

CSR Activities Report

The CSR Activities Report features the Fujifilm Group's extensive CSR efforts organized by theme. Activities that the Fujifilm Group regards as important are discussed as well as stakeholder interests.

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Picture Scroll of The Tale of GENJI; "Azumaya I" (Quire 49), Treasures from The Tokugawa Art Museum
 One autumn evening, after a long absence, Nioumiya visited Nakanokimi, who was expecting a child. In an effort to console her, Nioumiya sat near the opening to the garden and played the biwa. Nakanokimi listened attentively for a while to his performance, as if to forget her resentment, but she wept yet again. She composed a poem expressing her feelings saying, "I can see you are tired of me by your attitude."

Compliance

For the Fujifilm Group, compliance includes the appropriate actions of both individuals and companies in accordance with high ethical principles and common sense, as well as strict observance of laws and regulations.

Compliance in the Fujifilm Group

The general interpretation of compliance as simply adherence to regulations can frequently lead to the pitfall that everything is fine as long as we simply follow the letter of the law. The Fujifilm Group interprets compliance as the appropriate action of individuals and companies in accordance with ethical principles and common sense, in addition to observing the laws. We believe that we achieve compliance by flexibly responding with a keen sensibility to the needs of society.

We steadfastly advance compliance activities across the Group, with our two operating companies, Fujifilm and Fuji Xerox, overseeing their respective affiliates in Japan and overseas.

Raising compliance awareness

Fujifilm and its affiliates

Fujifilm and its affiliates conduct annual compliance awareness surveys involving all employees. The result of the fifth survey conducted in fiscal 2007 revealed that employee compliance awareness had improved for all questions compared with survey from the previous year. Up to last year, surveys revealed a relatively low number of affirmative responses to the questions: “Would you report to the company if you discovered improprieties on the part of your colleagues, superiors or subordi-

Results of compliance awareness survey (Fujifilm and its affiliates)

Questions	2006	2007
Do you keep the <i>Fujifilm Group Charter for Corporate Behavior and Code of Conduct</i> booklets in a place where you can immediately refer to them at anytime?	78%	95%
Do you understand the content of <i>Fujifilm Group Charter for Corporate Behavior and Code of Conduct</i> booklets and have you signed the proclamation?	—	84%
Have managers at your workplace conducted a compliance information meeting?	—	90%
Are you working with a clear understanding of laws and rules that are applicable to your job responsibility?	77%	88%
Do your colleagues, superiors and subordinates work with a clear understanding of laws and rules that are applicable to their job responsibilities?	68%	82%
Do your superiors place emphasis on compliance?	76%	87%
Has the awareness that compliance is important spread throughout workplace?	67%	83%
Do you believe there are no compliance problems at your workplace?	64%	87%
Would you report to the company if you discovered improprieties on the part of your colleagues, superiors or subordinates?	63%	87%
Would you contact the Compliance Consulting Facility if you face problems with laws, rules or ethics in everyday operations that you cannot resolve with managers?	58%	88%

Survey subjects: Executive officers and employees (including agency contract employees) of FUJIFILM Holdings, FUJIFILM Business Expert, and Fujifilm and its domestic affiliates (a total of 23,195). Of this group, 20,268 persons responded.

nates?” and “Would you contact the Compliance Consulting Facility if you face problems with laws, rules or ethics in everyday operations?” Given these results, Fujifilm strengthened its focus on explaining the risk reporting system and the purpose of the compliance consultation services through compliance information meetings and other events. As a result, responses to these questions in fiscal 2007 showed improvement.

Fuji Xerox and its affiliates

Fuji Xerox released *Compliance Guidelines* that provide outlines of various laws and ordinances in the context of the business operations of Fuji Xerox, such as staffing on an outsourcing basis and exports and imports. At the same time, basic training on laws and ordinances and programs for preventing illegal practices was provided in addition to education based on the Employee Code of Conduct to more thoroughly instill the awareness of compliance among the employees of Fuji Xerox and its affiliates. As a result, nearly 100% of employees and executive officers of Fuji Xerox and its affiliates agreed to sign a written proclamation distributed in 2007 declaring that their actions complied with the content of the ALL-FX Code of Conduct. This attests to the high compliance awareness of people at Fuji Xerox.



Proclamation (left), ALL-FX Code of Conduct Guidebook (center), ALL-FX Code of Conduct (right)

Compliance training for overseas companies

In April 2007, FUJIFILM Holdings established its Code of Conduct, which applies to the entire Fujifilm Group. The Group subsequently released it to all members of the Group at the compliance information meeting held at the beginning of each fiscal year. Then in October 2007, we distributed the *Code of Conduct Guidebook*, which explains the Code of Conduct, related laws and regulations, corporate rules and case studies, to deepen understanding of the Code of Conduct.

We focused on instilling the Code of Conduct throughout overseas affiliates in fiscal 2007. We held a compliance information meeting for Japanese staff (managerial level etc.) at 27 overseas affiliates in November 2007 and discussed measures for disseminating the Code of Conduct. As a joint effort with Fujifilm, each overseas affiliate will proceed with the compliance promotion plan for each overseas affiliate. The Code of Conduct and

the *Code of Conduct Guidebook* were also distributed to all of the employees in the overseas affiliates of Fuji Xerox and steps are being taken to ensure the guidelines are understood and followed. In addition, we will translate materials such as the *Code of Conduct Guidebook*, notifications of punitive actions, and case studies into English and steadily distribute them to overseas affiliates. As part of our compliance activities in Japan, we held seminars on compliance in November 2007 for executive officers of Fujifilm and Fuji Xerox, and in August 2007 for executive officers of company affiliates, with guest lecturer Professor Iwao Taka from the Reitaku University graduate school.

Overseas compliance training (Fiscal 2007)

	Area	No. of sites (No. of participants)
Overseas affiliates of Fujifilm	North America	10 (40)
	Europe	10 (60)
	East Asia	3 (20)
	China	4 (58)



Compliance information meeting for overseas Group companies (left), and seminar on compliance for executive officers of the Group companies (right)

Disclosure of punitive actions

To prevent the recurrence of actions that have led to punitive responses, the Fujifilm Group discloses the details of the actions and the content of punishment throughout the company via the Intranet. Major cases of punitive actions included violations of traffic laws and regulations, incidents that may have resulted in the leakage of confidential information, and inappropriate management of corporate assets.

Compliance with the competition (antitrust) law and the Subcontract Act

The Fujifilm Group has long been working to ensure compliance with the Act Concerning Prohibition of Private Monopolization and Maintenance of Fair Trade (Antimonopoly Act). In response to the government’s recent strengthened enforcement as well as the necessity to create a competition (antitrust) law compliance structure as a part of internal control systems, the Group conducted an overall review of the Group’s existing compliance system and began introducing and implementing the new compliance program in Group companies in Japan, the United States and Europe in October 2007.

Specifically, we updated in-house rules governing compliance with the applicable competition (antitrust) laws. We also established a compliance system under the competition (antitrust) law compliance officer (competition (antitrust) law CPO), creat-

ing a structure in which every company and every division conducts periodic self-monitoring.

In addition, based on recent trends, such as changes in the business environment and the revision of the Act, we fully revised the *Competition (Antitrust) Law Compliance Manual*, which outlines the code of conduct for compliance in daily operations. We also conducted seminars and training sessions at Group companies in Japan and overseas to deepen employees understanding of the competition (antitrust) law, and thoroughly instill the compliance program. Fujifilm held competition (antitrust) law seminars (a total of 50 sessions involving 1,743 participants) for sales representatives, including domestic affiliates across Japan, from October through December 2007.

Fuji Xerox published the *Compliance Guideline for the Competition (Antitrust) Law* and the company conducted a training program for its employees and those of domestic affiliates and sales companies. Fuji Xerox plans to adopt the compliance program for its overseas affiliates in Asia and Oceania. With regard to compliance with the Subcontract Act, Fujifilm reviews the status of compliance on the occasion when the Japan Fair Trade Commission or Small and Medium Enterprise Agency conduct annual inspections of the company. We also take appropriate measures to disseminate the provisions of the Subcontract Act. For example, we published a manual reflecting the amendments to the Subcontract Act in 2004 and conducted seminars for personnel in charge of procurement in factories and business divisions. Fuji Xerox also conducts periodic reviews of compliance with the Act in addition to publishing the guidelines.



Competition (Antitrust) Law Compliance Manual

Strengthening export controls

In Japan, exporters are required to demonstrate responsibility and exercise judgment under the security export control system in the management of their export operations. Fujifilm designed its compliance program with the guidance of the Ministry of Economy, Trade and Industry. The company’s export controls cover all types of commodities as well as provisions for technologies. Each division has designated a person in charge of export controls.

The basic components of export control include screening buyers and verifying that the exporting of commodities or technologies meets regulations. Even when commodities are intended for commercial purposes, the end users and applications must be reviewed to prevent them from being diverted into military use. In recent years, we have conducted exports under the U.S. Export Administration Regulations as well as the Japanese Foreign Exchange and Foreign Trade Control Law. We will continually improve our internal systems to ensure secure and efficient export controls by proactively disseminating information related to this issue.

Stricter governance of environmental laws and regulations

Fujifilm, including production and sales companies, endeavors to comply with environmental laws and regulations and is systematically phasing in independent control standards to manage wastes, wastewater, emissions, and soil (see table below). For instance, in regard to wastewater management, we convened a meeting in fiscal 2006 to cross-check the wastewater management system at each factory and laboratory. By incorporating into their operations the feedback and recommendations presented at the meeting, each of our workplaces is striving to prevent or reduce emissions of water pollutants. In addition, independent control standards for the emissions of legally regulated water pollutants are being established at each workplace to strengthen emissions monitoring.



Wastewater processing facility at Fujifilm Kanagawa Factory

Progress of strengthening environmental governance

	(Overall management) Fujifilm Ecology & Quality Management Division		
	Fujifilm sites	Production companies	Sales companies
Waste management	From fiscal 2004	From fiscal 2007	From fiscal 2007
Wastewater management	From fiscal 2006	From fiscal 2008 (planned)	
Atmospheric emissions management	From fiscal 2007	From fiscal 2008 (planned)	
Soil management	(as required)	(as required)	

Related pages

- ▶ [Page 64: Effective Waste Management and Recycling](#)
- ▶ [Page 89: Volume of atmospheric emissions \(Consolidated\); Amount of water pollutant emissions \(Consolidated\); Surveying and remediation soil and underground water pollution conditions](#)
- ▶ [Page 90: Environmental monitoring; Legal compliance and reports on complaints; Installing plumbing and tanks above ground](#)

Response to Air Pollution Prevention Law

Fujifilm conducts reviews of compliance with the Air Pollution Prevention Law to strengthen these efforts and to conduct more strict control (soot, NOx and SOx). As part of these activities, maintenance inspections of the 10 boilers for power generation and air conditioning were conducted in fiscal 2007, led by staff in the Head Office with the participation of operators from each site as well as in-house advisors. Participants evaluated the current system, primarily from the perspective of compliance, incorporating lessons learned from previous violations of the Air Pollution Prevention Law related to soot emissions reported by other companies in Japan. Examples involve incidents of continuing to operate facilities that are releasing volumes of soot in excess of regulatory standards, and falsifying monitoring data. We will continue to comply with the law and utilize the improvements identified by the reviews by applying them into daily operations.



Maintenance inspection for boilers for power generation and air conditioning

Dealing with asbestos

Fujifilm has conducted surveys of asbestos contained in its products (including medical equipment and graphic systems' equipment) as well as asbestos used in buildings, facilities and equipment at the production divisions of every Fujifilm site since 2005. Fujifilm has no current issues related to asbestos. The company will implement any necessary actions in accordance with the rules and guidelines set forth by the government.

1. Products

Fujifilm completed a survey of all products currently on sale. None of these contains asbestos. We disclose information on any products containing asbestos on the Fujifilm website.

2. Health issues and consultation

Fujifilm has confirmed that no current or former employees experience health problems related to their work. We received health consultation requests from several current and former employees. The staff in the personnel and labor division of each respective site interviewed these employees and arranged health consultations and check-ups; no health issues were found. The Personnel and Labor division or Health Management Center of each site will promptly respond as necessary to any request for consultation or examination related to asbestos.

