide safety confirmation drills, including use of safety confirmation system by employees away from workplace</li> </ul>	<ul style="list-style-type: none"> <li>Stockpile supplies at all affiliates' business sites</li> <li>Enhance safety confirmation system to allow employees to check on family members</li> </ul>
	Business site safety	<ul style="list-style-type: none"> <li>Safeguard against damage from tsunami, nuclear power plant accidents, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Conducted tsunami hazard survey of all business sites nationwide</li> <li>Drew up and familiarized employees with rules of conduct in event of radiation hazard</li> </ul>	<ul style="list-style-type: none"> <li>Reassess tsunami hazard to reflect local governments' revised hazard maps</li> <li>Relocate business facilities situated in tsunami danger zones</li> </ul>
	Work styles	<ul style="list-style-type: none"> <li>Develop work styles conducive to business continuity even when employees cannot commute to work</li> <li>Avert impact of power shortages on business operations</li> </ul>	<ul style="list-style-type: none"> <li>Promoted information sharing through use of information and communications technology (ICT), such as in-house social network</li> <li>Reduced electricity consumption through employee initiative with help of Fuji Xerox proprietary technology</li> </ul>	<ul style="list-style-type: none"> <li>Transform employee work style with an eye to business continuity and energy conservation</li> </ul>
Business functions (customer perspective)	Supply chain and production	<ul style="list-style-type: none"> <li>Create mechanism for rapid assessment of impact on production</li> <li>Ensure steady production and supply during rolling blackouts</li> </ul>	<ul style="list-style-type: none"> <li>Built a comprehensive supply-chain impact assessment system to quickly identify problems with suppliers and components in emergency situations</li> </ul>	<ul style="list-style-type: none"> <li>Draw up risk management guidelines and conduct BCP drills</li> </ul>
	Customers' business continuity	<ul style="list-style-type: none"> <li>Promote services designed to protect important documents and offer services to support communications during emergencies</li> </ul>	<ul style="list-style-type: none"> <li>Developed and promoted new business-continuity solutions</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop new solutions</li> </ul>
	Information systems	<ul style="list-style-type: none"> <li>Ensure continuity of key systems in event of prolonged rolling blackouts</li> <li>Safeguard against loss of employees' ICT environment in disaster areas</li> </ul>	<ul style="list-style-type: none"> <li>Installed in-house power generators at old data centers</li> <li>Transferred key systems to robust data centers</li> <li>Provided notebook computers and remote access environment for employees in disaster areas</li> </ul>	<ul style="list-style-type: none"> <li>Optimize the locations of domestic and overseas data centers</li> <li>Increase support for employees' ICT environment in disaster areas</li> </ul>
Social contribution (community perspective)	Assistance to disaster areas	<ul style="list-style-type: none"> <li>Clarify guidelines for providing emergency support through core business</li> </ul>	<ul style="list-style-type: none"> <li>Drafted and implemented plans to support reconstruction via core business (including system to facilitate sharing of patient information among medical facilities)</li> </ul>	<ul style="list-style-type: none"> <li>Implement plans to support reconstruction via core business</li> </ul>

## Key Improvement Initiatives to Date

At Fuji Xerox we have identified weaknesses in our handling of the Great East Japan Earthquake in an effort to improve the way we perform in three basic areas—internal management, business functions, and social contribution. While our efforts to contribute through our core business are still at their early stages, we report here on some of our major initiatives to date.

### Tapping Employee Initiative to Cut Electricity Consumption by 30%

In the summer of 2011, businesses in eastern Japan often resorted to extraordinary measures to cope with the region's power shortage, from adjusting work hours and instituting weekend shifts to installing in-house power generators.

In the midst of this electricity crunch, our research and development site Fuji Xerox R&D Square managed to meet the government's standards and achieve year-on-year energy savings of about 30% without any special investment or personnel adjustments by utilizing Fuji Xerox's EneEyes, a self-analysis system for visualizing energy consumption. In each business unit, employees were assigned to analyze energy usage in their unit and formulate their own energy-saving measures. This bottom-up approach yielded power-saving strategies well adapted to each unit's conditions and fostered a sense of ownership among the employees.

Our goal now is to promote this system outside the company and help our customers save energy and reduce electricity consumption without sacrificing productivity or incurring major costs.



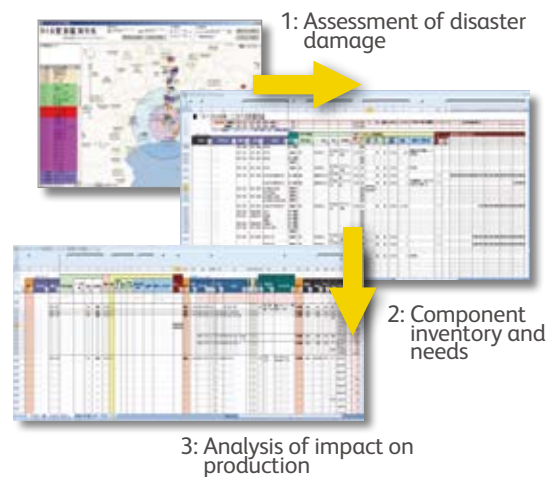
EneEyes top page

### Creating a Rapid Supply-Chain Impact Assessment System

Damage from the 2011 earthquake and tsunami disabled key suppliers and interrupted the flow of parts and supplies, forcing us to let down many of our valued customers. We realized that, in emergency situations, to minimize the impact on our customers and let them know when the flow of products would resume, we needed a way of evaluating the impact on the supply chain at a glance, using such data as component inventories, estimates for resumption of production, the products requiring a specific component, and the number of units required. At that time, however, such information was scattered among different business units, and it took seven weeks to collate the data and draw up new production plans.

Determined to learn from this experience, we added coordinates for the location of each supplier to our Production Database to enable instant identification of the suppliers within a certain radius. We also upgraded the system by linking such fields as supplier name and component feature to data on the products using the component, planned production volume, previous orders, and so forth.

These improvements have drastically shortened the time it takes to obtain a comprehensive picture of an event's impact, provide customers with the information they want, and get the supply chain functioning smoothly again.



