

Sustainability Report 2021

Management Performance

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1.0 About Management Performance

FUJIFILM Holdings Sustainability Report 2021—Management Performance introduces our basic approach, promotion systems and an overview & results for each of the activities that corporations are expected to engage with by society. To make it simple and easy to understand, it mainly shows the basic results from the ESG point of view, including Governance, Environmental Aspects and Social Aspects.

On the other hand, we identified our high priority issues (materiality) from various CSR issues related to our business and established the Fujifilm Group's CSR Plan, "Sustainable Value Plan 2030 (SVP 2030)." Now we are implementing the activities along with the Plan. We will prepare a separate report, *FUJIFILM Holdings Sustainability Report 2021—SVP Stories*, to introduce the progress of our activities in fiscal 2020. Please refer to *SVP Stories* together with this *Management Performance*.

• Period covered by the report

Fiscal 2020 (April 1, 2020—March 31, 2021) is covered in the performance data.

With regards to the contents of activities, wherever possible, we have conveyed the most recent trends, including activities in fiscal 2021.

• Organizations covered by the report

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

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

* We are planning to divide our business into four areas in fiscal 2021. However, the information disclosed here is for the three areas used during the period covered by this report.

• Date of publication (*Management Performance*)

July 2021 (next report: July 2022, previous report: August 2020), published once a year

• Referenced guidelines

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

• Supplemental information regarding reported matters

- The term "employees" refers to all employees, including managers, general employees, and part-time staff. The term "company employees" indicates employees (full-time staff). To further ensure the accuracy of the report, the terms "regular employees" and "non-regular employees" (temporary staff, part-time staff, others) have been used separately as required.
- Fuji Xerox Co., Ltd. changed its corporate name to FUJIFILM Business Innovation Corp. from April 1, 2021. The new corporate name is used in this report.

1.1 Fujifilm Group Organization Overview

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

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

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

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

Holding Company: FUJIFILM Holdings Corporation

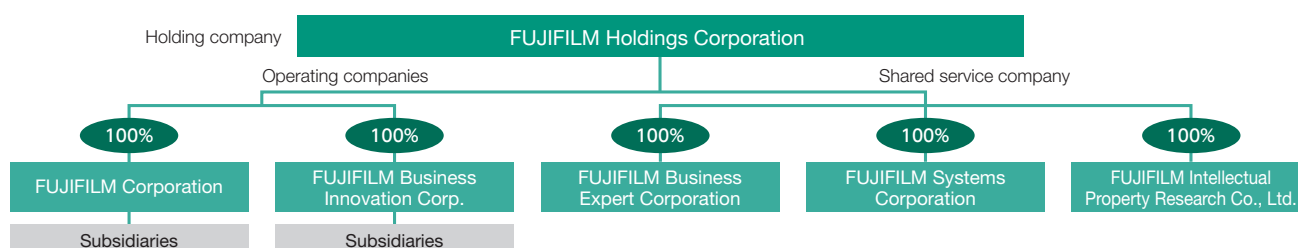
Company name: FUJIFILM Holdings Corporation
 Chairman, Representative Director and Board Chairman: Kenji Sukeno
 President and Chief Operating Officer: Teiichi Goto
 Head office: Tokyo Midtown, 9-7-3 Akasaka, Minato-ku, Tokyo 107-0052, Japan
 Established: January 20, 1934
 Capital: ¥40,363 million (as of March 31, 2021)
 Employees: 228 (as of March 31, 2020)
 Consolidated company employees: 83,006 (as of March 31, 2021)
 [Breakdown] Regular employees 73,275 (as of March 31, 2021),
 temporary staff 9,731 (average number in FY2020)
 Consolidated subsidiaries: 310 (as of March 31, 2021)

Proportion of Consolidated Company Employees by Region (FY2020)

(as of March 31, 2021)

Japan	The Americas	Europe	Asia and others
54%	9%	8%	29%

Fujifilm Group Organization Overview



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

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

Consolidated Revenue/Consolidate Operating Income

Unit: 100 millions of yen

	FY2016	FY2017	FY2018	FY2019	FY2020
Consolidated revenue	23,222	24,334	24,315	23,151	21,925
Consolidate operating income	1,723	1,233	2,098	1,866	1,655

Proportion of Consolidated Revenue by Region (FY2020)

Japan	The Americas	Europe	Asia and others
42%	19%	12%	27%

Proportion of Consolidated Revenue by Operating Segments (FY2020)

Healthcare & Materials Solutions	Document Solutions	Imaging Solutions
48%	39%	13%

Healthcare & Materials Solutions

	Healthcare	Industrial Products/ Electronic Materials, etc.	Graphic Systems/ Ink Jet	Display Materials	Recording Media
Proportion of revenue by business (FY2020)	54%	18%	16%	9%	3%

* Others: Items not included in the above classifications are omitted because they are less than 1%.

Unit: 100 millions of yen

	FY2016	FY2017	FY2018	FY2019	FY2020
Consolidated revenue*	8,995	10,026	10,390	10,242	10,526
Consolidate operating income	827	914	976	924	1,075

Document Solutions

	Office Products/ Office Printers	Solution Services	Production Services	Others
Proportion of revenue by business (FY2020)	56%	29%	11%	4%

Unit: 100 millions of yen

	FY2016	FY2017	FY2018	FY2019	FY2020
Consolidated revenue*	10,809	10,478	10,056	9,583	8,547
Consolidate operating income	827	84	964	1,050	733

Imaging Solutions

	Photo Imaging	Optical Devices and Electric Imaging
Proportion of revenue by business (FY2020)	69%	31%

Unit: 100 millions of yen

	FY2016	FY2017	FY2018	FY2019	FY2020
Consolidated revenue*	3,417	3,380	3,869	3,326	2,852
Consolidate operating income	368	558	511	251	156

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

1.2 CSR Management

1.2.1 Basic Approach

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

1.2.2 Philosophical Concepts and Related Policies of the Fujifilm Group

Fujifilm Group established the Fujifilm Group Corporate Philosophy and Vision following the shift to a holding company structure in 2006. By providing top-quality products and services with open, fair and clear workplace culture and leading-edge, proprietary technologies, we aim to contribute to advancement of society, improved health, environment protection and enhancement of the quality of life of people. In order to put our Corporate Philosophy into practice and achieve our Vision, we have established the Fujifilm Group Charter for Corporate Behavior and the Fujifilm Group Code of Conduct and implement them thoroughly throughout the Group. To ensure awareness and implementation by all employees, we established the Fujifilm Group's Approach to CSR. We have set out our approach to CSR clearly to enable all employees of the Fujifilm Group to carry out their respective jobs with an awareness of CSR. We have also established various policies to implement our approach in concrete terms and ensure that it is applied comprehensively within the Group and for our relevant stakeholders. There are policies on the environment, social contribution, biodiversity, procurement, quality, occupational safety and health, global security trade control, AI and information security, and our Human Rights Statement is related to all these policies.

In recent years, importance of the healthcare business in the Fujifilm Group is increasing. In promoting the healthcare business, corporations are required not only to comply with laws and regulations, but also to conduct business operations fairly with higher ethics and transparency. In order to meet these social demands, the Fujifilm Group established the "Fujifilm Group Global Healthcare Code of Conduct" in July 2020, and in addition to the Fujifilm Group Code of Conduct, appropriate directors and employees in the healthcare business must be followed in order to promote proper business activities.

These policies were established after due deliberation by the ESG Committee and with top management approval. The established policies are regularly reviewed and further revised with top management approval. Any employee who breaches these policies becomes subject to a penalty dependent upon the nature of the breach.

The Fujifilm Group's Approach to CSR

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

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

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

Revised in February 2014

Fujifilm Group Corporate Philosophy/Vision (full text)

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

Fujifilm Group Charter for Corporate Behavior (full text)

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

Fujifilm Group Code of Conduct (full text)

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

Fujifilm Group Global Healthcare Code of Conduct

<https://holdings.fujifilm.com/en/about/philosophy/global-healthcare>

Fujifilm Group Human Rights Statement

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

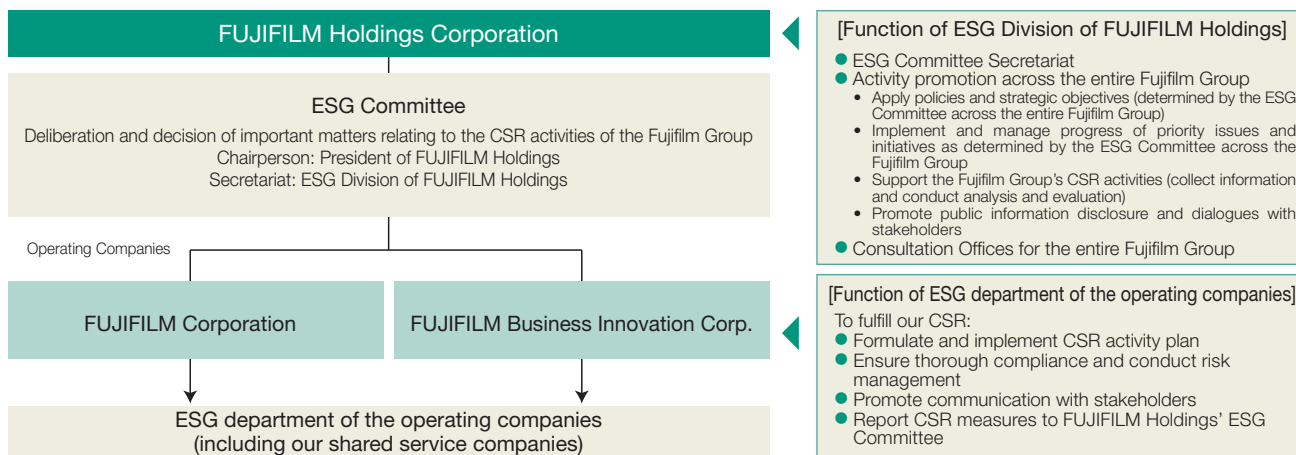


Names of Regulations and Policies	Time of Adoption/ Revision	
Green Policy (Environmental Policy)	Revised April 2019	https://holdings.fujifilm.com/en/sustainability/vision/policy/green
Social Contribution Policy	Revised April 2019	https://holdings.fujifilm.com/en/sustainability/vision/policy/society
Guidelines for Biodiversity	Revised April 2019	https://holdings.fujifilm.com/en/sustainability/vision/policy/biodiversity
Procurement Policy	Revised April 2020	https://holdings.fujifilm.com/en/sustainability/vision/policy/procurement
Quality Policy	Revised April 2019	https://holdings.fujifilm.com/en/sustainability/vision/policy/quality
Occupational Safety and Health Policy	Revised April 2019	https://holdings.fujifilm.com/en/sustainability/vision/policy/health-safety
Global Security Trade Control Policy	Adopted May 2015	https://holdings.fujifilm.com/en/sustainability/vision/policy/control
AI Policy	Adopted December 2020	https://holdings.fujifilm.com/en/sustainability/vision/policy/ai
Information Security Policy	Revised April 2021	https://holdings.fujifilm.com/en/sustainability/vision/policy/security

1.2.3 CSR Management System

1. The Fujifilm Group’s CSR promotion system

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



2. Effective management system

Since 2007, the year following the group was reorganized under FUJIFILM Holdings, the Fujifilm Group has been formulating medium-term CSR plans along with the medium-term management plans. Every year since then, we disclose the progress of the year in our Sustainability Reports etc., and also review our activities through opinions from inside and outside the company. We also summarize our activities of every three years, and the every review has led to the formulation of the next medium-term CSR plan. Each medium-term CSR plan has been deliberated and approved by the ESG Committee chaired by the President of Fujifilm Holdings.

We changed our policy of establishing the three-year medium-term CSR plan in 2016 and announced our CSR plan, Sustainable Value Plan 2030 (SVP 2030) in 2017. SVP 2030 is a long-term target for 2030, but as ever, we will basically review every three years in line with the formulation of the medium-term management plan, and also when there is a big change in the direction of our business as needed.

(For our environmental management system, please refer to 3.1.2 *Environmental Management*.)

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

1. Social background and basic approach

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

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

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

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

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

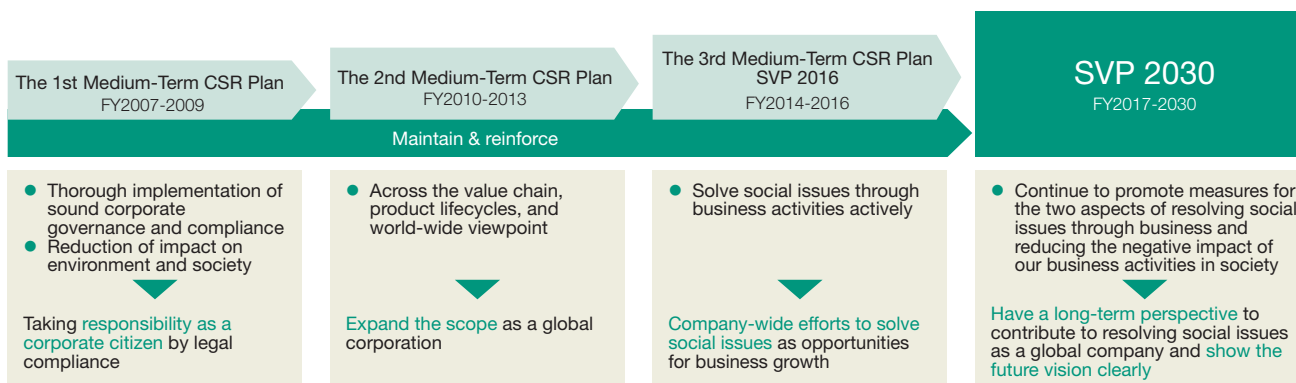
*2 Paris Agreement: International, multilateral agreement on arresting climatic changes that was adopted by The 21st Session of the United Nations Framework Convention on Climate Change Conference of the Parties (COP 21) held in Paris in 2015. The Agreement calls for holding the global temperature rise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

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

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

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

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



3. Process for identifying materiality (priority issues)

[STEP 1] Clarifying the Basic Policies

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

[STEP 2] Extracting Social Issues Based on Business Strategy

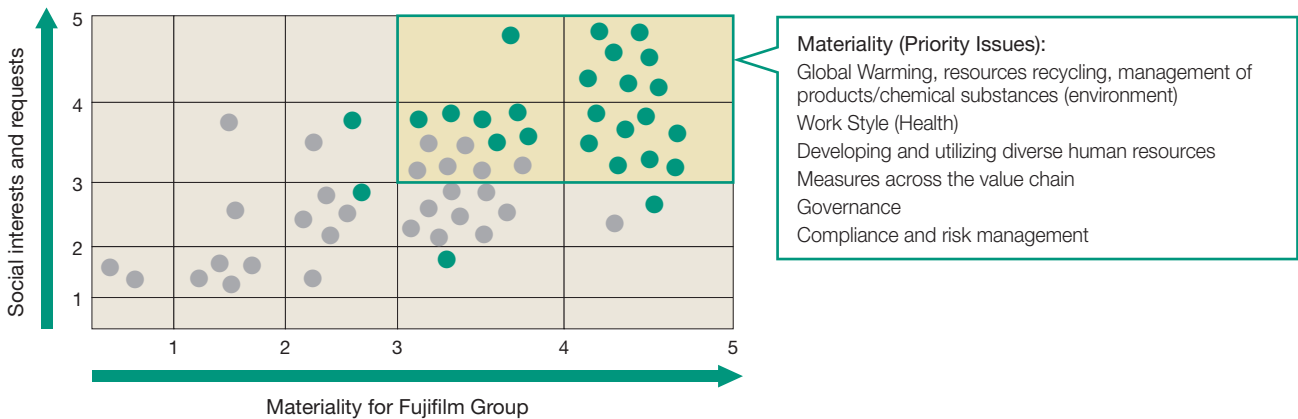
In identifying social issues, a comprehensive list of some 300 items has been created, with the addition of items that must be addressed from a long-term perspective, including roughly 130 items from various indexes such as the global standards ISO 26000 and GRI Guidelines/Standard, the goals of the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

[STEP 3] Evaluation of Materiality

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

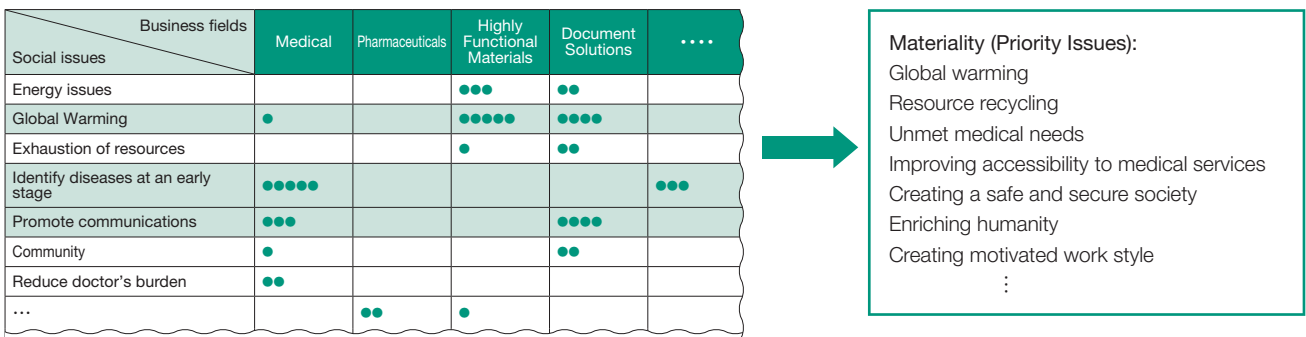
(1) Taking into consideration and reducing the impact our business activities have on the environment and society

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



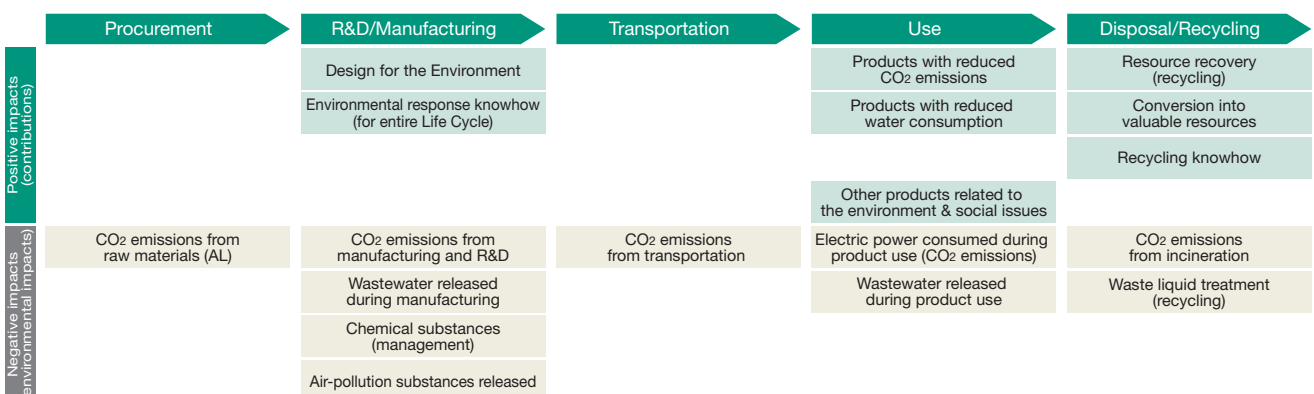
(2) Resolving social issues through our business activities

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



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

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



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

[STEP 4] Planning and Review

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

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

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

4. Reviewing Priority Issues (Materiality)

The Fujifilm Group reviewed its CSR plan SVP 2030 from FY2019 to FY2020 in preparation for Vision 2023, our new Medium-Term Management Plan. SVP 2030 is intended to be reviewed every three years with each new Medium-Term Management Plan. In the latest review, certain targets in the area of the Environment have been made more challenging. At the same time, a number of new targets have been established. In the areas of Health and Work Style, new KPIs have been introduced for priority issues that are targeted for resolution through our business activities.

[Environment]

We revised some targets to make them more challenging and added some new targets. Added/revised targets are as follows: By FY2030:

- Reduce CO₂ emissions throughout the entire product life cycle by 45% compared with FY2013 levels.
- Increase the amount of contribution to reduce CO₂ emissions to 90 million tons by offering products and services that enable significant CO₂ emissions reduction when our customers use them.
- Increase the sales percentage of Green Value Products, which significantly reduce environmental impact, to 60% of total Fujifilm Group sales.

[Health]

We have set following KPIs in the area for solving social issues through business activities.

- Improving access to medical services by using medical AI technologies to introduce our products and services to all 196 countries and regions in the world by fiscal 2030.

[Daily Life]

As a result of the review, we determine that our efforts are sufficiently valid and we should continue the same contents.

[Work style]

We have set following KPIs in the area for solving social issues through business activities.

- Offering 50 million people work styles that support employee productivity and creativity through solution services that bring innovation to our business.

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

The outline of major activities for SVP 2030 in fiscal 2020 is as follows:

Major SVP 2030 Targets and Activity Results

Priority Area	Priority Issues	Targets for FY2020	Activities results until FY2020
Environment	Address climate change.	Reduce the Fujifilm Group's CO ₂ emissions by 30% by FY2030 compared to FY2013 levels.	Achieved 30% reduction target ahead of plan. → CO ₂ emissions reduction target by FY2030 was revised upward to 45%.
		Contribute to 90 million tons CO ₂ emissions reduction through products and services by FY2030.	Moving forward successfully toward our target. → Revised the target upward 50 million to 90 million tons.
Health	Fulfill unmet medical needs.	Develop and disseminate new treatments based on regenerative medicine and cell therapy.	Promoted drug development by CDMO, iPS cells cultures
	Improve accessibilities to medical services.	Reduce burden on medical professionals by utilizing IT	Developed products and services utilizing an AI technology to support diagnosis in 57 countries.
Daily Life	Contribute to creating a safe and secure society.	Develop technologies for products and services and promote their greater use to contribute to the development of an ICT.	Developed and disseminated new products such as high-capacity magnetic tape storage media of 30TB.
	Contribute to enriching humanity and relationships between people.	Contribute to enriching and making people's lives peaceful through records of photos and videos, and photographic products that give form to memories.	Held photo exhibitions around the world, such as The Heart to Heart Communication—"PHOTO IS" 50,000—Person Photo Exhibition, etc.
Work Style	Create environments that lead to motivated workplace (provision of solution services).	Contribute to generate the innovation for organizations and society by offering solutions and services that support increasing worker's productivity and exerting their creativity.	Provided solution services to support remote working during COVID-19 pandemic, such as Net Print Service

SVP 2030 Priority Issues and Relevant Parties

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

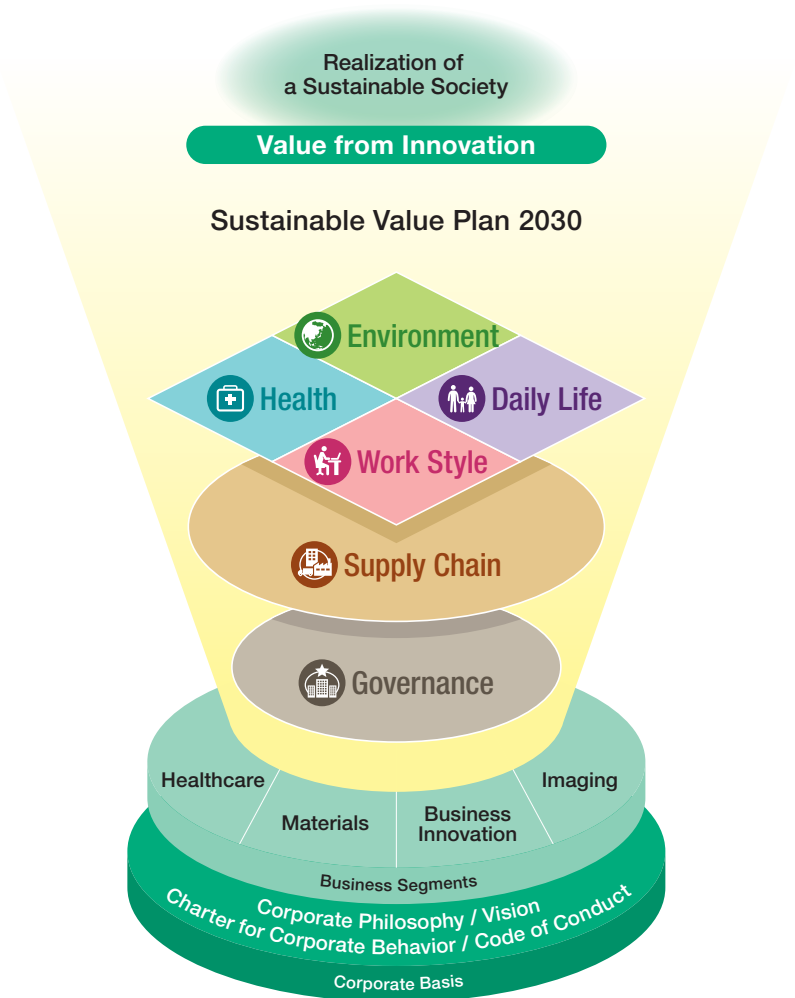
1.2.5 SVP 2030 Major Targets and Results in FY2020

Priority Area	Priority Issues	Major Targets for FY2020 <small>*The following targets are all for FY2030.</small>	Major Activities in FY2020
Environment	<ol style="list-style-type: none"> 1. Address climate change. 2. Promote recycling of resources. 3. Address energy issues toward a decarbonized society. 4. Ensure product and chemical safety. 	<ul style="list-style-type: none"> • Reduce the Fujifilm Group's CO₂ emissions by 45% by FY2030 (compared to the FY2013 level). • Contribute to a reduction in the CO₂ emissions generated in society by 90 million tons by FY2030. • Minimize adverse effect on chemical substances on human health and the environment. 	<ul style="list-style-type: none"> • Increased the CO₂ emissions reduction target by 2030. • Certified increased target value by the SBTi. • Certified 30 new products under the Green Value Product Certification Program, our environmentally conscious design standards (total 166 products). • Registered in the CDP Water Security A List, and listed in the • Evaluated CDP Supplier Engagement Leaderboard for three consecutive years.
Health	<ol style="list-style-type: none"> 1. Fulfill unmet medical needs. 2. Improve accessibilities to medical services. 3. Contribute to identifying diseases at an early stage. 4. Contribute to health promotion and beauty. 5. Promote management of a healthy workplace. 	<ul style="list-style-type: none"> • Develop new treatment solutions/ Improve accessibility to new treatment solutions. • Expand and scale up AI & IoT technology to reduce burdens on medical professionals. • Promote management of health and productivity to maintain employees' vitality. 	<ul style="list-style-type: none"> • Selected as a Health and Productivity Stock Selection Program for the first time. • Opened a medical center in India, mainly providing cancer screenings. • Launched a PCR test kit, produced an active pharmaceutical ingredient for a COVID-19 vaccine, and undertook commissioned pharmaceuticals production. • Greatly enhanced our Danish biomedical production facility. • Newly launched SYNAPSE Radiotherapy, the AI-based radiation treatment planning software.
Daily Life	<ol style="list-style-type: none"> 1. Contribute to creating a safe and secure society. 2. Contribute to enriching humanity and relationships between people. 	<ul style="list-style-type: none"> • Aim at 100% preservation of records archived on tapes. • Offering opportunities to enjoy photos that give forms to memories. 	<ul style="list-style-type: none"> • Developed data storage technology that enabled us to create 580 TB magnetic tape, offering 50 times more capacity than our conventional tape. • Enhanced the AI function of Infrastructure Photo Analysis Cloud Service Hibimikke (Crack Finder).
Work Style	<ol style="list-style-type: none"> 1. Create environments that lead to motivated workplace (provision of solution services). 2. Develop and utilize diverse human resources. 	<ul style="list-style-type: none"> • Actions for work style reform for customers. • Improve the rate of women in managerial positions. 	<ul style="list-style-type: none"> • Our personal workspace, CocoDesk, which supports remote working for business people, received the Nikkei Business Daily Prize under the Nikkei Superior Products and Services Awards. • Launched the IT Expert Service to offer an IT outsourcing service to small-to-medium companies. • Increased the percentage of female managers from 14.5% in FY2019 to 15.4% in FY2020.
Supply Chain	Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.	Promote sustainable procurement.	<ul style="list-style-type: none"> • Resubmitted "Requests to Suppliers" to procurement suppliers in Japan and other countries and collected receipts from 213 companies.
Governance	Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture.	Improve compliance awareness across the entire global Group and reinforce risk management.	<ul style="list-style-type: none"> • Created the AI Policy. • Revised the Corporate Governance Guidelines. • United our document businesses under the Fujifilm brand for better coordination. • Establishment of the Fujifilm Group Global Healthcare Code of Conduct and training programs of employees involved in relevant business. • Compliance awareness survey conducted for all employees in the Group to monitor their awareness of our compliance policies and compliance in general.

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

The Fujifilm Group announced its Sustainable Value Plan 2030 (SVP 2030) in August 2017. Also, we revised the targets upward and added new targets in fiscal 2019 and fiscal 2020, along with continuing progress of SVP2030. The new plan sets itself apart from previous medium-term CSR plans in characteristically targeting fiscal 2030 as its long-term goal, which is expected to lay the foundations of the Group's business management strategies for sustainable growth.

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



SVP2030 Priority Areas and Priority Issues (Materiality)

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

Relationship between CSR plan and management plan

Our CSR plan SVP 2030 toward fiscal 2030 is our targets for contributing to building a sustainable society along with SDG's. Our Medium-Term Management Plan VISION 2023 sets out the concrete business strategies to achieve these targets.

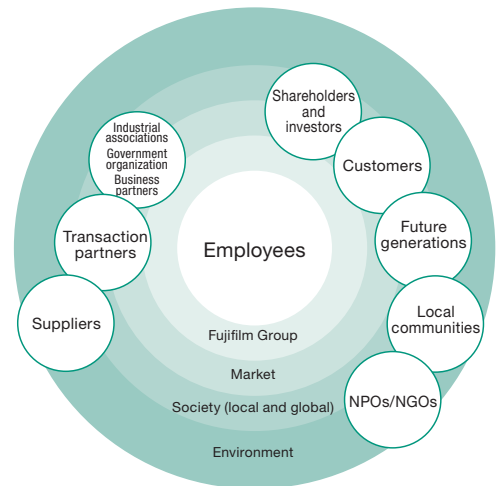
Themes That Are Significantly Related with our Business in the Priority Issues of SVP 2030

Item	CSR Priority Issue 1	CSR Priority Issue 2	CSR Priority Issue 3
Material Issues	Resolving social issues in the area of Health	Resolving social issues in the area of Environment	Resolving social issues in the area of Work Style
Relations to Business	The initiatives taken to achieve the targets of our "Healthcare" business in the Medium-Term Management Plan, VISION 2023 will resolve the social issues under "Health," one of our Priority Issues in the CSR plan SVP 2030.	Our CSR plan SVP 2030 toward fiscal 2030 is our targets for contributing to building a sustainable society. Our Medium-Term Management Plan VISION 2023 sets out the concrete business strategies to achieve these targets. We implement measures for the two aspects of resolving social issues through business activities and considering society and the environment in our business.	The initiatives taken to achieve the targets of our "Business Innovation" business in the Medium-Term Management Plan, VISION 2023 will resolve social issues under "Work Styles," one of our Priority Issue in the CSR plan SVP 2030.
Business Impact	Revenue & profit	Costs & risks	Risks, sales & revenue
Business strategies	<ul style="list-style-type: none"> Reducing medical disparities and creating a healthy society by providing cutting-edge products and services globally across all areas of prevention, diagnosis, and treatment. 	<ul style="list-style-type: none"> Enhancing environmental initiatives through our business to build robust business foundations. Implementing a cost-cutting business structure and maximizing profits through our energy strategies and energy conservation activities. Contributing to resolving environmental issues by creating and disseminating environmentally conscious products. 	<ul style="list-style-type: none"> Contributing to social reform so that each person is motivated in the workplace through the global provision of products and solutions services that bring high productivity and creativity.
Long-Term Target/Index	[Health] Improving access to medical services by using medical AI technologies to introduce our products and services to all 196 countries and regions in the world by fiscal 2030.	[Environment] <ul style="list-style-type: none"> Reducing CO₂ emissions across the entire product lifecycle by 45% by FY2030 compared to FY2013 levels. Contributing to reducing CO₂ emissions in society by 90 million tons by FY2030. Reducing the amount of water the Fujifilm Group uses in its production processes by 30% by FY2030 compared to FY2013 levels. Achieving zero CO₂ emissions from the energy we use by fiscal 2050. 	[Work Style] <ul style="list-style-type: none"> Offering 50 million people work styles that support employee productivity and creativity through solution services that bring innovation to our business.
Target Year	FY2030	FY2030 (Some for FY2050)	FY2030
Executive Compensation	Applied when determining compensation of executive officers responsible for Healthcare.	Applied when determining compensation of executive officers responsible for CSR.	Applied when determining compensation of executive officers responsible for Business Innovation (former Document Solutions).