3. Buildings (factories, offices employee dormitories, athletic facilities, and buildings not currently in use)

Fujifilm thoroughly reviewed the design drawings for company buildings and conducted on-site inspections of areas where asbestos might enter the atmosphere. Eleven buildings were found to contain a total of 23 areas of potential exposure. Required work for all buildings was completed in fiscal 2005. We are currently responding to the amended legal standards (content: from 1% to 0.1%, additional types of asbestos brought under regulation).

4. Production facilities

Production facilities use components that contain asbestos for heat insulation or sealing material. We believe there were no asbestos emissions from these components and, therefore, no impact on health.

Replacement of facility components are done in accordance with the provisions of the work safety guidelines. We completed testing of new components to replace the existing asbestos-containing components, and starting in fiscal 2007, only asbestos-free components are purchased.

5. Experimental facilities (laboratories, and the technical and quality assurance sections)

As in the inspections of our production facilities, we confirmed that none of these facilities present health risks to workers. Every division conducted an asbestos survey of their facilities in May 2006, and equipment is replaced or disposed of in accordance with required procedures.

Related pages

- ▶ [Pages 76-77: Compliance and Risk Management](#)

Risk Management

We have designed a secure and reliable risk management system to safeguard against any actual or potential breach of compliance.

Risk management at the Fujifilm Group

Lack of awareness of compliance often leads to increased risk. Consequently, compliance and risk management represent two sides of the same coin. A dedicated department in each operating company of the Fujifilm Group manages risks in a comprehensive and integrated manner, recognizing that promoting compliance and managing risks associated with business operations is a single continuum. In conducting risk management activities, both of the operating companies, Fujifilm and Fuji Xerox, receive reports on risk prevention and incidents from their respective affiliates.

Risk preventive activities

Fujifilm and its domestic affiliates have been focusing their efforts on the early detection and forecasting of risks. Fujifilm appoints risk managers (general manager level or higher) for each division and each domestic affiliate to evaluate the probabilities of various risks and the level of impact on business operations, and then to identify critical risk issues. Based on this information, a concrete action plan is formulated and implemented within the context of actual job operations. In fiscal 2007, 42 divisions of Fujifilm and 26 domestic affiliates implemented action plans.

Fuji Xerox and its domestic affiliates identify areas such as product quality assurance, information security and disaster preparation as key risk issues. Specifically, the company established an Earthquake Response Committee in fiscal 1992 and implemented measures such as introducing a system to confirm employee safety and for maintaining a stock of emergency supplies in the event of a major earthquake. In fiscal 2007, Fuji Xerox renovated the system for confirming employee safety to ensure a more immediate response. Business continuity plans (BCPs) were formulated at major production sites of consumables to facilitate rapid response at the very earliest stages of disaster.

Response and system for handling the occurrence of risks

Fujifilm and its domestic and overseas affiliates promote activities to prevent or avert the emergence and spread of risk. Whenever a risk or potential risk arises, Fujifilm implements unified control and response under its risk reporting system. In fiscal 2007, 55 incidents were reported from Fujifilm and 50 incidents were reported from its affiliates to the office. Three of

these were dealt with by the Total Risk Management Committee or appropriate subcommittee^{*1}. The remaining incidents were handled within the division in which the risk arose under instructions from the office.

At Fuji Xerox, 23 risks were reported in fiscal 2007. Five of these were discussed and appropriately handled at the Risks and Ethics Conference, the top organization under the company's risk management system. The remaining incidents were handled by the respective supervisory department, sales company, or affiliate in which the incident occurred.

*1 Subcommittee: A subcommittee consisting of staff from specific divisions is set up for each risk area, such as products, the environment, overseas safety, exports, information leakage, corporate attack, and disasters. The appropriate subcommittee immediately reviews necessary matters, including concrete actions, and oversees responses to risks as they arise.

Information security and protecting personal information

Fujifilm and its affiliates issue the *Compendium of Information Security Case Studies*, primarily based on actual information security incidents, and distributes it to employees. In fiscal 2007, we thoroughly provided usage guidelines and considerations for the use of USB flash drives, in particular, based on past incidents.

Fujifilm also conducted a study session for responsible administrators on personal information management to reinforce the management of personal information handled by subcontractors using a case method. At the same time, we surveyed the management of personal information by subcontractors and confirmed the existence of subcontract agreements and the security status of electronic data handled by subcontractors.

Fuji Xerox and its domestic affiliates conducted an e-learning-based education program based on past incidents to prevent future information security incidents. As part of a security campaign conducted in October 2007, Fuji Xerox also reviewed the implementation of security measures for notebook PCs and USB flash drives to ensure rules had been applied thoroughly.

In providing products and services to our customers, we always place the highest priority on protecting their information assets. For serious risk incidents, we have developed and implemented a high-level safety management measure enabling us to effectively prevent accidental leakage of information and theft by employees.

Related pages

- ▶ [Pages 76-77: Compliance and Risk Management](#)

Facilitating Personnel Development and Achievement at Fujifilm

Fujifilm develops human resources, the driving force of our Second Foundation, and provides ample opportunities for people to demonstrate their full capabilities.

Strengthening individual capabilities and eliciting outstanding performances from a diverse workforce

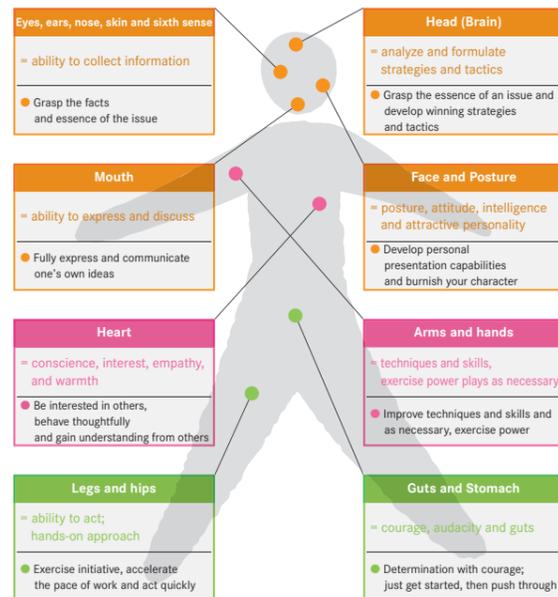
The Fujifilm Group has positioned the current period as its Second Foundation, during which we are focusing on creating and developing growth businesses. Achieving this Second Foundation requires us to strengthen human resources and create a working environment in which diverse human resources perform to their maximum potential.

Related page
 ▶ Page 81: Personnel and Labor (Fujifilm)

The ideal human resources at Fujifilm

To achieve its Second Foundation, Fujifilm expects each employee to become a genuine professional. To this end, every employee must combine and strengthen all their capabilities. The required human resources realize a positive spiral, in which they grow through their work experience and then direct enhanced capabilities to perform work with even greater value.

The ideal human resources at Fujifilm



Training programs that support human resource development

We strategically develop personnel to maximize the capabilities of each individual employee. In these efforts, we place special priority on strengthening the mind (will) and processes (tactics). To strengthen the mind, we conduct seminars in which we repeatedly emphasize the importance of instilling a spirit of challenge in young employees with less than three years experience at the company. We also encourage employees in mid-level and managerial positions to pursue self-improvement and complete tasks while involving those around them.

To strengthen the processes, we train young employees to acquire basic techniques required for maximum achievement while training those in mid-level and higher positions to enhance their strategic and critical thinking as well as management capabilities for mobilizing others. In addition, while utilizing these training sessions, we develop operational capabilities mainly through recurring on-the-job training.

To elicit outstanding performances from a diverse workforce

With the goal of securing outstanding human resources as a Group, Fujifilm Group Joint Company Seminars for new graduates were held with Fujifilm, Fuji Xerox, FUJINON and other Group affiliates in Tokyo and Osaka in fiscal 2007 with many new graduates attending. In addition, we acquire a wealth of talent by employing mature workers with significant experience in a various fields and current non-regular employees as regular employees, as well as by re-employing retired employees.

We are also implementing a number of initiatives to develop the individual capabilities of diverse human resources for outstanding long-term performance. In concrete terms, we set up the F-POWER Project Promotion Team in collaboration with labor and management and expanded initiatives for promoting the achievements of female employees. This program is helping to create a corporate culture in which every employee can make most of his or her abilities.

We will continue to raise awareness in our offices and review each employee's work style and operational efficiency, ultimately leading to an effective work-life balance.



Since fiscal 2005, Fujifilm has been continuously enhancing its childcare support system under the Law for Measures to Support the Development of the Next Generation. In September 2007, the company acquired the "Kurumin," Next-generation Accreditation mark as company that supports employees while they are raising children.

Major achievements of the F-POWER Project

1. Changing mindsets related to the work styles of female employees

Announcing project content and recommendations within the company
 We held 27 briefings at six workplaces in Japan on proposals from the F-POWER Project Promotion Team, including changing mindsets related to the work styles of female employees, backing up systematic development and growth, improving systems for balancing work and life while raising children, and strengthening career guidance and support. (June and July 2007)

Expanding provision of information for women employees

We opened a special website for the F-POWER Project and disseminated information on the project as well as the childcare support system. (July 2007)

2. Backing up the systematic development and growth of female employees

Promotion team

We established an organizational entity to take responsibility for actualizing the content of recommendations at each workplace and Personnel Division. (September 2007)

Career design seminars

We held career design seminars inviting the same lecturer to six workplaces in Japan. About 1,500 people including male employees attended. (December 2007 to February 2008)

New education programs

We conducted career design seminars for general employees, a coaching program for supervisors, and a managerial seminar to guide managers in promoting the advancement of female employees. (2007 to 2008)

Growth targets and a foundation for taking up challenge

We enhanced our management-by-objective system to clarify growth targets, reinforce connections to higher-level goals, improve the supervisory approval process and strengthen the involvement of supervisors.

3. Enhancing the system for supporting work-life balance while raising children

System for supporting work-life balance after giving birth and while raising children

We established a system including such components as reduced working hours, the provision of lump-sum payments for the birth of children, leaves and the use of stock leave for fertility treatment. Other actions include an improved nursing care leave system and an expansion in the range of employees eligible for exemption from extended working hours and holiday work. (July 2007 and April 2008)

Expanded support during maternity and childcare leaves

We created a system allowing female employees to attend seminars during maternity or childcare leaves. We also send to their homes documents that are distributed internally as well as providing access to the F-POWER Project website. (January 2008)

Improved support for female employees who return to the workplace after leaves for maternity and raising children

We hold a three-party meeting with every female employee upon return to the workplace. In addition, we established a system for easing the return to work by ensuring that procedures are clearer and begin earlier, such as conducting a preparatory interview four months prior to the employee's return. (January 2008)

4. Enhancing career guidance and a psychological support system

Consultation and support system for female employees

We opened a consulting service for female employees and started providing consultation on balancing a career and family life, career direction and other issues. (September 2007)

COMMENTS

Message from a member of the F-POWER Project



Takako Negishi
 Leader, F-POWER Project Promotion Team
 Operations Manager,
 Personnel Division, FUJIFILM Corporation

Two years have passed since we launched the F-POWER Project for establishing a corporate culture in which female employees could take on more important roles. F-POWER stands for "Fujifilm Positive Women Encouraging Renovation," and embodies our desire to create a genuinely strong corporate structure at Fujifilm in which every woman can perform to her full potential and take on greater responsibilities. The team, which is primarily made up of women, has considered issues that must be addressed and have been making steady results. We will continue to firmly establish each current initiative and consider new initiatives while taking into account employee feedback and encouraging employee involvement.

TOPIC

Offering flexible work styles, with evaluation based on social contribution as well as business performance

FUJIFILM U.S.A., Inc. offers a variety of work style options for employees with due consideration for different lifestyles under the philosophy that employees are one of the most valuable assets of the company. To deal with personal circumstances such as raising children, caring for the elderly, acquiring academic degrees or avoiding traffic congestion, approximately 40% of our employees participate in one of the following options: flexible, part-time, summer hours, job sharing or telecommuting. The company has adopted its own personnel evaluation program, in which employees are evaluated for their achievements in volunteer and other social contribution activities as well as for factors directly related to their business performance, such as productivity and efficiency and level of trust with colleagues and customers. For the local community, the company encourages volunteer activities that provide business knowledge to students who are getting ready to join the workforce. The company currently sponsors 10 mentors. Students visit our office at least three times during a 15-week course term. They consult with mentors on future career paths and receive guidance from mentors. In addition, the company invites 30 students every year to the office to learn about our business operations.