Improved Production Database

### Toward a Mobile Health Information System Communities Can Count On

In some communities in Iwate Prefecture, the March 2011 tsunami caused extensive damage to medical facilities, forcing health-care providers to treat patients in makeshift facilities, evacuation shelters, and private residences. In a community where house calls were relatively common to begin with, this experience convinced local doctors of the need for an electronic health information management system to enhance the safety and security of local residents. The idea is to digitize medical records and store them electronically—instead of relying on paper charts stored separately at each facility—so that health-care providers can easily retrieve them via tablet computers during house calls, and medical facilities can share patient information when necessary.

At Fuji Xerox we have been working closely with local health-care providers and putting our advanced document-handling technology and expertise to work to facilitate integrated management of hand-written notes entered by health-care providers while on house call, together with digital medical information.



A physician checks a patient's medical records using a tablet computer before making a house call.





Fuji Xerox uses monitoring and review systems as a way to stay apprised of CSR issues and continuously review and improve our CSR initiatives.

### Fuji Xerox and Its Affiliates' CSR Survey Outline

Since May 2009, each year we have sent a CSR survey to be completed by Fuji Xerox and our affiliates in Japan and overseas (63 companies in fiscal 2012). We collect these self-evaluations to assess the status and progress of our CSR policies throughout the Group.

The CSR survey is aligned with internationally recognized standards and global guidelines. For basic CSR principles and concepts, we refer to the 10 principles of the UN Global Compact and the International Labour Organization's Tripartite Declaration

of Principles concerning Multinational Enterprises and Social Policy. For management standards, we consult the Japan Association of Corporate Executives' New Corporate Evaluation Standard, the OECD Guidelines for Multinational Enterprises, ISO 26000, and the Electronic Industry Citizenship Coalition's Code of Conduct. Finally, for disclosure of nonfinancial information, we consult the Global Reporting Initiative (GRI) Guidelines.

### Data Analysis and Utilization

In addition to helping Fuji Xerox management assess the situation and formulate appropriate measures, this survey also deepens our domestic and overseas affiliates' understanding of society's needs and expectations and various management issues.

Survey results (example)

**A** Yes **B** No system in place, but measures being taken **C** No

Question	Response	0	50	100%
Is there a system in place for promoting the appointment of female managers?	Fuji Xerox unconsolidated		B 100	
	Total average	A 16	B 49	C 35
	Domestic non-production average	A 18	B 38	C 45
	Domestic production average		B 100	
	Overseas non-production average	A 13	B 67	C 20
	Overseas production average	A 17	B 67	C 17

#### Masakazu Sakata

Director and Senior Vice President  
Fuji Xerox Advanced Technology Co., Ltd.



We conduct the CSR survey to periodically assess whether Fuji Xerox Advanced Technology is meeting our stakeholders' needs and to identify any problems that need to be addressed. We also consider the results of the survey when drawing up our medium-term plan and put them to use in developing CSR initiatives.

However, the roles of Fuji Xerox affiliates in Japan and abroad vary widely, and so do the social and stakeholder needs they must meet. It seems to me, therefore, that we can make the CSR survey even more useful by tailoring the questions to the affiliate's function, be it sales, production, or—in the case of my company—development.

### CSR Performance

Fuji Xerox has formulated quantitative CSR indicators for use in the ongoing evaluation and improvement of our CSR programs and activities. Here we report on a selection of indicators that we consider especially relevant to our CSR and to be of particular public

interest. The indicators seen here, taken from the annual CSR survey of Group companies, are shown together with the corresponding GRI Guidelines (**GRI**) and/or UN Global Compact (**GC**) principles.

In fiscal 2011, all affiliates except Fuji Xerox Service Creative Co., Ltd. were surveyed with respect to the following Section 1 indicators. For the purposes of assessing the following Section 2 indicators, "employee," "direct employment," and "indirect employment" were defined as explained under "Definitions" below.

#### [Section 1]

- Percentage of Companies Conducting Employee Satisfaction Surveys
- Percentage of Women in Executive and Managerial Positions
- Percentage of Companies Attaining the Legally

Stipulated Rate of Employment of People with Disabilities (Japan only)

- Annual Work Hours per Employee
- Number of Workplace Accidents per 1,000 Employees
- Number of Employees per Industrial Physician / Occupational Health Professional
- Social Contribution Spending
- Ratio of Companies Supporting Volunteer Activities
- Ratio of Companies Engaged in Promoting Fuji Xerox Programs That Leverage Our Business Strengths to Support Underprivileged

#### [Section 2]

- Changes in Employee Numbers by Country/Region
- Ratio of Direct Employment to Total Employment
- Percentage of Women in Executive and Managerial Positions
- Number of Workplace Accidents per 1,000 Employees
- Number of Employees per Industrial Physician / Occupational Health Professional

#### [Definitions]

- The number of employees in an organization is reported using the number of staff with direct employment agreements with that organization.
- Both employees who are permanent (have direct employment agreements) and those who are non-permanent (part-time employees, fixed-term contract employees, temporary employees, hourly employees, and rehires) are included in the definition of direct employment, while dispatched employees make up the indirect employment figures.
- The calculation of percentages and ratios for affiliates and sales companies in Japan and overseas uses a weighted average of relevant companies.

# Main CSR Indicators

## Customers

### Number of Serious Product Incidents\*

GRI PR1, PR2

**Definition** Indicates the number of product incidents during the year that were brought to the attention of Fuji Xerox, as the manufacturer, and which caused or had the potential to cause major consequences such as death, serious illness/injury, aftereffects, or fire, and which were not considered to be isolated incidents.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox and affiliates (including OEM sales)	1	0	0 / 0	0

**Fiscal 2011 Performance** No serious product incidents occurred in fiscal 2011. To further enhance customer safety, Fuji Xerox has developed new product safety technology to safeguard against such hazards as insertion of foreign objects in products and entrapment of children's fingers in the paper-discharge area.

**Goals/Challenges** Our goal is to repeat the previous year's achievement of zero serious product incidents by promptly deploying the product safety technology developed in the previous year and further improving our product safety management system.

\* As defined in the Consumer Product Safety Act.