1.2.7 Communication with Stakeholders

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

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



The Fujifilm Group's Communications with Stakeholders

Main stakeholders		Main issues and areas of responsibility	Methods of communication	Frequency
Customers	We have a diverse range of customers, from individuals, businesses, corporations to government offices, etc., since we have business deployed all over the world, and we offer such a wide lineup of products, ranging from digital cameras and cosmetics to office printers, medical systems, medicine, highly functional materials and equipment and materials for graphic arts.	<ul style="list-style-type: none"> • Securing the safety and quality of products • Design for Environment • Provision of appropriate information on services & products • Improvement of customer satisfaction levels • Customer response & support 	• Customer Center (liaison office for responding to inquiries)	• Day-to-day
			• Usability evaluation meetings and monitor surveys	• As needed
			• Customer satisfaction surveys	• As needed
			• Questionnaires at product purchase	• Day-to-day
			• Showrooms, exhibitions	• As needed
			• Holding seminars	• As needed
			• Websites and social media	• As needed
Employees	Employees working for the Fujifilm Group total approx. 83,000 people in 310 companies. Regular employees are active all over the world and their composition by country is Japan 54 the U.S. 9%, Europe 8% and Asia 29% (as of end-March 2021).	<ul style="list-style-type: none"> • Ensuring occupational health and safety • Respect for human rights • Utilization and training of human resources • Respect for diversity 	• Providing opportunities for dialogue with top management	• As needed
			• Personnel management division liaison & interviews	• Day-to-day/As needed
			• Compliance & Sexual Harassment Helpline	• Day-to-day
			• Regular meetings between the company and labor unions/Health & Safety Committee	• As needed
			• Intranet; in-house magazines	• Day-to-day
Shareholders & investors	FUJIFILM Holdings has 136,348 shareholders, characterized by a high proportion of overseas and institutional investors. Japanese financial institutions account for 31.1% of our shareholders, while foreign companies constitute 28.3% (as of end-March 2021).	<ul style="list-style-type: none"> • Maintenance and expansion of corporate value • Appropriate redistribution of profits • Timely & appropriate information disclosure • Measures for Socially Responsible Investment (SRI) 	• General shareholders meetings/Business report briefings/Briefings for investors	• Once a year/4 times a year/As needed
			• IR conferences/Individual meetings	• As needed
			• Integrated reports/Shareholder communications	• As needed
			• IR information website	• Day-to-day
			• Liaison office for responding to inquiries	• Day-to-day
Transaction partners	The Fujifilm Group conducts transactions worldwide with suppliers of raw materials and components and retailers of our products, etc.	<ul style="list-style-type: none"> • Thorough implementation of fairness & transparency in transactions • Promotion of CSR issues in the supply chain, such as human rights and the environment 	• Briefings to suppliers (on CSR procurement including green supply, management of chemical substances contained, etc.)	• As needed
			• CSR Self-Check (self-audited) and Onsite "Visit and Check" by expert team	• As needed
			• Website for exclusive use of transaction partners	• Day-to-day
			• Regular discussions with partners	• As needed
			• Liaison office for responding to inquiries (in each procurement and sales division)	• Day-to-day
Future generations & local societies	The Fujifilm Group has bases in approx. 40 countries across the world and conducts its activities by treating the local culture and customs with respect, as well as putting efforts into educational support for future generations.	<ul style="list-style-type: none"> • Contribution activities which make use of our main business strengths • Respecting local culture & customs and environmental conservation • Prevention of fires and accidents in the workplace • Educational support for future generations 	• Environmental communication meetings/Factory tours	• As needed
			• Community volunteer activities	• As needed
			• Regular discussions with local governments (city hall, mayor, community association presidents, etc.)	• As needed
			• Liaison offices (at each factory & office)	• Day-to-day
			• Dispatch of lecturers to the academic organization & endowed chairs	• As needed
Government organizations & industrial associations	The Fujifilm Group has businesses in countries all over the world. Each of these businesses belongs to several industrial associations and has active relations with the respective government organizations, including participating in collaborations and information exchanges, etc.	<ul style="list-style-type: none"> • Legal compliance • Joint research & development and cooperation in public policy aimed at the resolution of social issues 	• Participation in various industrial committees	• As needed
			• Participation in the development of industry guidelines	• As needed
			• Announcement of public comments through industry associations	• As needed
			• Joint research & development of government or industry association	• As needed
			• Proposals aimed at the resolution of social issues	• As needed
NGOs & NPOs	We are conducting dialogues with NGOs & NPOs who are actively aiming for a sustainable society, for the resolution of social issues and environmental conservation.	<ul style="list-style-type: none"> • Dialogue, collaboration and support aimed at the resolution of social and environmental issues 	• Obtain views on the Sustainability Report	• As needed
			• Participate in stakeholder dialogue	• As needed
			• Administration committee of Public Trust Fujifilm Green Fund	• As needed
			• Review meetings on various CSR issues	• As needed
			• Afflicted area support activities with NPO	• As needed

1.2.8 Member Organizations/Third-Party Initiatives

In order to respond to the increasing level of global CSR demands and operate our businesses in an appropriate manner, we participate in various initiatives to keep ourselves up to date with global trends.

[Industry Organization]

Japan Business Federation (Keidanren)

Japan Association of Corporate Executives (DOYUKAI)

Japan Chemical Industry Association

Japan Electronics and Information Technology Industries Association (JEITA)

Joint Article Management Promotion Consortium (JAMP) — chemSHERPA by JAMP

[Environment]

SBT Initiative (Science Based Targets Initiative)

RE100

TCFD Consortium (Task Force On Climate-Related Financial Disclosures Consortium)

Japan Climate Leaders' Partnership (Japan-CLP)

Japan Climate Initiative (JCI)

[ESG]

UN Global Compact

2.1 Corporate Governance

2.1.1 Basic Approach

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

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

Corporate Governance Guidelines

https://asset.fujifilm.com/holdings/files/2020-06/0a34c0bd6edc052b798655ba12838d90/about_governance_ff_governance_guideline_en.pdf

Report on Corporate Governance (Tokyo Stock Exchange)

https://asset.fujifilm.com/holdings/files/2020-06/b2ad6c1ec376694c5918beb5d9ff5dde/about_governance_ff_ab_2020_001.pdf (in Japanese only)

Our Basic Policy on Internal Control Systems

https://www.fujifilmholdings.com/en/about/governance/internal_control/index.html

Articles of Incorporation

https://www.fujifilm.com/files-holdings/ja/about/governance/about_governance_ff_irnews_20150626_001j.pdf (in Japanese only)

Yuka Shoken Hokokusho (Securities Report) 2021

https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/0110/teaserItems1/0/linkList/04/link/ff_sr_20213q4_allj.pdf_allj.pdf (in Japanese only)

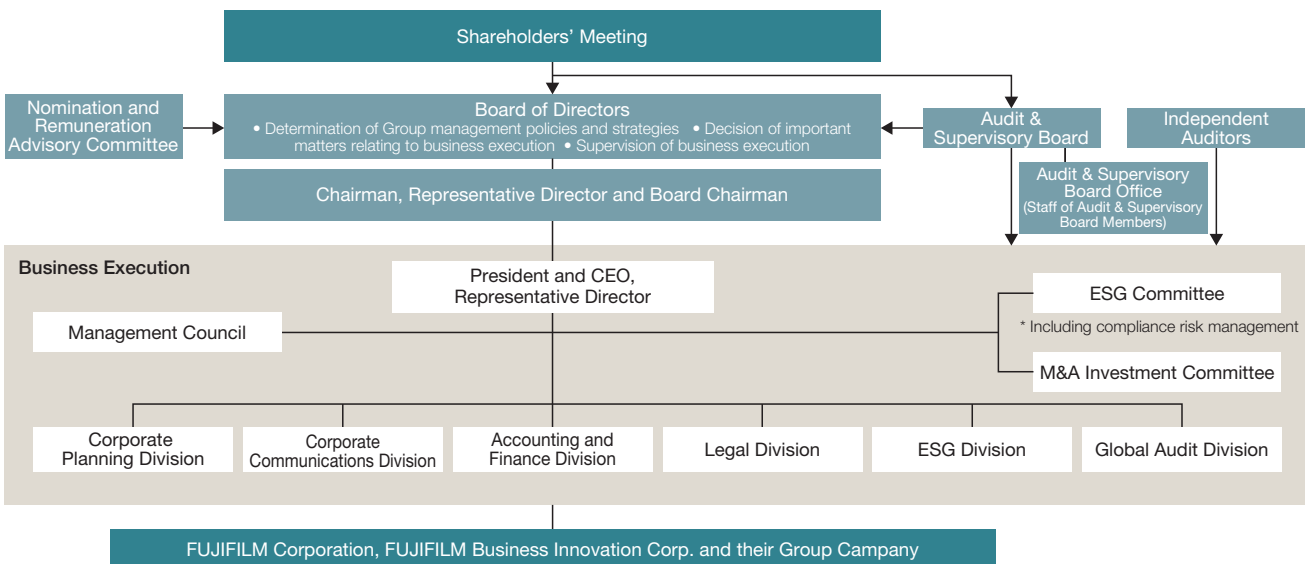
Integrated Report 2020

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

* Please refer to 2.1.8 Tax Policy in this report for the Fujifilm Group Tax Policy.

2.1.2 Corporate Governance and Governing Structure

Corporate Governance and Governing Structure



Structure of the Board of Directors: 4 independent outside directors, 7 inside directors (1 female director)

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

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

Auditing structure

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

As of end of June 2021, the Audit & Supervisory Board consists of 4 members, of which 2 (50%) are outside auditors. One of the 2 current outside auditors is a certified public accountant with extensive experience and knowledge of global business management and specialized knowledge of accounting and financial affairs. The other outside auditor is a qualified lawyer with a career as a public prosecutor and extensive experience in law, as well as knowledge of and experience in the field of compliance. Each auditor attends the Board of Directors meetings and the full-time auditors always attend the management meetings and engage in regular exchanges of views with the representative director. They also receive regular audit reports from the internal audit division and independent audit corporation. Overview of the business year is reported to the Audit & Supervisory Board.

The internal auditing departments consist of the Global Auditing Division currently made up of 87 members who are independent of our business execution divisions, and is responsible for evaluating and inspecting the appropriateness of business operations across the entire Group.

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

2.1.3 Independence of Outside Directors

There are 11 directors as of the end of June 2021, 4 of which are independent outside directors (36% of the board). Outside Directors observe the Board of Directors' decision making and its processes objectively to judge and discuss their rationality from a perspective of increasing corporate value considering the benefit of stakeholders including minority shareholders. They are playing role of contribution to ensure validity and appropriateness of Board decision making.

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

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

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

2.1.4 Diversity among Directors

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

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

Expected Expertise and Experience for Directors and Auditors

As end of June 2021

		Name		Global management	Experience of priority business and industry	Innovation/Technology/DX	Finance/Accounting	Legal/Risk management	ESG (Environment/Social/Governance)
Directors	1	Kenji Sukeno		○	○		○		○
	2	Teiichi Goto		○	○	○			○
	3	Kouichi Tamai		○	○	○			○
	4	Takashi Iwasaki		○	○	○			
	5	Takatoshi Ishikawa		○	○	○			
	6	Junji Okada		○	○		○		
	7	Masayuki Higuchi		○	○		○	○	
	8	Tatsuo Kawada	Outside	○	○	○			○
	9	Kunitaro Kitamura	Outside	○			○		○
	10	Makiko Eda	Outside	○	○				○
	11	Takashi Shimada	Outside	○				○	○
Auditors	1	Nobuo Hanada					○	○	
	2	Motoko Kawasaki						○	○
	3	Masataka Mitsuhashi	Outside	○			○		○
	4	Tatsuya Inagawa	Outside					○	

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

2.1.5 Effectiveness of Directors and Auditors

Attendance Status for the Board and Audit & Supervisory Board Meeting (between April 1, 2020 and March 31, 2021)

	Name		Board meeting (No. held: 12)			Audit & Supervisory Board meeting (No. held: 14)		
			Attendance	Held	Rate	Attendance	Held	Rate
Directors	Shigetaka Komori	Chair	12	12	100%			
	Kenji Sukeno		12	12	100%			
	Kouichi Tamai		12	12	100%			
	Junji Okada		12	12	100%			
	Takashi Iwasaki		12	12	100%			
	Teiichi Goto		12	12	100%			
	Takatoshi Ishikawa		12	12	100%			
	Tatsuo Kawada	Outside	12	12	100%			
	Kunitaro Kitamura	Outside	12	12	100%			
	Makiko Eda	Outside	12	12	100%			
	Makoto Kaiami	Outside	3	3	100%			
	Takashi Shimada	Outside	9	9	100%			
Auditors	Kazuya Mishima		12	12	100%	14	14	100%
	Nobuo Hanada		9	9	100%	11	11	100%
	Masataka Mitsuhashi	Outside	12	12	100%	14	14	100%
	Tatsuya Inagawa	Outside	9	9	100%	11	11	100%
	Naohiko Sugita		3	3	100%	3	3	100%
	Shiro Uchida	Outside	3	3	100%	3	3	100%

* Term of office of a director: one year / Term of office of an auditor: four years maximum

* The average number of years in office for a director is 6.1 years.

* Takashi Shimada was appointed a director on June 26, 2020, Nobuo Hanada and Tatsuya Inagawa were appointed auditors on June 26, 2020. Makoto Kaiami was retired from a director on June 26, 2020, and Naohiko Sugita and Shiro Uchida were retired from auditors on June 26, 2020.

2.1.6 The Evaluation of the Effectiveness of the Board of Directors

In October 2015, we formulated and published the FUJIFILM Holdings Corporation Corporate Governance Guidelines (“Guidelines”) considering the appropriate implementation of the corporate governance fundamental as the basis upon which FUJIFILM group can achieve the sustainable growth and the increase of the corporate value of FUJIFILM group companies, and the contribution to the sustainable development of society. We revised the Guidelines considering the revision of Corporate Governance of Japan Exchange Group and our implementation of countermeasures to enhance corporate governance afterwards.

The Guidelines stipulate the roles and duties of the Board of Directors (“BoD”), as follows: (i) to decide on basic management policies, strategies and important matters related to business execution; (ii) to supervise the business execution. In accordance with the Guidelines, the BoD conducts a self-evaluation of the effectiveness of itself on an annual basis, and publishes a summary of its outcome. For the purpose of securing transparency and objectivity, a part of the questionnaire making and the evaluation analysis has been consigned to a third party agency on a regular basis since the one published in April 2020.

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

1. Method of the evaluation

Evaluated Board Meetings:	All of 11 Board Meetings held in the fiscal 2020
Evaluators:	All of 11 Directors and 4 Audit and Supervisory Board members, who were in office as of the end of December 2020
Survey Execution Period:	January through March, 2021
Outline:	Evaluation point

- The improvement status from last year (added as new point from this time)
- The decision of management basic policies, management strategies and the deliberation of propositions about the decision and supervision of the important business execution
- The composition, the deliberation and the administration of the BoD

Outline: Evaluation method :

- After answering questionnaire, individual interviews are carried out based on the result of the questionnaire and reported to the BoD for discussion.

2. Results of the evaluation and analysis

- The BoD appropriately performed its roles and duties as stipulated in our Guidelines with regard to efficient deliberation and decision-making, and supervision of the business execution for factors and perspectives that the board members place importance to in the strategic decision and the supervision that the important matters related business execution;
- The BoD maintains an appropriate composition, and its administration is managed well. We have implemented measures to improve the quality of the deliberation by the BoD by setting separate opportunities to make sufficient explanation to the board members with regard to businesses and propositions.
- In the session related to bio-CDMO business which was implemented towards the Outside Directors and Outside Audit & Supervisory Board members in this fiscal year, we have reported and shared information including the PMI of the Danish base which was acquired in the previous fiscal year and has lead to deepen the understanding of the Outside Directors and Outside Audit & Supervisory Board members and has helped to stimulate discussions of the BoD.

3. Measures for enhancement of effectiveness

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

- We will furthermore increase opportunities for the BoD to be reported and discuss on medium- and long-term management issues and SDGs initiatives.
- We will institutionalize reporting to the BoD on PMI of important M&A and the investment effect of capital investment resolved by the BoD.
- To stimulate discussion and to enhance the quality of the deliberation of the BoD, we will increase the provision of information on the process of the internal discussion.
- By utilizing web conference, etc., we will enable Outside Directors and Outside Audit & Supervisory Board members to visit workplaces that could not have been carried out during the fiscal 2020 due to COVID-19 calamity, and will deepen their understanding of our management and company business by providing them with on-site information.

2.1.7 Executive Remuneration

1. Remuneration decision process

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

2. Remuneration structure linked to business performance

- Remuneration for directors consists of a fixed remuneration decided by their position and responsibilities and a performance-based remuneration that depends on their business performance. Performance-based remuneration comprises a short-term performance-based remuneration that is associated with their performance and target achievements in a single business year, and a stock option that is a medium- and long-term performance-based remuneration.
- Remuneration for outside directors and auditors consists of a fixed remuneration only, due to the nature of their role and to

maintain their independency.

- The total amount of remuneration for directors who also serve as employees is determined according to the position.
- It includes employee salaries, employee bonuses and the amount of stock option costs.
- As a guide, the ratio in the total amount is as follows;
- 50% (fixed compensation), 15% (short-term performance-linked compensation), and 35% (giving stock options). They are therefore subject to vary depending on our evaluation of their business performance and changes in our stock value. The evaluation is carried out by adding ESG initiatives, which are important for improving the corporate value and sustainable growth of the company, to the indicators.
- For short-term performance-based remuneration, “consolidated sales” and “consolidated operating profit,” which are the numerical targets for the Company’s short-term business management, are selected as performance-based indicators in a single fiscal year, and the amount of short-term performance-based remuneration is changed between 0% and 150% of the standard value based on the achievement level of the indicators and the comparison with the previous fiscal year’s result.
- Stock options are granted to directors (excluding outside directors) as middle- and long-term performance-based remuneration for the purpose of encouraging directors to share the interests of stock price fluctuations with our shareholders and to contribute to improvement of corporate value. The stock option plan is an incentive for management to improve the corporate value, and the amount of shares granted as stock options is determined by the Board of Directors according to rules in consideration of the position, responsibility, authority etc. of each director.

3. Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee is to be established as an advisory organization to the Board of Directors and is to consist of 3 members, two outside directors appointed by a resolution of the Board and one inside director, with one outside director appointed as chairperson.

The Committee normally convenes more than once a year to deliberate on CEO succession plan and the basic policies and procedures for director remuneration and reports its deliberations to the Board of Directors.

The principal activities of the Committee during the current fiscal year are as follows.

- Confirmation of criteria for CEO appointment
- Deliberations on the term of office for the current CEO and the latest list of potential successors
- Report on the evaluation of executive bonuses for the previous fiscal year
- Deliberations on executive remuneration (evaluation and monetary value) for the current fiscal year (including decision-making policy on remuneration and other matters for each director)

Remuneration for Each Director (FY2020)

Name	Category	Company	Basic remuneration (million yen)	Short-term based remuneration (Bonus) (million yen)	Stock option (million yen)	Total (million yen)
Shigetaka Komori	Directors	FUJIFILM Holdings Corporation	109	20	157	286
	Directors	FUJIFILM Corporation	61	20	31	113
	Directors	FUJIFILM Business Innovation Corp.	52	12	—	64
	Total					465
Kenji Sukeno	Directors	FUJIFILM Holdings Corporation	101	13	78	193
	Directors	FUJIFILM Corporation	45	13	15	74
	Directors	FUJIFILM Business Innovation Corp.	9	1	—	10
	Total					279
Teiichi Goto	Directors	FUJIFILM Holdings Corporation	15	—	11	27
	Directors	FUJIFILM Corporation	46	10	11	69
	Total					96
Kouichi Tamai	Directors	FUJIFILM Holdings Corporation	29	2	31	63
	Directors	FUJIFILM Business Innovation Corp.	82	28	—	110
	Total					173
Takashi Iwasaki	Directors	FUJIFILM Holdings Corporation	34	6	11	52
	Directors	FUJIFILM Corporation	32	6	21	60
	Total					112
Takatoshi Ishikawa	Directors	FUJIFILM Holdings Corporation	15	—	11	27
	Directors	FUJIFILM Corporation	55	14	21	91
	Total					118
Junji Okada	Directors	FUJIFILM Holdings Corporation	16	—	11	28
	Directors	FUJIFILM Corporation	36	10	11	58
	Directors	FUJIFILM Toyama Chemical Co., Ltd.	5	—	—	5
	Total					91

For further details, please refer to the *Yuka Shoken Hokokusho (Securities Report) 2021*.

https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/0110/teaserItems/0/linkList/03/link/ff_sr_20213q4_allj.pdf (in Japanese only)

The Number and Amount of Remuneration Paid to Executive Officers (FY2020)

Category	Number	Basic remuneration (million yen)	Short-term based remuneration (Bonus) (million yen)	Stock option (million yen)	Total (million yen)
Directors (excluding outside directors)	7	322 (225)	42 (—)	313 (313)	678 (539)
Auditors (excluding outside auditors)	3	42 (42)	—	—	42 (42)
Outside Executive Officer	8	61 (61)	—	—	61 (61)
Total	18	425 (329)	42 (—)	313 (313)	782 (642)

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

* The remuneration for executive officers is written in ().

For further details, please refer to the *Yuka Shoken Hokokusho (Securities Report) 2021*.

https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/0110/teaserItems/0/linkList/04/link/ff_sr_20213q4_allj.pdf (in Japanese only)

2.1.8 Tax Policy

Fujifilm Group Tax Policy

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

Control of tax matters

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

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

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

Yuka Shoken Hokokusho (Securities Report) 2021

https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/0110/teaserItems1/0/linkList/04/link/ff_sr_20213q4_allj.pdf (in Japanese only)

2.2 Compliance and Risk Management

2.2.1 Basic Approach

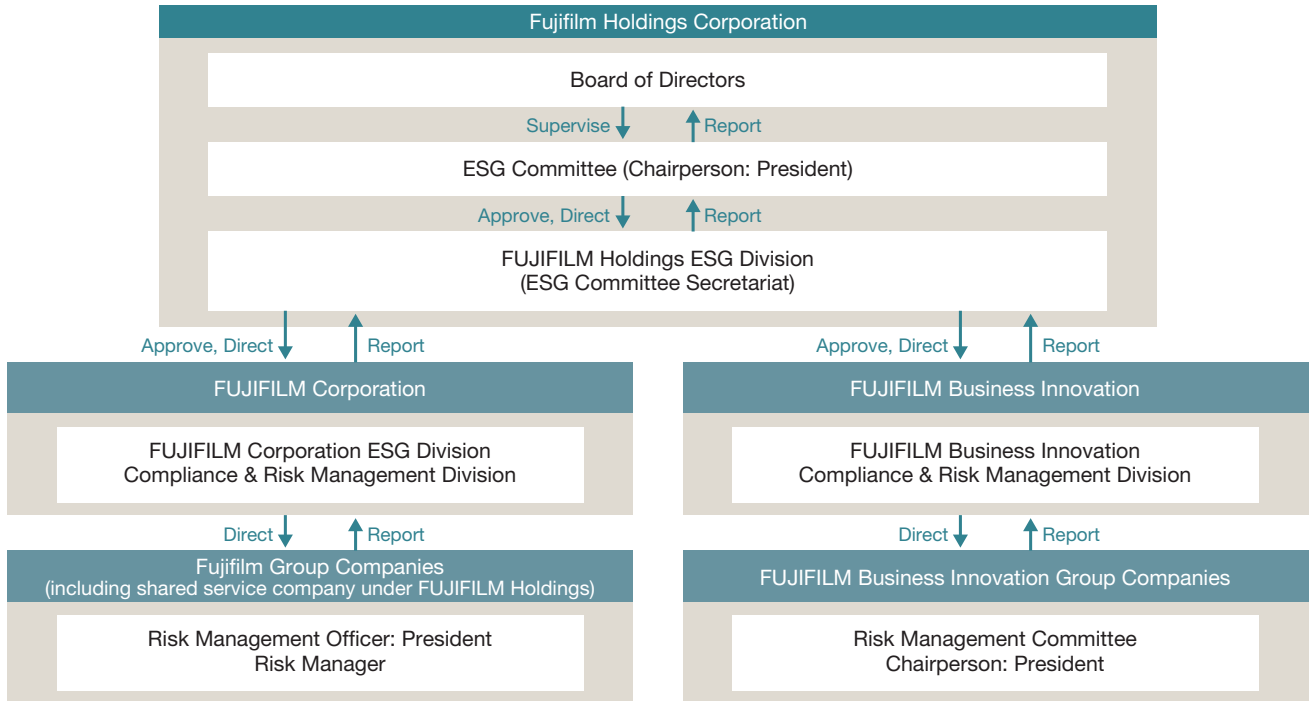
The Fujifilm Group defines “compliance” as “not only to pursue the law but to behave correctly within the framework of common sense and ethics.” Moreover, we think the compliance and the risk are two sides of the coin, as the lack of compliance awareness among employees would lead to grow the possible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

2.2.2 History of the Measures Implemented for Compliance and Risk Management

<p>1995-2005</p>	<p>Establishment and reinforcement of foundation at each company</p> <ul style="list-style-type: none"> • Formulation of a Code of Conduct for employees • Establishment of responsible organization (committee) • Opening of a helpline and whistle-blowing office • Start raising employees' Awareness, education, and monitoring through awareness surveys and briefings sessions
<p>2006-2008</p>	<p>Establishment and reinforcement of foundation for the entire Fujifilm Group</p> <ul style="list-style-type: none"> • Establishment of FUJIFILM Holdings CSR Committee • Revision of Group's Corporate Philosophy and Charter for Corporate Behavior , and formulation of Vision and code of Conduct and raising awareness • Expansion of initiative to Group companies outside of Japan
<p>2009-2013</p>	<p>Addressing new priority issues</p> <ul style="list-style-type: none"> • Introduction of anti-corruption regulations • Review of Group-wide risk issues related to natural disasters, such as large earthquake or possible eruption of Mt. Fuji • Establishment of a system to ensure no relations with anti-social forces • Introduction of information security regulations and guidelines etc.
<p>2014-2016</p>	<p>Further activity promotion toward Sustainable Value Plan 2016 targets</p> <ul style="list-style-type: none"> • Review and clarification of major risks for the Fujifilm Group • Strengthening measures to raise awareness on existing rules and regulations etc.
<p>2017-2019</p>	<p>Strengthening Corporate Governance as the Fujifilm Group</p> <ul style="list-style-type: none"> • Compliance education for all Employees and distribution of CEO message concerning the inappropriate accounting issue • Establishment of whistle-blowing system to report directly to FUJIFILM Holdings • Revision of the Charter for Corporate Behavior and the Code of Conduct • Establishment of FUJIFILM Holdings ESG Committee reorganized from CSR committee
<p>2020</p>	<p>Strengthening compliance and risk management organizations and reinforcement of activities</p> <ul style="list-style-type: none"> • Consolidation and reorganization of compliance and risk management organizations at FUJIFILM Corporation and FUJIFILM Business Innovation Corp. under Fujifilm Holdings Corporation • Consolidation and integration of various policies and domestic whistleblowing systems of the two corporations • Establishment of Fujifilm Group Global Healthcare Code of Conduct

2.2.3 Compliance and Risk Management Promotion Structure

Fujifilm Group Compliance and Risk Management System



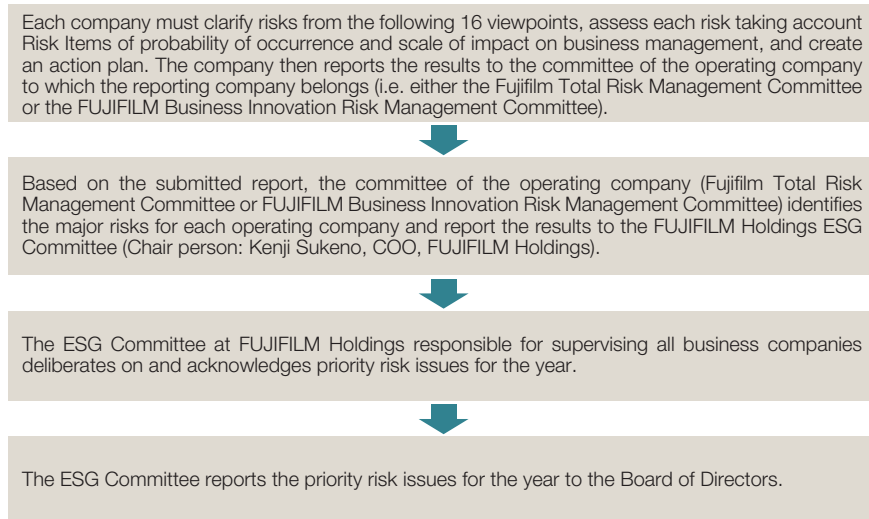
The Fujifilm Group appoints officers in charge of compliance and risk management at each of its business corporations and group companies, and implements a variety of measures to penetrate the spirit of an “open, fair and clear” corporate culture throughout the Group. Status on implementation of these measures is reported regularly from each organization to the ESG Committee of FUJIFILM Holdings, and from the ESG committee to the Board of Directors. The Board of Directors is responsible for supervising compliance and risk management for the entire Group. The Board also provides direction and advice on the report from the ESG Committee to assure the effectiveness of the processes.

2.2.4 Risk Management

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

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

Risk Extraction and Process for Establishing an Action Plan



Risk items
(1) Impact of economic changes and foreign exchange fluctuations on business performance
(2) Environmental changes and competition in each business field
(3) Manufacturing activities
(4) Product quality & product liability
(5) Logistics
(6) Patents and other intellectual property rights
(7) M&A, business partnerships, etc.
(8) Human resources recruitment
(9) Internal control (including prevention of fraud and misconduct)
(10) Information systems (including information security and privacy protection)
(11) Public regulations
(12) Environmental regulations
(13) Climate change
(14) Large-scale disasters
(15) Assurance of transparency in business
(16) Maintenance and improvement of working conditions for employees

Priority risks in FY2020

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

Risk item	Reason for selection	Countermeasures
Information security	Rise in security risks for confidential data for growing areas such as regenerative medicine and an increase in services handling customer data	<ul style="list-style-type: none"> •Improvements to internal rules and risk management systems •Comprehensive implementation of a range of compliance, information security and risk management training
Personal information protection	Importance of exhaustive protection against data leaks, which can lead to significant loss of credibility, because of the large number of businesses handling massive volumes of personal data	
Natural disasters & infectious diseases	<ul style="list-style-type: none"> •Spread of COVID-19 •Water-related damage from typhoons and rainstorms 	
Compliance of healthcare business (Securing ethics and transparency)	In the healthcare business, higher ethical conduct and transparency are requested by the regulatory authorities in each country. Meeting social requirements as well as compliance with laws and regulations are necessary.	
Fraud and misconduct	Although incidents are on the decline, stronger governance and continuous training are necessary.	
Harassment	Impact of a power harassment occurrence is growing as the Power Harassment Prevention Act (as commonly called) took effect on June 1, 2020, attracting great social interest.	

Response to crisis

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

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

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

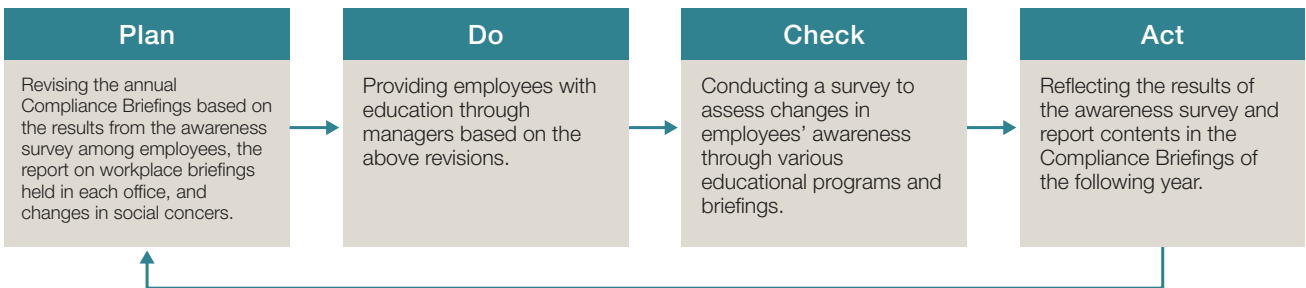
In the event of a serious incident, reports to the ESG Committee do not only include a summary of the incident, but also detailed information. We monitor the effectiveness of risk management in the Group through such information reports from the ESG Division to the Directors and Auditors in every quarter.

Status for FY2020

In fiscal 2020, no significant crisis cases including legal violations and fines in social economic areas that should be announced outside the company were confirmed.

2.2.5 Efforts to Promote Compliance

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



1. Charter for Corporate Behavior and Code of Conduct

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

The employees who violate the Code of Conduct possibly become subject to disciplinary measures depending on the content of the violation.

In April 2019, revisions were made from more global perspectives, in response to changes in ways of thinking on corporate social responsibility in recent years. To ensure that our employees have an accurate understanding of the revision, the Charter and the Code of Conduct were translated into 23 languages and launched in 24 languages through the entire Group.

Fujifilm Group Charter for Corporate Behavior
<https://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html>

Fujifilm Group Code of Conduct
<https://holdings.fujifilm.com/en/about/philosophy/law>

Fujifilm Group Charter for Corporate Behavior and Code of Conduct in 24 Languages
<https://holdings.fujifilm.com/en/about/philosophy#24languages>

In the healthcare business, we recognize that higher ethical conduct and transparency and fair business activities are requested by society and the regulatory authorities in each country. In accordance with this situation, in July 2020 we established the Fujifilm Group Global Healthcare Code of Conduct that must be adhered to in promoting proper business activities.