From left: Ms. Janet Schiavone, Mentor, National Recruitment and Selection Manager, FUJIFILM U.S.A., Inc.; Ms. Huesne Daglioglu, Westchester (New York) Community College student from Germany; Ms. Maria Del Monte, Mentor, HR & Diversity Manager, FUJIFILM U.S.A., Inc.

Facilitating Personnel Development and Achievement at Fuji Xerox

Fuji Xerox values each of our employees and strives to draw out their full capabilities by establishing an environment in which diverse employees can demonstrate their abilities.

Valuing each employee and utilizing their maximum potential

Fuji Xerox values every employee and has been developing a working environment to draw out their maximum abilities by gradually introducing a variety of systems since the late 1980s, including childcare leave, reduced working hours for childcare, and flextime. On the basis of the Second Foundation that Fujifilm Group is pursuing, Fuji Xerox implemented aggressive efforts in fiscal 2007 to cultivate human resources as the main engine for the growth of Fuji Xerox.

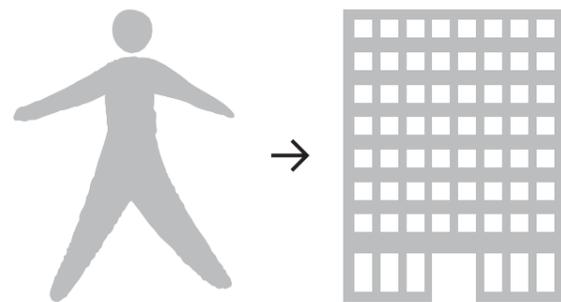
Fuji Xerox will continue to provide opportunities for employees with different personalities and backgrounds to develop abilities in an independent and self-reliant manner.

Related page [▶ Page 82: Personnel and Labor \(Fuji Xerox\)](#)

The ideal human resources at Fuji Xerox

Fuji Xerox aims to become a “strong,” “kind” and “interesting” company. The company is strong in terms of delivering excellent products and services that satisfy customers and also reward its shareholders. The company is kind in its contributions to local and global communities, environmental conservation, ethics and corporate citizenship. As an interesting company, it provides an environment in which employees are able to demonstrate their creativity with a sense of personal growth.

For a company to achieve these goals, it must have people who are able to think and act on their own initiative and see tasks through to completion. Concretely, as stated in “Shared Values,” our corporate philosophy, we expect our employees to always place top priority on customer satisfaction while demonstrating an adventurous pioneer spirit, high ethical standards, joy and fulfillment, scientific thinking, and professionalism.



Employees placing top priority on customer satisfaction and demonstrating an adventurous pioneer spirit, high ethical standards, joy and fulfillment, scientific thinking, professionalism, and respect for diversity

Strong, kind and interesting company

Training that supports personnel development

Personnel development at Fuji Xerox is categorized by employee function and area of specialization, and is centered on basic training, management training and specialized training. Basic training is provided in stages to employees from the point they enter the company up to their mid-30s, and focuses on aspects that are vital for performing their job responsibilities, such as scientific thinking, finance and globalization. Management training offers techniques for personnel evaluation, labor management, policy management and other areas. Specialized training transfers specific knowledge and methods required for each organization, such as sales and technology. A part of these training programs currently cover employees at Fuji Xerox as well as its affiliates. The company is planning to expand the scope of these programs while continually improving our training and educational facilities.

The enhanced performance of a diverse and flexible workforce

Fuji Xerox strives to create an office environment and corporate culture in which every employee is able to perform to their maximum potential.

A universal design will be applied for facilities at the research and development site, scheduled for completion in March 2010 in the Minato Mirai area of Yokohama, to establish an environment in which every employee can work comfortably.

We have also introduced the Second Life Program to advance the deployment of human resources with outstanding abilities and enthusiasm or support their job transfers. In addition to the reemployment of retired employees, this program serves as a go-between to facilitate their reemployment with and dispatch to affiliates and companies outside the Group.

Furthermore, we are establishing an environment in which more female employees are able to aggressively pursue their careers. In April 2008, we improved and updated our existing childcare support system (e.g., improving the reemployment system for former employees who had left the company to raise children and extending the period for reduced working hours for childcare.)

Looking ahead, Fuji Xerox will continue to reform its worksite culture and promote a healthy work-life balance to allow talented employees to fully demonstrate their abilities.

Promotion of work-life balance

Purpose of promoting work-life balance

Fuji Xerox regards a healthy work-life balance as an innovative change in work styles. Advancing a healthy work-life balance will boost productivity across the entire organization by raising the morale of a diverse workforce as well as facilitating the demonstration of each and every employee’s full potential. It also makes possible a more time-efficient work style that meets the specific life needs of all employees. Furthermore, instilling the philosophy and value of diversity and work-life balance corresponds with Fuji Xerox’s personnel policy centered on balancing individual abilities, jobs, and compensation with his or her role at the core. Therefore, we recognize this as an extremely important effort.

Fuji Xerox initiatives

The origins of Fuji Xerox’s approach to work-life balance date back to its NWW (New Work Way) campaign launched in 1988. NWW was a corporate innovation for establishing a new vision of the company and employee work styles for the 21st century. This formed the basis for Fuji Xerox’s current efforts related to diversity and work-life balance.

Given this background, the goal of Fuji Xerox is to create a system that affords practical advantages. For example, the company’s childcare system is now widely used to enable employees to continue working after the birth of a child as a result of ongoing improvements in its operation. The company was publicly recognized for its efforts by receiving the Family Friendly Corporation Award in 2002 and the acquisition of the “Kurumin,” Next-generation Accreditation mark based on the Law for Measures to Support the Development of the Next Generation.



Fuji Xerox has been relentlessly striving to enhance its childcare support system under the Law for Measures to Support the Development of the Next Generation. The company acquired the “Kurumin,” Next-generation Accreditation mark in April 2007 as a company that supports employees while they are raising children.

Taking on new initiatives

For Fuji Xerox to continue existing as a corporation customers choose to support, the company must create an environment for fostering the engagement and enthusiasm of a diverse workforce, one which drives the company’s business processes and exhibits its own capabilities. In this sense, our greatest challenge for the future is to make our systems fully practical not only from the perspectives of supporting a healthy balance between work and family but also reinforcing the company’s competitiveness and revitalizing its human resources. Society, individuals and corporations are undergoing rapid change, and therefore employees are shifting their focus from the deployment level of various corporate systems to developing their own careers and a sense of personal fulfillment. They are now asking questions such as, “Am I performing to my maximum potential?” and “Although the personnel system in principle treats men and women the same, does discrimination continue to appear in actual promotions to managerial positions and opportunities to take on greater challenges?” Given this situation, it is increasingly important to actively cultivate diversity and a healthy work-life balance within the framework of the overall personnel system.

Recognizing the need for management to clarify anew the basic policy to create a company in which employees work with enthusiasm and exercise their abilities without restraint due to gender, nationality, age and/or life stage, we released the basic principles on the practice of work-life balance in March 2007.

This principle explicitly laid out Fuji Xerox’s determination to review work processes apply work rules based on various work-life balance options, and conscientiously recruit and deploy workers based on various personnel qualifications. It also clearly stated management’s perspective on the need for reforming the corporate culture through the increased awareness and action of management as well as the initiatives of individual employees. In April 2008, we enhanced our childcare support system in line with this perspective. We will actively create a system to drive the review of existing work styles at our work sites and revitalize young and mid-level employees through a personnel rotation system as well as upgrading working rules to provide flexibility in working hours and locations.

TOPIC

Presenting Flexible Working Styles— The Introduction of Flextime and Time Credit Systems

FUJIFILM Hunt Chemicals Europe NV and FUJIFILM Europe NV in Belgium have introduced flextime and time credit systems to offer greater flexibility for individual work styles.

Flextime working hours

This system provides staff a relative level of autonomy in selecting the start and finish times for their work day with the consent of their colleagues; a longer lunch break can also be chosen. Flextime has a short-term impact and was introduced in collaboration with the unions.

Time credit

This system was established by law and is intended to more effectively control the mid- to long-term work-life balance. People are allowed within certain limitations (for example, specific criteria may not be exceeded, such as age, years of service, maximum number of participants within a department) to work less (varying from 80% to 50%) or to completely suspend their employment to give higher priority to family life over career development. We are flexibly applying this option, which is popularly referred to as a time credit system.

● Comment from flextime user



Marino Waem
FUJIFILM Hunt Chemicals Europe NV

Under this system, I have the opportunity to take my kids to school in the morning and can also go to a hospital without taking the day off. It is also useful for avoiding traffic congestion, since I have flexibility in deciding my working hours and the time I go to the office. I really hope this valuable system will continue.

● Comment from time credit user



Odette Cappart
FUJIFILM Hunt Chemicals Europe NV

I take Wednesdays off and work four days a week. I now have time for house work and for myself as well as more time to spend with my family. I have been working at the company for 36 years and I am 50 years old. So reducing working hours helps me a lot in terms of my physical health, and my job does not feel as great a burden as before. I think this is a really excellent system.

Creating a Safe, Healthy Workplace for All Employees

Workplace safety is our highest priority; we strive to create settings in which every employee can maintain sound physical and mental health, with due consideration to specific operations at each workplace.

Promotion of occupational health and safety

Fujifilm Group believes the health and safety of labor is a fundamental precondition for production activities. We, therefore, place strong emphasis on safety and strive to secure workplace safety in full compliance with laws and regulations governing safety and hygiene. We implement measures based on the safety policy designated for each operation site, including safety patrols by labor and management; workplace inspections and improvement through invited external experts; safety screening of equipment for design, installation, and operation; and disaster prevention. We also offer related employee training programs as needed. As a result of these efforts, we have maintained the number of labor accidents below the industry average.

Sharing information through Safety Meetings

On October 23, 2007 we held a Safety Meeting in the Fujifilm Kanagawa Factory with the participation of approximately 600 persons, including the employees of the factory as well as of our affiliates and onsite subcontractors. The meeting was mainly organized by the Safety Meeting Special Committee set up in fiscal 2007. Representative efforts at each workplace and disaster case studies were shared at the meeting along with a lecture on improving mental health by Dr. Yumiko Maki of the Kanto Central Hospital. Mr. Hideaki Horie, General Manager of the factory also spoke, "I hope all participants will further enhance their awareness of safety and take concrete actions."



Safety Meeting in the Fujifilm Kanagawa Factory

Complete training for new recruits and transferred employees, and explosion prevention training

Human resources are increasingly fluid and employment patterns are diversifying in line with our structural reforms centered on the photosensitized material business. Under these circumstances, a common training manual for film material divisions was created at the Fujifilm Fujinomiya Factory to keep everyone current on workplace safety and health. Since April 2007, we have conducted a four-phased training program for new recruits and transferred employees during the first three months of their deployment.

The consumption of organic solvents is rising due to the launch of color filter manufacturing, requiring comprehensive action to prevent explosions. In October 2007, the Special Committee on Preventing Explosions was established. A facility for explosion prevention training was subsequently set up and the program was launched. Starting in January 2008, semi-annual training on the three factors affecting explosions (inflammable gas/vapor, ignition source, and oxygen) is provided to employees who deal with organic solvents.



Explosion prevention training at the Fujifilm Fujinomiya Factory

Onsite inspection and explosion prevention training by outside experts

In the Fujifilm Yoshida-Minami Factory, we have continued to raise awareness of explosion prevention through the training program for new recruits and lectures by experts. In fiscal 2007, a site inspection by external experts was implemented as a new endeavor to reinforce measures to prevent explosions at worksites where hazardous materials including organic solvents are used.

Two outside experts, including Mr. Shonosuke Kamachi of the Technology Institution of Industrial Safety, inspected a site, in which hazardous materials are used, to check for the risk of electrostatic discharge, offering advice to the operator and administrator onsite. We reviewed results following the inspection and shared issues that required action.