### Contribution to CO<sub>2</sub> Reductions at Our Customers' Offices and Factories

GRI EN6, EN26 GC Principle 7-9

**Definition** Indicates how much the power consumption of Fuji Xerox multifunction devices and printers in operation in the market was reduced against levels from fiscal 2000, by the provision of new products and service solutions, converted to CO<sub>2</sub> emissions.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox and affiliates	1,038kt-CO <sub>2</sub>	1,107kt-CO <sub>2</sub>	1,739kt-CO <sub>2</sub> / 1,547kt-CO <sub>2</sub>	1,992kt-CO <sub>2</sub>

**Fiscal 2011 Performance** Although our contribution to CO<sub>2</sub> reduction increased from the previous year, thanks to improvements in product energy efficiency and a rise in shipments of energy-efficient products, performance fell short of the fiscal 2011 goal owing to the less-than-expected volume of shipments.

**Goals/Challenges** We will strive for the fiscal 2012 goal by improving energy efficiency in our new products and expanding sales of energy-efficient products.

## Employees

### Changes in Employee Numbers by Country/Region

GRI LA1

**Definition** Indicates the number of employees directly employed by Fuji Xerox and our affiliates.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Japan	26,742	27,091	— / 27,174	—
Asia-Pacific and other regions	17,554	20,088	— / 23,104	

**Fiscal 2011 Performance** In Japan, our total workforce grew slightly, powered by the rehiring of retirees. In the Asia-Pacific region, production personnel were added to keep pace with rising production, and additional sales staff were hired in response to market expansion, especially in China and Australia.

**Goals/Challenges** Aiming for sustainable growth, we will continue to promote responsible hiring and job training calibrated to local trends in market scale and production volume.

### Ratio of Direct Employment to Total Employment

GRI LA1

**Definition** Indicates the ratio of direct employment to total employment at Fuji Xerox and our affiliates. Direct employment includes employees whose contracts stipulate a set term as well as those whose contracts are open ended.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox (unconsolidated)	83.2 %	85.9 %	— / 85.6 %	—
Affiliates in Japan	84.7 %	87.1 %	— / 86.8 %	
Overseas affiliates	88.8 %	90.6 %	— / 91.2 %	

**Fiscal 2011 Performance** In Japan, the creation of new affiliates prompted a decision to bolster contract and billing support, leading to the hiring of more dispatched staff and a drop in the ratio of direct employment. Overseas, stepped-up production and expanding Asian markets resulted in an increase in the number of directly hired production and sales employees.

**Goals/Challenges** We will continue to identify and address staffing issues with a view to insourcing our core business and preserving corporate know-how, while striving for an optimum employment portfolio that ensures greater productivity and fulfills our responsibility to society.

## Employees

### Percentage of Companies Conducting Employee Satisfaction Surveys

<b>Definition</b>	Indicates the percentage of companies among Fuji Xerox and our affiliates that conduct employee satisfaction surveys.			
Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox (unconsolidated)	100 % (Response rate:88.9 %)	100 % (Response rate:89.1 %)	100 % / 100 % (Response rate:90.6 %)	100 %
Affiliates in Japan	100 %	100 %	100 % / 100 %	100 %
Overseas affiliates	83.3 %	81.0 %	100 % / 90.5 %	100 %
<b>Fiscal 2011 Performance</b>	As in the previous year, 100 % of our affiliates in Japan completed employee satisfaction surveys. Among our overseas affiliates, the ratio rose to 90.5 %, as two additional companies undertook surveys.			
<b>Goals/Challenges</b>	We will strive for an even higher completion rate by encouraging all our affiliates, including those overseas, to conduct surveys. At the same time, we will be taking steps to standardize survey content for all our affiliates. We will also step up measures to encourage each workplace to analyze survey results and use them to identify problems and solutions. Please note that, beginning with next year's <i>Sustainability Report</i> , this information will be categorized as a maintenance item and will be available on our website only.			

### Percentage of Women in Executive and Managerial Positions GRI LA13 GC Principle 6

Definition

Indicates the percentage of women in executive and managerial positions at Fuji Xerox and our affiliates. “Managerial positions” here refers to those positions deemed to be managerial under the Fuji Xerox human resources system, irrespective of whether the position has direct reports.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox (unconsolidated)	2.4 %	3.1 %	— / 3.3 %	—
Affiliates in Japan	2.2 %	2.2 %	— / 1.9 %	
Overseas affiliates	21.2 %	25.0 % <sup>*1</sup>	— / 25.5 %	

Fiscal 2011 Performance

At Fuji Xerox (unconsolidated), the percentage of women in managerial positions rose 0.2 points from the previous year, as more women moved into management posts at the departmental level. The ratio fell by 0.3 points among our affiliates in Japan but rose 0.5 points among our overseas affiliates.

Goals/Challenges

At Fuji Xerox, we are determined to give each employee the opportunity to realize his or her full potential by assigning personnel on the basis of individual performance, ability, and motivation. In addition, we will continue to stress the importance of diversity while working to develop corporate leaders who can spearhead transformation.

<sup>\*1</sup> Correction: The figure for 2010 was incorrectly given as 23.6 % in the 2011 report.

### Percentage of Companies Attaining the Legally Stipulated Rate of Employment of People with Disabilities (Japan only) GRI LA13 GC Principle 6

<b>Definition</b>	Indicates the percentage of companies among Fuji Xerox and our affiliates in Japan that have attained the legally stipulated rate of employment of people with disabilities under the Act on Employment Promotion etc. of Persons with Disabilities (1.8 %).			
Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox (unconsolidated)	100 % (employment rate:1.89 %)	100 % (employment rate:1.86 %)	100 % / 100 % (employment rate:2.19 %)	100 %
Affiliates in Japan (excluding sales companies)	70.0 % (7 out of 10 companies)	28.6 % (2 out of 7 companies)	100 % / 28.6 % (2 out of 7 companies)	100 %
Sales companies in Japan	82.4 % (28 out of 34 companies)	71.0 % (24 out of 34 companies)	100 % / 62.0 % (21 out of 34 companies)	100 %
<b>Fiscal 2011 Performance</b>	The total number of employees with disabilities rose at Fuji Xerox (unconsolidated) and at our affiliates and sales companies in Japan. At the same time, attrition led to an increase in the number of sales companies falling short of the legal standard.			
<b>Goals/Challenges</b>	We have been working hard to create a work environment and corporate climate where those with disabilities can perform on the same level as those without and realize their personal potential. Henceforth we will step up our efforts to hire persons with disabilities and boost their representation in the workforce, taking note of ongoing changes in the legal requirements.			