Fujifilm Group Global Healthcare Code of Conduct
<https://holdings.fujifilm.com/en/about/philosophy/global-healthcare>

2. Compliance training

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

Additionally, workplace discussions are held on a regular basis for employees in each workplace to discuss specific and familiar compliance and risk issues such as prevention of harassment and misconduct and make them think as their own issues.

Training is also conducted for specific job levels and functions to ensure that the necessary information is disseminated to the right persons at the right timing. M&A cases are increasing in the Fujifilm Group in recent years, requiring training at newly acquired subsidiaries. Due diligence is conducted on compliance, followed by prompt introduction and training in the Group’s Code of Conduct immediately after acquisition for penetration and understanding of the Group’s corporate philosophy.

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

3. Compliance awareness survey

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

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

4. Whistle-blowing and consultation system

The Fujifilm Group has two separate whistle-blowing systems. One is to report directly to FUJIFILM Holdings from all Fujifilm Group employees across the world (available in 23 languages including Japanese and English), and the other enables employees to report to the system in each regional headquarter.

Employees are able to report violations of laws or the Code of Conduct, as well as suspicion of such acts, and to consult on compliance-related issues.

Reports and inquiries are being handled swiftly and properly at each system for prompt resolution of problems. If a probable violation of the Code of Conduct is identified, the compliance division investigates the issue. If a violation is confirmed, corrective actions are taken properly to prevent for further occurrence.

Anonymous reporting is possible under each whistleblowing system. Investigations are conducted with confidentiality and protection for the whistleblower, to prevent the retaliation as a result of their report. We promote the systems among all employees through posters and the intranet to ensure that they can make contact whenever necessary.

For external stakeholders, we provide “Contact regarding Sustainability” form on our official website to listen to the feedbacks on our sustainability activities including those related to human rights from the public at large, either anonymous or named. All complaints and suggestions are examined and handled appropriately after investigating the facts.

2.2.6 Achievements

1. Compliance training

- Training and declaration of compliance for the Charter for Corporate Behavior and the Code of Conduct was conducted for approximately 84,000 employees globally and 99% of the employees completed by the end of March, 2021.
- Training on the Fujifilm Group Global Healthcare Code of Conduct established in July 2020 has been implemented for employees working in the Healthcare business both in Japan and other countries.
- Training on compliance and risk management has been conducted for newly joined employees, new managers and new executive officers in their respective positions.
- In October 2020, employees appointed to overseas positions received risk management training including case studies to prevent illegal fraud and conduct at their respective business locations.
- With an introduction of the new internal system in November 2020, exhaustive training was conducted on the correct purchasing procedure and payment processing.
- An e-learning training was conducted in December 2020 to ensure implementation of the information security rules.

2. Compliance awareness survey

- An anonymous compliance awareness survey was conducted globally in the October-December 2020 period for all the employees of the Fujifilm Group in Japan and other countries and the response rate was roughly 98%. Favorable results were confirmed, with more than 80% of employees understanding compliance and reporting its dissemination in their workplaces. The survey results were shared to both executive officers and employees, to improve compliance awareness and practice.

3. Whistle-blowing and consultation reports

- Number of whistle-blowing reports and consultations in fiscal 2020: 270 (225 in Japan and 45 in overseas)
Among the whistle-blowing reports and consultations received, issues related to human relationships, personnel and labor affairs and harassment accounted for 60% of the total, in which each case was handled each case appropriately. There have been no incidents that could lead to a serious situation for the Group.
- In fiscal 2020, we did not experience any critical violation of Code of Conduct that we needed to make public.

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

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

1. Efforts to prevent corruption (bribery)

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

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

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

Status for FY2020

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

2. Preventing anti-competitive practices

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

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

Status for FY2020

• Anti-trust Laws:

Self audits were carried out at each Group company worldwide and no serious violations were found. Since 2008, we have not been subject to any penalties concerning antitrust/anti-competitive practice, nor are there any ongoing antitrust lawsuits.

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

Internal inspections were carried out based on the written survey conducted by the regulatory authorities and no serious violations were found. The Fujifilm Group confirmed there have been no serious cases pointed out by administrative authorities concerning the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors.

3. Export and import control

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

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

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

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

Status for FY2020

We carried out written audits and on-site audits in fiscal 2020 and did not find any serious violations.

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

Global Security Trade Control Policy

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

2.2.8 Information Security

1. The environment surrounding information security and the importance of the risks

The environment surrounding information security is changing rapidly. Security risks are broadening, with advanced targeted cyberattacks requiring reinforcement of personal data protection in various countries and assurance of information security not only for a single company but for the entire supply chain. Recently, the value of the damage caused by cyberattacks is increasing rapidly both in Japan and other countries and is expected to grow in the future. The Fujifilm Group also faces growing opportunities for handling vital customer data in areas such as medical systems and IT solutions and services and recognizes that information security risks are a major management issue. The Group is committed to assuring safety and security for its customers and society through information security measures for its products and services.

2. Development of an information security management system

(1) Information Security Policy

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

Information Security Policy

The Fujifilm Group establishes the Information Security Policy towards the maintenance and improvement of Information Security as one of critical issues in business activities in order to continue to be a reliable corporation under our open, fair and clear corporate culture, and to fulfill our social responsibility.

1. Preparation and observance of information security rules

We prepare documents such as regulations and guidelines and ensure that they are fully complied with to follow this Policy, as well as to comply with all applicable laws, and regulations enforced in the regions in which we conduct business.

2. Establishment of information security management organization

We clearly define the organization structure and responsibilities to implement information security measures appropriately and reliably. Under our information security management organization, we, as a member of society, appropriately provide information and actively collect information from external information security organizations.

3. Information security education

We endeavor to raise awareness through enlightenment, education and training to implement information security measures appropriately and reliably.

4. Continuous improvement of information security measures

We review various measures as necessary for continuous improvement based on risk assessments to respond to changes in legal or regulatory requirements and new information security risks such as cyberattacks. We also maintain and improve supply chain security of business partners and other parties.

5. Maintenance and protection of information assets

We protect critical information including customer information, information of business partners, and company technical information from threats of leak, falsification, and loss by observing our code of conduct. We endeavor to ensure information security of our products and services to protect customer information. In case of a security incident, we will minimize the impact by a prompt initial response such as the prevention of damage propagation, and taking recurrence prevention measures.

6. Compliance with laws and regulations

We comply with information-security-related laws and regulations enforced in the regions in which we conduct business, as well as contracts with customers and business partners.

Adopted May 2013. Revised April 2021

(2) Information security risk management system

The Fujifilm Group has implemented information security governance for the entire group, with information security management organization set up under the chief information security officer (CISO), who is the director in charge of the ESG Division. Regarding groupwide information security strategies, decision-making on such issues is conducted by the ESG Committee, headed by the president of Fujifilm Holdings. Issues in this area are reported on a regular basis from the ESG Committee to the Board of Directors, who are responsible for supervision of compliance and risk management for the entire Group.

Measures adopted by the information security management organization are implemented in each organization under the initiative of the information security manager.

(3) Cybersecurity response system

The Fujifilm Group offers its products and services not only in Japan but also in various countries around the world and recognizes responding to cyberattacks as an important management issue requiring global action. For this purpose, the Group has formed FUJIFILM CERT, the Group's computer security incident response team (CSIRT) dealing with cyberattacks, to assure the safety of its products and services for customers and to maintain stability and business continuity.

FUJIFILM CERT coordinates and integrates the following four functions:

- Response to cyber-incidents related to the business IT platform, such as malware infection of employees' terminals
- Improvements in security quality from design and development of products and services to their administration or management
- Implementation of security measures to assure stable operation of its production infrastructure
- Protection against cyberattacks of our online services for customers

(4) Employee training

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

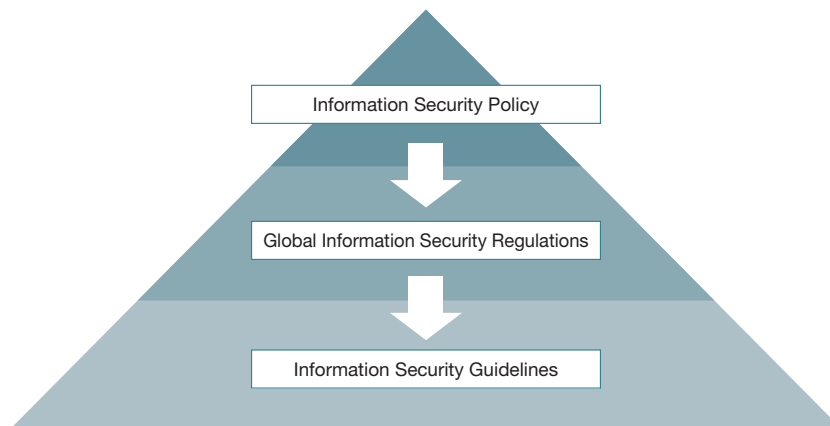
Additionally, we conduct training on cyberattacks, including sophisticated persistent threats, by actually sending emails posing as phishing emails to employees. This suspicious email handling training, aimed at increasing sensitivity to security through the experience of receiving such emails, has been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

3. Identifying information security risks and countermeasures

(1) Establishing an information security management system

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

Structure of Information Security Rules at Fujifilm Group



(2) Information security PDCA cycle and other measures

The Fujifilm Group is involved in various information security activities following the PDCA process, which is compliant with ISO/IEC 27001. Based on the risk assessment and action plan developed each year, activities are planned in the areas shown below, with each organization acting under the leadership of the information security manager.

① Improved security quality of products

The Fujifilm Group has implemented a design and development process for better security quality throughout the product lifecycle from product planning, design and development to maintenance and operation. Specifically, we are implementing threat analysis, secure coding, response to supply chain vulnerabilities and regular vulnerability inspections before and after product release in the processes upstream of design and development, based on a policy of “security by design.”

② Response to vulnerabilities

The Fujifilm Group collects vulnerability data from JPCERT/CC and other external organizations and releases information as needed to relevant organizations in the Group. If there is information on a vulnerability that will have a significant impact, we hold a vulnerability response meeting for each vulnerability theme to decide on the response policy and solution.

If a vulnerability in one of our products is reported from an outside whistleblower, we disclose the vulnerability information and provide security patches, in accordance with the Information Security Early Warning Partnership Guideline and in coordination with IPA and JPCERT/CC.

③ Response to internal frauds

The Fujifilm Group imposes strict restrictions on employees taking company information outside of the company, whether by online or offline methods. Especially, we are monitoring all online transfers of company information to individual email addresses or external cloud services. If any suspicious conduct is detected, we investigate the evidence where necessary.

④ Cyber-training

To ensure a versatile and appropriate response in the event of an incident stemming from a cyberattack, the Fujifilm Group participates in joint annual cyber drills with NISC organized by the Nippon CSIRT Association. Cyber drills are also organized independently by FUJIFILM CERT to confirm response procedures and upgrade response skills.

4. Development of an emergency response system to address incidents

The Fujifilm Group has a report reception office to consolidate the receipt of incident reports, including information security incidents and cyberattacks. In the event of an incident, information is collected promptly in the groupwide security management division and measures are implemented to minimize the damage.

* From fiscal 2016 to 2020, no serious information security incidents were identified by any third parties or administrative authorities or assessed as requiring public disclosure.



*Urgent and important incidents are reported to the President and CISO immediately.

Regarding our system failure resulting from a cyber-attack on the Group

On the night of June 1, 2021, we confirmed unauthorized external access to the server used by our subsidiary FUJIFILM Corporation, and we shut down all the servers, computers and the network that could be affected by the attack on June 2. From June 4, we started to put the servers and computers that were confirmed to be safe back into operation, and resumed communications on the blocked network in steps.

By June 8, we had restored all the contact points for product and service inquiries, and by June 14 had restored normal operations, including receiving orders for our products.

This incident was investigated by the Total Risk Management Committee chaired by the President of FUJIFILM Corporation and a special task force that included external experts. Our investigation, which was completed before full restoration of services, showed no evidence of any information leakage from the server. We have already implemented countermeasures for this unauthorized access. We will continue to monitor and strengthen the information security of the entire Group.

5. Measures for supply chain security

The Fujifilm Group’s activities are organized acknowledging that the scope of management is not limited to its own companies but also the entire supply chain including business partners.

For further details, please read *Information Security in cooperation with partner companies* on page 14 of the *Information Security Report*.

Information Security Report

https://www.fujifilm.com/files-holdings/en/sustainability/activity/governance/security/en_i_security2020.pdf

6. Closer communication with stakeholders and other relevant parties

To report on Fujifilm's activities on information security and to win stakeholders' trust for its business operations, the Fujifilm Group publishes an Information Security Report.

FUJIFILM CERT is a member of the Forum of Incident Response and Security Teams (FIRST), the international CSIRT community, and also of the Nippon CSIRT Association, the CSIRT community in Japan (as an administrative member). This contributes to greater security and safety in cyberspace through information exchange and coordination with other CSIRTs in Japan and other countries.

2.2.9 Privacy Protection

1. Basic policy

In the Fujifilm Group Code of Conduct, which sets out how employees in Japan and other countries should conduct themselves, we recognize the protection of personal data as an important human rights issue. We require each of our Group companies to establish personal information protection policies and privacy policies that include provisions shared by the entire Group. The entire Group maintains a personal data protection policy based on OECD's eight basic principles on privacy.

These policies are also being implemented at suppliers and contractors of the Fujifilm Group and cover the entire supply chain.

2. Promotion structure

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

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

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

Companies with ISMS certification are involved in personal information protection in combination with ISMS. Companies dealing with sensitive personal information have acquired the Privacy Mark. Both types of companies are making improvements based on the results of regular audits by external audit firms.

3. Employee training

Please refer to *2.2.8 Information Security*.

4. Appropriate handling of personal information

Under the Fujifilm Group Policy on Personal Information Protection and Privacy Policy, the Group has established internal regulations on the handling of personal information (such as personal information management regulations and various guidelines) to implement appropriate safety management measures and protect personal information held by the Group. Updates on its Personal Information Protection Policy and Privacy Policy are disclosed on the Fujifilm website, acquiring the appropriate consent of the person in question where required by law.

Once a year, each business division conducts an inventory of the personal information held by the division, to confirm and correct safety control measures and to perform other procedures, such as the deletion of personal information that is no longer necessary. The inventory status is audited by the ESG Division in each organization. In the work regulations, punitive action is imposed on any employee who takes company information outside of the company without authorization. At the same time, near-miss cases, including those that have occurred in other companies, are shared as a caution and to raise awareness. We take various measures to prevent information taken out of the company to assure protection of personal information.

When a government organization requests disclosure in compliance with the law, we confirm the details of the request and the applicable law in deciding the most appropriate way to protect personal information.

5. Action on global compliance

In face of the rapid development and review of personal information protection laws in various countries, as represented by EU's General Data Protection Regulation, it is important to keep abreast of such developments and assure compliance.

Although our regional headquarters and local subsidiaries are involved in the practical aspect of dealing with these developments, the ESG Division is also examining the development and review of the laws in various countries and confirming the activities of the various regional headquarters and local subsidiaries.

6. Incidents and violations in personal information handling

In fiscal 2020, there were no cases related to personal information handling were pointed out by any third parties or administrative authorities and assessed to require public disclosure.

Acquisition of P-Mark and ISMS at Fujifilm Group

As of February, 2021

Certification	Certified affiliates	
P-Mark*1	FUJIFILM Medical Co., Ltd.	FUJIFILM Techno Service Co., Ltd.
	FUJIFILM Imaging Systems Co., Ltd.	FUJIFILM Imaging Protec Co., Ltd.
	FUJIFILM Media Crest Co., Ltd.	FUJIFILM Business Innovation System Service Co., Ltd.
ISMS*2	FUJIFILM Imaging Systems Co., Ltd.	FUJIFILM Wako Pure Chemical Corporation
	FUJIFILM Imaging Protec Co., Ltd.	FUJIFILM System Service Co., Ltd.
	FUJIFILM Medical Co., Ltd.	FUJIFILM Service Link Co., Ltd.
	FUJIFILM Business Innovation	FUJIFILM Service Creative Co., Ltd.
	FUJIFILM Business Innovation Japan	
	FUJIFILM Manufacturing Co., Ltd.	FUJIFILM Business Innovation overseas manufacturing companies (4 companies)
	FUJIFILM Printing Systems Co., Ltd.	FUJIFILM Business Innovation Asia Pacific Pte Ltd
	FUJIFILM Software Co., Ltd.	FUJIFILM Business Innovation overseas sales companies (13 companies)
	FUJIFILM Recording Media Products Division	

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

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

*3 Fujifilm Holdings *Information Security Report* Page 18:

https://www.fujifilm.com/files-holdings/en/sustainability/activity/governance/security/en_i_security2020.pdf

2.2.10 Preparations for Large Scale Natural Disasters

1. Basic policy

Natural disaster risks are rising and at the same time being aggravated by changes in the global environment, such as rises in sea levels and abnormal meteorological phenomena caused by climate change. In conducting its business activities on a global scale, the Fujifilm Group believes in its social responsibility to maintain a continuous supply of its products and services (business continuity) while at the same time assuring safety and protecting the lives of its employees in various regions. To minimize damage to business in the event of a natural disaster, we actively work to protect against and mitigate damage from natural disasters.

2. Organization in the event of natural disasters

Speed in collecting information is vital to minimize the damage caused by natural disasters. In dealing with such damage, we have created an organization that focuses on information collection.

(1) Emergency Management Team (EMT)

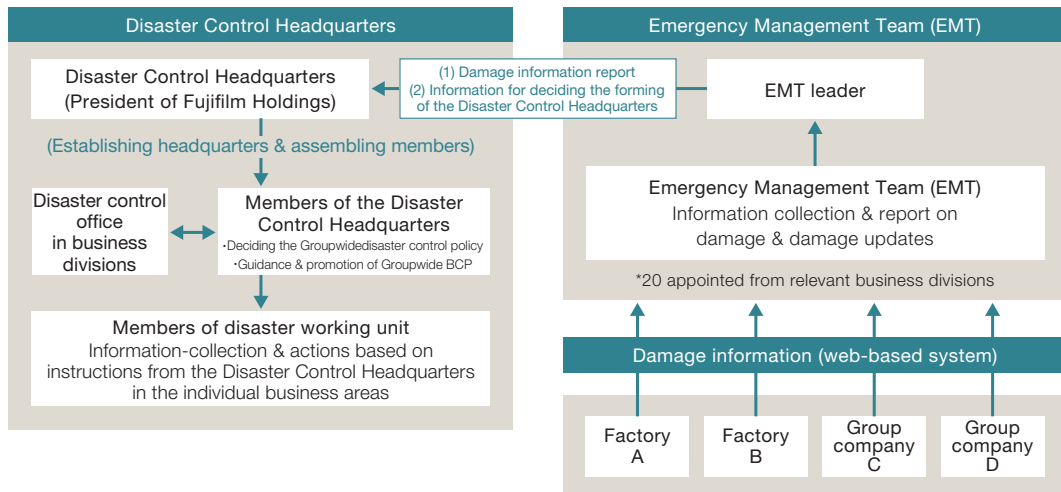
The Emergency Management Team (EMT) is organized by representatives of General Affairs, Human Resources, and other divisions that have the ability to implement countermeasures to natural disasters. The team collects information on disaster damage, as well as damage to the Group, and the EMT leader proposes the formation of a disaster control headquarters. Among the emergency measures at disaster control headquarters, discussions on how to respond are based on the information supplied by the EMT, so it is a vitally important organization.

(2) Disaster control headquarters

In the event of a large-scale natural disaster, the decision on whether to form a disaster control headquarters headed by the Fujifilm Holding President is based on information collected by EMT. If approved, the headquarters is established at head

office. Through members of the disaster control headquarters, the action policy and countermeasures decided at the disaster control headquarters are communicated to the disaster control office in each business division, as well as the members of the disaster working unit appointed by each organization. In this way, the actions and countermeasures are implemented by the unit at each organization.

Disaster Information-Collection Organization



3. Summary of activities

We carry out projections of possible risks (and screening for disaster risks) for each business site in Japan and other countries. The Group is implementing measures, not only on an across-the-board, group-wide scale, but also those that are specific to the potential disaster risks at individual business sites.

(1) Reinforcement of preparatory action

The Fujifilm Group focuses on the following two important points.

① Assessment and greater visibility of disaster risks

Disaster risks for each business site are assessed, followed by preparation of a risk map based on the information.

② Study and preparation of countermeasures to address the assessed disaster risks

- An “action manual” is produced by each production site, specifically for that site, to address each disaster risk made visible on the disaster risk map.
- Regular drills on how to proceed in the event of an emergency are held based on the manual.

To improve the Group’s ability to address a wide-area disaster, the Fujifilm Group is adding and strengthening the measures to be taken when a natural disaster is anticipated. For torrential rain, we use information on rainstorms and river system water levels made available by the national and regional administrative authorities to strengthen preparatory measures in each region. We also use the information to predict changes in river water levels and develop a groupwide system to issue alerts when the warning criteria are reached. Each business site customizes the system to its own particular conditions and employees to give an early warning of a potential disaster and allow countermeasures to be taken.

(2) Information collection on the outbreak of a disaster

To grasp an information such as employee and structural safety rapidly and properly, the Fujifilm Group has introduced various systems to assist in doing this.

① Employee safety check system

The system was introduced in 2009 that collects information and confirms the safety of all employees of the Fujifilm Group in Japan when a special alert is issued.

② Internal damage information collection system

To assess damage to business operations, an internal damage information collection system was introduced in 2014, followed by a disaster information mapping system in 2017. In 2019, the two systems were interlinked to create a scheme for real-time assessment on a digital map, which combines their respective data with information from the damage status reports from the Japan Meteorological Agency and the Ministry of Land, Infrastructure, Transport and Tourism, information on the status of railway operations from the various railway companies, information on electric power and water supply failures and other wide-area disaster data. All the information is shared rapidly among the members at the disaster control headquarters at head office on the outbreak of a disaster.

③ Structural safety assessment system

A structural safety assessment system, which assesses the safety of structures at each business site in the event of a disaster, was introduced in 2017 and has been utilized for a first-round diagnosis of structural damage before allowing employees to return to the facilities.

In addition, an overseas risk management system was introduced in 2019 for business sites in the Americas, Europe, Southeast Asia and other regions to give a swift assessment of disaster damage and risks that are likely to impact business continuity. We use these systems to rapidly assess the risks and their potential impact on a global scale and is able to assist the relevant parties in taking prompt action.

For earthquakes, floods, wind damage and other leading disasters, the probability of occurrence is classified into levels. For business sites located in high-risk regions, action in this area is regarded as a priority issue, requiring development of appropriate measures and annual reviews of the progress made with implementation. We plan to strengthen our disaster protection system and enable wider sharing of the information collection process.

(3) Emergency drills and employee training

In recent years, the risks of potential disasters have grown in Japan, including Nankai megathrust earthquakes, a greater Tokyo earthquake, a Mount Fuji eruption, torrential rainstorms, flash floods and rises in sea level. We conduct drills that are designed to prepare for possible a Nankai Trough earthquake or a greater Tokyo earthquake, as well as an eruption of Mount Fuji. What kind of procedures will lead to the appropriate action, what initial procedure is required to enable other business sites to respond in the event of Tokyo head office being damaged and what is the best decision-making process that management should follow are all being studied.

Our employees are the most important factor for an early recovery when the company sustains damage. To minimize damage from a disaster, each and every employee must increase their understanding of disaster protection and the required preparations. We organized a disaster preparation e-learning program in May 2021 for employees in Japan in response to the frequent occurrence of large-scale natural disasters in Japan in recent years. The e-learning program is designed to assist employees in ensuring they have a basic knowledge of what to do in the event of a natural disaster, the importance of keeping themselves safe and the everyday preparations they can make for a possible disaster. Up to the middle of June, approximately 46,000 employees in Japan had followed the program.

2.3 Innovation Management

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

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

We believe in the fundamental importance of engaging in face-to-face communication with parties outside the company, in addition to building co-creation ties with equal relationship and sharing the same ambitions and goals with our partners, to achieve real innovation that will have a significant impact on society. For this purpose, we created an "Open Innovation Hub" in Japan in 2014 as a center for these activities. As of July 2021, 3 of these centers have been created in regions including the United States and Europe to accelerate collaborative efforts for open innovation.

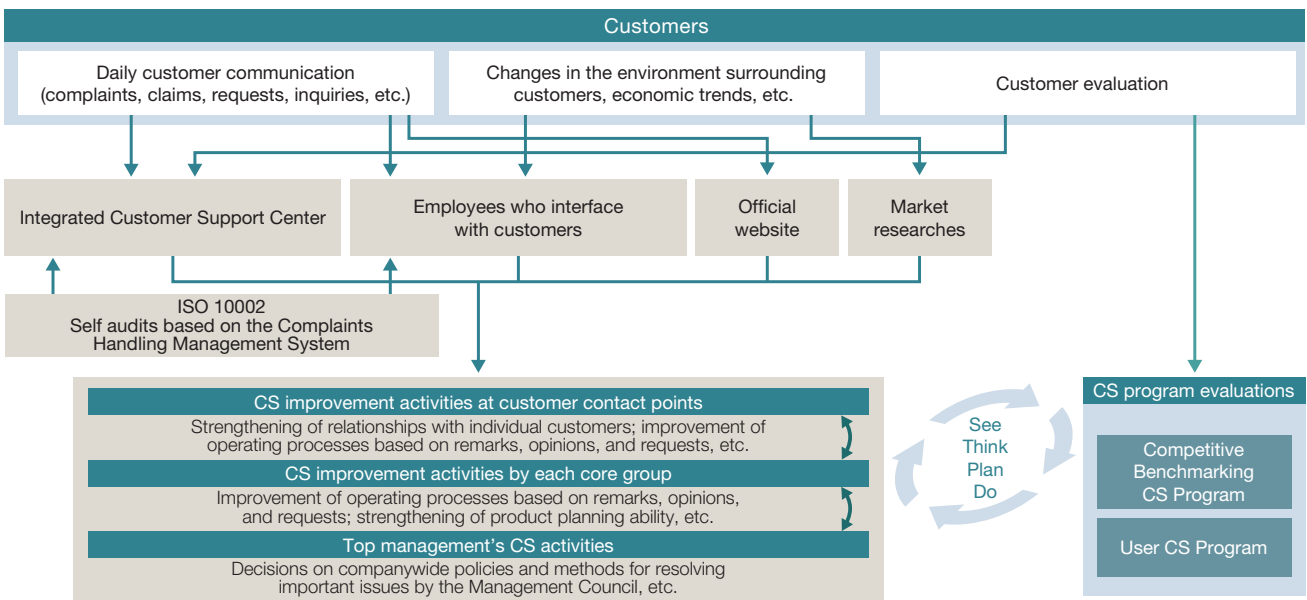
2.4 Customer Relationship Management

2.4.1 Basic Approach for Customer Relationship

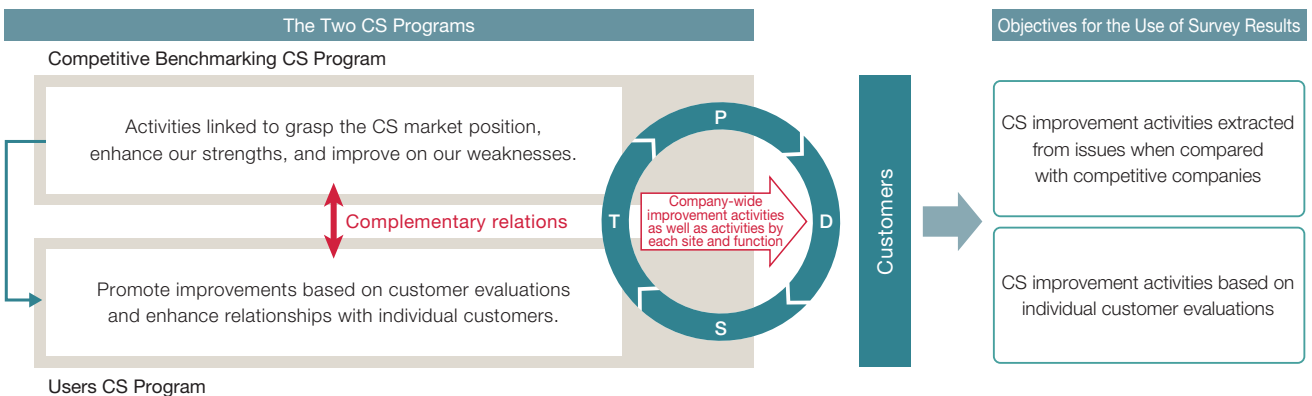
As we declare in our corporate philosophy, the Fujifilm Group aims to provide the best quality products and services which are safe, appealing to customers and provide them with peace of mind, by basing our management on Customer Satisfaction (CS).” In order to achieve customer satisfaction, it is important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

2.4.2 Structure for Customer Relationship

Mechanisms for Communicating with Customers



CS Program (Improvement activities based on the CS surveys)



2.4.3 Efforts to Improve Customer Satisfaction

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

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

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

2. Online service

Online Service Usage Status

Unit: %

	FY2017	FY2018	FY2019	FY2020	Target in FY2020
Online customers* ¹ (Percentage of customers who use online services or sales platforms among all customers)	74.7	79.3	83.4	85.6	85
Online sales* ² (Percentage of online sales (direct sales and advertising))	4.8	4.9	4.9	5.5	5.0

*1: Online customers refers to customers of the document business in Japan, with contract of online remote maintenance on our multifunction devices.

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

3. Customer satisfaction survey results

(1) Customer satisfaction survey

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

① Results of customer satisfaction survey

Unit: %

	FY2017	FY2018	FY2019	FY2020	Target in FY2020
Percentage of satisfied customers among all customers (%)	83.5	85.1	86.3	87.5	87
Data coverage (within all the sales of our company)	73	77	77.6	77.9	

② Customer satisfaction by business fields in the above data

Unit: %

Business field	FY2017	FY2018	FY2019	FY2020
Healthcare & Materials Solutions business (medical products)	80	78	79	79
Document Solutions business	93.2	91	92	93
Imaging Solutions business (photograph-related products and digital cameras)	85.2	89	89	93

(2) Received awards for customer satisfaction survey in 2020

FUJIFILM Business Innovation ranked highest in the large & midsize business segment of the J.D. Power 2020 Color MFP Customer Satisfaction StudySM.

<https://www.fujifilm.com/fbglobal/eng/company/news/release/2020/2419>

4. Efforts in the healthcare business

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

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

(1) Efforts to improve access to healthcare services

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

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

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

① Sales activities through fair competition

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

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

② Information disclosure

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

2.5 Supply Chain Management

2.5.1 Basic Approach

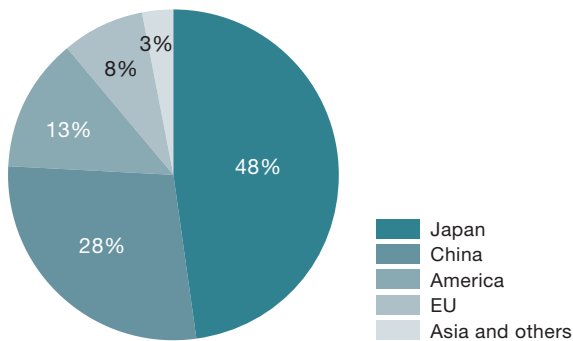
As a global company, the Fujifilm Group distributes a range of products to customers across the world, procuring numerous materials and components for such products. We believe that we are responsible for not only ensuring the quality and safety of our products, but also appropriately managing the supply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

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

2.5.2 Fujifilm Group Procurement Overview

The Fujifilm Group manufactures a wide range of products, including chemical products; functional materials; and medical, precision, optical, and office equipment. Our major production sites are located in Japan, Americas, China, the Netherlands, and Vietnam. Procurement items are also diverse, including sensitive commodities, chemicals, equipment, and packaging materials. The costs are shared among different regions: 48% in Japan, 28% in China, 13% in Americas, 8% in Europe, and 3% in Asia and other regions.

Proportion of Procurement Amount by Region



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

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

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

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

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

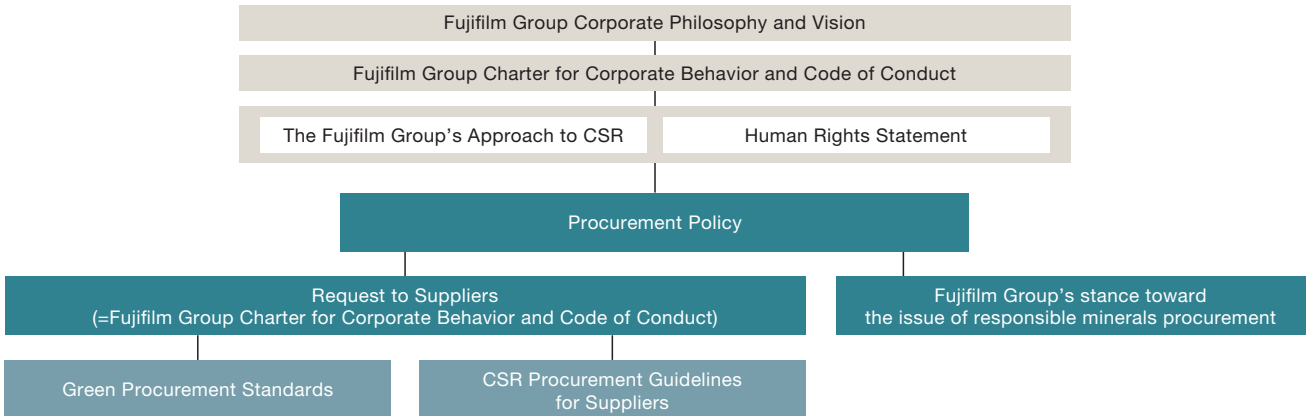
The Fujifilm Group’s pursuit of sustainable procurement is not only to avoid risks, but also for the positive benefits it brings.