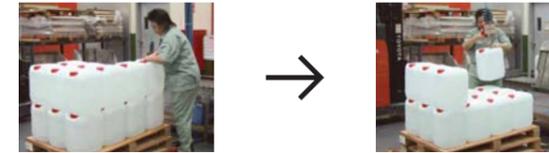


Explosion prevention training at the Fujifilm Yoshida-Minami Factory

Improvement of workplace morale by reducing risks

At FUJIFILM Hunt Chemicals Singapore Pte. Ltd., which mainly manufactures chemicals for processing photos, we participate in an occupational health and safety campaign promoted by the Singapore Ministry of Labor and internally audit risk identification and provide risk education.

In 2007, the company invested US\$35,882 (approximately ¥26.8 million) in automating an operation that was previously done manually. Through this effort, the company improved the worksite operations, in this case by reducing such risks as back pain, and thereby boosting employee morale.



Before improvement

After improvement



Before improvement

After improvement

Example of factory mechanization (Top: production line; Bottom: material warehouse). In both cases, plastic tanks and bags containing raw material weighing more than 20 kg were previously carried by hand. The introduction of equipment such as hand lifts reduced the burden on employees.

Workplace checkups and training as a united effort of labor and management

FUJIFILM Canada Inc. (three facilities, 310 employees), our local sales company, set up a Joint Health and Safety Committees (JHSC), represented by both management and non-management employees, to comply with provincial laws and to secure employees' safety. In addition to monthly worksite checkups, the committee conducts educational activities on issues such as emergency response. In addition, third-party audits of employee health and safety compliance are conducted for all worksites every two years.



Certificate on workplace health and safety compliance issued by third-party auditor

Initiatives to prevent chemical substance-related accidents and mishaps

The Fuji Xerox Takematsu site, which undertakes R&D and the manufacture of toners and drums for photocopy machines, handles a large volume of chemical substances including powder dusts and organic solvents. We implement a variety of measures to prevent accidents or disasters associated with these chemicals, such as acquiring OHSAS 18001 certification, which is a labor health and safety management system, in factories; assessing risk for all divisions; screening for environmental safety risk and explosion pre-



Health and safety training for engineering workers at the Fuji Xerox Takematsu site

vention when installing new equipment; and providing health and safety training to engineering workers who work at the factory sites. Regarding health and safety management for powder dusts, large volumes of which are used for manufacturing toners, stringent control is exercised through our own, stricter concentration standards along with meticulous monitoring of worker exposure. By these actions, the company is maintaining a more comfortable working environment.

Response to lifestyle-related diseases

In response to the introduction of diagnostic criteria for metabolic syndrome in Japan in 2005, Fujifilm added the measurement of abdominal circumference to regular medical examinations. Based on the results, doctors, health workers and nurses provide guidance on lifestyles, centered on nutrition, with the goals of reducing calories, fats and salt and establishing a more balanced menu. In addition, each of our workplaces exercises initiative in promoting the prevention of lifestyle-related diseases by aggressively pursuing activities such as sponsoring lectures to raise awareness and providing low-calorie menus at canteens.



Shortened working hours and offering opportunities for exercise

At FUJIFILM Hunt Chemicals Singapore Pte. Ltd., each Friday has been designated as "ACTIVE Day." The workday is reduced by one hour and specially qualified instructors are invited to encourage employees to exercise through activities like kick boxing and aerobics. The ACTIVE Day program was started in September 2003, and about half of all employees currently participate.



ACTIVE Day

Support for mental health

In 2002, Fujifilm set up the Companywide Physical and Mental Health Promotion Committee involving industrial physicians and counselors to improve employees' mental health. The committee specifically provides a health survey in accordance with employee working hours and interviews with industrial physicians. An e-mental health examination system is being developed so that employees can review their mental health status on their own. We also conduct mental health management seminars for all managers and provide in-house counseling services by expert doctors and counselors.

Related pages

- ▶ Page 81: Personnel and Labor (Fujifilm)
- ▶ Page 82: Personnel and Labor (Fuji Xerox)

Toward Enhancing Customer Satisfaction

We value communication with customers and reflect their voices in the development and improvement of our products and services.

Our basic stance for responding to customers

The Fujifilm Group considers customer satisfaction (CS) as the cornerstone of management and strives to deliver the quality that customers expect at any given time by sincerely listening to their opinions and incorporating their feedback into the development and improvement of our products and services. Fujifilm and Fuji Xerox, which handle different product lines, respond differently to customers depending on the specific product area.

How Fujifilm responds to customers

Fujifilm and its affiliates strive to both expand and ground their management system for responding to customer complaints in compliance with ISO 10002, thereby further enhancing CS and the quality of response.

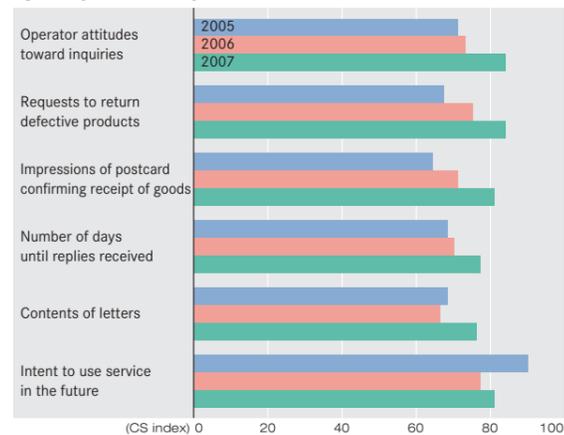
Related page

▶ Page 80: System for responding to customers (Fujifilm and its domestic affiliates)

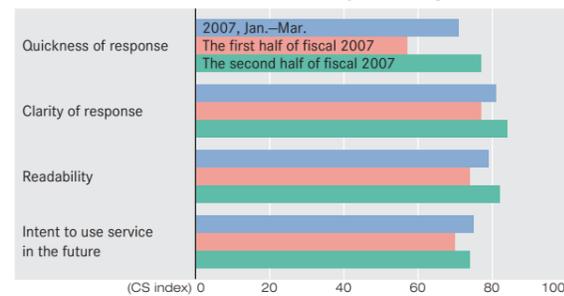
Customer Satisfaction surveys

Fujifilm conducts CS surveys targeting those who have made inquiries to the Customers Communication Center (CCC). In fiscal 2007, the CS index increased from the previous survey, particularly in regard to response to e-mails. This appears to reflect a positive assessment of the quick, courteous and accurate replies resulting from efforts such as the 48-hour rule, which requires that staff reply to e-mail messages within 48 hours. We intend to continue making improvements in response to issues raised in these surveys.

Customer satisfaction for responses by telephone and post



Customer satisfaction for our responses by e-mail



Target groups for customer satisfaction survey

Questionnaire on response by telephone and post
Customers who received their response by post from the Customers Communication Center between July 1 and September 30, 2007 (Number of letters received: 169/Response rate: 52%)

Questionnaire on response by e-mail

Customers who made inquiries by e-mail via the Fujifilm website between January 1, 2007 and March 31, 2008 (Number of e-mails received: 341/Response rate: 6.4%)

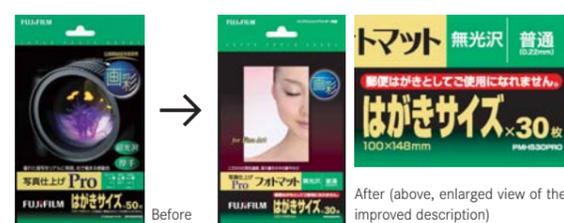
Formula for calculating CS index

$$CS = \frac{(\text{good: } +2) + (\text{rather good: } +1) + (\text{rather poor: } -1) + (\text{poor: } -2)}{(\text{Number of responses}) \times 2} \times 100$$

Effectively utilizing customer feedback

Customers' opinions received at the Customers Communication Center are distributed to related divisions and affiliates as feedback for improving our products and services. For example, the improved packaging for Kassai inkjet papers in fiscal 2007 was based on customer comments.

An example of improvement: Kassai inkjet printer papers



Customer comments

- Although displayed as "postcard size," it cannot be used as a postcard.
- Difficult to understand thickness specifications.

Resulting improvements

- Increased size and visibility of notification that product cannot be used as a postcard.
- Improved display on paper for determining front and back sides.
- Converted thickness specification from μm to standard mm.

Showroom utilization

FUJIFILM SQUARE, a showroom complex in Tokyo Midtown, welcomes between 1,500 and 2,000 customers every day as the public face of Fujifilm. It showcases photo-related products and health-care products and hosts photo exhibits. Senior concierges (former Fujifilm employees) provide detailed information to customers including general advice on taking photographs. In addition, given the large numbers of foreign visitors, several English-speaking employees are on hand to provide sight-seeing information for the surrounding area. Representative customer comments include, "Despite the extensive lineup of exhibitions, the service is free, so we can just casually drop by, which is nice." We will maintain the user-friendly style of the showroom, and we have entered visitor feedback onto a database so this information can be quickly shared with related divisions and affiliates to improve products and services and to enhance the showroom as well as staff interactions with customers.



FUJIFILM SQUARE

FUJIFILM SQUARE

Address: Floors 1 & 2 Tokyo Midtown, 7-3 Akasaka 9-chome, Minato-ku, Tokyo
Telephone: 03 (6271)3350
Open hours: 11 a.m. to 8 p.m. Daily (except New Year's break)
Entrance fee: Free of charge

URL <http://fujifilmsquare.jp/english/index.html>

How Fuji Xerox responds to customers

As stated in Shared Value, Fuji Xerox and its affiliates have identified customer satisfaction as a top priority. Since its establishment, Fuji Xerox has been helping to advance customer business activities through the products and services it provides.

Based on this philosophy, we developed, from our foundation, a leasing business in which we lend copy machines to customers instead of selling them, guided by the belief that customers needed the functionality of the equipment. In this context, the ongoing establishment and maintenance of relationships through effective communication is vital for recognizing what customers really need and for solving their business problems. This is the starting point for our CS activities. To this end, Fuji Xerox and its affiliates have precisely identified genuine needs of customers, and continuously reflect this information in our business operations for ongoing improvement.

CS Guidelines of Fuji Xerox

1. Listening to the 'Customer's Voice' is the beginning of our job.
2. Thinking of the 'Customer's Viewpoint' is the basis of our job.
3. Meeting the 'Customer's Expectation' is the responsibility of our job.
4. Earning the 'Customer's Deep Trust' is the joy of our job.
5. Receiving the 'Customer's Evaluation' is the measurement of our job.

CS surveys

The overall comprehensibility of our instruction manuals had received poor marks in questionnaires on products and services and a CS survey conducted by external research agencies. Therefore, Fuji Xerox improved the manuals by adding a simplified version of the instructions, focusing on the most frequently used functions and illustrating how to use these functions in an easy-to-understand manner.



Simplified manuals (From left: copy machine, fax and scanner)

Diverse strategies for improving CS

With our fiscal 2007 goal of delivering CS that is No.1 in the industry, we concentrated on improving our products and services based on approximately 600,000 customer comments received through "Voice of Customers (VOC)*."

* Voice of Customers (VOC): A system that allows internal entities to share information on customer feedback entered into a database by sales representatives, service engineers and administrative personnel nationwide in Japan.

An example of improvement:

Color digital multifunction devices

Reflecting customer feedback on our color digital multifunction devices, we intend to develop products under the concept of being more friendly to the environment and to people.

Customer feedback

- The machine is noisy and became a nuisance when it was placed next to my desk. Please make it quieter.

Resulting improvement

- Cutting down motor noise by optimizing the control of cooling fans, we reduced the noise level to that of black-and-white machines.

Related page

▶ Page 80: System for responding to customers (Fuji Xerox and its domestic affiliates)

Fujifilm Group Green Policy

The entire Fujifilm Group strives for the highest environmental quality based on its Medium-term Environmental Policy, the Fujifilm Group Green Policy.