## Annual Work Hours per Employee

GRI LA7 GC Principle 1

**Definition** Indicates annual work hours per employee at Fuji Xerox and our affiliates (excluding managerial staff).

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox (unconsolidated)	1,926.0 hours	1,961.0 hours	— / 1,985.1 hours	—
Affiliates in Japan (sales personnel, office staff, etc.)	2,042.5 hours	2,014.6 hours	— / 2,029.7 hours	
Affiliates in Japan (manufacturing staff)	2,015.0 hours	2,168.4 hours	— / 2,093.1 hours	
Overseas affiliates (sales personnel, office staff, etc.)	2,022.0 hours	2,048.3 hours	— / 2,034.2 hours	
Overseas affiliates (manufacturing staff)	2,271.8 hours	2,306.3 hours	— / 2,315.4 hours	

**Fiscal 2011 Performance** Average work hours rose from the previous year in Fuji Xerox (unconsolidated), our affiliates in Japan (sales personnel, office staff, etc.), and our overseas affiliates (manufacturing staff). We believe the increase was partly the result of extraordinary factors, including a high volume of service requests in connection with the Great East Japan Earthquake and flooding in Thailand, along with upward revisions in our production plans.

**Goals/Challenges** We will continue to monitor changes in annual average work hours. In fiscal 2012, we intend to focus on workforce management training to enhance managerial skills in this area, while promoting the adoption of working styles geared to greater productivity within a limited time frame.

## Number of Workplace Accidents per 1,000 Employees

GRI LA7 GC Principle 1

**Definition** Indicates the frequency of work or commuting-related accidents calculated on the basis of the assumption that each company employs 1,000 employees.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox (unconsolidated)	3.66 cases <sup>*2</sup> (2.93 cases) <sup>*3</sup>	3.03 cases <sup>*2</sup> (2.73 cases) <sup>*3</sup>	— / 4.86 cases <sup>*2</sup> (5.00 cases) <sup>*3</sup>	—
Affiliates in Japan (excluding sales companies)	3.92 cases	4.41 cases	— / 1.74 cases	—
Sales companies in Japan	4.50 cases	5.14 cases	— / 5.17 cases	—
Overseas affiliates (excluding sales companies)	2.84 cases	1.90 cases	— / 1.69 cases	—
Overseas sales companies	8.84 cases	6.77 cases	— / 7.21 cases	—

**Fiscal 2011 Performance** At Fuji Xerox (unconsolidated), the frequency of work-related accidents per 1,000 employees rose by 1.83 cases from the previous year to 4.86 cases. The increase was due mainly to accidents that occurred when employees were commuting, traveling on business, or in transit outside the workplace.

**Goals/Challenges** Each company's occupational health and safety committee will issue periodic reminders in an effort to prevent workplace accidents.

<sup>\*2</sup> Including dispatched employees. <sup>\*3</sup> Not including dispatched employees.

## Number of Employees per Industrial Physician / Occupational Health Professional

GRI LA8 GC Principle 1

**Definition** Indicates the number of employees (including dispatched staff) per industrial physician or occupational health professional (both full-time and part-time) at Fuji Xerox and our affiliates.

Companies	Fiscal 2009 performance <sup>*4</sup>	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox (unconsolidated)	—	440.0	— / 391.6	—
Affiliates in Japan	—	100.8	— / 104.8	—
Overseas affiliates	—	494.1	— / 547.9	—

**Fiscal 2011 Performance** At Fuji Xerox (unconsolidated), the number of employees per industrial physician or occupational health professional was 391.6, and all industrial physicians and occupational health professionals perform their duties on a full-time basis. Among our affiliates in Japan, the ratio was substantially unchanged from the previous year at 104.8.

**Goals/Challenges** In Japan, we intend to step up efforts to improve collaboration among the industrial/occupational health-care professionals at Fuji Xerox and our affiliates. Overseas, we will continue efforts to ascertain the presence of industrial health-care staff as legally required to ensure full compliance with local laws.

<sup>\*4</sup> Owing to a change in reporting methods, performance figures are not available prior to fiscal 2010.

## The Global Environment and Future Generations

### CO<sub>2</sub> Emissions at Fuji Xerox Business Facilities GRI EN3, EN4, EN16 GC Principle 7-9

**Definition** Indicates the energy from electricity and other sources consumed at the factories and offices of Fuji Xerox and our affiliates, converted to CO<sub>2</sub> emissions.

Business facilities	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Development and manufacturing facilities in Japan and overseas	117 kt-CO <sub>2</sub>	139 kt-CO <sub>2</sub>	135 kt-CO <sub>2</sub> / 128 kt-CO <sub>2</sub> (Fiscal 2005 level)	135 kt-CO <sub>2</sub>
Offices in Japan and overseas	54 kt-CO <sub>2</sub>	52 kt-CO <sub>2</sub>	57 kt-CO <sub>2</sub> / 53 kt-CO <sub>2</sub> (4% reduction from fiscal 2007 level)	56 kt-CO <sub>2</sub> (5% reduction from fiscal 2007 level)

**Fiscal 2011 Performance** Despite rising production volume, we were able to achieve our reduction goals at development and manufacturing facilities and offices alike. This was the result of energy-saving measures taken in Japan and overseas, partly in response to domestic restrictions on electric power consumption, as well as the installation of new energy-efficient equipment at our manufacturing facilities (primarily at our Shenzhen and Suzuka plants).

**Goals/Challenges** [Development and manufacturing facilities in Japan and overseas]  
We will strive to meet our fiscal 2012 goal by implementing on-site improvements at our manufacturing facilities and by intensifying power-saving initiatives launched in fiscal 2011. At the same time, we will continue our efforts to develop low-emissions production technologies and processes.  
[Offices in Japan and overseas]  
While focusing on power-saving initiatives to meet our fiscal 2012 goal, we will begin drawing up measures, including new working styles, expanded use of renewable energy, and investment in energy-efficient equipment, with an eye to achieving a dramatic reduction in CO<sub>2</sub> emissions by 2020.

### Reduction of New Resource Input at Manufacturing Stage by Reusing Parts GRI EN2 GC Principle 7-9

**Definition** Indicates the reduction of new resource input that Fuji Xerox and our affiliates were able to achieve in the manufacturing process by reusing parts, compared to what would have occurred if new parts had been used.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox and its affiliates	4,400 t	2,000 t	1,900 t / 2,272 t	2,245 t

**Fiscal 2011 Performance** We were able to exceed our goal thanks to the use of recycled ink cartridges and reused parts in an increasing range of new products.