We believe that respecting the human rights of workers in the supply chain increases productivity and moral action, which in turn lead to the provision of better products and services, as well encouraging innovation. We aim to develop together with our suppliers by encouraging them to take initiatives in CSR activities to spread such positive effects. For more details on our concrete efforts of CSR procurement, refer to 2.5.5 *Efforts to Improve Sustainability in the Supply Chain*.

2.5.3 Procurement Policy and Structure

1. Procurement policy and rules

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



2. Fujifilm Group Procurement Policy

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

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

3. Request to Suppliers (Supplier Code of Conduct)

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

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

Fujifilm Group Charter for Corporate Behavior/ Code of Conduct

- [English] https://asset.fujifilm.com/holdings/files/2019-12/e12d042816e0b60935df86d6fca9a970/02_FF_CoC_2019_English.pdf
- [24 languages] <https://holdings.fujifilm.com/en/about/philosophy#24languages>

Items for Fujifilm Group Code of Conduct

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

4. CSR Procurement Guidelines for Suppliers

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

* RBA: Responsible Business Alliance

Reference: Elements of CSR Procurement Guidelines for Suppliers

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

Fujifilm CSR Procurement Guideline for Suppliers

https://asset.fujifilm.com/www/jp/files/2019-12/1eccfe0689686a3e1e354e0fc0a7ee38/about_sustainability_procurement_index_pdf_02_en.pdf

FUJIFILM Business Innovation CSR Management Guidelines

https://www.fujifilm.com/fbglobal/eng/company/csr/svp2030/governance_supply/supplychain.html

5. Other standards

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

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

● Environmental Policy

Fujifilm Group Green Policy (Environmental Policy)

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

● Requests to suppliers on environment

Fujifilm Green Procurement Standards

https://asset.fujifilm.com/www/jp/files/2019-12/7759a2fe60f6bfd732e7570e522b33c2/about_sustainability_procurement_ff_greenbasic_ver3_3e.pdf

FUJIFILM Business Innovation Green Procurement Standards

<https://assets-fb.fujifilm.com/files/2021-05/331505461ec46ec159df86355386332e/Green%20Procurement%20Standard%20Ver1.0%20English.pdf>

● Policy on human rights

Fujifilm Group Human Rights Statement

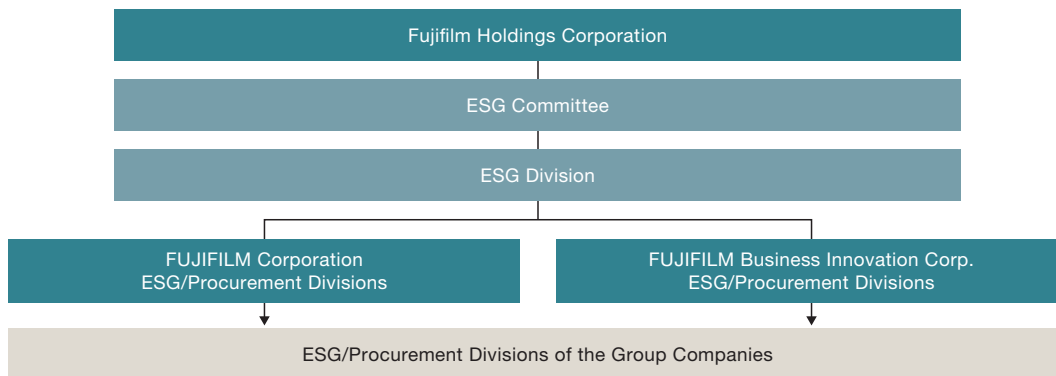
<https://holdings.fujifilm.com/en/sustainability/vision/policy/statement>

2.5.4 Structure of Sustainable Procurement Promotion

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

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

Sustainable Procurement Promotion Structure



Roles of Each Organization

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

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

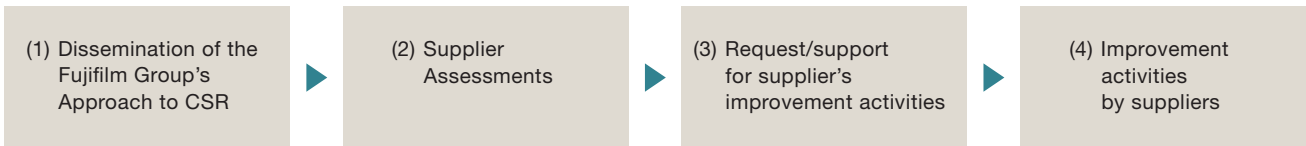
Contact Sustainability <https://holdings.fujifilm.com/en/contact>

2.5.5 Efforts to Improve Sustainability in the Supply Chain

1. Sustainable procurement activity cycle

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

Sustainable Procurement Activity Cycle



Activities in Each Step

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

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

(2) Supplier Assessments

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

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

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

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

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

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

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

2. Overview of FY2020 activities

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

We re-informed our suppliers outside Japan about the Request to Suppliers (Fujifilm Group Charter for Corporate Behavior and Code of Conduct), which had been revised in April 2019, and we collected receipts from 213 suppliers.

(2) Supplier assessments

We requested our critical suppliers both inside and outside Japan to conduct CSR self-check. We communicate with suppliers if any question arises out of their check results. This then serves to clarify the improvement points in our supply chain. In fiscal 2020, we standardized the self-check items in China and expanded the coverage of suppliers outside Japan subject to the self-check. We have collected self-check results from 426 suppliers (610 sites), which is an increase of more than 60% from the previous year. As the number of suppliers requesting the self-check has increased, the response rate has fallen since last fiscal year. Since we believe that the response rate from suppliers outside Japan still has room for further improvement, we aim to increase the response rate in the next fiscal year. When a significant risk is identified through the self-check, we request the supplier to make improvements and provide support to achieve this. The assessment results in fiscal 2020 did not indicate any serious risks, including those of child labor, forced labor, and freedom of association.

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

① Onsite visit and check by expert teams

Reviewing CSR self-check results, efforts in regard to QCD, environment and so forth, we judged that we need to conduct risk assessment on 62 suppliers located in China and Vietnam. Expert teams from our production sites provided onsite visit and check to 56 suppliers out of 62. As a result of risk assessments, we identified issues in physical examinations for women during some employment procedures, overtime hours, and the number of annual holidays used, etc. We requested suppliers to rectify these issues. Out of the 56 suppliers where we have conducted onsite visits by expert teams, we confirmed improvements in important items in 51 suppliers by the end of fiscal 2020.

② Training, Capacity building

We hold a chemical management seminar for domestic suppliers every six months. We explained the importance of CSR and our efforts in sustainable procurement as the Fujifilm Group to deepen suppliers’ understanding. In fiscal 2020, due to the COVID-19 pandemic, we held an online seminar instead of the usual six-monthly onsite seminar. The online seminar actually made it possible for a greater number of suppliers to share in the seminar contents.

③ Support for resolving issues through collaboration with suppliers

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

Results of Sustainable Procurement Activities and Targets (KPI)

Activity	Item	FY2018	FY2019	FY2020	FY2021 target
Dissemination of Code of Conduct, Collection of receipt	Number of suppliers' receipt collected	-	398	213	150
CSR self-check by suppliers (Supplier self-assessment questionnaire)	Number of suppliers requested	408	263	568	400
	Response rate	86%	98%	75%	90% or over
	Percentage of suppliers with 90% or higher conformance rate	(Most critical items) 94%	(Critical items) 75%	87%* 87%	90% or over
Visit and check	Number of suppliers evaluated	46	39	56	Plan achievement rate 100%
	Plan achievement rate	100%	76%	90%	

* For FY2018, results of FUJIFILM Business Innovation. From FY2019, classification of most critical items and critical items is abolished, and total percentage for Fujifilm Group was calculated.

Conformance rate at CSR Self-check

Conformance rate	Description	Ratio of the number of suppliers
90% or over	Almost satisfy the requirements of our Code of Conduct	87%
80%-89%	Some issues need improvements	8%
Less than 80%	Need our supports for their improvement	5%

2.5.6 Environmental Efforts in the Supply Chain

1. Basic Approach

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

Over the years, due to the nature of our founding business, the Fujifilm Group has been working to reduce the environmental impact from our business throughout the product life cycle, from material procurement, manufacturing, transportation, and use, to final disposal. Particularly in material procurement, we are expanding the scope of efforts to include our suppliers through the structure of sustainable procurement.

2. Cooperation with Suppliers

(1) Requesting suppliers to comply with environmental guidelines

Based on Measures Related to Environmental Issues in the Fujifilm Group Code of Conduct, we actively undertake actions to reduce the environmental impact from our business. We also inform our suppliers about the code and request them to observe it. For a better understanding of the rules to be followed, we also distribute our CSR Procurement Guidelines for Suppliers.

For Fujifilm Group Code of Conduct and CSR Procurement Guidelines, please refer to 2.5.3 *Procurement Policy and Structure*.

(2) Activity Overview of the Major Themes

Theme	Overview	Reference
Sharing information on chemical substances	We use chemSHERPA, a chemical information communication system compliant with international standards, to share information on chemical substances and to ensure the proper management of chemical substances. We also offer regular explanatory meetings for suppliers in how to use chemSHERPA.	3.5.5 Contribution to Sound Chemical Management Across the Supply Chain
Responsible Paper Procurement	To establish a responsible method of procuring paper, we have established procurement standards based on biodiversity and respect for the rights of local residents. Our procurement process is always in line with these standards.	2.5.9 Efforts in Paper Procurement
Responsible plant-derived materials	To meet the social demand for biodiversity conservation, in 2021 we will implement groupwide guidelines for the procurement of plant-derived material such as cellulose. We will ensure that our biodiversity conscious procurement is always in agreement with our guidelines.	—

2.5.7 Efforts in Fujifilm Group Production Sites

1. Audit by customers

We appropriately respond to audits conducted by our customers, to whom we supply our products. In fiscal 2020, we received several customer audits in both Japanese and overseas sites and no issues that could have an effect on the continuation of our partnerships were identified.

2. Self-check by our production sites

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

3. Reinforcement of CSR activities in China

We made progress in the standardization of the CSR procurement procedure, including the CSR self-check items among FUJIFILM manufacturing subsidiaries, while approving the related activities they have voluntarily conducted to date. In fiscal 2021, we plan to standardize and reinforce activities in terms of an onsite check by an expert team, and support suppliers for improvements.

2.5.8 Response to Conflict Minerals

1. Policy and framework of efforts

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

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

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

Fujifilm Group Efforts

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

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

*2 RMI = Responsible Minerals Initiative

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

*4 RMAP: Responsible Minerals Assurance Process.

2. Results and targets for avoiding conflict minerals

In conflict minerals survey for fiscal 2020, we got a response from 99% of suppliers in scope relating to the document business. As a result of surveys, we identified 309 suppliers listed as a smelter or refiner by the Responsible Minerals Initiative (RMI). Out of these smelters or refiners, 233 were compliant with the Responsible Minerals Assurance Process (RMAP). (As of March 31, 2021)

	FY2018	FY2019	FY2020	FY2021 target
Supplier response rate for conflict minerals survey	99%	98%	99%	100%
Percentage of RMAP conformant smelters in conflict minerals survey	55%	76%	75%	Continuous improvement of RMAP conformant smelters percentage

FY2020	Total	Gold	Tantalum	Tin	Tungsten
Number of identified smelters	309	159	38	59	53
Number of conflict-free smelters	233	107	37	47	42
Rate of conflict-free smelters	75%	67%	97%	80%	79%

2.5.9 Efforts in Paper Procurement

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

We hold annual meetings of the CSR Paper Procurement Committee, chaired by the director responsible for procurement, to confirm the compliance status of existing suppliers regarding these requirements and to select new suppliers. As for fiscal 2020, we have conducted onsite reviews of our suppliers and confirmed that all of them conformed with our Paper Procurement Regulation Standards.

Paper Procurement Regulation Standards

(1) Principles on paper procurement

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

(2) Principles on transactions with paper suppliers

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

Paper Procurement Efforts KPI

	FY2018	FY2019	FY2020	FY2021 target
Percentage of suppliers inside and outside Japan fulfilling our paper procurement requirements (FUJIFILM Business Innovation)	100%	100%	100%	100%

2.5.10 Sustainable Procurement Efforts in Logistics

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

FUJIFILM Logistics Co., Ltd., which delivers Fujifilm Group products, has been requesting its logistics partners (primary suppliers) to cooperate in our sustainable procurement for logistics in Japan since fiscal 2009. Through such requests, logistics partners conduct CSR self-checks and if they identify that their conformance rate is less than 90%, FUJIFILM Logistics visits the partner company to offer advice for correction. In fiscal 2020, we requested 116 logistic partners to conduct the CSR self-check, and received responses from all the partners. For those partners with a conformance rate of less than 90%, we postponed the onsite visit for improvement until fiscal 2021 to minimize risks from the COVID-19 pandemic.

Sustainable Procurement Effort KPI in Domestic Logistics

	FY2018	FY2019	FY2020	FY2021 target
Percentage of companies with 90% or more CSR self-check conformance rate	100%	97%	97%	100%

2.5.11 Collaboration with Initiatives in the Supply Chain Area

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

- Joint Article Management Promotion-consortium (JAMP)**
 JAMP aims to disseminate a system to manage chemical substance information and smoothly communicate such information across supply chains.
- United Nations Global Compact (UNGC), and Global Compact Network (GCNJ)**
 Fuji Xerox (now FUJIFILM Business Innovation) became a signatory to the United Nations Global Compact in 2002. Since June 2020, we have signed UNGC as FUJIFILM Holdings. Moreover, we are working actively in the Supply Chain Working Group and the Human Rights Due Diligence Working Group of the Global Compact Network (GCNJ).
- Responsible Minerals Trade Working Group of JEITA**
 Both Fujifilm and FUJIFILM Business Innovation participate in the Responsible Minerals Trade Working Group led by the Japan Electronics and Information Technology Industries Association (JEITA), the industrial organization of the Japanese IT and electronics industry.
- Responsible Minerals Initiatives (RMI)**
 FUJIFILM Business Innovation joined RMI in May 2021. RMI is the leading organization dedicated to global efforts for the responsible procurement of conflict minerals. We will strengthen our efforts for responsible minerals procurement through collaboration with RMI and JEITA.

3.1 Environmental Policy and Management System

3.1.1 Basic Approach

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

Fujifilm Group Green Policy

Basic Policy

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

Action Guidelines

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

Established in October 2002, Revised in April 2019

3.1.2 Environmental Management

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

In 2017, we released SVP 2030, the Fujifilm Group CSR Plan toward 2030, setting targets in six areas to build a sustainable society. The Priority Measures listed below are the items related to environment safety we need to resolve chiefly within fiscal 2021 in order to achieve the SVP 2030 targets.

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

Effective Management System

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

FY2020 Fujifilm Group Priority Measures

Priority Issues	Priority Measures
1. Address climate change	(1) Continually promote CO ₂ emission reduction at each of the stages of the product life cycle. “procurement,” “manufacturing,” “transportation,” “use,” “disposal” (2) Develop and market products and services that will contribute to CO ₂ emission reduction (Create “Green Value Products” certified under Fujifilm Group’s environmentally-conscious product certification program) (3) Promote energy strategy activities globally ① Expand the use of renewable energy ② Study technical feasibility of the introduction of fuels that do not emit CO ₂ ③ Dissemination of good examples of energy conservation and renewable energy introduction to the Fujifilm group (4) Assess risks and business opportunities associated with climate change to set future business strategy and information disclosure
2. Promote recycling of resources	(1) Improve the quality of resource recycling ① Promote the recycling of simple disposed waste (landfill/Incineration) and its conversion into valuables ② Improve market recovery of used product and materials recycling ③ Consider using recycled plastics and bioplastics from the beginning design and development (2) Develop and market products and services that will contribute to the conservation of water resources (Create “Green Value Products” certified under Fujifilm Group’s environmentally-conscious product certification program)
3. Address energy issues toward a non-carbon society	Develop products and technologies that will contribute to conserving, storing and creating energy
4. Ensure product and chemical safety	(1) Reduce priority substances for risk management and VOC emissions (2) Utilize vast in-house chemical substances library to contribute to developing safer chemical substances (3) Continue dissemination of approaches and systems to improve chemical safety in the entire supply chain (4) Evaluate and improve the operation of internal regulations concerning product safety and chemical management (5) Continue to improve the systems for regulatory compliance to support the expansion of product and business areas
5. Promote management of a healthy workplace (prevention of industrial accidents)	(1) Improve management of biological materials through group-wide standardized procedure (2) Implement risk assessment on industrial processes to prevent workplace incidents
6. Strengthen CSR foundations across the entire supply chain	(1) Enhance onsite audits of critical suppliers to reinforce improvement activities (2) Enhance supplier management system by adopting a framework utilized internationally (3) Conserve biodiversity by procurement guidelines for plant derived materials and goods
7. Information disclosure and communication of relevant information	(1) Disclose information actively through various methods (e.g., Corporate Reports, websites) (2) Enhance disclosure of environmental performance
8. Employee education	Educate employees in the areas of product safety, occupational safety and environmental law

3.1.3 EMS: Certification/Audit/Verification

Status of EMS Certification and Audit in FY2020

* Target sites are determined in consideration of business characteristics

Certification/audit/verification system by specialized companies with International Certification (ISO14001, EMAS)	Coverage: 87.1% Target sites: 62 Certified sites: 54
Certification/audit/verification system by internal experts	Coverage: 12.9% Our internal experts verify the status of environmental activities based on the Environmental Policy and the priority issues. Target sites: 62 Certified sites: 8
Total Coverage of Environmental Management System (EMS) for our company (The sum of the above two)	100%

Effective Management System

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

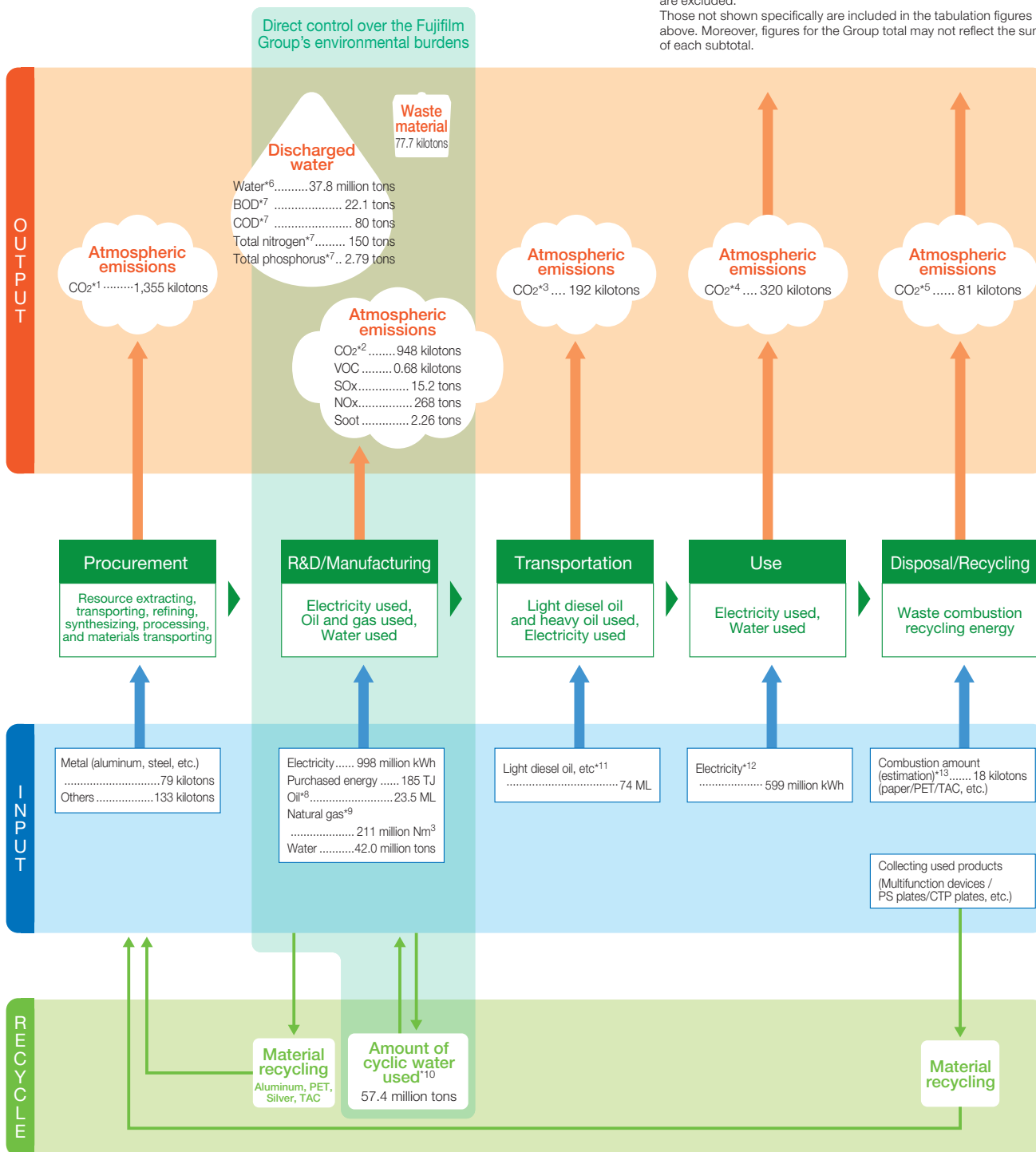
3.1.4 Risk Management by Environmental Due Diligence

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

3.1.5 Overview of FY2020

1. Material flow

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



*1 Environmental burdens due to raw materials procurement (CO₂ emitted during the process of extracting, transporting, refining, synthesizing, processing, and transporting raw materials) is calculated for the main raw materials procured.

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

*3 For the calculation of environmental burdens due to product transportation, estimates are made based on domestic and overseas transportation methods and distances traveled. The typical amount of CO₂ emissions per unit of weight and distance for each method and correction factors such as the yield rate are multiplied by the weight of the raw materials procured.

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

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

*6 Wastewater released as a result of business activities

*7 Volume released to public water

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

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

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

*11 Calculation assuming transport by truck

*12 Based on the average CO₂ emission coefficient of the Federation of Electric Power Companies of Japan

*13 Hypothetical combustion rate for each substance used

(For the above, data from the input-output table and other sources are used to obtain CO₂ emissions per unit of output.)

2. Response to environmental laws and regulations

Legal Compliance and Reports on Complaints in FY2020

In fiscal 2020, there was one violation of environment-related laws, with no customer complaints and no incidents. The legal violation concerned management of wastewater in the United States—the preventive measure has already been completed.

	Fujifilm Group total
Number of legal violations (number of cases solved)	1 (1)
Penalty	168 USD
Number of complaints (number of cases solved)	0 (0)
Number of incidents (number of cases solved)	0 (0)

Responses to Environment-Related Complaints and Legal Violations in FY2020*

Company/Site name	Description	Responses
FUJIFILM Diosynth Biotechnologies U.S.A.Inc.	Missed sampling of a low-level mercury wastewater for wastewater permit	Strengthening communication with contact laboratory and improvement of data review

* Relatively minor violations have been excluded.

3.1.6 Environmental Management in the Supply Chain

The Fujifilm Group considers the impact that our business has on the environment throughout its lifecycle, from the procurement of raw materials to the manufacturing, transportation, use, and disposal of products, and is working throughout our supply chain to reduce the environmental impact. For further information on the Group's basic policy and specific cases, please refer to 2.5.6 *Environmental Efforts in the Supply Chain*.

3.2 Climate Change Strategy

3.2.1 Basic Approach

The Fujifilm Group has set CO₂ emissions reduction targets toward 2030 to create of a decarbonized society aimed at by the Paris Agreement. Along with CO₂ emissions reduction across the entire product lifecycle (from material procurement, product manufacturing, transportation, use and disposal), we are continuing to actively reduce CO₂ emissions in society through providing our products and services. At the manufacturing stage, we direct our efforts at using lower carbon energy sources, including adopting and utilizing renewable energy, in addition to the promotion of energy saving and efficient energy usage. We aim to achieve zero CO₂ emissions from energy consumption by the Group by selection of renewable energy sources whenever we purchase electric power, and also by changing fuels in our cogeneration facilities to hydrogen and other fuels without CO₂ emissions by introducing new technologies by FY2050.

Targets and Progresses of Addressing Climate Change

Long-term target: Reduce the Fujifilm Group's CO₂ emissions by 45% by the end of FY2030 (compared to the FY2013 level)

Progress: 41% reduction at the end of FY2020 (compared to the FY2013 level).

Mid-term target: Reduce the Fujifilm Group's CO₂ emissions by 35% by the end of FY2025 (compared to the FY2013 level)

Progress: 41% reduction at the end of FY2020 (compared to the FY2013 level).

Short-term target: Reduce the Fujifilm Group's CO₂ emissions by 6% by the end of FY2021 (compared to the FY2019 level).

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

From fiscal 2020, we are promoting CO₂ emissions reduction by setting an activity target of "implement one or more CO₂ emissions reduction measures in each site per year."

3.2.2 Climate Change Strategy and Management

1. Information disclosure based on the TCFD recommendations

In December 2018, the Fujifilm Group announced that it would endorse the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, we have started a scenario analysis of Fujifilm group on climate change since 2020.

(1) Governance

Deliberations and decision on activities related to climate change are made by the ESG Committee chaired by the president and are reported to the Board of Directors. The ESG Committee issues instructions and makes decisions on measures and activities to achieve the targets of SVP 2030. In addition to setting the renewable energy target, the Committee have made decisions on involvement in climate change-related initiatives, such as declaring support for TCFD, joining in RE100 members, and getting our targets verified by SBTi.

(2) Risk management

The Fujifilm Group has in place an IT system to monitor all group companies' environmental performance related to climate change. The system enables us to collect emission volumes of greenhouse gases such as CO₂ and CFCs and energy consumption volumes at each business site in various countries and regions and uses these data to identify risks. The Energy Strategy Promotion Committee analyzes factors of these risks and reports the high-priority issues to the ESG Committee, consequently, supports them to make a decision for appropriate operations. As one of evaluation index for climate-related risks and opportunities, we have introduced "Carbon pricing on CO₂ emissions" since the previous year, and we have reviewed anticipated impacts and the action required.

Moreover, scenario analysis based on the TCFD recommendations enable the risks caused by the external factors such as change of climate-related laws, customer trends and technology in addition to our environmental performance to be identified and measures for important issues to be carried out.

(3) Strategy

For scenario analysis, we have taken consideration into two types of climate-related scenarios in reference to the Representative Concentration Pathways 2.6 through 8.5 described in the report of the Intergovernmental Panel on Climate Change (IPCC). One is the 2°C scenario (RCP2.6) in which rigorous measures are implemented to build a decarbonized society and effectively keep the rise in temperatures by the year 2100 well below 2°C compared to the level during the Industrial Revolution. The other

is the 4°C (RCP8.5) scenario in which the temperature rises by 3.2 to 5°C over the Industrial Revolution level as a result of failing to implement measures that surpass those currently in place.
(See the scenario and analysis results for details.)

(4) Metrics and Targets

- ① Reduce CO₂ emissions by 45% across the entire product lifecycle by FY2030 (compared to the FY2013 level).
- ② Convert 50% of purchased electric power to renewable energy-derived power by FY2030. Aim at zero CO₂ emissions from energy consumption (Scope 1 and 2) by FY2050.
- ③ Contribute to 90 million tons CO₂ emissions reduction by FY2030.


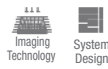
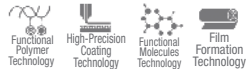
The Fujifilm Group has established these climate change targets in SVP 2030 and is planning to enhance energy conservation and choose renewable energy proactively. In addition, we manage the Green Value Products (GVP) certification system certifying our products and services that excel in reducing environmental impact to make a greater contribution to reducing CO₂ emissions in society.

Governance	Risk Management
<ul style="list-style-type: none"> • Deliberate on climate change risks and opportunities at the ESG Committee (chaired by the President) to reflect them in our management, and report to the Board of Directors. <p>[Managerial judgement on climate change]</p> <ul style="list-style-type: none"> - Establish a target consistent with SBT criteria - Establish a target for renewable energy use and endorsing the TCFD recommendations. - Join RE100, the global corporate leadership initiative. - Disclosure of analysis results on scenario based on the TCFD recommendations 	<ul style="list-style-type: none"> • Monitor the levels of CO₂ emitted by each business and through the product lifecycle with the global system. • Analyze factors affecting energy efficiency and CO₂ emissions at the Energy Strategy Promotion Committee. • Identify water risks using indexes for “water stress,” “water usage” and “relation to business” at all sites.
Strategy	Metrics and Targets
<p>[Establishing the CSR plan]</p> <ul style="list-style-type: none"> • Establish Sustainable Value Plan 2030 (SVP 2030) with FY2030 as its long-term targets. <p>[Risks and opportunities derived from climate change]</p> <ul style="list-style-type: none"> • Identifying risks based on scenario analysis and establishing countermeasures. • As a business opportunity, develop and distribute products that mitigate and address climate change by making use of the internal certification system for environmentally conscious products. <p>* See the following scenario analysis results for details.</p> <p>[Other CO₂ emissions reduction strategies]</p> <ul style="list-style-type: none"> • Aim at zero CO₂ emissions not only by changing our electricity purchasing to renewable sources, but also by adopting new technologies, such as by utilizing hydrogen as the fuel for private cogeneration power systems. • Clarify our approach to a decarbonized society through RE100, the international initiative, and promote infrastructure development as a consumer. 	<ul style="list-style-type: none"> • Target for reducing CO₂ emissions (Certified by the Science Based Targets Initiatives). <ul style="list-style-type: none"> - Reduce CO₂ emissions by 45% across the entire product lifecycle by FY2030 (compared to the FY2013 level). • Renewable energy usage target <ul style="list-style-type: none"> - Convert 50% of purchased electric power to renewable energy-derived power by FY2030. - Convert 100% of purchased electric power to renewable energy-derived power by FY2050. (Aim at zero CO₂ emissions from energy such as electricity, fuels, etc.) • Water usage reduction target <ul style="list-style-type: none"> - Reduce the amount of water used in production by 30% by FY2030 (compared to the FY2013 level). • Contribute to reducing accumulated 90 million tons of CO₂ emission in society by FY2030



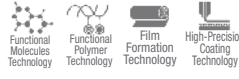

2. Analysis results of our scenario based on TCFD recommendations

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

4°C scenario: Measures surpassing those in place at present are not implemented, resulting in the average temperature rising by 3.2 to 5°C over the level during the Industrial Revolution.

	Environment, social conditions and systems	Risks	Measures (Activities)
Risks (Physical risks)	<p>The sea level rises, and the areas below sea level increase. Temperature increase triggers weather events frequently, including torrential rains, heavy typhoons, hurricanes, floods and drought. Accordingly, available water resources are decreased by drought.</p>	<ul style="list-style-type: none"> • Cessation in procurement and factory production due to sea level rising or natural disasters, such as flooding. • Factory production stoppages due to drought. • Power grid breakdown and Power cuts due to typhoons. 	<ul style="list-style-type: none"> • Develop the Business Continuity Plans (BCPs) that include diversification of procurement suppliers and production sites geographically. • Obtain and monitor the latest rain forecast and flood prevention by controlling water gates to factories. • Continual water risk assessment for all sites by our own water risk assessment system (Please refer to 3.3.5 <i>Effective Use of Water Resources</i>.) • Install regular and emergency in-house cogeneration systems.
	<p>Changes in temperature and precipitation patterns alter animal habitats, lowering their population and even driving them into extinction. This causes supply instability and a price increase of plant-derived materials. Other results include depletion of fossil fuel as well as supply instability and a price increase of oil-derived materials.</p>	<ul style="list-style-type: none"> • Material shortages due to tree and forest withering. (Paper: pulp, Film: cellulose) • Material shortages due to fossil fuel depletion. 	<p>[Paper]</p> <ul style="list-style-type: none"> • Have suppliers in multiple regions • Reduce paper with Document Solutions Services utilizing digital and IT technologies. <p>https://www.fujifilm.com/fb/solution/theme/paper-less (in Japanese only)</p> <p>[Film]</p> <ul style="list-style-type: none"> • Reduce film materials by using thinner films and promotion of recycle. <p>• Utilizing used multifunction devices. (reuse)</p> <p>https://www.fujifilm.com/fbglobal/eng/company/csr/svp2030/environment/recycle.html</p> <ul style="list-style-type: none"> • Aim at appropriate number of devices and reduction of unnecessary print-outs by providing an appropriate management across the lifecycle of multifunction devices (device selection/operation/disposal) <p>https://www.fujifilm.com/fb/solution/menu/mps_xos (in Japanese only)</p>
	<p>Rise in average temperature increases heat stress felt by people.</p>	<ul style="list-style-type: none"> • Intense heat has a growing adverse impact on the health of employees, such as heatstroke and sleep deprivation. 	<ul style="list-style-type: none"> • Measure heat index at work sites and send heatstroke warnings to employees.
Opportunities*1	<p>There is an increased demand for systems, products and technologies required for society to adapt to climate change.</p> <ul style="list-style-type: none"> • Monitoring and predicting climate • Preventive maintenance of infrastructures such as structures and catchments <p>Changes in climate and ecosystems make it difficult to secure drinking water and foods, boosting the manufacturing of drinking water and production at plant factories.</p>	<p>[Fujifilm's technologies]</p> <ul style="list-style-type: none"> • Lens processing, polishing, coating, and manufacturing technologies/Image processing technologies  <ul style="list-style-type: none"> • High-precision image analysis and AI technology  <ul style="list-style-type: none"> • Ion exchange membranes by electro separation technologies 	<p>[Business opportunities against climate change]</p> <ul style="list-style-type: none"> • Providing high-sensitivity surveillance cameras capable of monitoring rivers and weather even in rough weather or at night <p>https://holdings.fujifilm.com/en/sustainability/activity/life/priority-issue-1</p> <ul style="list-style-type: none"> • Offer infrastructure degradation diagnosis services for bridges, dam walls, and embankments in case of typhoons. <p>https://www.fujifilm.com/jp/ja/business/inspection/infraservice/hibimikke (in Japanese only)</p> <ul style="list-style-type: none"> • Contribution to measures for water shortage by water filtration technology and ion exchange membranes. <p>https://www.fujifilmmembranes.com/water-membranes/technology</p>

2°C scenario: Rigorous measures are implemented to build a decarbonized society, keeping temperature rises by the year 2100 down to 2°C or less in comparison with the level during the Industrial Revolution.