Aiming for high environmental quality as a Group

The Fujifilm Group Green Policy was issued in April 2002, and it has been applied across the entire Group as the Group's Medium-term Environmental Policy in a three-stage structure—Basic Policy, Action Guidelines, and Nine Priority Targets. From fiscal 2008 onward, we will continue to pursue even higher environmental quality based on the Fujifilm Group Green Policy as a united effort.

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.

The Fujifilm Group companies around the world aim to stay at the forefront of efforts to attain this goal in terms of environmental, economic, and social aspects. We will strive for customer satisfaction as well as our contribution to “sustainable development” by achieving high “environmental quality” in products, services, and corporate activities.

Action Guidelines

- We will promote environmental burden reduction and product safety assurance with the following three items in mind:
 - Our efforts are pursued throughout all corporate activities.
 - Our efforts are pursued throughout the entire product life cycle.
 - We give overall consideration to economic and social implications.
- We will improve our management of chemical substances and the chemical content of products to reduce environmental risks.
- We will comply with legal regulations as well as Fujifilm Group regulations, standards, and requirements that are individually agreed on.
- We will strengthen partnerships with our business partners, collaborate in government and industrial activities, and actively participate in community activities.
- We will actively give full disclosure of the information regarding our involvement in and accomplishment of various environmental activities to all associated individuals, including local communities, governments, and Fujifilm Group company employees, to facilitate open communication.
- We will heighten the environmental awareness of every Fujifilm Group employee through employee education, so that we can fortify our infrastructure to face the challenges posed by environmental issues in the future.

Nine Priority Targets (as of March 2008)

Related pages [Pages 86-90: Environmental Aspects](#)

1. Improvement in Eco-Efficiency

By the fiscal year 2010, the Fujifilm Group aims to improve its eco-efficiency with regard to six of all the environmental burdens, from A through F (refer to graphs below), by twice as much as the fiscal year 2000 level.

$$\text{Eco-Efficiency} = \frac{\text{Revenues}}{\text{Value for Environmental Burden}}$$

2. Design for Environment

Fujifilm will design all new and remodeled products according to the “Basic Regulations for Design that Takes the Environment into Consideration.” At the same time, measures will be taken to promote the sharing among all the Fujifilm Group companies of environmental quality data on products and other items created in line with those regulations, including manufacturing equipment and packaging materials. The scope of this program will progressively be expanded to encompass the entire Fujifilm Group.

3. Reduction of Environmental Burden and Contamination Control

3-1. Reduction of Greenhouse Gas Emissions

By the fiscal year 2012, specified manufacturing facilities*1 domestic Fujifilm Group companies with large emission volumes will reduce their energy intensity*2 by 30% from those of the fiscal year 1990 and will reduce CO₂ emissions intensity*3 by 40% from those of the fiscal year 1990. Fujifilm Group companies, other than the companies above, set separate goals individually.

3-2. Conducting Environmental Monitoring

Domestic Fujifilm Group companies' manufacturing facilities that use regulated chemicals will periodically monitor soil, underground water, and wastewater conditions as well as VOC emission volume.

3-3. Leakage Measures for Pipes, Pits, and Tanks

Domestic Fujifilm Group manufacturing companies will continue implementing and augmenting their chemical leakage countermeasures. These include measures such as those to move pipes and other underground items above the ground and equip items with double walls, as well as measures to enable quick leakage detection of underground items.

*1 Specified manufacturing facilities: Fujifilm's Kanagawa Factories (Ashigara and Odawara), Fujinomiya Factory, Yoshida-Minami Factory, FUJIFILM Opto Materials, and FUJIFILM Kyushu

*2 Energy intensity: Energy consumption per converted unit of production volume

*3 CO₂ emissions intensity: CO₂ emission volume per converted unit of production volume

4. Upgrading Waste Management

4-1. Continuation and Improvement of Zero Emission Activities

Each domestic Fujifilm Group company will maintain the current zero emission standard. They will, furthermore, pursue qualitative improvement with regard to resource recycling. Each overseas Group company will establish separate targets in line with the situation in its respective country.

4-2. Strengthening Waste Governance

Each domestic Fujifilm Group company will work to augment waste-related education programs and take thorough measures to achieve appropriate waste management.

5. Strengthening Chemical Substance Management

To comply with chemical substance regulations around the world, Fujifilm will maintain and strengthen its systems for reliably collecting relevant compliance information and for ensuring the legal compliance of product development and marketing operations. At the same time, we will strengthen our systems for responding to movements to increase the strictness of chemical management standards, including the new REACH chemical management regulations in force in Europe. Fujifilm will maintain dependable management operations based on the Fujifilm Chemical Substance Management System and will also work to upgrade these operations by introducing new safety testing and compliance testing technologies.

6. Management of Chemical Content in Products (Raw Materials, Parts, Packing Materials, and Services)

To manufacture environmentally-friendly products, Fujifilm will continue to strengthen its supply chain management systems and survey its suppliers and procured supplies and services. Regarding suppliers, we will survey our management system for chemicals contained in products and work to upgrade that system. In addition, Fujifilm will start the surveys of suppliers' CSR management. Regarding procured supplies, Fujifilm will undertake surveys and, at the same time, work to arrange contracts stipulating the absence of prohibited substances, clarify product specifications, and fortify inspection systems.

7. Construction and Improvement of Management Systems

Each Fujifilm Group company will work to create environmental and quality management systems and to continually improve those systems by integrating them into daily operation.

8. Information Disclosure, Information Provision, and Communication

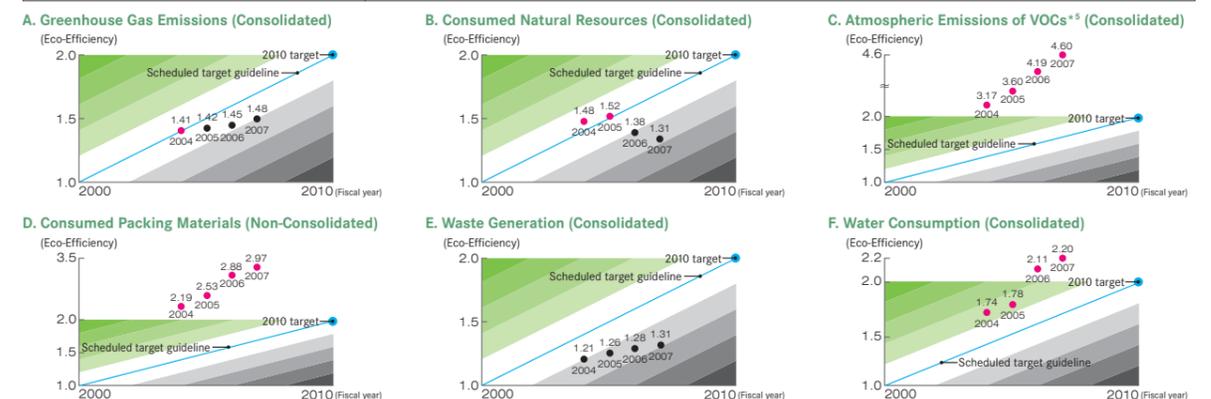
Fujifilm will attempt to improve information disclosure/provision and communication through sustainability reports issued by each Fujifilm Group company. Regarding products, the Group will work to promote the provision of the Material Safety Data Sheets (MSDS) as well as other safety-level information that responds to the Globally Harmonized Systems*4 (GHS). The Group will also seek to expand the scope of its product-related environmental information disclosure. Furthermore, the Fujifilm Group will strive to improve communication with all associated entities inside and outside of the organization.

*4 GHS (Globally Harmonized System): Uniform (harmonized) international system for classifying and labeling chemical substances

9. Employee Education

Fujifilm will conduct education and training pertaining to the environment and quality for employees at domestic and international Fujifilm Group companies. Fujifilm will also continue to improve various aspects of their education and training procedures, including the content of education, appropriate training measures, and textbook updating as needed.

Eco-Efficiency from Fiscal 2004 to Fiscal 2007 Eco-Efficiency ● On target (above scheduled target guideline) ● Additional effort required to meet target (below scheduled target guideline) ● Target



Eco-efficiencies of Atmospheric Emissions of VOCs (C), Consumed Packing Materials (D), and Water Consumption (F) were significantly better than their target lines and have already achieved the goals for the fiscal year 2010. However, eco-efficiencies of Greenhouse Gas Emissions (A), Consumed Natural Resources (B) and Waste Generation (E) were below their target lines for the following reasons:

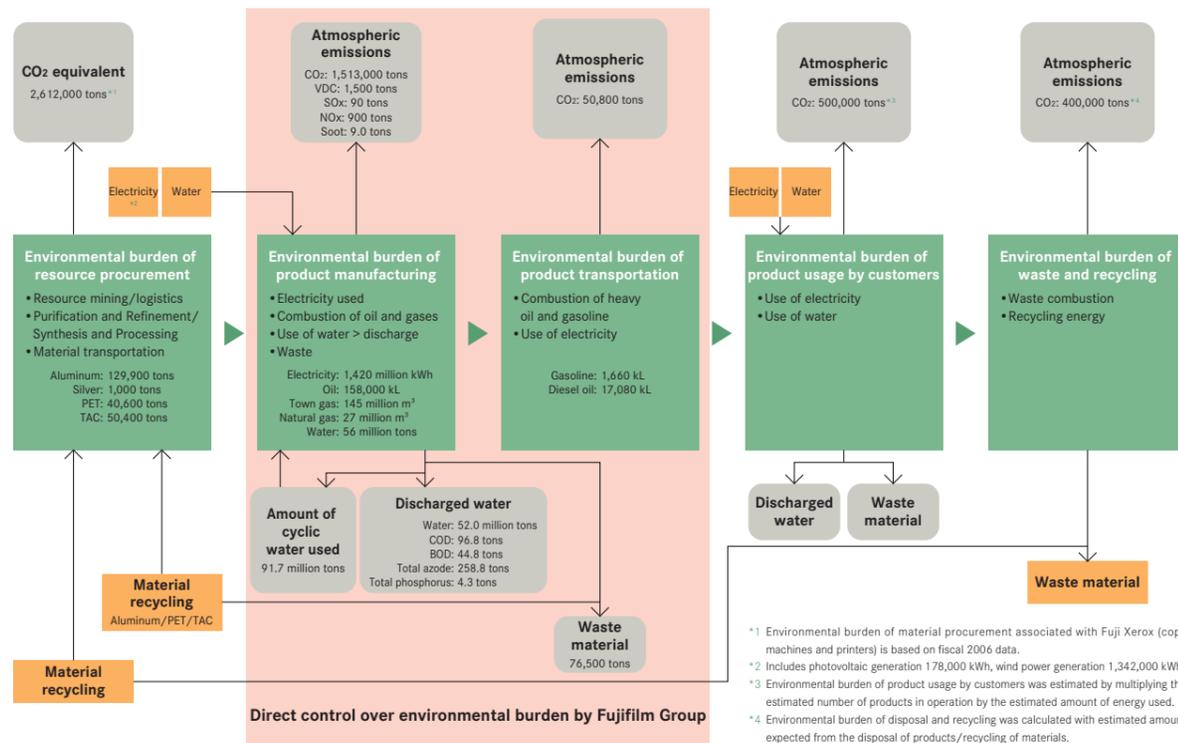
- With regard to Greenhouse Gas Emissions, the operations of new factories and the increased level of emissions from Group companies as a result of acquisitions were the primary driving forces. However, thanks to the reduction at Fujifilm domestic factories, the overall level improved over the previous year.
- With regard to Consumed Natural Resources, the value declined due to the increased use of aluminum, the basic material of TAC films for flat panel displays and PS plates for offset printing.
- Regarding Waste Generation, the amount generated is increasing in America and China. However, these increased amounts were more than offset by the reduction of waste in Fujifilm domestic factories, and therefore, the overall value represents an improvement for the entire Group over the previous year.

*5 VOCs: Volatile Organic Compounds

Environmental Burdens of the Fujifilm Group

This material flow system summarizes resource inputs and emissions associated with R&D, development, and product distribution across the entire Fujifilm Group.