**Goals/Challenges** We will focus on introducing new products that make use of reused parts and on stepping up our recycling of plastics and other materials.

### Resource Recycling Rate for Recovered End-of-Life Products GRI EN27 GC Principle 7-9

**Definition** Indicates the proportion of end-of-life multifunction devices and printers recovered in Japan and overseas (excluding consumables) that were recycled for reusable parts, materials, heat energy, etc.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Japan	99.9 %	99.9 %	99.9 % / 99.9 %	99.9 %
Asia-Pacific region	99.8 %	99.9 %	99.9 % / 99.9 %	99.9 %
China	98.6 %	99.8 %	99.8 % / 99.9 %	99.9 %
South Korea	—	—	99.5 % / 99.8 %	99.8 %
Australia	—	—	99.5 % / 99.5 %	99.5 %
New Zealand	—	—	99.5 % / 99.7 %	99.7 %

**Fiscal 2011 Performance** In fiscal 2011, we deployed our local processing systems to achieve a 99.5 % or higher recycling rate for end-of-life products recovered in South Korea, Australia, and New Zealand, as well as the other regions where we do business.

**Goals/Challenges** We will pursue qualitative improvements in resource utilization while maintaining our high recycling ratio.

## Water Usage in Manufacturing Processes

GRI EN8 GC Principle 7, 8

**Definition** Indicates the manufacturing process water usage for Fuji Xerox and our affiliates in Japan and overseas.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox and affiliates	2.42 million t (Japan: 1.79 million t Overseas: 0.63 million t)	2.55 million t (Japan: 1.92 million t Overseas: 0.63 million t)	2.78 million t (25% reduction from fiscal 2005 level) 2.46 million t / (Japan: 1.86 million t Overseas: 0.60 million t)	2.78 million t (25% reduction from fiscal 2005 level)

**Fiscal 2011 Performance** We were able to reach our goal with the help of systems for visualizing water consumption and other measures to manage water use, primarily at our domestic manufacturing facilities.

**Goals/Challenges** We will continue our efforts to promote water recycling and minimize water usage at all our business sites.

## Number of Chemical Substance Regulation Incidents

GRI EN23, EN24, EN28 GC Principle 7, 8

**Definition** Indicates the number of incidents of noncompliance with the EU RoHS Directive\* and comparable regulations by Fuji Xerox products (including problems found prior to sale).

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox and affiliates	2	2	0 / 1	0

**Fiscal 2011 Performance** In fiscal 2011, one incident of printer-related RoHS noncompliance occurred as a result of a supplier's failure to apply rigorous shipping procedures. We have provided the supplier with process management training in an effort to prevent similar incidents in the future.

**Goals/Challenges** In addition to calling on the supplier to institute improvements in process management and quality assurance for parts subject to the RoHS Directive, we intend to strengthen our procedures for auditing suppliers' management of chemical substances.

\*[RoHS (Restriction of Hazardous Substances) Directive]: Regulation restricting the use of six chemical substances in the manufacture of electronic and electrical equipment sold in the European Union from July 1, 2006, forward. The substances are lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), and polybrominated diphenyl ether (PBDE).

## Increase in Sales Volume of Forest Stewardship Council–Certified Paper

GRI EN26 GC Principle 7, 8

**Definition** Indicates the percentage increase in sales volume of FSC-certified paper in Japan over the preceding fiscal year.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox and affiliates in Japan	—	– 12 %	– / – 8 %	—

**Fiscal 2011 Performance** Amid a general downtrend in sales volume of FSC-certified paper, we planned to expand our line and add to the current six varieties. Unfortunately, we were prevented from introducing these new products by the difficulty and cost of obtaining materials under the tighter standards recently adopted by the FSC.

**Goals/Challenges** We will maintain our commitment to responsible paper purchasing on a global level and continue our efforts to promote FSC-certified paper to our customers.

## Ratio of Recycled Paper Pulp as Proportion of Total Sales of Recycled Paper Products

GRI EN2, EN26 GC Principle 7, 8

**Definition** Indicates the percentage of recycled paper pulp contained in all Fuji Xerox recycled-content paper products sold in Japan that year.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox and affiliates in Japan	—	66.9 %	68.0 % / 70.1 %	71.0 %

**Fiscal 2011 Performance** Rising awareness of environmental issues among our customers has powered sales of paper products containing a high ratio of recycled pulp and helped us achieve our goal by boosting the recycled-pulp content of all recycled-content paper products sold by Fuji Xerox companies to 70.1 %.

**Goals/Challenges** We will continue to work toward an average of 71 % or higher recycled-pulp content for all our recycled-content paper products by promoting sales of products containing a high ratio of recycled paper pulp and encouraging efforts to boost recycled-pulp content in products with a low blending ratio.



## Local Communities

### Social Contribution Spending

GRI EC1, EC8

**Definition** Indicates the total spending by Fuji Xerox and our affiliates on social contribution activities.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox (unconsolidated)	463.84 million yen	677.50 million yen	— / 436.60 million yen	—
Affiliates in Japan	85.99 million yen	123.80 million yen	— / 91.00 million yen	
Overseas affiliates	93.05 million yen	135.70 million yen	— / 136.40 million yen	

**Fiscal 2011 Performance** Social contribution outlays by Fuji Xerox and our affiliates totaled 664 million yen. In Japan, much of this went to initiatives to support recovery and reconstruction from the March 2011 earthquake and tsunami, including the seconding of new hires to the disaster area. Overseas, our spending focused on education and welfare programs to support future generations.

**Goals/Challenges** In Japan, we will continue our efforts to support reconstruction in the areas hit by the 2011 earthquake and tsunami. At the same time, we intend to step up our community contribution activity worldwide through the global implementation of our new Community Contribution Policy, centered on support for the global environment and future generations.

### Ratio of Companies That Have Registered Environmental Conservation Theme under “One Company, One Theme” Campaign

GRI EN14 GC Principle 7, 8

**Definition** Indicates the proportion of companies that decided on a community contribution initiative related to environmental conservation and registered the theme with the head office.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox and affiliates	53 %	56 %	100 % / 61 %	—

**Fiscal 2011 Performance** Out of 59 companies, 36 registered a company theme in fiscal 2011, an increase of 3 from the previous year.