	Environment, social conditions and systems	Risks	Measures (Activities)
Risks (Transition risks)	<p>During transition into a decarbonized society, the government implements a policy for restricting the use of fossil fuels and promoting technological innovation. Carbon pricing (border carbon tax, emissions trading and carbon border adjustment mechanism) is introduced.</p>	<ul style="list-style-type: none"> • Increase in costs to build new facilities due to carbon taxes on fossil fuel and transition to fuel without emitting CO₂. • Rise in procurement prices due to carbon taxes on raw materials. <p>*2 Total financial effects on direct CO₂ emissions from our manufacturing must bear some 4.7 billion yen/year.</p>	<p>[Promote energy saving and renewable energy usage.]</p> <ul style="list-style-type: none"> • Reduce CO₂ emissions by 45% across the entire product lifecycle by FY2030 (compared to the FY2013 level). • Convert 50% of purchasing energy to renewables by FY2030. • Achieve no CO₂ emissions in the manufacturing stage by converting energy purchasing to 100% renewables by FY2050, and using hydrogen for in-house cogeneration systems. <p>https://holdings.fujifilm.com/en/news/list/500</p> <p>[Prediction for 2030]</p> <ul style="list-style-type: none"> • Accomplish CO₂ emission targets in our SVP 2030 by these measures and other energy saving measures. Cost reduction of 1.0 billion yen/year for carbon tax on CO₂ emissions at manufacturing against 2020.*3
Opportunities*1	<p>Systems and products with high energy efficiency are given priority in social implementation in order to minimize the load of energy-supply systems. Society adopts a distributed structure due to its affinity with natural energy, creating the demand for reducing transportation of humans and goods and time required for it.</p>	<p>[Fujifilm's technologies]</p> <ul style="list-style-type: none"> • Barium ferrite magnetic material with excellent magnetic properties and long-term storage  <ul style="list-style-type: none"> • Material processing technology for photopolymerization  <ul style="list-style-type: none"> • Gas separation membrane technology  <ul style="list-style-type: none"> • IT solution and system design technology with excellent communication quality and confidentiality 	<p>[Business opportunities against climate change]</p> <ul style="list-style-type: none"> • Products contributing to energy consumption reduction Energy-saving data storage by high-capacity magnetic tape data archiving systems. <p>https://www.fujifilm.com/about/profile/business_fields/recording_media/</p> <ul style="list-style-type: none"> • Resource and energy usage reduction by processless CTP plates for printing. <p>https://fujifilm.com/products/graphic_systems/ctp/processless_plate/</p> <ul style="list-style-type: none"> • CO₂ separation membrane removes CO₂ from natural gas <p>https://www.fujifilm.com/jp/en/about/rd/open-innovation/material</p> <ul style="list-style-type: none"> • Reduce CO₂ emissions by cutting back on time, transportation and space with Document Solutions Services utilizing digital and IT technologies. <p>https://www.fujifilm.com/fb/solution/work_style_reform/telework_202003.html#anc301 (Telework Solution) (in Japanese only)</p> <p>https://www.fujifilm.com/fb/solution/menu/cocodesk (CocoDesk) (in Japanese only)</p>

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

*2 When the carbon tax is assumed to be ¥5000/ton as the same level as the emission allowance price under EU-ETS in 2021, FY2020 CO₂ emissions at the manufacturing stage are at 948,000 tons, which translates to 948,000 × ¥5,000/ton = ¥4.7 billion/year.

*3 FY2020 CO₂ emissions at the manufacturing stage are at 948,000 tons. The CO₂ emissions target for the manufacturing stage in the year 2030 is 747,000 tons in SVP2030. If this target is achieved, the carbon tax saving value translates to (948-747) thousand tons × ¥5000/ton in 2030 compared to 2020 (identical to *2) = ¥1 billion/year.

3. Overview of Fujifilm Group's scenario analyses

(1) 4°C scenario: Measures surpassing those in place at present are not implemented, resulting in the average temperature rising by the year 2100 by 3.2 to 5°C over the level during the Industrial Revolution.

Risks (Physical risks)

In the 4°C scenario, risks such as the impact of climate change on production facilities, disruption of raw materials supply, factory shutdowns due to power failures, etc., were found. To address these risks, we have been developed preventive measures based on the Business Continuity Plans (BCPs) that include diversification of production sites and procurement sources and implementation of a securing stable power supply. Especially in recent years, typhoons and heavy rains caused by climate change have caused damage from disruption of power supply, which is an important lifeline, in various regions. To secure a stable power supply, the Fujifilm Group has been setting up in-house cogeneration systems at its major production sites in line with implementation planning since the 1960s, and moreover, we have been reviewed the risks of power failure regularly. For example, in the previous year, we conducted re-examination of power failure risks and introduced emergency in-house cogeneration systems as BCP for radioactive pharmaceutical production facilities.

Furthermore, there are risks of change in animal and plant habitats caused by temperature and changes in precipitation patterns that may lead to a decline in the animal and plant population and to extinction. These changes are likely to cause procurement instabilities and steep rises in prices for plant-derived materials. In addition, depletion of fossil fuels is expected to cause supply instabilities and rising prices for petroleum-based materials. The Fujifilm Group is working to reduce these risks by reducing material consumption, such as by employing thinner films made from plant-derived materials and reuse of parts of multifunction device in the area of business innovation.

Opportunities

Social demand for systems, products and technology aimed at adapting to climate change is expected to rise. Examples are improvements in weather monitoring and forecast accuracy and inspection of buildings and other structures to prepare for typhoons and heavy rains. Also, changes in the climate and ecosystems are expected to cause shortages of drinking water and food. For this reason, the production of drinking water and the output of agricultural plantation are expected to increase. To address these impacts, the Fujifilm Group believes that business opportunities will grow in response to these changes, and will use its high-definition lens processing and manufacturing technologies to create high-sensitive cameras for monitoring rivers and sea levels at night and during inclement weather and its degradation analysis technologies for bridges, embankments, etc., making use of high-definition image analysis and AI technologies. With regard to the water shortage problem that is growing into a global risk, we believe we are able to make huge contributions to secure drinking water and water for agricultural use with our filtration technology that employs ion exchange membranes for the desalination of brine and seawater.

(2) 2°C scenario

Rigorous measures are implemented to build a decarbonized society, keeping temperature rises by the year 2100 down to 2°C or less in comparison with the level during the Industrial Revolution.

Risks (Transition risks)

In the 2°C scenario, measures to cut the use of fossil fuels and foster technological innovation are implemented in the transition to a decarbonized society. They include, for example, carbon tax and carbon border adjustments mechanism designed to discourage the transfer of business operations prompted by differences in carbon tax among countries. The Fujifilm Group's direct CO₂ emissions in fiscal 2020 were at 948,000 tons. Based on carbon pricing by EU-ETS, etc., the price per ton of CO₂ is assumed to be ¥5,000, resulting in a financial risk of approx. ¥4.7 billion. In our CSR plan SVP 2030, we set the target to achieve zero CO₂ emissions from the energy consumed in the year 2050. To achieve this, we are implementing both promotion of energy conservation and introduction of renewable energy sources. Our direct CO₂ emissions in fiscal 2020 were 6% less than the previous fiscal year.

Opportunities

To minimize the impact on energy supply systems, systems and products with higher energy efficiency will be prioritized for use in society. Also, society is likely to become decentralized through greater harmonization with natural energy sources and to see a rise in demand for lower travel distances and times for people and goods. Alongside wider use of renewable energy sources, the need for large-capacity, high-efficiency storage battery facilities is expected to grow.

The Fujifilm Group contributes to reducing CO₂ emissions in society by its products when in use, with CO₂ emissions during data storage reduced by the use of its large-capacity magnetic tape data archive system utilizing its barium ferrite magnetic particle technology, and by supplying energy-saving devices such as energy-saving multifunction devices. Our solutions services, digitization and IT are expected to see a growth in demand for both reductions in travel distances, time and space and actions to cater to a more diversified society.

Among others, we promote the development and dissemination of green energy applications in the decarbonized society of the future. In the area of highly functional materials, we are moving forward in the development of technologies to build a more resilient energy society, represented by natural glass refining that uses technology for separating mixed gases, methane refining from biomethane and methanation and high-capacity storage battery materials that use dispersed coating and organic materials technologies.

3.2.3 Activity Overview

In reducing CO₂ emissions across the product lifecycle (material procurement, product manufacturing, transportation, use and disposal), we are promoting activities shown below.

	Measures		
Procurement	Reuse of parts and recycle of used products in multifunction devices Reduction of raw material use by aluminum closed loop recycling system	Production site allocation to minimize environmental impact	Thorough implementation of Design for Environment
Manufacturing	Promoting energy-saving measures <ul style="list-style-type: none"> • Group-wide energy workshop, etc. Maximizing energy efficiency <ul style="list-style-type: none"> • Introducing highly efficient cogeneration system • Updating facilities with highly efficient equipment • Reduction of energy consumption by efficient production due to integrating variety and shortening switching time Reduction of CO ₂ emission by energy source conversions to natural gas Introduction of renewable energy		
Transportation	Optimization of routes <ul style="list-style-type: none"> • Milk Run procurement system for components, etc. Improvements in load ratio Promotion of modal shift Using light and compact packaging Local energy production for local energy consumption by manufacturing at global sites		
Use	Providing environmentally conscious products by GVP products certification		
Disposal	Reduction in resource input <ul style="list-style-type: none"> • Active utilization of recycled materials, etc. 		

To reduce impact by Fujifilm Group’s business activities, the Energy Strategy Promotion Committee has been working groupwide to maximize efficiency in energy usage and to seek CO₂ reduction measures in the energy procurement. We have been actively working to disseminate these measures across the Group.

The Fujifilm Group is actively incorporating the use of renewable energy, represented by the introduction of wind power-generated electricity, at its factory in the Netherlands (FUJIFILM Manufacturing Europe B.V.) and installation of a large-scale photovoltaic power generation facility at its China operation (Fujifilm Printing Plate (China) Co., Ltd.). Additionally, we established a renewable energy use target in January 2019. In recent years, we have been actively promoting the use of renewable energy sources both in Japan and other countries, including installation of a photovoltaic power generation facility at the Sano Site of Fujifilm Techno Products Co., Ltd., and a 100% switch to power derived from renewable energy sources at Fujifilm Electronic Materials (Europe) N.V. and Fujifilm Belgium N.V. We plan to continue pursuing further energy conservation and introducing renewable energy sources to meet our CSR targets for the year 2030 as established in SVP 2030.

In developing environmentally conscious products, we are developing products that have a low impact on the environment. We try to design products that not only reduce their environment impact by themselves such as energy- and resource-saving design but that also contribute to reducing CO₂ emissions in society. Based on the internal rules and guidelines for Design for Environment, we evaluate the level of environmental impact reduction and calculation results of the contribution to reduce CO₂ emissions from our products and services in society. We are working to reduce environmental impact accordingly.

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

3.2.4 Status of Renewable Energy Usage

Renewable Energy Usage Targets

- Converting 50% of purchased electric power to renewable energy-derived power by FY2030.
- Converting 100% of purchased electric power to renewable energy-derived power aiming at zero CO₂ emissions from our energy consumption by converting using fuels to hydrogen in our in-house cogeneration systems by FY2050.
- This target was certified as being in line with the purpose of the RE100 by the Climate Group, an international NPO; we joined the RE100 in April 2019.

Renewable Energy (Electric Power) Consumption

Unit: MWh

		FY2016	FY2017	FY2018	FY2019	FY2020
Renewable energy consumption	Fujifilm Group Total	102,552	101,435	96,100	95,827	86,784
	Fujifilm	100,772	99,883	94,738	94,658	85,153
	FUJIFILM Business Innovation	1,780	1,552	1,362	1,170	1,632

* Values presented are rounded and the sums of the items do not always make up the totals.

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

* Some sites purchase renewable power and Tradable Green Certificates.

3.2.5 Data Related to Climate Change Measures

GHG Emissions (Scope 1, 2)

		Unit		FY2016	FY2017	FY2018	FY2019	FY2020
Total direct GHG emissions (Scope 1)	Total emissions	t CO ₂ e (metric tons CO ₂ equivalents)	Fujifilm Group Total	661,000	639,000	626,000	595,000	565,000
			Fujifilm	619,000	597,000	586,000	557,000	531,000
			FUJIFILM Business Innovation	42,000	42,000	40,000	38,000	34,000
		Unit		FY2016	FY2017	FY2018	FY2019	FY2020
Total indirect GHG emissions (Scope 2)	Total emissions	t CO ₂ e (metric tons CO ₂ equivalents)	Fujifilm Group Total	554,000	523,000	499,000	445,000	409,000
			Fujifilm	391,000	370,000	355,000	320,000	295,000
			FUJIFILM Business Innovation	163,000	153,000	144,000	125,000	114,000

* Scope 1: CO₂ emissions in fuel.

* Scope 2: Market standard

* Data coverage is for 100% of total sales

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

FY2020 Results of GHG Scope 3 Emissions for Fujifilm Group

Unit: %

	Purchased goods and services	Capital goods	Energy excluding Scope 1,2	Upstream transportation and distribution	Waste generated in operation	Business travel	Employee commuting	Upstream leased assets	Downstream transportation and distribution	Use of sold products	Disposal or products	Downstream leased assets	Downstream leased assets
Fujifilm Group Total	51.1	11.9	4.9	0.3	0.3	0.4	1.1	-	7.9	3.2	3.6	3.4	11.9
Fujifilm	59.9	13.1	6.1	0.3	0.4	0.3	0.7	-	5.5	4.3	4.9	4.5	-
FUJIFILM Business Innovation	25.8	8.4	1.4	0.3	0.1	0.8	2.2	-	14.7	-	-	-	46.4

CO₂ Emissions (Scope 1, 2, 3)

	FY2016	FY2017	FY2018	FY2019	FY2020
CO ₂ Emissions (kt- CO ₂ /year)	4,867	4,707	4,285	3,877	3,392
Scope 1	14%	14%	15%	15%	17%
Scope 2	11%	11%	12%	11%	12%
Scope 3	75%	75%	74%	73%	71%

FY2020 Result of CO₂ Emission for Fujifilm Group

 Unit: kt-CO₂/year

	Procurement		Manufacturing		Transportation	Use		Disposal	Total
	1,355		948		192	351		50	2,896
Items	PET, TAC, etc.	398	Gas	475	192	Medical equipment	60	50 (including emission trading)	
	Aluminum	788	Petroleum	64		Minilab	23		
	Copiers/Printers/ Fax machines	169	Electricity	409		Copiers/Printers/ Fax machines	288		
						Others (including emission trading)	-20		

CO₂ Emissions*

 Unit: kt- CO₂/year

		FY2016	FY2017	FY2018	FY2019	FY2020
R&D/ Manufacturing/ Office	Japan/Manufacturing	829	783	757	705	671
	Japan/ Non-manufacturing	28	28	26	21	20
	Overseas/Manufacturing	276	278	273	253	226
	Overseas/ Non-manufacturing	50	42	39	33	31
	Group total	1,184	1,130	1,096	1,013	948
Vehicle		31	31	29	27	26
Total		1,215	1,161	1,125	1,040	974

* Calculation method: Calculation of CO₂ emission by energy usage specified in the Act on the Rational Use of Energy. Emission coefficient by electric power utility used for purchased power.

* Values presented are rounded and the sums of the items do not always make up the totals.

FY2020 CO₂ Emission by Region* (R&D/Manufacturing/Office)

 Unit: kt-CO₂/year

Japan		691
Overseas	Americas (USA, Canada & Brazil)	130
	Europe (Netherlands, Germany, Belgium, UK & France)	43
	China	49
	Asia excl. China & Oceania (Australia, South Korea, Singapore, etc.)	35
Group total		948

* Calculation method: Calculation of CO₂ emission by energy usage specified in the Act on the Rational Use of Energy. Emission coefficient by electric power utility used for purchased power in Japan, and emission coefficient released by IEA for each country used for other countries.

* Excluding vehicles

Annual Changes in Transport Volume* (Japan)

Unit: million tons/kilometer

	FY2016	FY2017	FY2018	FY2019	FY2020
Transportation volume	190	168	155	135	127

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

Annual Changes in Total CO₂ Emissions in Logistics* (Japan)

Unit: t- CO₂/year

	FY2016	FY2017	FY2018	FY2019	FY2020
Total CO ₂ emissions	49,761	47,100	45,846	43,205	40,873

* Total CO₂ emissions are calculated as the amount of CO₂ emitted by FUJIFILM Logistics Co., Ltd. in its logistics activities for the Fujifilm Group companies. Since FY2006, we shifted calculation method to the method based on revised Energy Conservation Law (travel distance of empty cars not included in calculations, etc.).

Amount of CO₂ Reductions and Reduction Rates through Transportation Efficiency Improvements in Distribution* (Japan)

	FY2016	FY2017	FY2018	FY2019	FY2020
Amount of CO ₂ reductions (tons of CO ₂ /year)	15,790	13,156	12,927	10,775	7,333
CO ₂ reduction rate (%)	25.4	21.8	22.0	20.0	15.2

* CO₂ reduction rate (%) = $\frac{\text{Amount of CO}_2 \text{ reductions}}{\text{Total CO}_2 \text{ emissions} + \text{CO}_2 \text{ reductions}}$

* In the FY2019, we enforced our activities for CO₂ reductions in collaboration with a specified consigner. Major reduction initiatives, which proved effective, include starting modal shifts (road transport to sea transport) in FY2017, as well as improving carrying efficiency by double stacking during transport and enhancing gasoline mileage by eco-driving. The amount was a total figure of each facility's CO₂ reduction measure.

Utilizing carbon offset

Efforts in FY2020

Business fields	Coverage
Life Science	We offset CO ₂ emissions by customers per day when a customer purchases either an ASTALIFT Jelly Aquarysta or Moist Lotion
Graphic System	Conducting the Green Graphic Project through which all the CO ₂ emissions can be offset by using our SUPERIA Process-less Thermal CTP Plate and providing a carbon zero plate to customers. (METI Acorn Mark acquired)
Document Solutions	<ul style="list-style-type: none"> Carbon offset for CO₂ emissions for all power used at the final and semifinals of the All Japan High School Soccer Tournament. Green Electricity Certificate (issued for wind power-derived power generation by the Japan Natural Energy Company, Ltd.) for all energy consumption at Fuji Xerox Super Cup 2021, and for power consumed in the use of the production system printer Iridesse™ Production Press, etc.

3.2.6 Energy Consumption Data

Annual Changes in Energy Consumption*1

Unit: TJ

Fujifilm Group Total			FY2016	FY2017	FY2018	FY2019	FY2020
Japan	Electric power, purchased electric power	Fujifilm Group Total	6,202	5,942	5,673	5,448	4,983
		Fujifilm	4,142	3,930	3,766	3,664	3,328
		FUJIFILM Business Innovation	2,060	2,013	1,906	1,784	1,655
	Heavy oil, etc.*2	Fujifilm Group Total	1,466	1,299	1,110	1,023	896
		Fujifilm	1,465	1,299	1,110	1,022	896
		FUJIFILM Business Innovation	1	0	0	0	0
	Gas*3	Fujifilm Group Total	8,586	8,348	8,507	8,097	8,000
		Fujifilm	8,261	8,023	8,172	7,762	7,708
		FUJIFILM Business Innovation	325	325	335	335	292
	Renewable energy	Fujifilm Group Total	1	1	11	11	21
		Fujifilm	1	1	11	11	21
		FUJIFILM Business Innovation	0	0	0	0	0
Overseas	Electric power, purchased electric power	Fujifilm Group Total	5,017	5,077	5,085	4,759	4,431
		Fujifilm	4,089	4,215	4,264	4,057	3,813
		FUJIFILM Business Innovation	927	862	820	702	618
	Heavy oil, etc.*2	Fujifilm Group Total	30	24	23	23	24
		Fujifilm	19	18	19	20	22
		FUJIFILM Business Innovation	10	6	4	3	2
	Gas*3	Fujifilm Group Total	1,852	1,839	1,760	1,731	1,465
		Fujifilm	1,826	1,809	1,733	1,712	1,450
		FUJIFILM Business Innovation	27	30	27	18	15
	Renewable energy*4	Fujifilm Group Total	886	856	800	772	694
		Fujifilm	880	850	795	768	678
		FUJIFILM Business Innovation	6	6	5	4	16
Total	Fujifilm Group Total	24,040	23,386	22,968	21,863	20,514	
	Fujifilm	20,683	20,144	19,870	19,016	17,915	
	FUJIFILM Business Innovation	3,357	3,242	3,098	2,847	2,598	

* Values presented are rounded and the sums of the items do not always make up the totals.

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

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

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

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

Breakdown of Consumption of Heavy Oil, Etc. (FY2020)*

Unit: thousand kiloliters

	Heavy oil	Kerosene	Light oil	Gasoline
Japan	21.4	1.1	0.1	0.0
Overseas	0.0	0.0	0.6	0.0
Group total	21.4	1.1	0.7	0.0

*Consumption in manufacturing only

3.3 Promoting Resource Recycling

3.3.1 Basic Approach

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

3.3.2 Reducing Waste and Using Resources Effectively

The product design and manufacturing divisions are working together to reduce waste in the Fujifilm group. In designing, products are designed with an awareness of recycling and conserving resources. Moreover, in manufacturing, we are improving the production yield rate based on “constant manufacturing condition,” which forms the basis of Fujifilm’s quality, to increase product quality and reduce waste.

We have been promoting Group-wide optimization, including extracting valuables from waste and improving the quality of recycling, not only at our production sites but over our entire business operations including offices and warehouses.

We are working for the entire Group to reduce the amount of waste by improving processes and by recycling plastics to achieve our SVP 2030 targets.

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

Long-term target

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

Progress: Reduced by 0.4% at the end of FY2020 (compared to the FY2013 level).

New targets

Target 2: Recycle index: More than 10.

Progress: 6.5 at the end of FY2020.

Target 3: Valuable conversion index: More than 1.

Progress: 0.63 at the end of FY2020.

Waste Generation

Unit: ton

	FY2016	FY2017	FY2018	FY2019	FY2020
A. Total waste generated volume* ¹	82,600	82,600	84,700	84,800	77,700
B. Total wastes used, recycled or sold	68,000	67,800	68,300	67,800	62,100
Total volume of simple disposal waste*² (A – B)	14,600	14,800	16,400	17,000	15,600

* Data coverage is for 100% of total sales.

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

*¹ Processed by external service providers and simple incineration or landfill disposal on sites.

*² Simple incineration or landfill disposal by external service providers and on sites.

Annual Changes in Valuable-converted Waste*

Unit: thousand tons/year

	FY2016	FY2017	FY2018	FY2019	FY2020
Valuable-converted waste	72.4	57.4	47.0	45.4	39.3

* Valuable resources sold to the third party.

Annual Changes in Recycling Index*¹ and Valuables Conversion Index*²

Unit: thousand tons/year

	FY2016	FY2017	FY2018	FY2019	FY2020
Recycling index	9.6	8.4	7.0	6.6	6.5
Valuables conversion index	1.06	0.85	0.69	0.67	0.63

*¹ Recycling index = (Recycled volume + Valuable-converted volume)/Simple disposal volume

*² Valuables conversion index = Valuable-converted volume/Recycled volume

Product packaging

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

Unit: thousand tons/year

	FY2016	FY2017	FY2018	FY2019	FY2020
Total consumption	15.6	15.6	16.3	16.1	12.6

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

Annual Changes in Reduction in export Packaging Material Weight*¹ (Cumulative total)

Unit: %

	FY2016	FY2017	FY2018	FY2019	FY2020
Packaging material reduction rate* ²	12.7	17.5	17.8	14.1	15.4

*¹ Total weight of export packaging materials handled by FUJIFILM Logistics in FY2020.

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

3.3.3 Effective Recycling of Used Products

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

1. Resource recycling system in Document Solutions business

(1) Product recycling policy in Document Solutions business

Promoting reuse of resources for infinite “Zero disposal”

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

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

(2) Basic principle of international resource recycling system construction

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

[Basic approach in overseas operations]

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

[Four principles]

- ① Prevent illegal dumping by collecting used products under the manufacturer's responsibility
- ② Do not import items that could potentially end as waste
- ③ Do not cause environmental impact to the importer countries and regions (where recycling sites are established)
- ④ Offer benefits to the importer countries and regions (where recycling sites are established)

About collecting used cartridges <https://www.fujifilm.com/fb/support/cru/printer> (in Japanese only)

Promote Recycling of Resources <https://www.fujifilm.com/fbglobal/eng/company/csr/svp2030/environment/recycle.html>

New Resource Reduction by Using Reuse Parts in Document Solutions business*

Unit: tons

	FY2016	FY2017	FY2018	FY2019	FY2020
New Resource Reduction	3,809	3,730	2,967	3,393	3,145

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

* Total for Japan, the Asia-Pacific Region, and China as FUJIFILM Business Innovation trading areas in FY2020.

The Percentage of Used Product Recycling by Sites in Document Solutions business*

	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	99.9%	99.9%	99.9%	99.9%	99.9%
China	99.9%	99.9%	99.8%	99.7%	99.8%
Other Asia-Pacific Region	99.6%~99.9%	99.6%~99.9%	80.0%~99.9%	90.0%~99.9%	96.3%~99.8%

* Our recycling system adheres to the Basel Convention

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

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

We have established a closed loop recycling system called "PLATE to PLATE" in the printing supply chain, through which we extract aluminum as pure as newly purchased aluminum from used CTP and PS plates and reuse it in the next plate production. Various stakeholders, including printing companies, aluminum recycling companies, alloy manufacturers, and roller manufacturers are involved in this system. Through this PLATE to PLATE system, we have reduced CO₂ emissions throughout the CTP and PS plate lifecycle by up to 60%, compared with using new aluminum. Compared to cascade recycling, in which lower grade materials are recycled from the original product, closed loop recycling is a more advanced and stable recycling system that can maintain the original quality without being affected by the quality of the materials purchased from recycled material vendors.

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

3.3.4 Effective Use of Water Resources

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

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

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

Targets and Progresses on Water

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

Progress: 16% reduction at the end of FY2020 (compared to the FY2013 level).

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

Progress: 16% reduction at the end of FY2020 (compared to the FY2013 level).

Short-term Target: Reduce the amount of water the Fujifilm Group uses for production by 2% by FY2021 (compared to the FY2019 level).

Water Withdrawal/Discharge/Intensity in FY2020

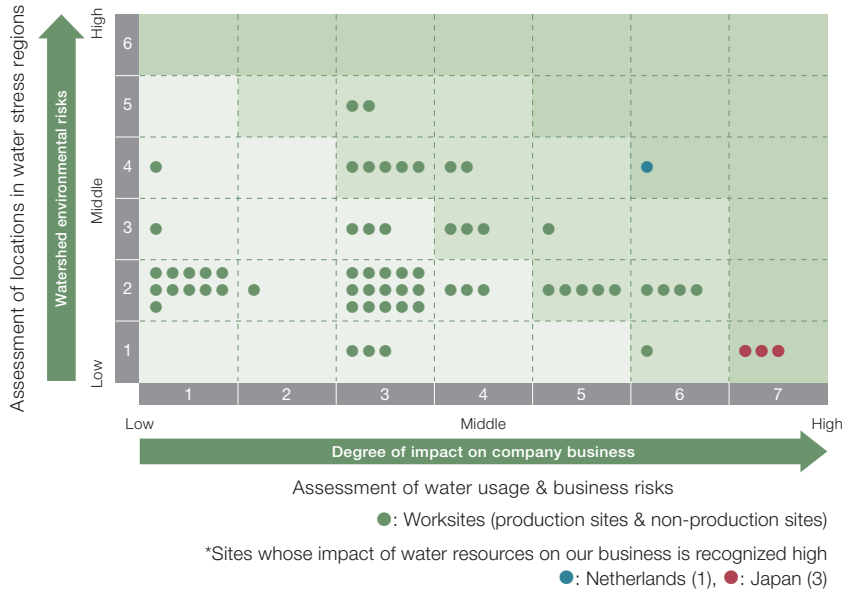
		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Water withdrawal	Clean water	million m ³	4.9	4.9	4.9	4.6	4.1
	Industrial water	million m ³	3.3	3.3	3.3	3.1	3.3
	Underground water	million m ³	37.1	35.6	34.5	34.6	34.4
	Rain water. others	million m ³	0.2	0.2	0.3	0.2	0.2
Water discharge	Sewage water	million m ³	18.5	18.0	17.8	17.7	16.2
	Rivers	million m ³	23.2	22.4	22.0	22.8	21.6
	Others	million m ³	1.1	1.1	1.0	0.9	0.9
Revenue intensity	Withdrawal	1,000 ton/ 100 million yen	1.96	1.81	1.77	1.84	1.92
	Water consumption		1.84	1.70	1.68	1.79	1.76

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

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

3.3.5 Response to Water Risks

Assessment Map of the Impact of Water Resources on Company Business



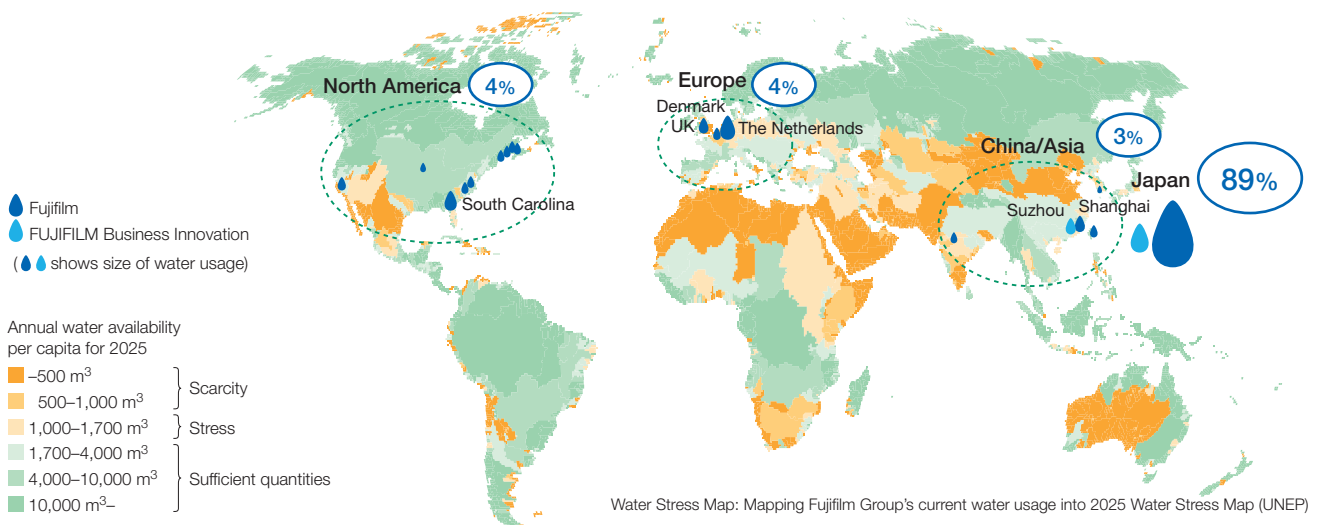
FY2020 Water Withdrawal by Region

Unit: %

		Japan	Americas	Europe	China, Asia/Oceania	Total
Water withdrawal	Clean water	20	44	11	25	100
	Industrial water	96	0	0	4	100
	Underground water	97	0	3	0	100
	Rain water, Others	98	0	2	0	100

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

2025 Water Stress Map and 2020 Fujifilm Group's Water Usage



3.3.6 Working Together with Water-Related Stakeholders

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

Major Activities

Sites	Details	Stakeholders
FUJIFILM Kyushu Co., Ltd.	Tree planting in the important water recharge zone of the Shirakawa river	Minami-Aso village, Kumamoto Prefecture
FUJIFILM (Shanghai) Trading Co., Ltd.	Voluntary tree planting for 23 years	Local NPO
FUJIFILM Manufacturing Europe B.V.	Conducting joint wastewater treatment with four neighboring corporations by installing a large-capacity water treatment facility in our own premises.	Neighboring four companies

3.4 Product Stewardship (Design for Environment)

3.4.1 Basic Approach

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

Design for Environment

<https://holdings.fujifilm.com/en/sustainability/activity/environment#link07>

3.4.2 Design for Environment

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

1. Standards of Design for Environment

(1) Materials and equipment

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

(2) Software, service, and IT solutions

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

2. Life Cycle Assessment (LCA)

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

LCA is also used to assess the progress of efforts for the Group target, which is to reduce CO₂ emissions across our product lifecycle by 45% by FY2030 (compared to the FY2013 level).