Environmental burdens of the Fujifilm Group (Fiscal 2007)



FOCUS: Stakeholder Dialogue

Dialogue with Experts, What We Have Done So Far to Reduce Environmental Burdens



The Fujifilm Group has conducted dialogues focused on reducing the environmental burden of products since 2005. For the dialogue in 2008 (held May 15, 2008), we discussed what the Fujifilm Group has done and should do to reduce environmental burdens. Participants included three external experts, including Mr. Norihiro Itsubo, Associate Professor, Faculty of Environmental and Information Studies, Musashi Institute of Technology; Ms. Mariko Kawaguchi, Senior Analyst, Management Strategy Research Department, Daiwa Institute of Research, Ltd; Mr. Toshihiko Fujii, Consulting Fellow, Research Institute of Economy, Trade and Industry (RIETI), and seven employees from FUJIFILM Holdings, Fujifilm, and Fuji Xerox. Mr. Hideto Kawakita, CEO of IHOE (International Institute for Human, Organization, and the Earth), served as the facilitator.

What we have done

- Established technology for the closed-loop recycling of waste aluminum in the PS and CTP plates production process at Fujifilm (page 14)
- Implemented Integrated Recycling System at Fuji Xerox (page 25)
- Fujifilm's efforts for eco-printing (page 13)
- Fuji Xerox's efforts to reduce power consumption of products during use (page 19)

Participant comments

- Since refining aluminum as the raw material for PS plates requires significant energy, Fujifilm's technology for the closed-loop recycling of waste aluminum is worthy of praise. This will also boost the company's competitiveness.
- The progress in reducing environmental burden associated with hardware, including copy machines, is wonderful.

What we should do

- Environmental efforts for BtoB (Business to Business) products should be communicated to end-users as well.
- Results of environmental efforts for input resources should be presented in a clear and concrete manner.
- Actual CO₂ reductions should be indicated by product, not as one total amount.
- Actively introduce energy saving mode in accordance with individual usage and mechanisms to reduce misprinting. Also further improve "soft" aspects such as recommending specific ways in which users could reduce environmental burdens and how much the reduction would be.
- Disseminating environmentally friendly products requires the concept of "investment" in addition to "cost."
- Companies need to be more actively involved in creating a system for securing advantages for pioneers to contribute to eco-friendliness.
- Cultivate human resources to undertake the required negotiations and coordinate strategies.

Conclusion

We have reaffirmed the significance of more actively communicating to society about activities that the Fujifilm Group has been implementing to reduce the environmental burden of its products. We have strengthened cooperation between individual divisions and the CSR division to promote environmentally friendly products from the perspective of management and presented the results to the general public as well as customers.

COMMENTS

After the stakeholder dialogue

What advances efforts to the reduce environmental burden of products

Mr. Toshihiko Fujii

Consulting Fellow, Research Institute of Economy, Trade and Industry



As efforts to reduce the environmental burden of products move toward full implementation, it is often the case that the problem cannot be solved by just one company. The recycling of aluminum at Fujifilm seems to be one such example. The objective has been achieved in cooperation with alloy manufacturers. The significant efforts in which personnel literally went around everywhere were the key to success. This is always true. However, more efficient progress would be possible with the support of an institutional framework or policy for promoting environmental cooperation beyond the boundaries of companies. Achieving a society with a small environmental burden will signify changing the rules of the game.

After attending the dialogue

Mr. Norihiro Itsubo

Associate Professor, Faculty of Environmental and Information Studies, Musashi Institute of Technology

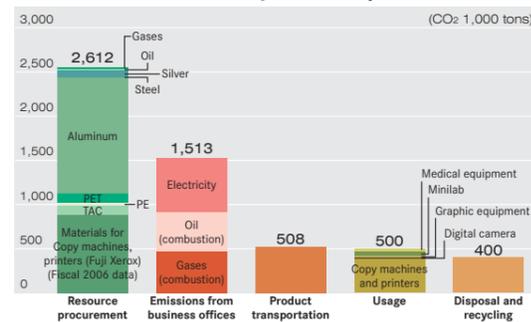


What sets Fujifilm and Fuji Xerox apart is not just the progressive content of their efforts but also their approach to product development and improvement in environmental burden based on product life cycles. I think this is related to basic CSR philosophy. To reduce environmental burden, it is vital to establish consensus with all related parties along with technical improvements. To promote the recycling of aluminum, Fujifilm took the first step to reprocess aluminum on its own and by assuring quality, the company was able to systemize recycling procedures. This is noteworthy.

COMMENTS

Analyzing environmental burden for the entire Fujifilm Group by LCA (Life Cycle Assessment)

CO₂ emissions for the Fujifilm Group* (Fiscal 2007)



*To calculate the equivalent amount of CO₂ emissions, the basic unit of CO₂ emissions was based on an inter-industry relations table, which is a statistical matrix of inter-industry transactions of goods and services conducted over a given period (typically one year) in the domestic economy of Japan, as compiled by Ministry of Internal Affairs and Communications.

Ken Kawada (left)
Senior staff

Takahito Miyoshi (right)
Technical Manager
Ecology & Quality Management Division
FUJIFILM Corporation



We calculated overall environmental burdens, from resource procurement to production, usage in the market and disposal, of all products offered by the Fujifilm Group to identify the equivalent amount of CO₂ (chart on the left). This indicates the largest environmental burden is from material procurement. In addition to our previous efforts to pursue resource saving, energy conservation and recycling of our products, we reconfirmed the importance of further limiting consumed resources and reutilizing resources through recycling and reuse.

Related pages

- ▶ Pages 8-11: Initiatives in the Medical Field
- ▶ Pages 12-15: Initiatives in the Printing Field
- ▶ Pages 16-19: Response to Climate Change

Design for Environment

Fujifilm Group not only complies with international environmental regulations but also provides customers with products that reflect genuine concern for the environment during every stage of their life cycles.

Fujifilm's approach to design for the environment

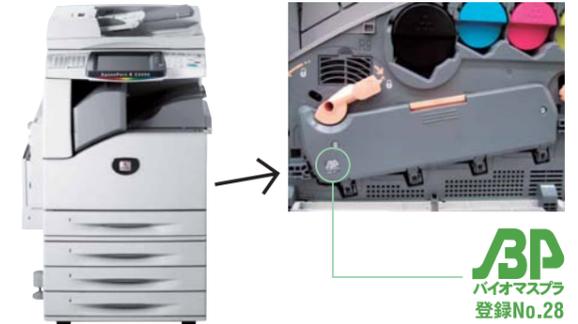
Since April 2003, Fujifilm and its affiliates have designed all new products and improved existing products based on its "Basic Regulations for Design that Takes the Environment into Consideration" and have undertaken initiatives for reducing environmental burdens. In fiscal 2007, the Group focused on compliance with REACH, which went into force in June 2007, as a top priority for adopting environmentally friendly design. Fujifilm and its affiliates approach design for environment from the standpoint of fully incorporating such factors as the 3Rs (Reduce, Reuse and Recycle), chemical content, resource use, LCA (life

cycle assessment), power conservation and safety. Product designs that have not undergone the specified examination and approval process for environmental quality cannot be manufactured and sold. Design for environment is based on the LCA implementation rules, which were established in 2002. We apply LCA to quantitatively and objectively analyze and evaluate environmental burdens across the complete product life cycle, from planning and R&D, to material procurement, production and processing, sales, distribution, usage, and final disposal or recycling. Compliance with RoHS, REACH and other international environmental regulations are also incorporated into our framework of design for environment.

TOPIC

Synergy between Fujifilm and Fuji Xerox Developing biomass plastic with more than 30% plant-derived constituent

In recent years, the utilization of biomass (recyclable organic resources derived from animal and plant materials other than fossil resources) is drawing major attention as an environmentally friendly alternative. The Fujifilm Group has also recognized biomass material as a key technology for the future and has been engaged in its development from an early stage. In July 2007, Fuji Xerox and Fujifilm jointly developed a biomass plastic with more than 30% plant-derived constituent (corn) by weight. This biomass plastic, which can be used for mechanical parts that require improved flame-resistance and impact resilience as well as high endurance, is a first in the industry. Substituting this new biomass plastic for conventional plastics that are primarily made from ABS resin can reduce CO₂ emissions by approximately 16%. We intend to develop even higher quality biomass plastics.



ApeosPort-III C3300, a full color digital multifunction device that uses biomass plastic parts for mechanical components (lever inside the cover).

Biomass Plastics Mark
The Biomass Plastics Mark certifies that a product contains more than 25% plant-derived constituent by weight. ApeosPort-III C3300 is the first product in the industry to gain this mark.

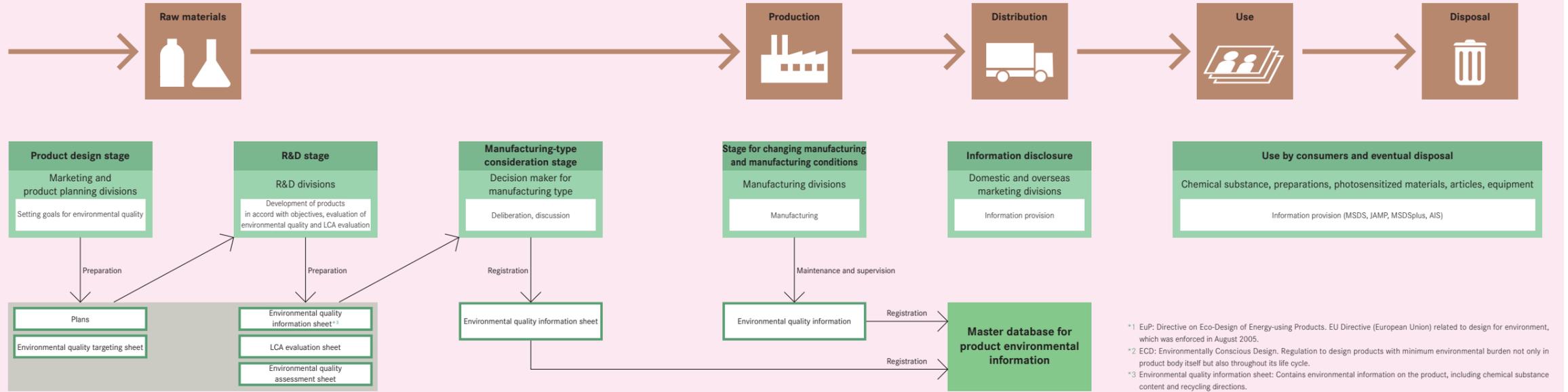
Related page [Page 19: Activities related to our products](#)

Design for environment framework

Safety	<ul style="list-style-type: none"> Reduced consumption of chemical substances that adversely impact the environment 	<ul style="list-style-type: none"> Safe disposal of used product Safe disposal of waste
Management of chemical content (Green Procurement)	<ul style="list-style-type: none"> Conforming to the green procurement standard (guarantee of environmental quality in raw materials/parts) 	<ul style="list-style-type: none"> Management in compliance with basic regulations for chemical contents
3Rs	<ul style="list-style-type: none"> Utilizing recycled resources 	<ul style="list-style-type: none"> Reduced consumption of natural resources and energy in producing and using our products Long-term use, repair and replacement of parts
Disclosure of environmental information to customers		<ul style="list-style-type: none"> Environmental labeling, indications, and nomenclature of raw materials Information on recycling and disposal of raw materials
Distribution/Packing	<ul style="list-style-type: none"> Reduction of packing materials; Preventing the use of hazardous materials 	<ul style="list-style-type: none"> Ease of collection/transportation/retrieval, efficiency of distribution, repeated use of package wrapping, bales and cargo packs
Compliance	<ul style="list-style-type: none"> Compliance with domestic environment-related laws (Chemical Substances Control Law, Industrial Safety and Health Law) 	<ul style="list-style-type: none"> Compliance with international environment-related laws (EuP^{*1}, RoHS, REACH) and industry agreement (ECD^{*2})
LCA implementation rules	<ul style="list-style-type: none"> Assessment of the amount of CO₂, chemical substances that adversely impact the environment, and waste materials 	across the complete life cycle of a product

Elements of design for environment

The Basic Regulations for Design that Takes the Environment into Consideration were prepared taking into account these factors.



*1 EuP: Directive on Eco-Design of Energy-using Products. EU Directive (European Union) related to design for environment, which was enforced in August 2005.
*2 ECD: Environmentally Conscious Design. Regulation to design products with minimum environmental burden not only in product body itself but also throughout its life cycle.
*3 Environmental quality information sheet: Contains environmental information on the product, including chemical substance content and recycling directions.