**Goals/Challenges** We are reconsidering the “One Company, One Theme” campaign in light of current plans to adopt a single community contribution theme for all Fuji Xerox companies under our new Community Contribution Policy.

### Ratio of Companies That Have Registered Biodiversity Preservation Theme under “One Company, One Theme” Campaign

GRI EN14 GC Principle 7, 8

**Definition** Indicates the ratio of companies that undertook a community contribution initiative related to biodiversity preservation.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox and affiliates	2 %	2 %	40 % / 4 %	—

**Fiscal 2011 Performance** Partly because of a lack of specific information on the possibilities for corporate activities to preserve biodiversity, only two companies undertook initiatives in this area.

**Goals/Challenges** We are reconsidering the “One Company, One Theme” campaign in light of current plans to adopt a single community contribution theme for all Fuji Xerox companies under our new Community Contribution Policy.

## Ratio of Companies Supporting Volunteer Activities

GRI EC8

**Definition** Indicates the proportion of companies that have instituted systems to promote employee participation in volunteer programs, such as HASU Clubs.<sup>\*1</sup>

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox (unconsolidated)	100 %	100 %	— / 100 %	—
Affiliates in Japan	84.1 %	94.6 %	— / 97.6 %	
Overseas affiliates	72.2 %	71.4 %	— / 76.2 %	

**Fiscal 2011 Performance** The rate of participation in programs supporting employee volunteerism increased both in Japan and overseas. Among our affiliates in Japan, the ratio reached 97.6 % (40 out of 41 companies); among our overseas affiliates, it rose to 76.2 % (16 out of 21).

**Goals/Challenges** Within Japan, we plan to create an umbrella organization comprising the various HASU Clubs and other employee volunteer groups operating under the aegis of individual affiliates. Overseas, we will work to provide employees with more opportunities for community involvement through “volunteer leave” and other measures compatible with local employment practices and systems.

<sup>\*1</sup> [HASU Club]: A system under which employees can donate to charitable causes via automatic withholding from their monthly salaries and scheduled bonuses. Any fractional remainder less than 100 yen is withheld, along with a multiple of 100 yen designated by the employee.

## Ratio of Companies Engaged in Promoting Fuji Xerox Programs That Leverage Our Business Strengths to Support Underprivileged

GRI EC8 GC Principle 1

**Definition** Indicates the ratio of companies implementing programs that leverage Fuji Xerox strengths to assist the underprivileged.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox (unconsolidated)	100 %	100 %	— / 100 %	—
Affiliates in Japan	81.8 %	83.8 %	— / 75.6 %	
Overseas affiliates	16.7 %	4.8 %	— / 19.0 %	

**Fiscal 2011 Performance** Our two major programs in fiscal 2011 were support for large-print textbooks<sup>\*2</sup> and support for the Special Olympics. Within Japan, a government program to distribute standard large-print textbooks has diminished the need for large-print textbook support from Fuji Xerox affiliates. Overseas, however, this program has taken off among our affiliates in China (see p. 25) and, more recently, Thailand.

**Goals/Challenges** We will continue to enhance and promote these activities as we monitor the need for the two above-mentioned programs overseas.

<sup>\*2</sup> [Support for large-print textbooks]: This program involves providing the free use of color multifunction devices for textbook production by volunteers and guardians who produce large-print textbooks by hand for children with visual impairments.

## Shareholders and Investors

### Number of Serious Governance and/or Compliance Issues

GRI S08 GC Principle 10

**Definition** Indicates the number of corporate governance and/or compliance issues during the year deemed serious enough to warrant disclosure.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox and affiliates	0	0	0 / 0	0

**Fiscal 2011 Performance** In fiscal 2011, there were no serious corporate governance and/or compliance issues warranting disclosure.

**Goals/Challenges** We will continue to make good governance and compliance at every level a top priority at Fuji Xerox and all affiliates.

## Suppliers

### Rate of Response to Production Materials Suppliers to Ethical Procurement Self-Checklist

GRI HR2 GC Principle 1-10

**Definition** Indicates the percentage of suppliers that completed and returned by the deadline the Ethical Procurement Self-Checklist sent out by Fuji Xerox and our affiliates.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Suppliers in Japan and overseas	97.3 %	99.2 %	100 % / 99.6 %	100 %

**Fiscal 2011 Performance** Out of 273 suppliers, 272 completed and returned the Ethical Procurement Self-Checklist, for a response rate of 99.6 %. At Fuji Xerox we have been urging suppliers to complete the checklist since fiscal 2007, and for the past two years almost all have complied.

**Goals/Challenges** Going forward, our goal is to secure a 100 % response rate for the Ethical Procurement Self-Checklist. Please note that, beginning with next year's *Sustainability Report*, this information will be categorized as a maintenance item and will be available on our website only.

### Ratio of Production Materials Suppliers with 90% Compliance on Very Important Items and Important Items (among those completing Ethical Procurement Self-Checklist)

GRI HR2 GC Principle 1-10

**Definition** "Very Important" Items: Indicates the ratio of suppliers completing the Ethical Procurement Self-Checklist that achieved a compliance rate of at least 90 % on "very important" items.  
"Important" Items: Indicates the ratio of suppliers completing the Ethical Procurement Self-Checklist that achieved a compliance rate of at least 90 % on "important" items.

Companies	Items	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Suppliers in Japan and overseas	Very Important Items	96.9 %	92.9 %	100 % / 95.6 %	100 %
	Important Items	60.7 %	82.3 %	100 % / 83.1 %	100 %

**Fiscal 2011 Performance** In fiscal 2011, we initiated on-site status checks by our team of experts and stepped up efforts to raise manager awareness with the aim of securing at least 90 % compliance from all suppliers on the 57 "very important" items. As a result, the ratio of 90 % -compliant suppliers rose 2.7 points year-on-year, to 95.6 %. With respect to "important" items, the ratio of suppliers achieving 90 % compliance increased slightly to 83.1 %.

**Goals/Challenges** To boost compliance among suppliers in Japan, we will increase the number of on-site status checks by our team of experts, focusing on companies with less than 90 % compliance on "very important" items. To increase the rate of compliance in China, our procurement personnel will carry out on-site status checks of all places of business of our suppliers (including those of Japanese companies) in China.