3.4.3 "Green Value Products" Certification Program

To create environmentally conscious products, the Fujifilm Group introduced "Green Value Products" certification in fiscal 2018 for products and services that satisfy certain standards for environmental consciousness.

The standards and their operation of Design for Environment are made common across the Group so that the degree of environmental value is quantified through the standards set for each product and service. The products and services are then classified as Silver, Gold, or Diamond to indicate the improvement level. This also helps clarify the environmental issues to be addressed next for further reduction of environmental impact.

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

3.4.4 Result of Design for Environment

1. Certifications of Fujifilm Group Green Value Products

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

Progress: 32% per sales.

Level	Number of the certified products		Major certified products
	FY2020	Total	
Diamond	1	2	<ul style="list-style-type: none"> • SUPERIA ZN-II and ZN-B system for process-less CTP plates for newspaper printing
Gold	16	52	<ul style="list-style-type: none"> • Mirrorless digital camera FUJIFILM GFX 50R • Smartphone Printer instax mini Link • SUPERIA ZD-II system for process-less CTP plates for commercial printing • Digital inkjet press Jet Press 750S • Data Management Solutions • ApeosPort C7070 series and ApeosPort/DocuCentre-V1 C7773 series of color multifunction devices, etc. • ApeosPort Print C5570 color printer • Document Management Cloud Services “Working Folder” • Document handling software “DocuWorks” • Robust network security service <i>beat</i>
Silver	13	112	<ul style="list-style-type: none"> • ApeosPort-VII CP 4422 color printer, etc. • ApeosPort-V 7080N/6080N/5080N series of black-and-white multifunction devices, etc. • DocuPrint P450d/P450ps series of black-and-white printers, etc. • SYNAPSE series for medical imaging IT systems, etc.

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

2. Products in response to climate change

(1) Measures for mitigating climate change

CO ₂ emissions reduction in the entire product lifecycle	<p>(1) Target: Reduce CO₂ emissions across the entire product lifecycle by 45% by FY2030, compared to the FY2013 level.</p> <p>(2) Progress: Reduce by 41% compared to the FY2013 level.</p> <p>(3) Major products:</p> <ul style="list-style-type: none"> • Process-less thermal CTP plates: No film development process and closed loop recycle by used plates • Digital inkjet press: Reduction of processes by digital printing • Multifunction devices/printers: Design for Environment; reuse, reduce and reuse by used products • TAC Display films: thinner film; using biomass materials • Cosmetics: Using refill container
The Contribution of Products to Avoid Greenhouse Gas at customers’ site	<p>(1) Target: Contribute to 90 million tons CO₂ emissions reduction by FY2030.</p> <p>(2) Progress: Contribution amount was 20.3 million tons. Progress: 23%</p> <p>(3) Major products:</p> <ul style="list-style-type: none"> • High capacity magnetic tape: Energy-saving by archive data storage • Multifunction devices/printers: Reducing energy consumption • Document handling software: Paper reduction • Medical IT System: Streamlining business process

(2) Measures in response to climate change

Major product examples:

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

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

3.4.5 Disclosing Environment-Related Information for Products

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

1. Environmental labels

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

Environmental Labels Which the Fujifilm Group Obtained

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

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

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

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

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

3.5 Management of Chemical Substances

3.5.1 Basic Approach

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

The Fujifilm Group established a safety test facility in 1975 and has been assessing the safety of the materials it has developed in terms of human health and the global environment. In “Environment,” a priority issue in our CSR plan SVP 2030, we are developing low-risk, sustainable materials and manufacturing processes, grounded upon our core technologies and the chemical library and safety data we have accumulated to date, in the drive to resolve various social issues identified in the five SDGs that we are contributing to. In animal welfare*, we are working hard to replace the animal testing used to assess safety when developing materials.

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

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

3.5.2 Anticipatory Risk Management of Chemical Substances


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

Target of Anticipatory Risk Management of Chemical Substances

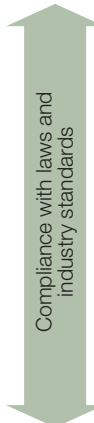
- Target:** Replace or reduce usage of “priority risk management chemical substances” by FY2030.
- Progress:** Of the seven “priority risk management chemical substances” identified last year, two substances have been completely replaced.

Table of the Classification of Our Chemical Management

S category and its voluntary management policy	
S0	Ban on use
S1	Substitute
S2	Reduce the usage or the emissions
S3	Plan to substitute
S4	Study for replacement of substances
Priority risk management chemical substances	
Not classified	



Management based on risk assessment



Compliance with laws and industry standards

3.5.3 Promoting Animal Testing Alternatives

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

- Target:** Adopting animal testing alternatives in all safety assessments.
Conduct all the safety evaluation as alternatives to animal testing.
- (1) Conduct the safety evaluation for our newly developed chemical substances using alternative methods for animal testing by FY2025*1.
 - (2) Obtain the safety data on the safety data sheet for our chemical products using alternative methods for animal testing by FY2030*2.
- Result:** The skin sensitization test, "Amino acid Derivative Reactivity Assay (ADRA)", developed by Fujifilm, was evaluated as skin sensitization method with higher accuracy than conventional methods and was adopted in the OECD Guidelines (OECD TG 442C) in June 2019.
In April 2020, we introduced a new evaluation method that uses a Reconstructed Human Epidermis model for skin irritation tests on the chemicals used as raw materials in our products to ensure the safety of the employees involved.

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

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





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

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

The Fujifilm Group is committed to using our core technology of materials and process development to provide products and services that resolve various social issues.

- Target:** Contribute to resolving social issues through development of new materials and processes.
- Result:** Disclose our exclusive materials and processes developed by our Group to contribute SDGs.

Examples of Our Unique Materials and Processes that Contribute to Meeting the SDGs

Theme/material	Contribution	SDGs
Ultraviolet & infrared absorbers	<ul style="list-style-type: none"> Materials that can selectively block a ray of specific wavelengths (ultraviolet and infrared waves). Incorporated into various functional materials for a wide range of applications by mixing into resins or coating various materials to not only increase the durability of the materials but also to bring a better quality of life to the users, because their low coloring level do not obstruct visibility. <p>Specific wavelength absorber (COMFOGUARD) https://www.fujifilm.com/jp/ja/business/materials/comfoguard (in Japanese only)</p>	
Peptide synthesis process	<ul style="list-style-type: none"> Peptides (protein fragments) used in pharmaceutical products, functional foods, cosmetics, etc., are synthesized effectively and at high purity levels in comparison to conventional generic processes, contributing to further development of new pharmaceuticals, etc. Avoids the use of solvents of high concerns as carcinogenic, mutagenic, or reproductive chemicals, which have been used in conventional generic processes. Reduces the use of solvents and other raw materials in comparison to conventional generic processes. <p>Peptide development & manufacturing services https://www.fujifilm.co.jp/corporate/news/articleffnr_1471.html?_ga=2.116029824.763390590.1608781906-1968599578.1540716341 (in Japanese only)</p>	
Ion exchange membrane & gas separation membranes	<ul style="list-style-type: none"> Remove salt from irrigation water, brackish water, river water, etc., to secure drinking water and agricultural water in remote islands or arid lands. Concentrate industrial wastewater to reduce or eliminate waste, contributing to energy saving in the waste treatment. Contributes to energy saving by separating CO₂ and other specific gases, reducing greenhouse gas emissions through low-nitrogen oxide emissions achieved by removing impurities from fuel gas, and more efficient energy use. <p>Ion exchange membrane https://www.fujifilm.com/jp/ja/business/manufacturing-process/ion-exchange-membranes/overview (in Japanese only)</p> <p>Membranes in general https://www.fujifilmmembranes.com/</p>	
Water-soluble, polymerization materials	<ul style="list-style-type: none"> The use of highly water-soluble monomers reduces VOCs in adhesives, paints, coatings, etc.. Bring both reactivity and safety when used in materials in a wide range of fields, including medical equipment and materials, electronic materials, optical materials, recording materials, printing materials, etc. <p>Water-soluble monomers https://specchem-wako-jp.fujifilm.com/whm/methacrylamide_monomers.htm (in Japanese only)</p>	

3.5.5 Contribution to Sound Chemical Management Across the Supply Chain

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

The Fujifilm Group uses chemSHERPA, a chemical information communication system conforming to international standards, to share information about chemicals in our products with suppliers and customers and to comply fully with laws and regulations, as well as IEC 62474 and other standards. We are a member of the system's operational consortium, helping promote chemSHERPA throughout the supply chain by offering explanatory meetings and individual consultations to our transaction partners.

It is a legal requirement to provide product safety information using Safety Data Sheet (SDS) for inks, treatment chemicals, and chemical products (i.e. articles). Voluntary use of an Article Information Sheet (AIS) in the photographic industry has been a common practice to communicate safety information concerning articles such as photographic films and printing paper. Now, the Fujifilm Group is proactively using AISs beyond our photographic products for other industrial materials, printing products, medical materials, display materials, etc. to communicate with our customers and ensure safe usage of our products.

Target 1: Communicate information on chemical substances in our products in compliance with international standards.
Result: Upgraded to a new version of chemSHERPA, in compliance with the international standard IEC 62474.
Result: To promote wider use of chemSHERPA in the supply chain in compliance with international standard IEC 62474, we hold explanatory meetings for suppliers via our website. Supplier understanding of the scheme has reached 90%, notwithstanding the COVID-19 pandemic.

Target 2: Continue providing Article Information Sheets (AIS).
Result: Total of 236 AISs have been newly created or updated and published on our official website.

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

- Training programs for chemical laws and regulations, and the safe handling of chemical substances were organized for all the divisions involved in Fujifilm Group's chemical lifecycle (procurement, R&D, manufacturing, sales and disposal). The program is given by an expert from FUJIFILM Wako Pure Chemical who holds specialized seminars outside the Company.
- In response to a request from Japan's Ministry of Economy, Trade and Industry regarding technical supports in handling chemicals for the ASEAN region, Trade and Industry, we gave presentations and practices on chemical risk assessment based on our own experiences for the regulatory authorities and chemicals industry associations of Indonesia and Thailand.

3.5.6 Fluorocarbons Emissions/Volatile Organic Compounds (VOC) Emissions

We are introducing measures to reduce perfluorocarbons (PFC) and hydrofluorocarbons (HFC) as the greenhouse gases, and also chlorofluorocarbons (CFC) and hydrochlorofluorocarbons (HCFC) as ozone depleting substances, according to the regulations in each country. We have set a target to reduce VOC emissions to less than half the previous year's level.

Direct Emissions of FCs and VOC

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
PFC	kg PFC/metric tons produced	1,257	62	112	0	0
CFC	kg	1.06	161.1	0.15	0	0
HCFC	kg	4,900	3,403	5,344	3,489	2,938
HFC	kg	3,586	6,650	5,633	5,444	5,147
VOC	metric tons	750	800	707	735	683

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

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

Response to the PRTR Law (Fujifilm Group) in Japan

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

Subjects and Circumstances for PRTR Notification

https://holdings.fujifilm.com/en/sustainability/activity/environment/environmental-preservation#nav_02

VOC emissions by region

Unit: hundred tons/year

	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	5.9	6.4	5.8	6.1	5.5
Overseas	1.6	1.6	1.3	1.3	1.3
Group total	7.5	8.0	7.1	7.3	6.8

* Values presented are rounded and the sums of the items do not always make up the totals.

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

Category	Name of substance	Reduction (tons)	Reduction rate in comparison to previous fiscal year (%)
Substances requiring reporting under the PRTR Law	Dichloromethane	1.5	4
Substances voluntarily controlled by the company	Methyl alcohol	23.6	19
	Ethyl acetate	6.6	5
	Methyl ethyl ketone	-2.1	-7
	Acetone	-0.4	-20

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

3.5.7 Managing Hazardous Waste

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

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

Annual Changes in Amount of Specified Hazardous Waste

Unit: t

	FY2016	FY2017	FY2018	FY2019	FY2020
Amount of specified hazardous waste	2,235	2,094	1,570	1,304	1,322

Storage and Management of Devices/Equipment Containing PCBs* (FY2020)

Types of equipment containing PCBs Unit	Unit	Storing and managing amount	
		Japan	Group total
High voltage transformers	Quantity	0	17
High voltage condensers	Quantity	0	90
PCB oil waste, etc.	kg	0.0	0.0
Sludge, etc.	m ³	0.0	0.0
Fluorescent lamp stabilizers	Quantity	5,936	5,936
Low voltage condenser excluding fluorescent lamps	Quantity	90,548	90,548
Low voltage transformer Quantity	Quantity	0	0
Rags	kg	1,061	1,061
Other devices Quantity	Quantity	413	413

* Excludes PCB wastes in low concentration

3.5.8 Managing Pollutants

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

In addition to environmental risk assessment, we are using IoT technology to reinforce environmental monitoring to prevent the release of waste in excess of regulatory levels outside factory premises.

Annual Changes in Volume of Atmospheric Emissions

Unit: tons/year

		FY2016	FY2017	FY2018	FY2019	FY2020
Sox emissions	Japan	19	15	19	11	15
	Overseas	2	3	3	1	0
	Group total	21	18	22	11	15
NOx emissions	Japan	369	290	232	242	225
	Overseas	86	111	94	82	43
	Group total	455	401	326	325	268
Soot particle emissions	Japan	2.3	2.4	1.8	2.1	2.2
	Overseas	1.0	1.8	3.3	5.7	0.1
	Group total	3.3	4.2	5.1	7.9	2.3
Atmospheric emissions of specified CFCs*	CFC-11	0.00	0.16	0.00	0.00	0.00
	CFC-12	0.00	0.00	0.00	0.00	0.00

* Group total, below the limit of detection = 0

* Values presented are rounded and the sums of the items do not always make up the totals.

Annual Changes in Water Contaminant Burden & Emissions*1

Unit: tons/year

		FY2016	FY2017	FY2018	FY2019	FY2020
Total amount of COD*2	Japan	69.0	55.9	68.6	49.4	54.1
	Overseas	55.5	49.6	27.2	19.7	25.6
	Group total	124.5	105.4	95.8	69.1	79.7
Total amount of BOD*3	Japan	30.2	24.3	26.8	25.1	21.5
	Overseas	0.5	0.1	0.6	1.2	0.5
	Group total	30.7	24.5	27.4	26.3	22.1
Total amount of nitrogen emissions	Japan	170.9	181.7	167.2	143.1	149.4
Total amount of phosphorous emissions	Japan	1.4	2.7	1.8	2.0	2.7

* Values presented are rounded and the sums of the items do not always make up the totals.

*1 Effluent release into public water bodies

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

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

Surveying and remediating soil and underground water pollution

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

Soil/Underground Water Contamination Measures

https://holdings.fujifilm.com/en/sustainability/activity/environment/environmental-preservation#nav_03

3.6 Biodiversity Conservation

3.6.1 Basic Approach

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

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

- FUJIFILM Holdings “Guidelines for Biodiversity” <https://www.fujifilmholdings.com/en/sustainability/vision/creature.html>
- Fujifilm “Policies for Wood Pulp Procurement” https://www.fujifilm.com/about/procurement/purchasing_policy/wood_pulp/
- FUJIFILM Business Innovation “Sustainable Paper Procurement” https://www.fujifilm.com/fbglobal/eng/company/csr/svp2030/environment/chem_bio.html#anc02

3.6.2 Risk Assessments of Our Business Activities

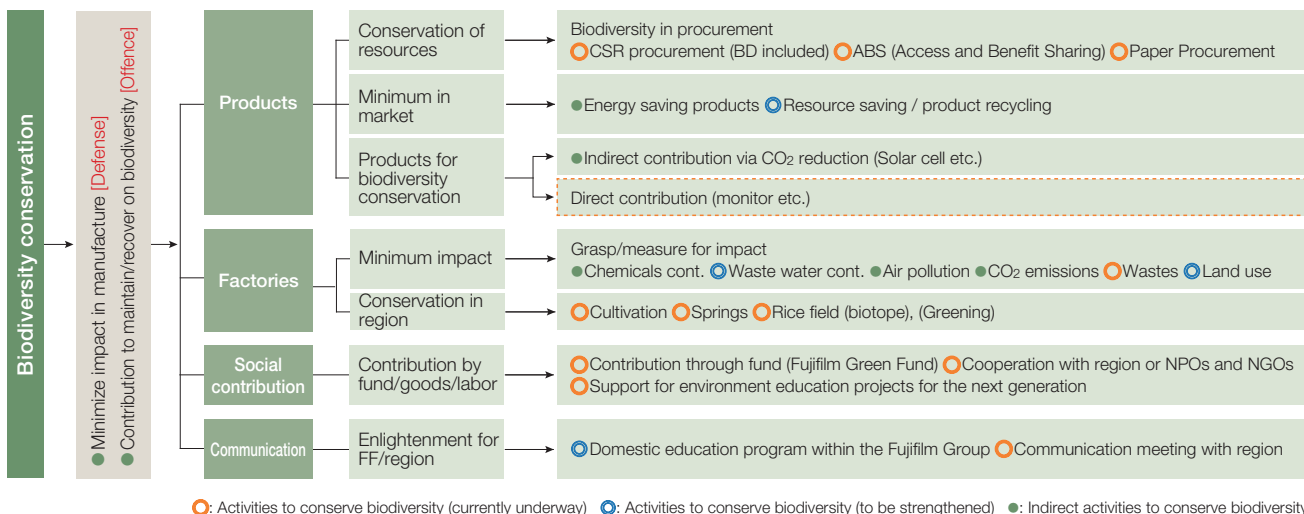
The Fujifilm Group assesses and promotes to minimize biodiversity risks in its business operations. Our findings regarding the impact of our business activities on biodiversity led to our designating paper procurement in our Document Solutions business as a priority area affecting forest resources. In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

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

3.6.3 Activities for Biodiversity

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

Activities on Biodiversity Conservation —Outline—



1. Biodiversity in products

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

(1) Design for the Environment

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

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

(2) Efforts in paper procurement

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

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

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

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

Percentage of FSC®-certified paper brands for paper products in Document Solutions: 44%

FUJIFILM Business Innovation paper procurement regulations:

https://www.fujifilm.com/fbglobal/eng/company/csr/svp2030/environment/chem_bio.html#anc02

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

(1) Minimizing impact

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

(2) Environmental protection in local communities

- Preservation of paddy fields in areas that are water sources

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

- Maintaining forests that protect watersheds

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

3. Promoting Environmental Awareness in Cooperation with NPOs and Other Organizations

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

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

4. Collaboration with initiatives regarding biodiversity

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

4.1 Employee Overview

Definitions in this section

- Fujifilm Group: FUJIFILM Holdings Corporation and its consolidated companies
- Fujifilm Group Japan: FUJIFILM Holdings Corporation and its consolidated companies in Japan
- Fuji Xerox Co., Ltd. changed its corporate name to FUJIFILM Business Innovation Corp. as of April 1, 2021.

4.1.1 Basic Approach

Under our corporate slogan, "Value from Innovation," the Fujifilm Group has been transforming our businesses proactively in the rapidly changing business environment, aiming at delivering value to society. To realize the aim, we emphasize that each and every one of our diverse employees has his/her unique strengths and exercises the full potential. We have been creating a workplace that enables our employees to achieve results through efficient and productive manners of working while collaborating with various stakeholders, both inside and outside the Group.

4.1.2 Basic Data

Fujifilm Group Employees

As of March 31, 2021

	Total	Male	% of total	Female	% of total
Executive officers (excluding Directors)	9	6	67%	3	33%
Regular employees	73,275	52,425	72%	20,850	28%
Managerial personnel*	14,322	12,112	85%	2,210	15%
General employees	58,953	40,314	68%	18,639	32%
Non-regular employees	9,731	—	—	—	—

* Based on the definition by each overseas subsidiary

4.1.3 Regular Employees

As of March 31, 2021

FUJIFILM Corporation

	Total	Male	Female
Number of employees Proportion	4,655 100%	3,840 82.5%	815 17.5%
Managerial personnel Proportion	1,152 100%	1,099 95.4%	53 4.6%
Average age	42.86	43.25	41.01
Average length of employment (years)	18.09	18.16	17.75
Utilization of paid leave*1	67.2%	—	—
Turnover rate*2	1.42%	1.34%	1.77%

*1 Based on the fiscal year (from April 1, 2020 to March 31, 2021).

*2 Turnover rate = $\frac{\text{Attrition} + \text{Voluntary}}{\text{Total number of employees at FUJIFILM Corporation at the end of the preceding fiscal year}}$
(numerator not counting compulsory retiree, transferee to other group companies, or retiree through the early retirement program)

FUJIFILM Business Innovation

	Total	Male	Female
Number of employees Proportion	7,227 100%	6,019 83.3%	1,208 16.7%
Managerial personnel Proportion	1,465 100%	1,345 91.8%	120 8.2%
Average age	45.26	46.16	40.81
Average length of employment (years)	20.33	21.06	16.71
Utilization of paid leave*1	55.3%	—	—
Turnover rate*2	3.49%	3.21%	4.85%

*1 Based on the calendar year (from January 1, 2020 to December 31, 2020)

*2 Turnover rate = $\frac{\text{Attrition} + \text{Voluntary}}{\text{Total number of employees at FUJIFILM Business Innovation Corp. at the end of the preceding fiscal year}}$
(numerator not counting compulsory retiree, transferee to other group companies, or retiree through the early retirement program)

Re-employment after compulsory retirement*

As of March 31, 2021

	FY2020
FUJIFILM Corporation	71
FUJIFILM Business Innovation	191

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

4.2 Diversity and Equal Opportunities for Employees

Definitions in this section

- Fujifilm Group: FUJIFILM Holdings Corporation and its consolidated companies
- Fujifilm Group Japan: FUJIFILM Holdings Corporation and its consolidated companies in Japan
- Fuji Xerox Co., Ltd. changed its corporate name to FUJIFILM Business Innovation Corp. as of April 1, 2021.

4.2.1 Basic Approach

The Fujifilm Group lists “Respect and promotion of diversity” and “Prohibition of discrimination” in Chapter 1 of the Fujifilm Group Code of Conduct (“Respect for Human Rights”). Diversity of our people and non-discrimination culture form the base for us at the Fujifilm Group. We aim to become a robust organization that can contribute to a prosperous society by creating new values through respecting, accepting, and being inspired by each employee’s personality and individuality.

We are fully committed to providing equal opportunities in hiring, promotion and advancement, benefits, and training opportunities regardless of nationality, age, gender, sexual orientation or gender identity, race, ethnicity, religion, political creed, ideology, national or social origin, disability, etc. In line with this commitment, we establish and operate the company systems and rules.

Even during a major life event, such as childcare and nursing care, our workplace allows flexibility to enable employees to continue their work and then smoothly resume fulltime working. This support aims to ensure opportunities not only for the employees to grow through their working experiences but also for the Fujifilm Group to fully leverage their diversity for the Group.

Fujifilm Group Code of Conduct Chapter 1 Respect of human rights

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

4.2.2 Management System

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

We clearly state respect and promotion of diversity and prohibition of discrimination in the Fujifilm Group Charter for Corporate Behavior and Code of Conduct. Our Code of Conduct is shared in 24 languages and penetrated through the Group across the globe by trainings including e-Learning.

4.2.3 Effort Results and Progress

The Fujifilm Group has set new long-term targets in line with SVP 2030, against the indices to measure “the extent to which diverse employees are exerting their capabilities and creativity to the fullest extent.”

Target 1: Promoting talented employees worldwide

Principal indices: Percentage of international employees*1 in major positions*2 in the Fujifilm Group
FY2030 target: 35%, FY2020 results: 27%

*1 International employees: Non-Japanese

We continue to promote talents who can lead our businesses in different markets regardless of their nationalities.

*2 Major positions: Presidents of major subsidiaries, General Managers of major businesses, and several other senior positions

Taking our Group globally, we reviewed our key senior positions. In addition to the existing major positions in our Group companies, we include key senior positions in our businesses and headquarters that are becoming increasingly important when looking toward the future.

Target 2: Promoting women in leadership

- Principal indices:**
- (1) Percentage of women in managerial positions in the Fujifilm Group
FY2030 target: 25%, FY2020 results: 15.4%
 - (2) Percentage of women in managerial positions in the Fujifilm Group Japan
FY2030 target: 15%, FY2020 results: 5.8%

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

In Japan, FUJIFILM Corporation and FUJIFILM Business Innovation individually formulated a five-year action plan covering FY2021-2025 for promoting women's advancement in response to The Act on Promotion of Women's Participation and Advancement in the Workplace. Both plans have been made public.

Percentage of Women in Managerial Positions

	FY2018	FY2019	FY2020	FY2030 target
Fujifilm Group	13.9%	14.5%	15.4%	25.0%
Fujifilm Group Japan	5.4%	5.4%	5.8%	15.0%

* Based on the definition by each overseas subsidiary

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

- Principal indices:** Percentage of employees with disabilities according to the group-wide calculation under FUJIFILM Holdings
FY2030 target: Higher than the legally-specified percentage (2.35%), FY2020 results: 2.48%

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

In order to create inclusive workplace for all employees including members with disabilities, we continue our collaboration with external agencies such as the Vocational Training Center for the Disabled. Together with those experts, we have identified jobs for physically challenged employees and supported their retention. Further, we have set up new workplaces to help people with intellectual or mental disabilities gain opportunities to actively participate in working.

Percentage of Employment of Persons with Disabilities*

As of April 1, 2021

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2030 Target
Fujifilm Group	—					Higher than the legally-specified percentage (2.35%)
FUJIFILM Corporation	2.24%	2.27%	2.32%	2.42%	2.48%	
FUJIFILM Business Innovation Corp.	2.22%	2.18%				

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

Target 4: Achieve zero retirement of employees due to childcare or nursing care (in Japan)

- Principal indices:**
- (1) Job retention rate three years after returning from childcare leave
FY2030 target: 100% (Fujifilm Group Japan),
FY2020 results: 90.5% (FUJIFILM Corporation)
 - (2) Job retention rate three years after returning from nursing care leave.
FY2030 target: 100% (Fujifilm Group Japan),
FY2020 results: 100% (FUJIFILM Corporation)

Since fiscal 2020, we have expanded the scope of this metric to cover the entire Fujifilm Group in Japan.

We held seminars for not only the employees returning from childcare leave but also their managers to raise awareness about ways of making their return to work problem-free. To enable a satisfactory balance between work and childcare, we also promoted childcare leave for male employees and the utilization of accumulated unused paid leave. For nursing care, we held specialist seminars to prevent employees from quitting their jobs due to nursing care and offered enhanced consultation supports for those engaged in nursing care.

We have been accelerating innovations of the work style for all of our group employees, not limited to those currently facing major life events. Our efforts include establishing new rules and revising existing operations to make working hours or holiday allocations more flexible, shifting to online meetings, shortening the time for meeting, and setting working environment for employees working from home.

Returning Rate from Childcare and Nursing Care leaves

As of March 31, 2020

FUJIFILM Corporation

	Total	Male	Female
Returning rate from childcare leave* ¹	93.9% (46/49)	100.0% (16/16)	90.9% (30/33)
Returning rate from nursing care leave* ¹	100.0% (1/1)	N/A (0/0)	100.0% (1/1)
Retention rate after 3 years from reinstatement (childcare)* ²	90.5% (38/42)	N/A (0/0)	90.5% (38/42)
Retention rate after 3 years from reinstatement (nursing care)* ²	100.0% (4/4)	100.0% (2/2)	100.0% (2/2)

FUJIFILM Business Innovation Corp.

	Total	Male	Female
Returning rate from childcare leave* ¹	96.5% (111/115)	100.0% (47/47)	94.1% (64/68)
Returning rate from nursing care leave* ¹	50.0% (1/2)	50.0% (1/2)	N/A (0/0)
Retention rate after 3 years from reinstatement (childcare)* ²	91.3% (73/80)	80.8% (21/26)	96.3% (52/54)
Retention rate after 3 years from reinstatement (nursing care)* ³	20.0% (1/5)	N/A (0/0)	20.0% (1/5)

*1 Returning rate = $\frac{\text{Number of returned employees whose expiration date of the leave arrived in FY2020}}{\text{Number of all employees whose expiration date of the leave arrived in FY2020}}$

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

Systems for Balancing Work and Life

We have established multiple company systems and offer various benefits that more than satisfy legal requirements in order to accommodate flexible work during the period of life events such as childcare and nursing care.

FUJIFILM Corporation

Childbirth and childcare	Nursing care	Others
<ul style="list-style-type: none"> • Catering for pre- and post-birth requirements • Leave of absence for childcare • Use of stocked leave* for childcare • Support for employees working while raising children • Three-person interview at the time of returning to work from childcare leave • Child medical care leave program (1 relevant child: 12 days per year; 2 or more children: 24 days per year) • Shorter working hours (child in the third grade or lower) • Use of stock leave* for fertility treatment • Leave of absence for birth support (one year leave system for fertility treatment) • Exemption from overtime work and from work on holidays • Reinstatement to same workplace after leave of absence for childcare 	<ul style="list-style-type: none"> • Leave of absence for nursing care • Nursing care leave program (1 care recipient: 12 days per year; 2 or more care recipients: 24 days per year) • Use of stock leave* for nursing care • Support for employees working while caring a family member • Expansion of nursing care counseling office 	<ul style="list-style-type: none"> • Flexible working hours • Working from home • Active Life Leave • Leave of absence for volunteer work, Using of stock leave* for volunteer work • Use of stock leave* for self development • Discretionary labor system • No overtime day (twice a week) • Re-employment Program • Paid leave on an hourly basis

* Stock leave is unused paid leave that can be accumulated up to 60 days per employee to be used for medical treatment, rehabilitation, childcare, nursing care, and volunteer activities.

FUJIFILM Business Innovation Corp. (All those systems provide for generous leave beyond that required by law.)

Childbirth and childcare	Nursing care	Others
<ul style="list-style-type: none"> • Paid maternity leave • Leave of absence for childcare (until the child turns to two-years old, with financial support equivalent to housing-related allowance) • Reinstatement after leaving the company for reasons such as spouse's transfer or childcare • Accumulated paid leave* for healthcare of employees' family • Shorter working hours during childcare (until the third grade of elementary school) • Limited overtime during childcare (until the sixth grade of elementary school) • Limited late-night overtime during childcare (until six grade of elementary school) • Special leave for supporting the wife at the time of childbirth (Two days for the first child; five days for the second and later children) • Leave of absence for birth support (one-year leave at maximum for fertility treatment) 	<ul style="list-style-type: none"> • Leave of absence for nursing care program • Limited overtime during nursing care • Limited late-night overtime during nursing care • Leave for nursing care • Accumulated paid leave* for nursing care 	<ul style="list-style-type: none"> • Flexible working hours • Working from home • Continuous service award special vacation; "refresh vacation" • Accumulated paid leave* for volunteer activities • Social service system (leave of absence program for employees participating in socially beneficial activities) • Leave of absence for education • Leave of absence to support for senior employees' second career • Flexible work schedules for senior employees in preparation for the next career after retiring from the company • Transfer or leave of absence when employee's spouse is transferred

* Accumulated paid leave is unused leave that can be accumulated up to 60 days per employee to be used for healthcare of the family, childcare, nursing care, and volunteer activities.

4.2.4 Freedom of Association

The Fujifilm Group clearly states that we maintain good relations between employees and employers while respecting the right to engage in collective bargaining and the right to enjoy freedom of association, as permitted by applicable laws, and rules in the country where business is conducted. Such statements are part of the Fujifilm Group Code of Conduct and the Fujifilm Group Human Rights Statement.

Fujifilm Group Human Rights Statement: Consideration for Fujifilm Group Personnel

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

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

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

Labor Union Membership

As of March 31, 2021

	Total number of employees represented by an independent trade union	% of employees represented by an independent trade union*
FUJIFILM Corporation and FUJIFILM Business Innovation	8,154	68.5%

* % of employees represented by an independent trade union = Ratio to regular employees including managerial staff.