Chemical Substance Management for Safety and the Environment

To control the variety of risks associated with its specific businesses, the Fujifilm Group ensures appropriate chemical substance management at each stage of planning, development, commercialization, manufacturing, and sales.

Chemical substance management at the Fujifilm Group

The Fujifilm Group strictly manages chemical substances, with full consideration for safety and the environment. We proactively respond to laws and regulations related to chemical substances and utilize our extensive expertise as a chemical manufacturer to actively support and demonstrate leadership for external projects, organizations and the industry as a whole. Since the businesses of Fujifilm and Fuji Xerox differ in nature, the risks and precautions they face related to chemical substances are also unique. Each operating company has established its own system for managing chemicals according to their respective businesses and risks.

Safety evaluation at Fujifilm and its affiliates

The Fujifilm Safety Evaluation Center (formerly, Fujifilm Material Safety Test Center) is responsible for comprehensively assessing the safety of chemical substances and materials developed or used at Fujifilm. The Center conducts extensive, high-level safety evaluations related to health and environment in each stage, from initial product development to commercialization. Regarding legally mandated testing^{*1}, the Center conducts highly reliable tests that conform with international standards as a facility that complies with Good Laboratory Practice (GLP)^{*2}.

Major items evaluated at the Fujifilm Safety Evaluation Center

Purpose	Item
Development of safe chemical substances	Toxicity screening (cell toxicity test and gene expression analysis); Quantitative structure-activity relationship; toxic mechanism analysis based on the evaluation of chemical disposition (absorption, distribution, metabolism, and excretion)
Management of industrial safety and health	Ames test; chromosome aberration test; acute oral and percutaneous toxicity study; skin irritation test; skin sensitization test; explosibility test
Safety management for products	Acute oral toxicity test; skin irritation test; eye irritation test; skin sensitization test
Tests required to comply with legal mandates (GLP)	Degradation test; enrichment test; partition coefficient test; Ames test; chromosome aberration test; repeated dose toxicity study; ecotoxicity test (algal growth inhibition test, daphnia acute immobilization test, and fish acute toxicity test)

Expanded functions of the Fujifilm Safety Evaluation Center

The functions of the Safety Evaluation Center are being expanded to address Fujifilm's broadening scope of business into the fields of functional materials and life sciences. Concretely, we strengthened technologies such as those for evaluating cell toxicity and gene expression, analyzing toxic mechanism based on the evaluation of chemical disposition, and forecasting based on quantitative structure-activity relationship. We also enhanced our safety database to make it easier for material developers to use. Based on these steps, we are able to develop safe, high-performance materials and products by evaluating and analyzing safety-related factors from the earliest stages of development.

Control of animal testing at Fujifilm and its affiliates

Under the Regulations for Ethical Animal Testing, which apply to Fujifilm and its affiliates, rules for animal testing have been formulated at each animal testing facility to comply with the Law for the Humane Treatment and Management of Animals. In addition, an animal test committee was established to oversee appropriate animal testing. We also actively promote the 3R principles (Replacement, Reduction and Refinement) for animal testing. The Center is participating in an initiative of the Japanese Society for Alternatives to Animal Experiments (co-organizer JaCVAM^{*3}) to consider alternative testing methods for existing skin irritation and skin sensitization tests.

Contribution to LRI

The International Council of Chemical Associations (ICCA) has been pursuing a Long-range Research Initiative (LRI) on the impact of chemical substances on the environment and human health. Fujifilm supports this initiative through investments in the LRI and by participating as a committee member.

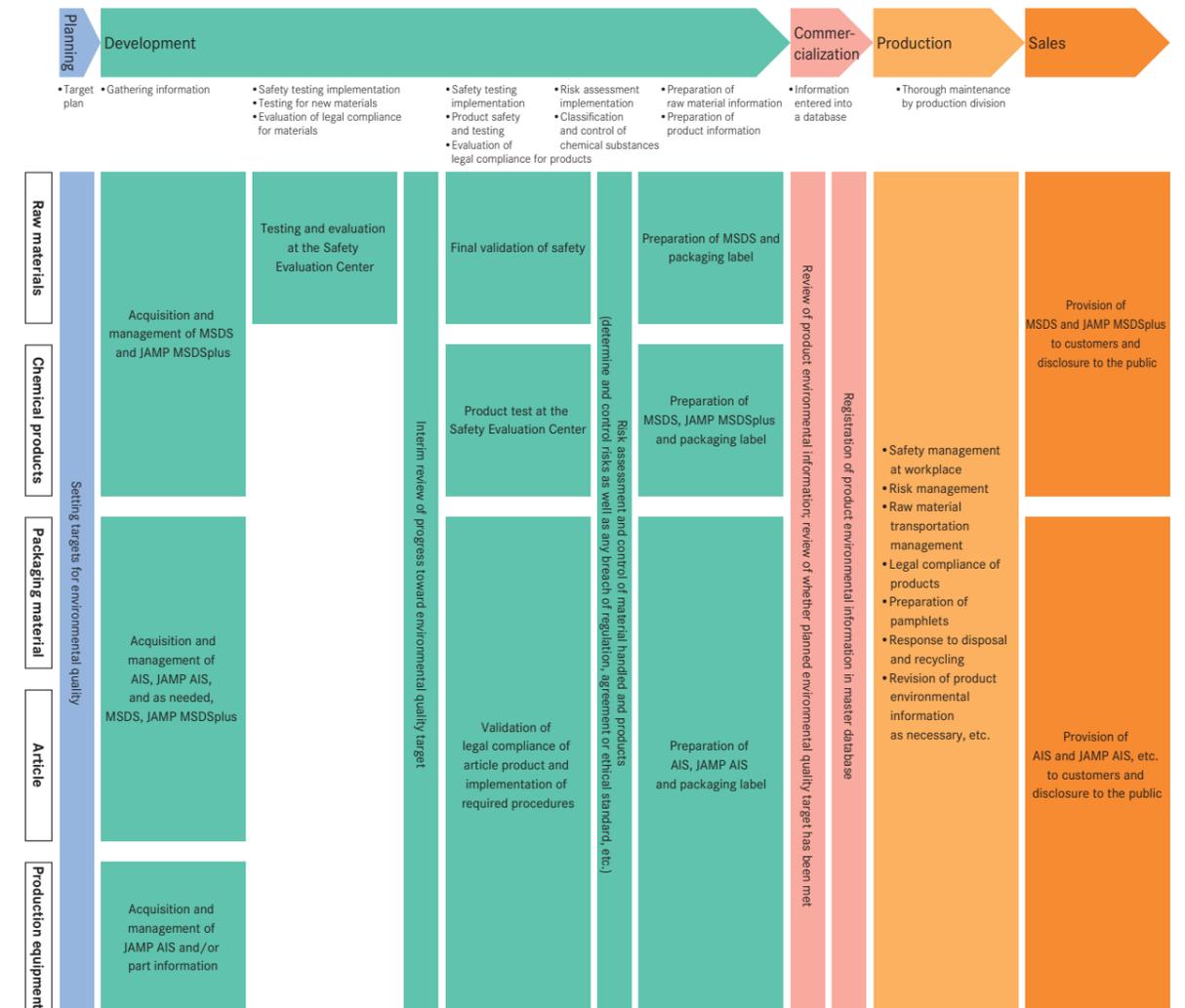
Related page

▶ [Page 86: The scope of applicable chemical substances \(Fujifilm\); Classification of chemical substances and standards for classification \(Fujifilm\)](#)

Comprehensive chemical substance management system (Fujifilm)

Fujifilm standards and regulations

- Standards for Chemical Substance Management (Basic Regulations for Management of Chemical Substance Environmental Safety Management; Basic Regulations on Chemical Content)
- Management Standards for Worksite Environment, Safety Management, and Site Operation (Guideline for Chemical Substance Risk Assessment and Chemical Substance Management; Environmental Controlled Substance Testing Standard; and Chemical Content Management)
- Product Management Standard (Basic Regulations on Design for Environment)
- Regulations on PL Management



Chemical substance management at production facilities of Fuji Xerox and its affiliates

Fuji Xerox and its affiliates formulated Chemical Management Regulations and have classified and clarified the chemical substances used at their production facilities according to a safety classification table for chemical substances.

For new chemical substances that come into use in production processes, an application form for registering a new chemical substance is screened based on information from legal research and MSDS (Material Safety Data Sheets) to determine safety classifications. Furthermore, reviews on environmental

and safety risks are carried out whenever production processes involving the use of new chemical substances are introduced or changed, to secure the safety and health of workers as well as to reduce the risk of environmental pollution. In addition, audits of chemical substances are periodically conducted to confirm usage according to the Chemical Management Regulations and, if not, any necessary corrective steps are taken. Through these efforts, Fuji Xerox continuously strives to reduce the risks related to the use of chemicals.

Related page

▶ [Page 86: Safety classification of chemical substances \(Fuji Xerox\)](#)

Chemical Content Management

The Fujifilm Group stays one step ahead of public expectations by strictly controlling the chemical content of its products globally and by sharing that information with partners and customers.

A global trend toward control of chemical contents

Legal environmental mandates have become increasingly strict across the world over recent years, and the right to participate in economic markets can depend on compliance with regulations on chemical substances. Therefore, companies must take immediate action to remain going concerns.

The direction of chemical substance management for the 21st century was first presented at the Earth Summit held in Rio de Janeiro in 1992, and the concrete goal of minimizing the use of hazardous chemical substances by 2020 was adopted at the Johannesburg Summit in 2002. In response to this worldwide trend, the RoHS Directive*1 was announced in Europe in 2003 (enforced, July 2006) followed by the REACH Regulation*2 in 2006 (enforced, June 2007). These laws and regulations demand stronger control (collection and disclosure of information) over chemical substances in products (as chemical content) and require companies to take concrete actions.

In its commitment to respond proactively to these social demands and operate in full compliance with global standards, the Fujifilm Group has been systematically implementing group-wide efforts to exert a high level of control over chemical content, by creating frameworks, developing operational guidelines, constructing systems and others.

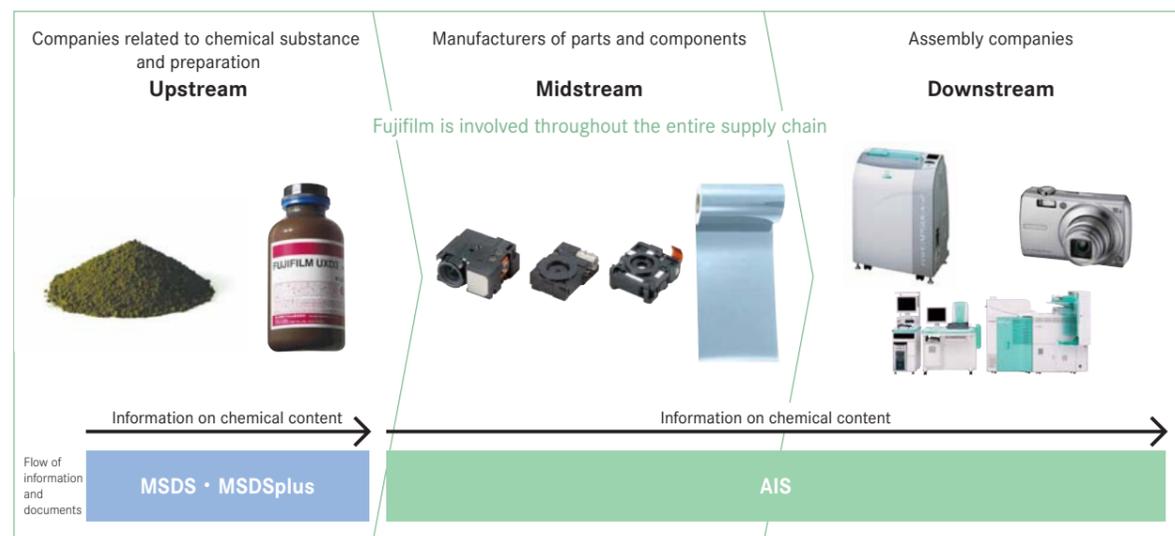
Management of information for the entire supply chain

Addressing the level of chemical content control required by RoHS and REACH as quickly, accurately and efficiently as possible requires sharing information among supply chains and creating a system to facilitate this information exchange.