### Rate of Response by Logistics Partners to Ethical Procurement Self-Checklist

GRI HR2 GC Principle 1-10

**Definition** Indicates the percentage of first-tier freight companies and offices in Japan\* that completed and returned by the deadline the Ethical Procurement Self-Checklist sent out by Fuji Xerox and our affiliates.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
First-tier freight companies and offices in Japan	100 %	97.4 %	100 % / 100 %	100 %

**Fiscal 2011 Performance** In fiscal 2011, all 68 companies and offices surveyed completed and returned the Ethical Procurement Self-Checklist, for a response rate of 100 %.

**Goals/Challenges** We will continue to explain the importance of ethical procurement and work to maintain a response rate of 100 % on the Ethical Procurement Self-Checklist. Please note that, beginning with next year's *Sustainability Report*, this information will be categorized as a maintenance item and will be available on our website only.

\* Refers to companies in Japan that handle domestic transport and customs clearance, as well as companies engaged in export/import operations (excluding customs clearance). In fiscal 2009, the program targeted only domestic transport businesses; in fiscal 2010, it targeted domestic transport and customs clearance businesses.



## Ratio of Logistics Partners with 90% Compliance on “Very Important” Items (among those completing Ethical Procurement Self-Checklist) GRI HR2 GC Principle 1-10

**Definition** Indicates the ratio of first-tier freight companies and offices in Japan completing the Ethical Procurement Self-Checklist that achieved a compliance rate of at least 90 % on “very important” items.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
First-tier freight companies and offices in Japan	15.0 %	67.6 %	100 % / 98.5 %	100 %

**Fiscal 2011 Performance** Our goal was for all companies completing the Ethical Procurement Self-Checklist to achieve at least 90 % compliance on the list’s 100 “very important” items. Largely as a result of on-site follow-up visits to individual companies and opportunities to meet and share best practices, 98.5 % of the companies met the target, up from 67.6 % for the previous year.

**Goals/Challenges** We will now work to expand participation in the Ethical Procurement Self-Checklist program to include domestic first-tier freight companies that handle trunk routes and overseas first-tier freight companies that are in charge of delivery in the Asia-Pacific region. We will aim for at least 90 % compliance by all participants.

## Local Content Ratio for Raw Materials and Parts at Overseas Manufacturing Bases (China) GRI EC6

**Definition** Indicates the ratio of contracts signed with local companies in China for the procurement of raw materials and parts by Fuji Xerox of Shenzhen and Fuji Xerox of Shanghai as a proportion of total procurement.

Companies	Fiscal 2009 performance	Fiscal 2010 performance	Fiscal 2011 goal/performance	Fiscal 2012 goal
Fuji Xerox of Shenzhen, Fuji Xerox of Shanghai	65.1 %	57.1 %	— / 60.3 %	—

**Fiscal 2011 Performance** The local content ratio for our manufacturing companies in China was 60.3 % in fiscal 2011, an increase over the previous year. This reflects a shift toward procurement of parts originating in China.

**Goals/Challenges** We will continue to promote sound local procurement practices emphasizing high local content ratio as one way of contributing to the development of the local economy in the host country.

# Fuji Xerox Corporate Overview

## Corporate Information

<b>Name</b>	Fuji Xerox Co., Ltd.
<b>Headquarters</b>	Tokyo Midtown, 9-7-3 Akasaka, Minato-ku, Tokyo JAPAN 107-0052
<b>Telephone</b>	+81-3-6271-5111
<b>President and Representative Director</b>	Tadahito Yamamoto
<b>Date of establishment</b>	February 20, 1962 Established as a joint venture between the British company Rank Xerox Limited and Fuji Photo Film Co., Ltd. (Rank Xerox changed its name to Xerox Limited on October 31, 1997)
<b>Capital</b>	20 billion yen
<b>Shareholders</b>	FUJIFILM Holdings Corporation (75%) Xerox Limited (25%)
<b>Number of employees</b>	45,282 employees (consolidated, March 2012); 9,149 employees (March 2012 unconsolidated)



Business summary	Office Products Business	Office Printers Business	Production Services Business	Global Services Business
	Document services and solutions business centered on digital color/monochrome multifunction office devices.	Color and monochrome laser printer business based on Xerography technology; covering as a manufacturer technology development through to sales.	Business focusing primarily on on-demand printing systems and workflow support services for the digital printing market, as well as continuous-feed and cut-sheet printers for data output for mission-critical systems.	Outsourcing services for customers who are taking their business onto the global stage, with a focus on the management of printing environments and business processes.



## Business sites

**Headquarters:** Tokyo

**Research laboratories:** Yokohama (Kanagawa), Nakai-machi (Kanagawa), Palo Alto (California, USA)

**Development /manufacturing sites:**

**Japan:** Yokohama (Kanagawa), Ebina (Kanagawa), Takematsu (Kanagawa), Suzuka (Mie), Namerikawa (Toyama)

**China and other locations:** Shanghai, Shenzhen and other cities

**Main sales and service offices in Japan:**

Approximately 300 cities including key locations such as Sapporo, Sendai, Tokyo, Yokohama, Nagoya, Kyoto, Osaka, Kobe, Hiroshima, Fukuoka and Okinawa

**Overseas bases (countries/regions):**

South Korea, China (including Hong Kong and Taiwan), the Philippines, Vietnam, Thailand, Malaysia, Singapore, Indonesia, Australia, New Zealand and the United States

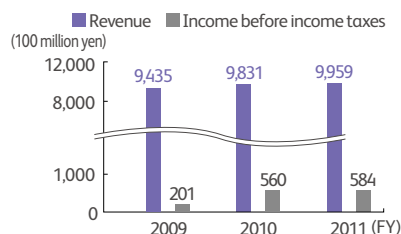
## Sales and Service Areas

Fuji Xerox's sales and service areas cover Japan, China and other countries and regions in the Asia-Pacific region. The Americas, Europe and other regions are handled by Xerox Corporation and Xerox Europe.