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

FUJIFILM Corporation

As of March 31, 2021

FY	Item
2016	<ul style="list-style-type: none"> • Partial revision of travel expense rules and company house management regulations • Partial revision of collective labor agreement and wage rules in response to establishment of a new branch • Partial revision of collective labor agreement, letter of agreement and work rules regarding childcare leave and nursing care leave
2017	<ul style="list-style-type: none"> • Partial revision of collective labor agreement and wage rules • Partial revision of collective labor agreement, written agreement and work rules regarding childcare leave • Established rules for employees to drive their own cars to the office.
2018	<ul style="list-style-type: none"> • Partial revision of wage rules • Wider range of job assignment destinations within the Fujifilm Group in Japan
2019	<ul style="list-style-type: none"> • Revision of maximum working hours and designation of timing to take Paid Leave, in line with the amendments to the Labor Standards Act. • Revision of the F-PRO* allowance • Revision of parts of the employee leave system to improve convenience and address inadequacies in the system
2020	<ul style="list-style-type: none"> • Partial revision of wage rules • Partial revision of collective labor agreement and corresponding work rules to allow paid leave for childcare or nursing care on an hourly basis • Addition of group companies in Japan as destination for temporary transfer of employees (e.g. FUJIFILM Healthcare Corporation)

* F-PRO: Discretionary labor system of FUJIFILM Corporation

FUJIFILM Business Innovation Corp.

As of March 31, 2021

FY	Item
2016	<ul style="list-style-type: none"> • Agreement between labor and management regarding the terms and conditions for applying a program to transfer and a leave of absence due to accompanying a spouse's transfer • Revision of systems for childcare and nursing care due to the change of the related laws • Change of starting point for reckoning on yearly paid vacation according to the systems at the Group companies in Japan
2017	<ul style="list-style-type: none"> • Labor-management agreement signed on the introduction of the Paid Leave by the Hour System on April 1, 2018 (February 2018)
2018	<ul style="list-style-type: none"> • Revision of regulations for employees working abroad (January 1, 2019) • Revision of regulations of travel expense (January 1, 2019) • Revision of personnel systems (April 1, 2019) • Expansion of coverage for remote working system (April 1, 2019) • Expansion of coverage for home working system (April 1, 2019)
2019	<ul style="list-style-type: none"> • Updates to the employee holiday and leave system (including congratulatory/condolence leave, alternative holidays, etc.)
2020	<ul style="list-style-type: none"> • Introduction of hour-based paid leave for nursing children or other family members • Revision of basic conditions at the time of transfer

4.3 Health, Safety and Wellness of Employees

Definitions in this section

- Fujifilm Group: FUJIFILM Holdings Corporation and its consolidated companies
- Fujifilm Group Japan: FUJIFILM Holdings Corporation and its consolidated companies in Japan
- Fuji Xerox Co., Ltd. changed its corporate name to FUJIFILM Business Innovation Corp. as of April 1, 2021.

4.3.1 Basic Approach

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

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

Fujifilm Group Employee Wellness Declaration and related information

<https://holdings.fujifilm.com/en/sustainability/vision/policy/health-safety>

Fujifilm Group Occupational Safety and Health Policy

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

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

Established in January 2010, Revised in April 2019

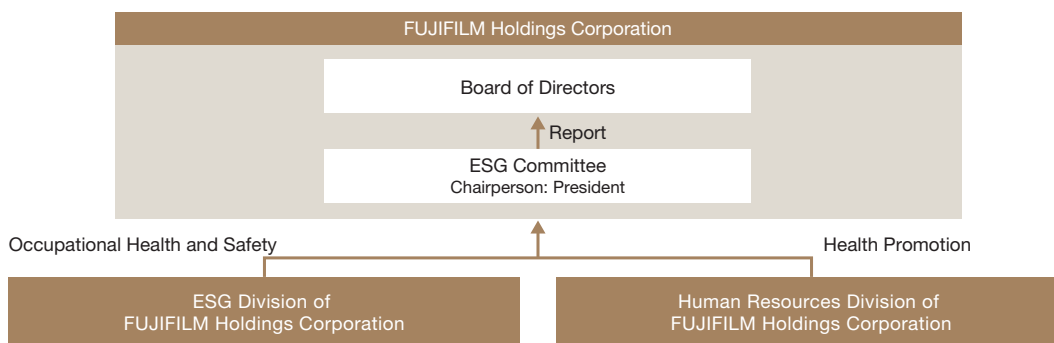
Fujifilm Group Code of Conduct: Article 8, Chapter 1 Occupational Safety and Health/Health Promotion

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

4.3.2 Management System

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

Promotion Structure



4.3.3 Occupational Safety

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

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

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

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

1. Efforts for occupational health and safety

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

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

Group-wide target #2: Workplace accident rate of 0.1 or less by FY2030.

Number of Employees Taking Occupational Health and Safety Training

	FY2020
Fujifilm Group*	32,674

* Scope: Fujifilm Group

Including those who are acquired licenses, skill training courses, and special education required by law when engaging in hazardous work.

2. Serious workplace accidents in FY2020

Fujifilm Group: 1

- Cutting left fingers during maintenance of the equipment (FUJIFILM Business Innovation Japan)

Number of Fatal Workplace Accidents

		FY2016	FY2017	FY2018	FY2019	FY2020	Target
Fujifilm Group	Employees	0	0	0	1	0	0
	Contracted	0	0	0	1	0	0
Fujifilm*	Employees	0	0	0	0	0	0
	Contracted	0	0	0	0	0	0
FUJIFILM Business Innovation*	Employees	0	0	0	1	0	0
	Contracted	0	0	0	1	0	0

* Fujifilm and FUJIFILM Business Innovation (-FY2018), Fujifilm, FUJIFILM Business Innovation and their group companies (FY2019-)

3. Workplace accident rate and workplace accident severity

() : chemical industry average in parenthesis*6

Japan		FY2016	FY2017	FY2018	FY2019	FY2020	Target
Workplace accident rate*4	Fujifilm Group (Japan)	0.00 (0.37)	0.35 (0.28)	0.12 (0.47)	0.42 (0.42)	0.29 (0.32)	Workplace accident rate of 0.1 or less by FY2030
	Fujifilm and its group companies in Japan*1	0.00	0.30	0.00	0.30	0.31	
	FUJIFILM Business Innovation and its group companies in Japan*2	0.00	0.37	0.18	0.54	0.28	

Overseas		FY2016	FY2017	FY2018	FY2019	FY2020	Target
Workplace accident rate*4	Fujifilm Group (Overseas)*3	3.79	1.87	2.71	1.36	2.01	Workplace accident rate of 0.1 or less by FY2030
	Fujifilm and its group companies outside of Japan	3.79	1.87	2.71	1.53	1.85	
	FUJIFILM Business Innovation and its group companies outside of Japan	—			1.23	2.24	

Japan		FY2016	FY2017	FY2018	FY2019	FY2020
Workplace accident severity*5	Fujifilm Group (Japan)	0.00 (0.0)	0.00 (0.01)	0.00 (0.01)	0.003 (0.01)	0.004 (0.01)
	Fujifilm and its group companies in Japan*1	0.00	0.00	0.00	0.005	0.003
	FUJIFILM Business Innovation and its group companies in Japan*2	0.00	0.00	0.00	0.002	0.004

Overseas		FY2016	FY2017	FY2018	FY2019	FY2020
Workplace accident severity*5	Fujifilm Group (Overseas)*3	0.07	0.04	0.06	0.031	0.036
	Fujifilm and its group companies outside of Japan*1	0.07	0.04	0.06	0.043	0.033
	FUJIFILM Business Innovation and its group companies outside of Japan	—			0.022	0.041

TRIR (Fujifilm Group)

	FY2016	FY2017	FY2018	FY2019	FY2020
TRIR	—	—	—	2.10	2.34

*1 Fujifilm: Unconsolidated until 2018; total data for Fujifilm and its group companies were used for calculation starting in FY2019.

*2 FUJIFILM Business Innovation: FUJIFILM Business Innovation were unconsolidated until FY2018. Total data for FUJIFILM Business Innovation and its group companies were used for calculation starting in FY2019.

*3 Fujifilm group companies outside of Japan until FY2018.

*4 Workplace accident rate (LITR) = $\frac{\text{Number of employees involved in workplace accidents}}{\text{Gross number of hours worked}} \times 1,000,000$ *5 Workplace accident severity = $\frac{\text{Number of workdays lost}}{\text{Gross number of hours worked}} \times 1,000$

*6 Source for chemical industry average: 2020 Survey on Industrial Accidents, Ministry of Health, Labour and Welfare

*7 Total recordable incident rate (TRIR) is the number of injuries per million working hours (accidents not associated with lost work time + accidents involving lost time & deaths)

4.3.4 Employee Wellness

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

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

1. Enactment and dissemination of Fujifilm Group Employee Wellness Declaration

With the adoption of Fujifilm Group Employee Wellness Declaration, we have conducted an e-learning course supervised by occupational health physicians to gain a deep understanding of the declaration among all employees since fiscal 2019. More than 42,000 employees in Japan participate in the course every year. At the same time, we shared wellness information via FUJIFILM Holdings' and Group companies' intranets and newsletters. Since February 2020, all executive officers of FUJIFILM Corporation and FUJIFILM Business Innovation and the presidents of their subsidiaries have declared their personal wellness commitments on the intranet. With the disclosed commitments including no-smoking declarations by executive officers, we accelerate employee wellness under the leadership of the top management.

2. Central management and analysis of employees' health data

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

3. Setting the mid-term target for wellness issues

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

KPIs in Health Issues, Mid-term Targets and Results

Priority Areas	KPIs	Mid-term Targets for FY2022	Results for FY2019	Results for FY2020	
Behavior-related Diseases	Employees with BMI > 25	21%	25.9%	27.0%	
	Employees with HbA1c > 6.0%	6%	7.7%	7.8%	
Smoking	Employees who smoke	12%	22.6%	20.8%	
Cancer	Employees who received screening	Lungs	100%	98.6%	98.9%
		Stomach	100%	78.5%	84.7%
		Endoscope	90%+	56.6%	60.7%
		Large intestine	100%	82.0%	91.5%
		Breasts	90%+	72.5%	79.7%
		Cervical	90%+	59.2%	66.9%

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

Efforts against cancer

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

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

Cancer Screening (Fujifilm Group Health Insurance Association Subsidy Program)

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

4. Wellness initiatives

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

(1) Initiatives in Japan

In Japan

Priority Areas	FY2020 programs	FY2020 results, etc.
Behavior-related Diseases	Establishment of the "Seven Actions for Good Health" to acquire wellness practices	Survey of the implementation rate per company
Smoking	Online program for quitting smoking	153 participants
	Free distribution of two weeks' worth of antismoking patches	782 participants
	Free distribution of antismoking chewing gum	186 participants
	Non-smoking during working hours	Incorporated into working regulations since April 2020
	Smoking areas on company premises closed	All of the 131 smoking areas in the Group were closed.
Cancer	During the Breast Cancer Awareness Month, a webinar was held to give a lecture by a radiologist engaged in the joint research on FUJIFILM Mammography.	450 employees participated in the webinar on the importance of breast cancer checks; the webinar was recorded and made accessible by all employees via our intranet.

(2) Initiatives around the world

FUJIFILM Holdings Employee Wellness Promotion Group started regular communications with the wellness promoters in the U.S., Europe, China, and Asia Pacific in fiscal 2019. For our overseas employees, various wellness programs are developed and implemented taking into account local conditions such as medical care system and wellness practices in each region or country.

Additionally, we have conducted activities on a global scale to protect our employees from COVID-19 infection.

In January 2020, we established the COVID-19 Control Office within FUJIFILM Holdings. In cooperation with the overseas Group companies, the office played a central role in supplying face masks and sterilizers as well as sharing anti-infection measures depending on the situation in each region where we operate.

In resuming business at our overseas sites after temporary closure, we have been making efforts to maintain safe operations under the new conditions. Such efforts include developing Infection Control Guidelines in compliance with the respective national and regional guidelines and holding COVID-19 seminars for employees.

(3) Recognition

In March 2021, FUJIFILM Holdings was listed on the Health and Productivity Stock Selection 2020 for the first time. The Health and Productivity Stock Selection certifies industry leader companies listed on the Tokyo Stock Exchange that are actively promoting health and productivity management from a strategic perspective, recognizing the importance of health and productivity management. The certification was started in 2015 jointly by the Ministry of Economy, Trade and Industry, Japan (METI) and the Tokyo Stock Exchange.

On top of that, 19 companies in the Fujifilm Group were certified as “Health and Productivity White 500” for 2021 accredited by METI. The certification is given to the 500 businesses engaged in excellent employees’ well-being practices promoted by Nippon Kenko Kaigi (Health and Productivity Management Organization). The honor indicates that the health and productivity management initiatives by those companies are highly recognized.

Listed on the Health and Productivity Stock Selection 2021 for the first time



Certified as “Health and Productivity White 500” for the fifth consecutive year



4.4 Employee Development, Talent Attraction and Engagement

Definitions in this section

- Fujifilm Group: FUJIFILM Holdings Corporation and its consolidated companies
- Fujifilm Group Japan: FUJIFILM Holdings Corporation and its consolidated companies in Japan
- Fuji Xerox Co., Ltd. changed its corporate name to FUJIFILM Business Innovation Corp. as of April 1, 2021.

4.4.1 Basic Approach

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

Corporate culture

The Fujifilm Group strives to foster an inclusive culture where our diverse employees with unique strengths can exercise their full potential – to realize such an ambition, we build productive workplace so that results are delivered without depending on long working hours. Our employees can enjoy growth and success of their own and of the Group through driving changes while contributing perspectives untied to stereotypes along with working enthusiastically with innovative mindset.

Employee development

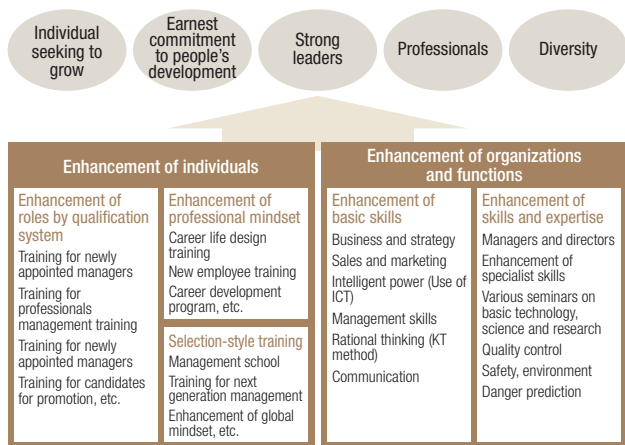
We believe that a team can achieve required growth most effectively when a strong leadership exists. Team members are to capture maximum opportunities from the changes they face and to dedicate their best efforts for their own growth; managers are to be passionate about and truly committed to providing their subordinates with all the necessary coaching and support for their growth. The Fujifilm Group's approach is to increase the number of employees with highly competitive strengths who are keen to continuously build up-to-date skills, and hence are capable of powering our innovation.

4.4.2 Structure for Human Resource Development

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

1. Human resource development programs

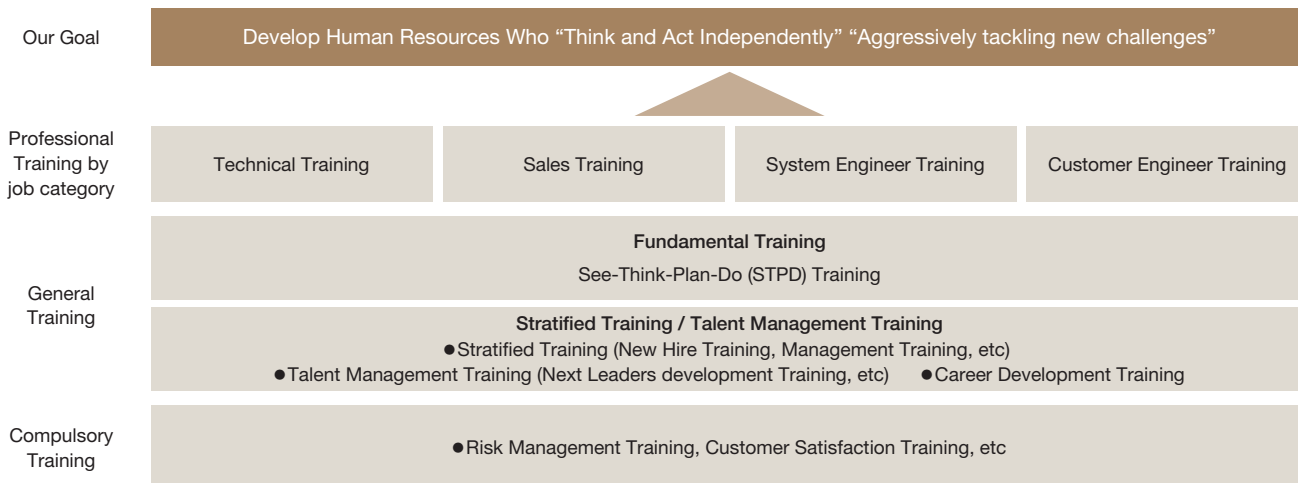
FUJIFILM Corporation's Human Resource Development



FUJIFILM Corporation's Training to Develop Global Human Resources

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

Human Resources Development of FUJIFILM Business Innovation Corp.



2. Individual performance appraisal

The Fujifilm Group has been introducing performance assessments through the Management by Objectives approach in Group companies across the world. The Management by Objectives approach draws out employees' sense of ownership and facilitates mutual communication with their supervisors, and hence help build an "open, fair, and clear" corporate culture. We aim to embed this approach throughout the Group companies for a better corporate culture. In those organizations or functions where the Management by Objectives approach is already in place, employees are to participate in one-on-one meetings with their immediate managers for annual or biannual performance review.

3. Career development "+STORY (plus-story)"

The Fujifilm Group employees are encouraged not to avoid facing and overcoming various changes around them since we have a strong belief that any changes encountered can be leveraged as growth opportunities for them.

With that respect, we have launched a career development tool called +STORY (plus-story) in Japan. Employees encounter different situations time to time naturally while they are absorbed in their tasks at hand. Each situation is accompanied by particular feelings such as fulfilled, delighted, impressed, disappointed, frustrated, or painful. Those personal feelings employees experienced act as the threads for weaving their unique stories using the +STORY format. In the annual +STORY conversation with their immediate managers, employees identify completed and ongoing tasks and develop individual annual plans based on their stories.

Our +STORY enables employees to receive multiple “plus” while they follow the defined process; lessons learned from their own experiences, setting a stretch goal reflecting those lessons, and supports by their managers for pursuing their stories. The numerous stories equaling the number of employees undergoing the +STORY process as a whole serve as a driving force for the Fujifilm Group.

4. Employee engagement

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

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

4.4.3 Effort Results and Progress

1. Human resource development programs

The Fujifilm Group globally invests in human resource development by offering comprehensive learning and training opportunities ranging from tiered programs for all levels of regular employees including people managers, executive leadership programs, and professional skill development programs on top of the mandatory trainings delivered across the Group. In fiscal 2000, we adopted online sessions widely for the sake of keeping social distance under the lasting COVID-19 pandemic.

FY2020 Training and Development Inputs

	Hours	Amount spent (currency: yen)
Total	3,859,041	553,394,406
Average per employee	53	7,552

We continued to provide our employees with the FUJIFILM WAY Training and STPD (See-Think-Plan-Do) Training in fiscal 2020. These programs are incorporated into the training sessions for new and promoted employees in Japan. We provide e-learning courses so that our overseas employees may participate in the training at the convenience of each organization.

We also continued offering our data science training programs in fiscal 2020 to bring digital transformation to the entire business and enhance employees’ IT literacy for better productivity. There have been some 600 participants to the programs to date, 150 of which were followed up to help them apply what they have learned from the programs in their tasks. At the same time, we further improved efficiency in business operations utilizing ICT, such as spreading the Robotic Process Automation (RPA) and Business Intelligence (BI) tools. In addition, we launched an introductory data science training course for managers to drive the employment of IT skills at the workplace level. Some 1,300 managers participated in fiscal 2020 alone.

2. Individual performance appraisal

By fiscal 2019, we have implemented the Management by Objectives approach to 100% of Fujifilm Group Japan employees. Annually or biannually, employees have a one-on-one meeting with their managers to review their approach and progress against the goals that they had set out at the beginning of the period. During the meeting, employees’ comparative rankings within the respective employee category were communicated by their managers and objectives for the following period were set accordingly.

Implementation of MBO (Fujifilm Group Japan)

As of March 31, 2021

	FY2020
Use of Management by Objective approach	100.0%
Comparative ranking of employees within one employee category	100.0%

3. Career development review (+STORY)

To help our employees learn from other employees' stories, we launched +STORY Live, an online series, as well as +STORY interviews on the intranet. Both cover actual stories by our employees from a variety of fields in the Fujifilm Group and the shared stories inspired employees to weave their own stories.

Furthermore, we continued to offer sessions on balancing work and childcare, focusing on the employees who had returned from childcare leave. The sessions helped reinstated employees, regardless of gender or ages, resume their career path using the +STORY tool in parallel with balancing workplace and household responsibilities.

4. Employee engagement

(1) Employee engagement survey

Between October and December 2020, we conducted a questionnaire survey covering all employees in the 215 Fujifilm Group companies in the world on their understanding of company policies and compliance issues. The total response was 84,925 (48,029 in Japan and 36,896 overseas) including direct-hire and agency-dispatched temporary workers, with a total response rate of 98%.

The survey also measured the extent of employee engagement. To the question "You are proud to work for the Fujifilm Group," 75% of employees surveyed responded positively. Likewise, to the question "You feel that your current job is rewarding," 67% responded positively. The results of the survey were analyzed according to breakdown on multiple categories such as management level and country/region as well as the trend where available. Feedbacks were provided to each unit without personal data to identify areas for improvement as a workplace.

We will conduct engagement surveys every two years to regularly measure the levels of the key metrics so that we can build a workplace for our employees to be actively involved in their work and to invest in their enthusiasm and talents even further.

FY2020 Results: "Proud to work for the Group"

	% of Actively engaged employees*		
	FY2017 (most recent survey before FY2020)	FY2020	FY2020 Target
Are you proud to be working for the Fujifilm Group?	84%	75%	75%

* 4 point scale for FY2017 and 5 point scale for FY2020; in either survey, "Strongly agree" and "Somewhat agree" responses are combined to show the overall percentage of actively engaged employees.

FY2020 Results: "Current job is rewarding"

	% of Actively engaged employees*
"You feel that your current job is rewarding"	FY2020
	67%

* 5 point scale; "Strongly agree" and "Somewhat agree" responses are combined to show the overall percentage of actively engaged employees.

5. Employee stock ownership

Fujifilm Group Japan started its employee stock ownership scheme in 1975 for Fujifilm Group employees in Japan to help motivate their job engagement.

	FY2018	FY2019	FY2020
Number of employee stock owners	10,688	11,344	13,227
% of ownership*	30%	32%	37%

* % of ownership = $\frac{\text{Number of employee stock owners as of relevant fiscal year}}{\text{Number of domestic Group company employees as of relevant fiscal year}}$

6. Attracting talents

As a global group operating a wide range of businesses, we have been working to attract talents, irrespective of gender and nationality, who can contribute to starting new businesses and quickly get them on track. Talented employees are promoted to major positions regardless of their nationalities and serving years.

7. Regular employees new hires

FUJIFILM Corporation

		Total	Male	Female
Number of new graduate new hires*1	Total	107	83	24
	Technical positions	59	47	12
	Administrative positions	48	36	12
	Factory recruitment	0	0	0
Starting salaries for new graduates*2	Graduate	235,000 yen		
	Master	263,600 yen		
	Doctor	288,300 yen		
Number of mid-career recruitment*2		15	13	2

FUJIFILM Business Innovation

		Total	Male	Female
Number of new graduate new hires*1	Total	167	129	38
	Technical positions	73	63	10
	Administrative positions	94	66	28
Starting salaries for new graduates*2	Graduate	231,530 yen		
	Master	257,280 yen		
Number of mid-career recruitment*2		41	33	8

*1 The number of new employees joined on April 1, this fiscal year (including graduates and postgraduates).

*2 The number of employees joined within this fiscal year.

Number of new employee hires*

		FY2017	FY2018	FY2019	FY2020
FUJIFILM Corporation	Total	120	152	152	122
	Male	89	110	118	96
	Female	31	42	34	26
FUJIFILM Business Innovation	Total	133	174	192	208
	Male	85	139	149	162
	Female	48	35	43	46
FUJIFILM Corporation and FUJIFILM Business Innovation	Total	253	326	344	330
	Male	174	249	267	258
	Female	79	77	77	72

* The number of employees joined within this fiscal year.

4.5 Human Rights

4.5.1 Basic Approach

The Fujifilm Group recognizes that respect for human rights is our responsibility. We clearly state our commitment to this responsibility in Fujifilm Group's Charter for Corporate Behavior and Code of Conduct translated into 24 languages. The Charter for Corporate Behavior and the Code of Conduct state our basic approach toward respecting human rights. We established Fujifilm Group Human Rights Statement, in which we declare our support for a range of global human rights principles, including the UN International Bill of Human Rights and the UN's Guiding Principles on Business and Human Rights and to take any necessary measures to assess and mitigate the risks that negatively impact human rights in business activities. To create the Human Rights Statement, we sought opinions and advice from our Group companies and stakeholders across the world and it was introduced after adoption by the CSR Committee (current ESG Committee), chaired by the President in 2018.

The Fujifilm Group aims to grow together with our suppliers through sharing with them the recognition of the importance of social responsibility and corporate ethics in undertaking business activities. With this aim, we clearly communicate to our suppliers our "Request to Suppliers" which refers to Fujifilm Group Charter for Corporate Behavior and Code of Conduct and request them to operate in line with the Charter and the Code.

In step with the expansion of our healthcare business, in July 2020 we established the Fujifilm Group Global Healthcare Code of Conduct to clarify our basic principles, such as respect for the human rights of our patients in all of our activities, as well as to ensure appropriateness and transparency in our interactions with healthcare professionals. In December 2020, we adopted the Fujifilm Group AI Policy as the basis for our active utilization of AI in the drive to accelerate our efforts to resolve social issues in our various business areas. In view of the fact that AI technology has yet to reach maturity, we will examine the risks that are likely to emerge in ethics and other areas to ensure that we carry out our business activities with respect for basic human rights.

Fujifilm Group Charter for Corporate Behavior Article 2. Social Responsibility, Article 3. Respect for Human Rights, Article 5. Vibrant Workplaces

Fujifilm Group Code of Conduct	https://holdings.fujifilm.com/en/about/philosophy/conduct
Fujifilm Group Human Rights Statement	https://holdings.fujifilm.com/en/about/philosophy/law
Request to Suppliers	https://holdings.fujifilm.com/en/sustainability/vision/policy/statement
Fujifilm Group Global Healthcare Code of Conduct	https://holdings.fujifilm.com/en/sustainability/vision/policy/procurement
Fujifilm Group AI Policy	https://holdings.fujifilm.com/en/sustainability/vision/policy/global-healthcare
	https://holdings.fujifilm.com/en/sustainability/vision/policy/ai

4.5.2 Management System

1. Human rights due diligence process

The Fujifilm Group has implemented a human rights due diligence process in accordance with the procedures set out in the UN Guiding Principles on Business and Human Rights, covering all business activities we are operating or involved in. To facilitate the process, we referred to the requirements in the UN Guiding Principles Reporting Framework with Implementation Guidance, which we studied in the Human Rights Due Diligence Working Group under the Global Compact Network Japan. Specifically, we identify potential and actual risks, investigate where in the value chain of business activities such risks are likely to occur, specify the individuals who could be negatively impacted and how, examine and implement preventive or mitigating measures, communicate with external stakeholders, and disclose relative information. We summarize the findings from the risk assessment in a form of risk map and revisit it periodically.

In the Fujifilm Group, priority issues concerning human rights are escalated, along with the progress of preventive or mitigating measures implemented, to the FUJIFILM Holdings ESG Committee for their deliberation and reported to the Board of Directors. In July 2020, the ESG Committee added "Activities for identifying significant human rights issues in business activities and preventing and reducing any issues" as a subject of deliberation and decision-making in the ESG Committee Policy. On a day-to-day basis, resources to ensure respect for human rights are allocated depending on the individuals potentially impacted; Human Resource resources for issues concerning the Fujifilm Group employees, Procurement resources for issues concerning suppliers or in-plant contractors. Prior to the execution of a merger and acquisition or at the start of a new business involving large investment, we perform human rights checkup as a part of the comprehensive due diligence process, to assess the appropriateness of such investment.

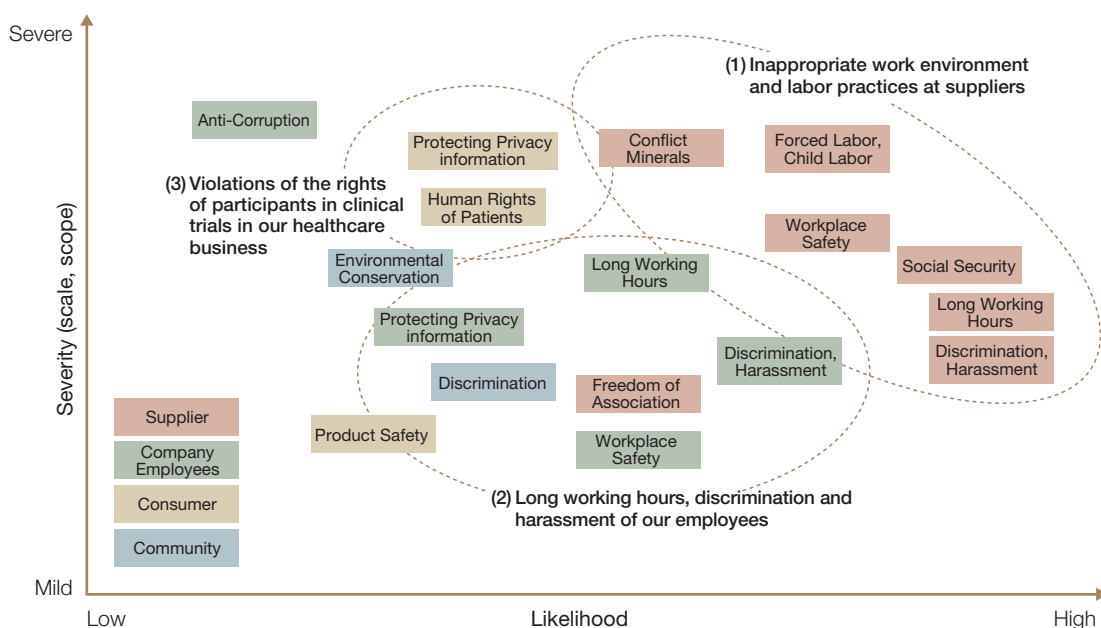
2. Human rights impact assessment to determine Fujifilm Group’s priority issues

In fiscal 2019, we re-examined potential human rights issues based on the character of our businesses and the countries in which we operate. We also assessed the potential and likely severity for those issues. We have set three human rights issues as a priority and continued to implement associated activities in fiscal 2020:

- (1) Inappropriate working environments and labor practices at suppliers;
- (2) Long working hours, discrimination and harassment of our employees;
- (3) Violations of the rights of participants in clinical trials in our healthcare business.

These priority issues concerning human rights were shared and discussed among top management as a major theme at the regular Board of Directors meeting of FUJIFILM Holdings held in July 2020.

Impact Assessment of Potential Human Rights Issues (Risks Associated with Existing Businesses)



3. Prevention and mitigation of adverse impact on human rights and progress

(1) Inappropriate work environment and labor practices at suppliers

The Fujifilm Group operates businesses that require assembling and processing products and parts, and has a lot of suppliers to work with. In these circumstances, one of our priority human rights issues to tackle is possible inappropriate work environments and labor practices at our suppliers. The Fujifilm Group implements actions for respecting human rights in our supply chain at the suppliers and in-plant contractors mainly within the framework of sustainable procurement. We clearly specify the Procurement Policy and Request to Suppliers as a procurement approach to gain the understanding of suppliers involved in the Group’s product manufacturing regarding the importance of CSR management. In the Sustainable Value Plan 2030 (SVP 2030), our CSR mid- and long-term plan announced in 2017, we committed to reinforce the CSR foundations such as labor practices, human rights, environment, and corporate ethics throughout the supply chain which we set as the base for business activities. The Group’s sustainable procurement program comprises (1) Communication of procurement-related policies; (2) Risk assessments at suppliers; (3) Requesting suppliers to improve and offering support; (4) Improvement activities by suppliers. We provide various checks and support for suppliers, aiming to eliminate forced labor and child labor and encouraging better labor management, occupational health and safety, and consideration for migrant workers.

Procurement Policy and Request to Suppliers <https://holdings.fujifilm.com/en/sustainability/vision/policy/procurement>

(2) Long working hours, discrimination and harassment of our employees

Employee education regarding human rights issues

The Fujifilm Group has started the global education for all the employees to disseminate the Human Rights Statement as well as Fujifilm Group’s Charter for Corporate Behavior and Code of Conduct. As for the human rights issues on our employees, we raise awareness among Group employees in their new hire training programs and training programs for new managerial personnel. The training programs for new managerial personnel focus on workforce management in general, including

prevention of long working hours and mental health measures, as well as harassment prevention. Regarding overtime working hours, trend in monthly overtime is monitored, and warnings and guidance are issued to the business divisions exceeding the designated levels and the necessary corrective measures are implemented continuously. We address harassment issues by implementing measures coordinated to fit the conditions at each company or business division, in addition to regular training programs.

(3) Violation of the rights of clinical trial participants in Healthcare Business

The Fujifilm Group Global Healthcare Code of Conduct published in fiscal 2020 opens with a declaration of respect for the right to self-determination, dignity, privacy and the human rights of clinical trial participants. The Code of Conduct not only applies to all executive officers and employees in our healthcare businesses, but also to our subcontractors, temporary workers, sales agents and distributors, and all other business partners and interested parties involved in the provision, sales and support of our products and services. We implement appropriate steps to request all these parties to respect the standards and requirements of the Code of Conduct.