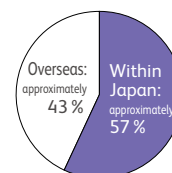


## Key Management Indexes

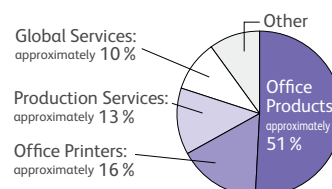
### Revenue/Income before income taxes (Consolidated)



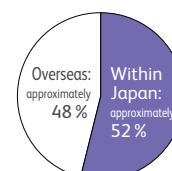
### Consolidated revenue by region (FY2011)



### Consolidated revenue by business segment (FY2011)



### Consolidated employee numbers by region (FY2011)



# Third Party Opinion



## Kaori Kuroda

Executive Director, CSO Network Japan

In his commitment statement, President Yamamoto speaks of renewing Fuji Xerox's commitment to CSR as the company moves beyond its 50th anniversary. Through this statement, he makes it clear that, rather than content himself with Fuji Xerox's track record as one of Japan's most socially responsible companies, he intends to strengthen and expand the company's CSR management with an eye to the next 50 years. We live at a time when it is no longer possible to imagine a brighter future 50 years down the road unless we bring all our wisdom to bear in addressing and overcoming a host of serious issues—not only the pressing problems of poverty, hunger, and environmental degradation facing us today but also a range of new problems likely to emerge in the future. In stating that CSR is synonymous with corporate management—that is, a process of forging the values that will determine the future of the company and our society—President Yamamoto penetrates to the very essence of CSR and holds up a guiding principle for his own company and all of society to follow. Keeping this profound insight in mind, I would like to convey my own reactions to Fuji Xerox's fiscal 2011 CSR initiatives as described in this report and on the company's website.

### 1. Ethical Procurement

Japanese companies around the world are struggling with the problem of mounting workforce risk in the emerging markets. Promoting good communication with local employees and the surrounding community and improving wages and working conditions are obviously important steps, but the real key is to view the local workforce not just from the standpoint of risk but from a human rights perspective that places priority on the conditions and concerns of individuals and their families. In this sense, Fuji Xerox deserves high marks for discerning and attempting to address the disparity between information provided by certain Chinese suppliers via the CSR checklist responses and the real situation. From fiscal 2012, Fuji Xerox will send its own procurement personnel to conduct on-site visits of all places of business of its Chinese suppliers and hold discussions with them on ways to improve conditions. In next year's report, I would like to see an assessment describing any changes and improvements seen in the wake of these on-site visits. I would also like to see some public disclosure of the manner in which each on-site visit was conducted, who among the supplier's personnel took part in the discussions, and whether there was an opportunity for dialogue with the supplier's other stakeholders.

### 2. Diversity

The yearly increase in the number of women in managerial positions at Fuji Xerox is a positive trend, but the percentage of female managers remains low compared with that seen in other companies headquartered in major developed countries. Given Fuji Xerox's stated commitment to being a place where employees can realize their full potential, regardless of gender, nationality, or disability, I expect it to take bolder action. By actively promoting diversity in the hiring and promotion of personnel—not only in terms of gender but

in all categories—Fuji Xerox could demonstrate that the company is strengthening its competitiveness by responding to diversifying markets and could provide a model for other companies to follow, especially in Japan. For these reasons, I would like to see Fuji Xerox present us with more concrete policies and measures for enhancing workforce diversity.

### 3. Community Contribution

Fuji Xerox has instituted a wonderful project to support communication beyond the ages by making use of the company's multifunction devices to create exact reproductions of historical documents and manuscripts that lie dormant at Kyoto's old estates, temples, and shrines. Thanks to the dedication of the company's technology development engineers, local residents and art university students can now contribute to the preservation of the region's traditional culture. Many regional communities are facing serious challenges today, not just in the area hit by the 2011 earthquake and tsunami but throughout Japan. I would like to see Fuji Xerox put even greater effort and thought into leveraging its technologies to help revitalize local economies and connect residents and organizations in Japan's regional communities.

### 4. Disaster Response

In the discussions of Fuji Xerox's response to the Great East Japan Earthquake, two things in particular caught my attention. The first was the reader-friendly explanation of the company's efforts to identify weaknesses from the standpoint of internal management (employee perspective), business functions (customer perspective), and social contribution (community perspective); to use those findings as a basis for a complete review of the company's business continuity plan; and to apply the PDCA cycle for continuous improvement. The other was the workshop held at Fuji Xerox Miyagi's Disaster Countermeasures Headquarters with the participation of the presidents, executives, and CSR Champions of its overseas sales companies to share information and ideas on the three natural disasters that occurred in 2011: the earthquake in Christchurch, New Zealand, the Great East Japan Earthquake, and the flooding in Thailand. With the frequency and scale of natural disasters on the rise worldwide, Fuji Xerox is to be commended for its efforts to foster a shared awareness that natural disasters can occur anywhere, at any time, and to prepare by developing Group-wide guidelines and policies.

### 5. In Conclusion

In his 1926 *Nomin geijutsu gairon koyo* (Notes for the outline of agrarian art), Kenji Miyazawa wrote that there can be no individual happiness until the world as a whole is happy. Reading President Yamamoto's words, I realized that the same principle applies to today's corporations in relation to society. As Fuji Xerox embarks on its next 50 years, I am hopeful that it will continue onward and upward, working continuously to build a better company and a better society.



## Editorial Postscript

“The flowing river never stops and yet the water never stays the same.” This is the opening line of the Hojoki, written some 800 years ago by Kamo no Chomei, a poet and author with deep ties to Kyoto’s Shimogamo Shrine. People in all ages have sought to find happiness in a world caught in the vortex of endless vicissitudes. The Great East Japan Earthquake and the nuclear power plant accident that followed caused us to reflect on mass production, mass consumption, the pursuit of insatiable wants and desires, and even corporate management and to rethink what is true happiness in every aspect of life.

Consumers, businesses, scholars, NGOs, and others each have their own views on how to build a sustainable society. As important as it is to voice one’s views, there is perhaps even greater worth to be found in the ability to listen earnestly to people of differing values, to maintain an ongoing dialogue with them, and to address current issues and challenges from an all-encompassing perspective rather than seek only partial optimization.

What kind of world are we creating and passing on to our children? A sustainability report outlines what a company aspires to be. Committed to the pursuit of high ideals of service to society and to humanity, Fuji Xerox desires to be a company that is at all times strong, kind, and interesting.

Living in a world that continues to change, we at Fuji Xerox believe that the spirit that animated the founding of the company 50 years ago must not be forgotten, and that we must strive ceaselessly to more fully integrate the values of CSR into the everyday activities of each one of us.

In closing, we take this opportunity to express our gratitude to all who assisted and cooperated in the production of this Sustainability Report.

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# **Sustainability Report 2012**

**Fuji Xerox Co., Ltd.**