Complaints related to healthcare products and services are reported promptly to the relevant business division or affiliate. Appropriate investigation will then be carried out, followed by corrective measures where necessary. Complaints may be reported to the relevant regulatory authority where appropriate.

Our Global Healthcare Code of Conduct has been disseminated across the Fujifilm Group. We develop e-learning programs for all employees working in the field of healthcare worldwide.

4. Human rights grievance mechanism for internal and external stakeholders

Chapter 1 of the Fujifilm Group Code of Conduct describes our policies on Respect for Human Rights. The Fujifilm Group employees have access to the internal whistle-blowing systems to report any concerns relating to violation of any item listed in the chapter or infringements of human rights that require correction and remedies. Reports can be submitted to either (1) each company or region, or (2) FUJIFILM Holdings. In either case, the anonymity of the whistle blower is ensured and therefore employees will not be unfavorably treated because of their report.

For the results of the whistle-blowing system in fiscal 2020, see 2.2.6 *Effort Results in this report*.

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

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

5. Collaboration with initiatives regarding human rights

(1) UN Global Compact

FUJIFILM Holdings is signed up for United Nations Global Compact, a voluntary initiative that encourages companies to undertake fair operations in the areas of human rights, labor, environment, and anti-corruption. We have also been in collaboration with the Global Compact local network in Japan, by participating in, to name those concerning human rights, the Human Rights Due Diligence Working Group, Supply Chain Working Group and Human Rights Education Working Group.

(2) Caux Round Table (CRT) Japan

FUJIFILM Holdings has been participating in the Stakeholder Engagement Program (SHE) organized by the Nippon CSR Consortium (secretariat: CRT Japan) since 2012, discussing human rights issues by industry.

* CRT Stakeholder Engagement Program (SHE)

(Japanese)  <http://crt-japan.jp/portfolio/she-program/>

(English)  <http://crt-japan.jp/en/portfolio/human-rights-due-diligence-workshop/>

4.5.3 Results for Measures Including Remedies and Corrective Actions

1. Establishing and disseminating policies related to human rights

In July 2020, the Fujifilm Group Global Healthcare Code of Conduct was established to clarify our commitment to human rights in the healthcare business. In October 2020, we released Guidelines on the Global Healthcare Code of Conduct to our employees to provide a detailed explanation of the Code of Conduct. To foster greater awareness and ensure comprehensive implementation of the Code of Conduct across the Group, Healthcare Compliance Training Programs were held for some 3,500 employees in the healthcare business in Japan, including our Medical Systems Business, Pharmaceuticals Business and Life Sciences Business (now the Consumer Healthcare Business). The approximately one-hour program was held online a total of 22 times until February 2021. Training materials adapted to the distinctive characteristics of each business division including case studies were used to encourage practical application and wider employee awareness and understanding. For employees outside Japan, an e-learning program for basic training in understanding our Code of Conduct began in February 2021. It has now been implemented for approx. 20,000 employees in 73 companies in our healthcare business (including 18 companies in Japan).

In December 2020, the Fujifilm Group AI Policy established the basic principles for the application of AI technology, such as respect for human rights and fair and appropriate use of the technology, for our various businesses in the drive to accelerate the use of the technology to resolve social issues. In developing the Policy, awareness-sharing and discussions were held on the risks related to human rights that are likely to emerge in the development and provision of technologies, products and services, including discussions with the heads of the R&D divisions responsible for using AI in developing our products and services, the heads of various functional divisions working on improving business efficiency and the Chief Technical Officer. The Policy was presented in November 2020 at an internal IT lecture related to our DX (digital transformation) strategy and AI strategy, attended by more than 1,200 managerial personnel. The objectives of the Policy were also presented in March 2021 in Japan to the Chairperson of the Conference toward an AI Network Society organized by the Ministry of Internal Affairs and Communications, at its seventh hearing.

2. Efforts for the priority issues on human rights

(1) Inappropriate work environment and labor practices at suppliers

The Fujifilm Group pledges in its Human Rights Statement to respect human rights in its business activities and its supply chain. In the past, we assessed risks in the area of sustainable procurement with a self-check list on labor practices, human rights, the environment and corporate ethics and found that risks were minimal in our tier-1 suppliers in Japan and Western nations. In other regions, we are improving our assessment of human rights risks. We have designated China, where a number of our manufacturing sites are located, as a priority region. In fiscal 2020, we broadened the scope of risk assessment target sites based on self-checks. We have also conducted on-site visit risk assessments at suppliers and our internal expert teams check our supplier sites to provide support with improvements. Suppliers where labor practice problems are found are requested to make improvements from the standpoint of human rights. In addition to corrective action, we are continuing to monitor the progress made with improvements.

In the face of the recent increased international interest in modern slavery and human trafficking in the supply chain, we are giving close attention to the issues and released a fiscal 2020 statement in response to the Modern Slavery Act 2015 of the UK and the Modern Slavery Act 2018 of Australia through our Group companies. In fiscal 2020, there were no reported incidents involving violations of the rights of indigenous peoples in the business activities and procurement activities of the Fujifilm Group.

As for human rights issues in the supply chain, we are releasing information on possible risks and the objectives of sustainable procurement on the Group's intranet to raise employee awareness. We will continue to foster greater understanding across the Group. For details of our sustainable procurement activities, including activities related to conflict minerals and other themes that involve potential human rights violations, please refer to *2.5 Supply Chain Management* in this report.

(2) Long working hours, discrimination and harassment of our employees

In fiscal 2020, potential and actual risks related to long working hours, discrimination and harassment were identified in 186 companies in the Fujifilm Group. Preventive and mitigation measures have been developed and implemented at all these companies. In business divisions where potential and actual risk levels were found to be high, specific harassment training was conducted. Risk managers in various companies were also trained in the detailed handling of reported cases. As one of the preventive measures, power harassment training programs were implemented for managerial personnel of Japan subsidiaries in July to September 2020, and 3,800 managers participated.

In fiscal 2020, a program focusing chiefly on harassment issues was added to the training for the Fujifilm Group Charter for Corporate Behavior and Code of Conduct for some employees in Japan and certain other Asian countries where interest in workplace harassment is high. Approximately 69,600 employees participated in the program. Referring to the Black Lives

Matter (BLM) movement that has spread across the world in 2020, we shared information on the approach to human rights required of businesses and employees on our Group intranet to foster employee understanding in Japan where human rights issues are not familiar topics to discuss.

For details of our group-wide risk management, please refer to *2.2.4 Risk Management* in this report.

Among the reports and consultations processed by the Fujifilm Group's internal whistle-blowing system in fiscal 2020, there were no cases of human rights violations with such severity as to be publicly reported.

Taking account that human rights issues concerning foreign workers are surfacing in Japan, the Fujifilm Group started a survey on the status of foreign workers directly employed by our operating companies in fiscal 2019. As of the end of FY2020, we have 227 employees from 15 countries and regions and have received no reports of issues related to the labor environment and practices. We will continue to investigate their working conditions.

For occupational health and safety efforts, see *4.3 Health, Safety and Wellness of Employees* in this report.

We also confirm that no instances of child labor have been uncovered in our workforce in fiscal 2020.

(3) Violations of the rights of clinical trial participants

We have set up the Bioethics Review Committee to monitor clinical trials to protect the interests of participants. No violations of Global Healthcare Code of Conduct were reported in fiscal 2020.

3. Dialogue on human rights with external stakeholders

(1) Adopting opinions of external experts pertaining to life sciences (Bioethics Review Committee)

We have set up Fujifilm Bioethics Review Committee to oversee our research and business activities related to life sciences. The committee members include external experts, allowing the committee to conduct comprehensive studies into protecting personal information and the viability of action in terms of ethics and science. The findings of such reviews are fed back to our research & development and other related activities appropriately. The targets for review are genetic analysis with the use of human-derived tissue, immunological research, clinical research and the handling of personal genetic data and related operations. In clinical trials, for example, our clinical trial plans are reviewed by the external experts to ensure that they do not affect the interests of the clinical trials participants.

In fiscal 2020, we concluded 38 bioethics reviews in total including simplified reviews. The Committee's regulations, list of members, related research documents published, and minutes of the committee meetings are available on our website.

(2) Dialogue with community

As a member of the community, the Fujifilm Group proactively discloses the Group's environmental protection activities and holds events in the form of environmental communication meetings and similar activities to collect feedbacks from the local community. We plan to upgrade the environmental activities conducted by our factories and carry out active and continuous information communication and disclosure to the public at large.

4.6 Corporate Citizenship

4.6.1 Basic Approach

The Fujifilm Group is committed to contributing to the sustainable development of society, working together with local communities as a good corporate citizen and responding sincerely to the demands and expectations of those communities. In 2008 we formulated the Fujifilm Group Social Contribution Policy. Based on the Policy, we are conducting activities focusing on the fields of research and education, culture, arts and sports, health and natural environment. We value cooperation and collaboration with local communities, institutions, NPO/NGOs, and others and contribution by employees' voluntary activities.

Fujifilm Group Social Contribution Policy

The Fujifilm Group will work together with local communities as a good corporate citizen and contribute to society by responding sincerely to needs and expectations of those communities. The Group has established following action plans to implement this policy.

1. Focus of activities













The Fujifilm Group will primarily focus on the fields of education and research; culture, arts and sports; health; and environment.

2. The Fujifilm Group will place value on following points when we conduct social contribution activities:

1. The Group will collaborate and work together with stakeholders. We place importance on mutual communication and partnerships with local communities, institutions, NPO/NGOs, and others.
2. The Group values the importance of employees to participate in volunteer activities that would enhance local community harmonization, as well as to enhance social improvements. The Group will fully support such employee volunteer activities.
3. As a means of social contribution, the Group will utilize its business strengths, such as products, services, technologies and know-how.

Established in April 2008, Revised in April 2019

4.6.2 Major Examples of Social Contribution through Business Activities

	Priority activities in each field (Relation to business)	SDGs	Impact on business (Effects on business and KPIs)	Typical activities (Concrete activities and KPIs)
Environment	The Fujifilm Group has always paid attention and protected the environment as clean water and fresh air are essential for our businesses. Environmental issues have a great impact on all our businesses, so we continue social contributions related to environment.	  	We control the environmental impact on our business and society by setting KPIs for CO ₂ and waste emissions, and water management.	<ul style="list-style-type: none"> • Voluntary tree planting in China and Vietnam (Number of participants) • Minami-Aso Ground Water Conservation (Number of participants)
Education and research	Our Group is promoting a range of businesses, and so needs a diversity of human resources. We work with partners and NPOs to foster diversity in the coming generations in the regions where we operate. This will enable us to establish relationships with local communities through the development of human resources and to increase recognition of our Group.	 	These activities will allow us to enhance our relationship with the regions where we operate and establish the Fujifilm brand. We set the continuity of our business and sales in the region as our KPIs.	<ul style="list-style-type: none"> • Offering large-font textbooks to students with low vision (Volume of our production) • Charitable Trust Fujifilm Green Fund working with NPOs • Kikigaki Koushien by high school students (Number of participants) • Offering learning materials in emerging countries • Sponsoring All Japan High School Soccer Tournament
Culture, arts and sports	Since our foundation, we have operated a business of photographic films and photosensitive materials to “contribute to society by offering more informative images.” We also focus on Creating Shared Value (CSV) utilizing multifunction devices and latest technologies under the banner of “Valuable communication beyond the times.”	   	We expect to create further printing demand in photographic products and in the graphic system business. Our approach should also create new demand for our business innovation areas (former document business). The results will be seen in our sales and profits.	<ul style="list-style-type: none"> • Holding The Heart to Heart Communication—“PHOTO IS” 50,000—Person Photo Exhibition, and other events in FUJIFILM Square (Number of participants) • Reproduction and digitalization of historical documents (Number of documents were restored) • Supporting Special Olympics Nippon • Sponsoring SUPER CUP 2021 soccer competition
Health	We aim to create a healthier society and further develop our healthcare business simultaneously. This will be achieved by promoting disease prevention, diagnosis, and treatment in emerging and other countries. In this way, we can drive forward our healthcare business, which offers medical products such as mammography systems, diagnostic imaging systems, and medicines. As a part of our social contribution, we are raising health awareness, including disease prevention, diagnosis, and treatment in emerging countries which encourages people to take health checks and visit doctors. This should enhance the healthcare market. This movement should also increase our reputation in this field and help stable expansion of business development.	  	We anticipate sustainable growth of the healthcare business. Such business encompasses medical systems, contract development manufacturing of biomedicines, and life sciences. The results will be seen in our sales and profits.	<ul style="list-style-type: none"> • Improving medical accessibility in all 196 countries and regions in the world in which we operate by introducing AI-based medical products and services by 2030. • Offering medical training • Supporting the Pink Ribbon campaign etc.

4.6.3 Social Contribution Activities Continued by the Fujifilm Group

Environment	<ul style="list-style-type: none"> ● Volunteer tree planting activity in China and Vietnam (Fujifilm) ● Ground water conservation activities in Minami-Aso village (FUJIFILM Kyushu) ● Charitable Trust Fujifilm Green Fund (Fujifilm) ● Training sessions for nature guides (HASU-Club, FUJIFILM Business Innovation)
Education and research	<ul style="list-style-type: none"> ●● Kankyo-Nikki, “Midori-no-Komichi” (Fujifilm) ●● “Watashi-no-Shizenkansatsuro Competition” (Fujifilm Green Fund, etc.)
Education and research	<ul style="list-style-type: none"> ● Support to make large-font textbooks to students with low vision (FUJIFILM Business Innovation) ● Offering learning materials in emerging countries (FUJIFILM Business Innovation) ● Photo class for young people (Fujifilm) ● “Kids’ ISO 14000” program (FUJIFILM Business Innovation) ● Kikigaki-Koshien (Fujifilm)
Culture, arts and sports	<ul style="list-style-type: none"> ● The Heart to Heart Communication—“PHOTO IS” 50,000—Person Photo Exhibition (Fujifilm) ● Fujifilm Square ● Album Café (Fujifilm) ● Reproducing historical documents (FUJIFILM Business Innovation) ● Creating digital archives of cultural assets (Fujifilm) ● Photo Rescue Project (Fujifilm) ● Special Olympics Nippon (FUJIFILM Business Innovation) ● SUPER CUP 2021 (FUJIFILM Business Innovation)
Health	<ul style="list-style-type: none"> ● Improving medical accessibility in all 196 countries and regions in the world in which we operate by introducing AI-based medical products and services by 2030. ● Offering medical training ● Pink Ribbon Campaign (Fujifilm)

4.6.4 Results of Social Contribution (FY2020)

1. The amount of expense on social contribution

The Amount of Expense of FY2020 by Category in the Fujifilm Group

(Unit: million yen)

Type of contribution	Amount
Education for future generations	109
Harmony with the local community	126
Promote culture and the arts in society (in Japan)	634
Consideration for the international community and international cultures	2
Cooperation with NGOs and NPOs	77
Total	948

* See Chapter 5. Sustainability Accounting

Monetary value of 2020 Fujifilm Group Social Contribution Activities

(Unit: million yen)

	Cash	Goods	Volunteering cost*	Operation cost / other expenses, etc.
Types of Social Contribution (converted into money)	389	23	5	530

* Volunteering cost = Hours spent on volunteer activities × salary

2. Community investment cases

In Japan	Overseas
<p>● Fujifilm Green Fund In commemoration of FUJIFILM's 50th anniversary, Fujifilm started this Fund as Japan's first charitable trust to protect nature in 1983. Through this fund, we offer financial support for nature protection activities and research bodies, and host nature protection awareness raising programs for primary and junior high school pupils.</p> <p>● HASU-Club (FUJIFILM Business Innovation) This is a volunteer support organization established by employees' own initiative in 1991. The organization is funded through the payroll giving by the employees who opted to donate a fraction (less than 100 yen) of their salary and bonus, plus an amount that the individual wishes to add monthly. The fund is then reserved and the company offers matching donations in four charity areas: "social welfare," "culture and education," "natural environment," "international aid," chosen by employees to support their volunteer activities and related NPOs.</p>	<p>● Contribution to recover the original marshland and bushland Dutch nature preservation group, Natuurmonumenten has been recovering woodland and agricultural land in Huis ter Heide back into the original marshland and bushland since 1993. Fujifilm's office is in Tilburg, near Huis ter Heide and the company has contributed to Natuurmonumenten's activities through financial support of more than 100,000 euros over the last 10 years.</p>

4.6.5 Efforts to Assess the Impact on Society and the Environment

1. Contribution effect for customers through environmental activities in business (CO₂ and water)

The contribution effect for customers is the sum of customers' expenses brought by when a new product which is environmental friendly has replaced a conventional product. The total effect on customers in fiscal 2020 fell by ¥300 million (approx. 1%) over the preceding fiscal year ¥27.8 billion.

(Unit: million yen)

Product	Amount		
	FY2018	FY2019	FY2020
1. High-density magnetic memory materials	8,414	8,252	9,148
2. Processless CTP plate that does not require developer*	2,598	3,382	2,516
3. Film for LCDs: WV films	2,790	2,398	2,476
4. Digital color multifunction device and printers	16,986	14,033	13,635
Total	30,788	28,064	27,774

* Since 2019, the second item in the above chart is changed from "Pre-sensitized aluminium plate not using plate-making film" which has been listed until last year to "Processless CTP plate that does not require developer"

2. Social impact assessment in social contribution

In 2018, FUJIFILM Business Innovation worked to "visualize" its social contribution activities in order to understand their social significance, results, and effects and make them improve. We will continue to carry out impact assessments regularly to clarify and improve our activities.

[Implementation method]

To evaluate the social impact from our major social contribution activities, including the project to offer learning materials in emerging countries and reproduction and utilization of historical documents, we created a logic model and made trial assessments.

(1) Considering a logic model utilizing the Social Impact Assessment Tool Set created by GSG.*¹

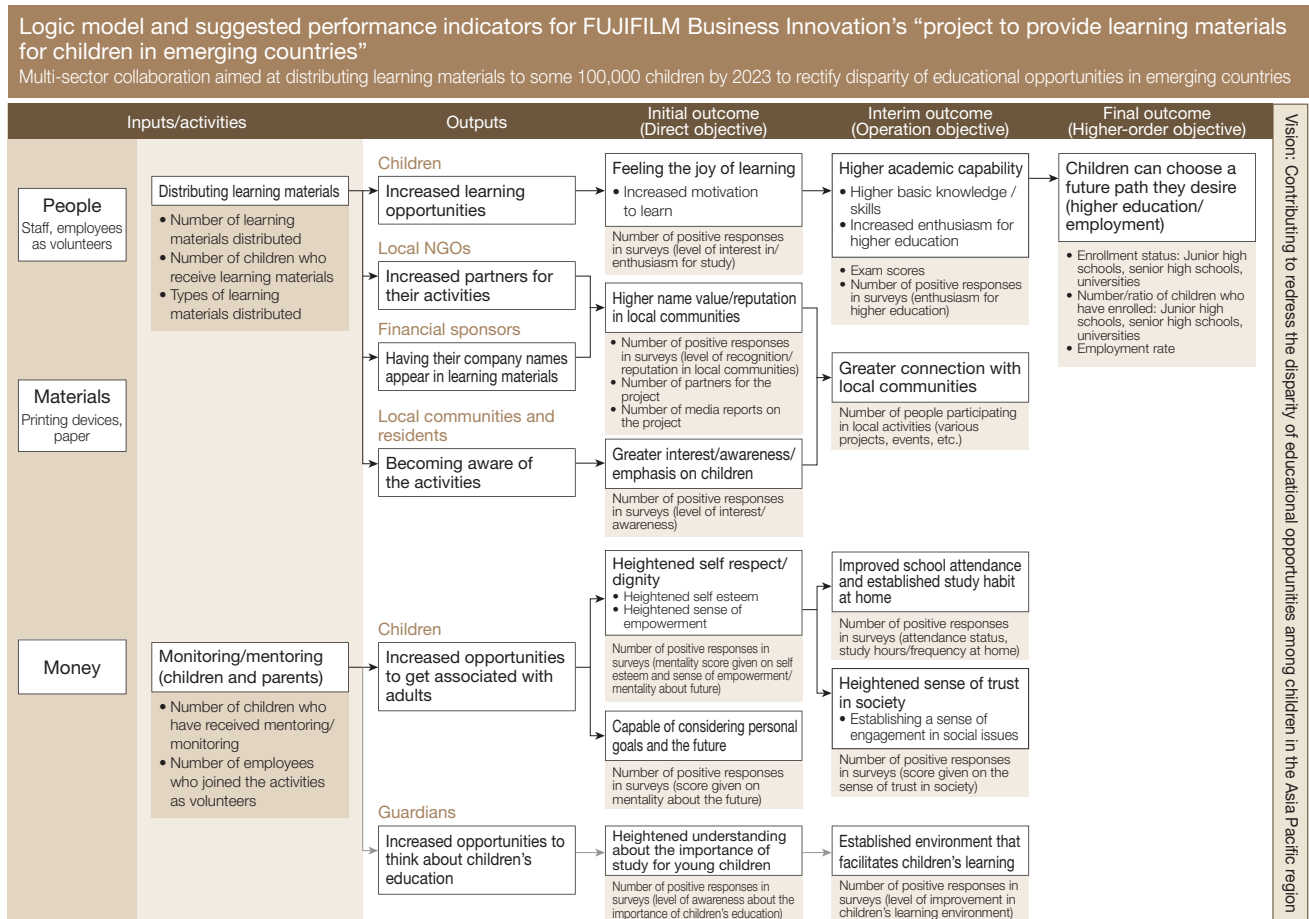
(2) Creating a logic model based on a program evaluation approach and a review by Meiji University.

To enhance the reliability of our own assessments, we asked the Institute for Program Evaluation of Meiji University to review our assessment results in FY2017.

*¹ GSG: <http://impactinvestment.jp/about/> (in Japanese only)

3. Discussion example: Suggested social impact assessment logic model and indices

(1) Project to provide learning materials for children in emerging countries

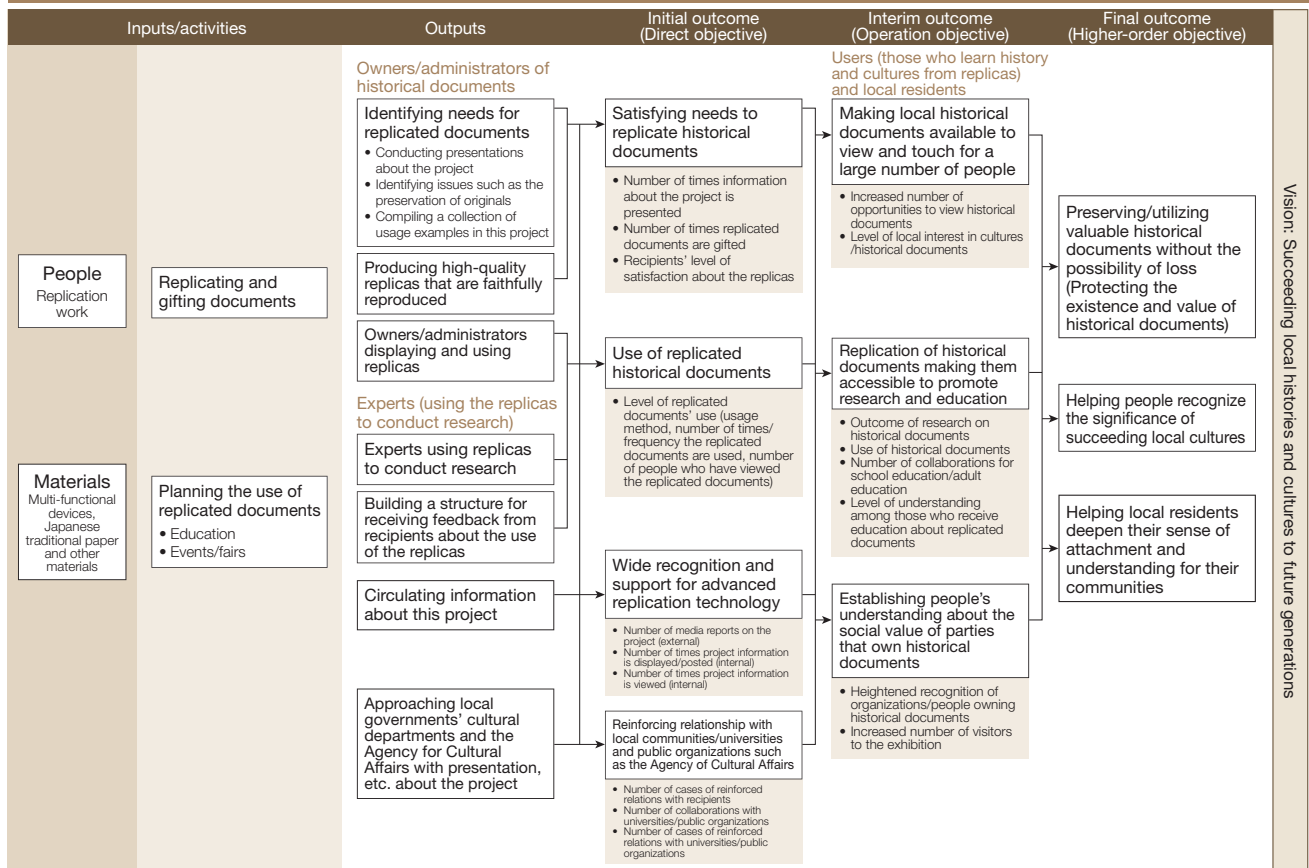


* This shows a logic model and suggested performance indicators for social impact measurement as of June 2018.

(2) Project to replicate and utilize historical documents

Logic model and suggested performance indicators for FUJIFILM Business Innovation's project to replicate and utilize historical documents

Time-transcending communication through the replication and use of historical documents to succeed local history and cultures to future generations



Vision: Succeeding local histories and cultures to future generations

* This shows a logic model and suggested performance indicators for social impact measurement as of June 2018.

5 Sustainability Accounting (Labor Environment and Social Benefit Accounting, Environmental Accounting)

<Period of coverage> FY2020 (April 1, 2020 to March 31, 2021)

<Scope of labor environment and social benefit accounting>

60 domestic companies in the Fujifilm Group
(FUJIFILM Holdings, FUJIFILM Corporation and 19 Fujifilm affiliates, FUJIFILM Business Innovation and 38 FUJIFILM Business Innovation affiliates)

· All the sales companies under FUJIFILM Business Innovation were consolidated in April 2021 and reorganized as FUJIFILM Business Innovation Japan. Please note that the statistical data given here are for the fiscal 2020 results based on the number of companies that existed prior to consolidation.

5.1.1 Labor Environment and Social Benefit Accounting

<Basic items>

●Objectives of labor environment and social benefit accounting

These accounts are prepared to get the picture of our activities in this area. The amounts spent for improving the working environment of our employees and social contributions are calculated with classification by each stakeholder.

●Accounting method

The expenditures (including investments) for the year have been added up to arrive at the figures shown. These figures do not include depreciation. Figures for employee development and social contributions may overlap with figures in the Environmental Account as well.

*Values presented are rounded and the sums of the items do not always make up the totals.

Breakdown of Labor Environment and Social Benefit Accounting

Unit: million yen

Stakeholder	Goal	Cost totals	
		FY2019	FY2020
Employees	Occupational health and safety	1,548	2,588
	Employee development	936	637
	Protect diversity	27	20
	Develop a workplace in which employees can work comfortably	896	531
Customers	Ensure appropriate customer response and safety	197	170
Future generations	Education for future generations	49	109
Communities (local society and government)	Harmony with the local community	115	126
	Promote culture and the arts in society (in Japan)	729	634
International community	Consideration for the international community and international cultures	1	2
NGOs and NPOs	Cooperation with NGOs and NPOs	18	77
Suppliers	Consideration for products	15	15
Total		4,533	4,908

Volunteer Activities During Working Hours

	FY2019	FY2020
Hours spent on volunteer activities	2,575	2,480
Volunteering cost (million yen)	6	5

* Volunteer activities

Calculated based on the hours spent on volunteer activities, such as area clean-up during working hours, the salary equivalent to that of those hours, and cost of the activities.

Overview of FY2020

- Efforts are made to ensure occupational health and safety and employee development including employee training.
- For local communities, expenditure includes supports and donations for recovery from the damage caused by typhoons and heavy rains. In the promotion of art and culture, expenditure includes Fujifilm Square as the base for preservation and communication concerning photographic culture, as well as for photo contests.

5.1.2 Environmental Accounting

<Basic items>

●Objectives of environmental accounting

1. To provide accurate quantitative information on volumes and economic effects to interested parties inside and outside the Group
2. To provide numerical environment-related information useful for decision making by management and supervisors of the facilities

●Accounting method

Based on the “Environmental Accounting Guidelines (2005 edition)” published by the Ministry of the Environment in Japan.

1. Depreciation is calculated in principle according to the straight-line method over a three-year period.
2. When costs include expenditures for both environmental and non-environmental purposes, the portion relating to non-environmental purposes has been excluded.
3. Economic impact within the Group: The difference in value terms from the previous year in fines for polluting and usage of energy, raw materials, water, and other resources is accounted for, as well as the real impact of recovery, recycling, and other measures in value terms for the year in question.
4. Economic impact outside the Group: The difference in value terms from the previous fiscal year has been shown for SO_x, VOCs, and CO₂. For recycling, the anticipated benefit in value terms has been shown for the year in question.

* Values presented are rounded and the sums of the items do not always make up the totals.

Sustainability Accounting

5 | Sustainability Accounting (Labor Environment and Social Benefit Accounting, Environmental Accounting)

Environmental Accounting

Unit: million yen

Fiscal year	Environmental conservation costs				Environmental conservation benefits					
	Capital investment		Expenses		Economic impact inside the Group			Economic impact outside the Group		
	2019	2020	2019	2020	Fiscal year	2019	2020	Fiscal year	2019	2020
1. Costs incurred within the business site	1,539	1,761	6,242	6,732						
(1) Environmental damage prevention	293	458	1,535	1,454	Reduced pollution levy	1	1	Reduction in SOx emissions*1 Reduction in volume of SOx emissions	0 9 t	0 -4 t
								Reduction in volume of NOx emissions	-10 t	18 t
								Reduction in VOC emissions*2	-8	21
								Reduction in volume of VOC	-23 t	59 t
(2) Global environmental preservation	1,201	1,268	2,132	2,262	Energy saving	2,040	4,850	Reduction in CO2 emissions*3 Reduction in volume of CO2 emissions	103 44 kilotons	185 35 kilotons
(3) Resource recycling	45	36	2,575	3,016	Reduced raw materials and resources used	8,666	8,786	Reduced waste materials through reuse and recycling*4	7,178	7,155
					Reduced water resource consumption*5 Recovery and Recycling	-114	248			
					Silver	1,895	1,888	Reduced volume*6	71.8 kilotons	71.5 kilotons
					Polymeric materials	274	265			
					Aluminum materials	198	206	Reuse of aluminum materials	75	177
					Others	125	125	Reduced volume of CO2 emissions	30 kilotons	30 kilotons
2. Upstream/downstream costs Recovery from the market	0	0	6,224	5,295	Parts recovered from used equipment	6,901	5,077			
3. Cost of management activities	73	38	11,128	10,607						
4. Research and development costs	1,347	491	11,128	9,012				Customer benefits*7	28,064	27,774
5. Costs for social programs	0	0	4	1						
6. Costs for handling environmental damage Pollution levies	12	13	43	31						
Total	2,972	2,303	34,768	31,679		19,985	21,446		35,413	35,312

*1 SOx emissions reductions: ¥1.1/ton

Bidding price of SOx emissions credits offered by the United States Environmental Protection Agency in March 2021 (US\$0.01/ton).

*2 VOC emissions reductions: ¥350,000/ton

From the "Economics Evaluation Report on Countermeasures for Harmful Atmospheric Pollutants" issued by Japan Environmental Management Association for Industry, February 2004.

*3 CO2 emissions reductions: ¥5,289/ton

Trading price of EU emissions credit 2021 futures (€40.87/ton) at the end of March 2021.

*4 Landfill costs for the waste product (¥100/kg).

*5 Water resource consumption reduction: ¥200/ton for clean water supply, ¥200/ton for sewage water times the reductions amount.

*6 Volume of recycle and valuable resources in generated industrial waste

*7 For further details of customer benefits, please refer to 4.6.5 Efforts to Assess the Impact on Society and the Environment.

Overview of FY2020

●Environmental conservation costs

Total costs decreased by 10% year-on-year. The facility investment was approx. 23% and expenditure was approx. 7% decreased. Cost of R&D and resource recycling decreased notably over last year.

[Facility investments] Decreased by 23% year-on-year.

[Expenditure] Decreased by 7% year-on-year.

●Environmental conservation benefits

This resulted in a year-on-year increase of 2% when internal and external economic effects were combined. Energy-saving promotion benefits increased; however, customer benefits decreased.

[Internal economic effect] Increased by 7% year-on-year.

[External economic effect] Almost the same as FY2019.

6 Independent Assurance Report

FUJIFILM Holdings Corporation commissioned SGS Japan Inc. to conduct an independent assurance of the environmental and social data contained in its Sustainability Report 2021.

For further details on the Independent Assurance Report, please refer to our website.

 <https://holdings.fujifilm.com/en/sustainability/evaluation>

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