Since Fujifilm is involved in all segments of the supply chain, from raw materials to articles and finished products, we must deal with an extremely wide range of items. Consequently, we are collecting and disclosing the necessary information in collaboration with business partners throughout the supply chain, from upstream chemical manufacturers to mid-stream articles (parts and constituent components) manufacturers and downstream assembly companies.

Since Fujifilm's approach to controlling chemical substances based on its business domain is similar to JAMP*3, which also takes into consideration the entire supply chain, we started disclosing information by broadly moving into JAMP MSDSplus*4 and JAMP AIS*5 based on JAMP formats from AIS that are in compliance with photographic industry standards.

Information flow for chemical content throughout the supply chain



Global implementation of chemical content controls

The Fujifilm Group, which operates in global markets from locations around the world, has been developing systems to comply with internationally enforced laws and regulations.

Following the enforcement of the RoHS Directive in Europe in 2006, similar regulations were enforced in Japan, the United States and China. We maintain close communication with overseas Group affiliates to exchange information and ensure compliance with each nation's disclosure requirements.

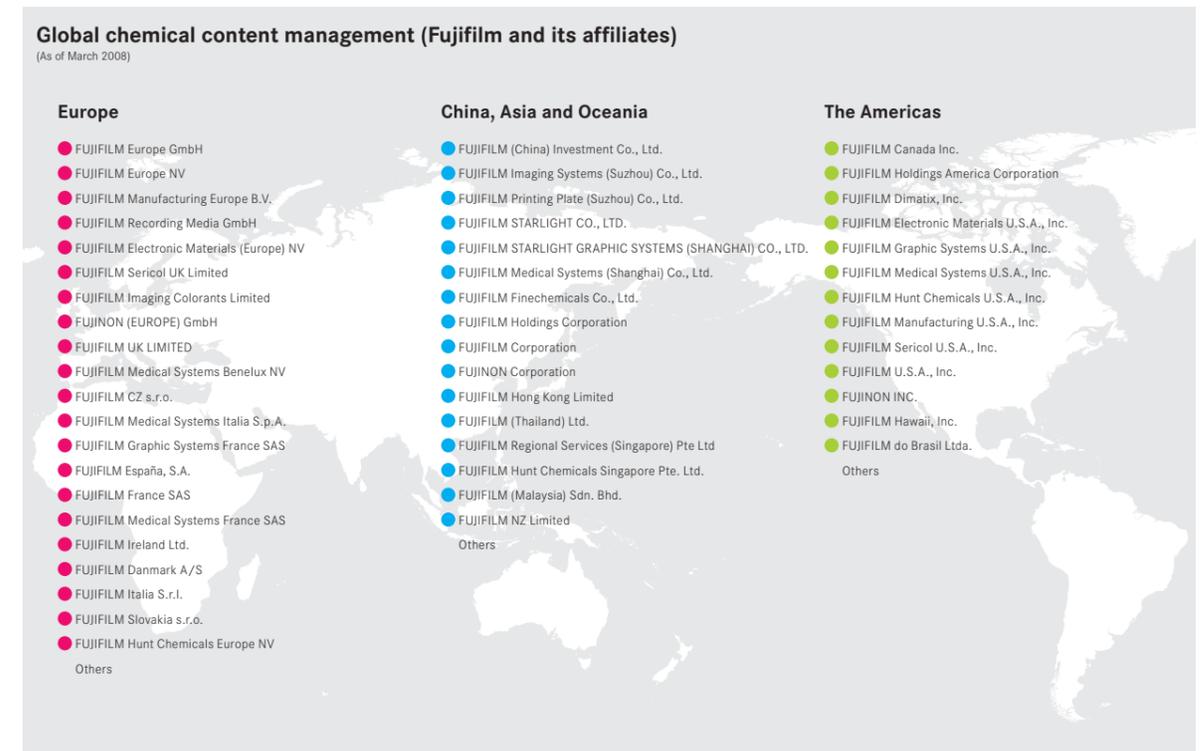
For instance, in such areas as Europe and the United States, which share a common regulatory framework, we are bolstering compliance capabilities and reducing costs by sharing information on legal regulations and responses to comply with legal mandates. We are also enhancing the monitoring of regulations in Japan and abroad in collaboration with overseas subsidiaries.

Chemical content management at Fuji Xerox

Fuji Xerox provides products to Xerox Corporation as well as its major markets in Asia and Oceania. As a result, our controls over the chemical content of products must comply with legal mandates across the world.

Regarding REACH Regulation, we have been setting up working groups since the latter half of 2006 under three themes: system formation, response to preparations, and response to parts. Regarding the preparations such as toners, we determined how we would handle pre-registering all business partners for materials subject to regulations and have been implementing the necessary preparations for registration. In terms of the requirements for parts, we intend to base our response on JAMP.

Regarding the RoHS Directive, we focused on completely eliminating the use of lead. In 2007, we became the first in the industry to begin using lead-free shafts for photocopy machines.



Related pages

- ▶ Page 38: Compliance with Environmental Laws and Regulations
- ▶ Page 58: Design for Environment
- ▶ Page 60: Chemical Substance Management for Safety and the Environment
- ▶ Page 83: Material Procurement

*1 RoHS Directive (Restriction of the use of certain Hazardous Substances in electrical and electronic equipment): Restrictions governing the use of certain harmful substances in electrical and electronic devices in Europe, and restricting the usage of cadmium, mercury, lead, hexavalent chrome, and bromine fire retardants (PBB, PBDE) in electronics as of July 1, 2006.

*2 REACH Regulation (The Registration, Evaluation, Authorisation and Restriction of Chemicals): More stringent restrictions for managing chemical substances that address traditionally used chemicals and chemicals contained inside certain articles. The REACH Regulation aims to establish a management system for registering, evaluating, approving and restricting chemical substances.

*3 JAMP (Joint Article Management Promotion-consortium): Cross industry organization established in September 2006 with the objectives to promote the activities such as creation and dissemination of mechanisms for proper management of information on the chemical content of products as well as appropriate and smooth communication of information throughout the supply chain.

*4 JAMP MSDSplus: Information sheet for chemicals and chemical products proposed by JAMP in response to RoHS Directive and REACH Regulations.

*5 JAMP AIS: Information sheet for chemical content of articles proposed by JAMP in response to RoHS Directive and REACH Regulations.

Effective Waste Management and Recycling

To fulfill its social responsibilities, Fujifilm continuously improves its management of industrial waste by surveying and evaluating the waste treatment of our contractors.

Survey and evaluation system for industrial waste treatment by subcontractors

Actions at Fujifilm

Fujifilm established a company-wide system in fiscal 2004 for surveying and evaluating the industrial waste treatment subcontractors it works with, and has been conducting a rigorous and fair analysis and evaluation with the cooperation of approximately 100 companies. Fujifilm also uses this system to conduct on-the-spot inspections of industrial waste treatment companies, as mandated by local ordinances, since fiscal 2006. This system is reviewed and improved as necessary on an ongoing basis.

In addition, improvements on surveyed items were introduced in fiscal 2007 as well as the survey and evaluation qualification program to certify the competence of examiners. Approximately 20 employees are currently certified to conduct surveys and evaluations for Fujifilm.



Survey of industrial waste treatment subcontractors

Actions at Fujifilm affiliates

Survey and evaluation for industrial waste treatment subcontractors is carried out in all Fujifilm sales and production companies. All subcontractor evaluations are compiled in the Industrial Waste Treatment Subcontractor Survey and Evaluation Database. This waste management information is shared across the entire Group and used to strengthen the governance of waste management.

▼ Fujifilm sales companies (8 companies)

In fiscal 2007, eight companies adopted and began applying this survey and evaluation system. Survey and evaluation personnel are trained to ensure the uniformity of evaluations in the operation of this system. These companies are carrying out periodic evaluations and listing waste management subcontractors in the database for efficiently sharing information and supporting efficient operations. Approximately 80 employees are certified to survey and evaluate subcontractors.

▼ Fujifilm production companies (8 companies)

Eight companies who had separately conducted surveys and evaluations began adopting a common system in fiscal 2008 after 34 employees in charge of surveying and evaluation had participated in seminars and on-the-job training at Fujifilm.

Status of the survey and evaluation system for industrial waste treatment subcontractors

Fiscal year	2004		2005		2006		2007		2008	
	Classification	2nd half	1st half	2nd half						
Fujifilm (9 facilities)	1st year		2nd year		3rd year		4th year		5th year	
Sales companies (8 companies)							1st year		2nd year	
Production companies (8 companies)									1st year	

Companies that have adopted the survey and evaluation system for industrial waste treatment subcontractors

Fujifilm (including some affiliates)	Sales Companies	Production Companies
Kanagawa Factory (Ashigara site and Odawara site)	FUJIFILM Medical Co., Ltd.	FUJINON CORPORATION
Fujinomiya Factory	FUJIFILM Graphic Systems Co., Ltd.	FUJIFILM TECHNO PRODUCTS CO., LTD.
Yoshida-Minami Factory	FUJIFILM IMAGING Co., Ltd.	FUJIFILM Finechemicals Co., Ltd.
Asaka Office Electronic Imaging Products Div.	FUJIFILM BUSINESS SUPPLY CO., LTD.	FUJIFILM RI Pharma Co., Ltd.
Sendai Office Electronic Imaging Products Div.	FUJIFILM Business Expert Corporation	Fuji Technics Co., Ltd.
R&D at Kaisei	FUJIFILM LOGISTICS CO., LTD.	FUJIFILM Electronic Materials Co., Ltd.
Tokyo Head Office	FUJIFILM Computer System Co., Ltd.	FUJIFILM Techno Service Co., Ltd.
FUJIFILM Opto Materials Co., Ltd.	FUJIFILM Software Co., Ltd.	FUJIFILM MEDIA CREST CO., LTD.
FUJIFILM Kyushu Co., Ltd.		

Training for operators in charge of industrial waste

An IMS internal auditing determined that operator capabilities needed to be improved. In fiscal 2007, training sessions were held for 150 waste operators from Fujifilm affiliates at six locations across the country.



Training for waste operators

Registration for waste and recycling governance

Fujifilm received Gold Class certification for the Head Office and three main factories in Yoshida-Minami, Fujinomiya, and Kanagawa in fiscal 2007 as part of the registration project for corporate Waste Recycling Governance (WRG)* supported by the Japan Environmental Management Association for Industry, which is based on guidelines from

the Ministry of Economy, Trade and Industry (Industrial Structure Advisory Council). Takematsu site of Fuji Xerox also received Gold Class certification.



* The Program to Register and Support Waste Recycling Governance is a public works project of the Japan Environmental Management Association for Industry and includes the development and release of a compatibility check sheet for businesses in accordance with WRG Guidelines set forth by the Ministry of Economy, Trade and Industry. This project also registers self-declarations of companies with verified compatibility and helps other businesses establish WRG.

Achieving and sustaining zero emissions (Belgium)

In 2000, FUJIFILM Hunt Chemicals Europe NV achieved zero emissions and has been maintaining this level. The company is currently enhancing the quality of recycling and is emphasizing inventory management to avoid generating chemical waste. The basic idea is to prevent waste and not generate any expired chemicals through effective inventory management. Slow moving chemicals are processed under appropriate conditions before expiration.

Recycling Details

- Shrink foils, paper, cardboard, wood, and metal scraps are recycled.
- All plastics, 60-liter drums, and IBC containers are sent to a recycling company and then put on the market for re-use.
- Chemicals (developers and fixers) are used for supplemental energy in the production of cement or used as raw materials for producing Renoxal (trade name), a reducing agent for NOx emissions during the incineration process.
- Components, including contaminated used bags for wrapping, are used to circulate energy as incineration fuel.

All laboratories obtain ISO 14001 certification (France)

Laboratories FUJIFILM SAS handles film development and photo printing, among other services. In February 2008, all seven laboratories in France obtained ISO 14001 certification, and the company is striving to improve its recycling rate.

Recycling Details

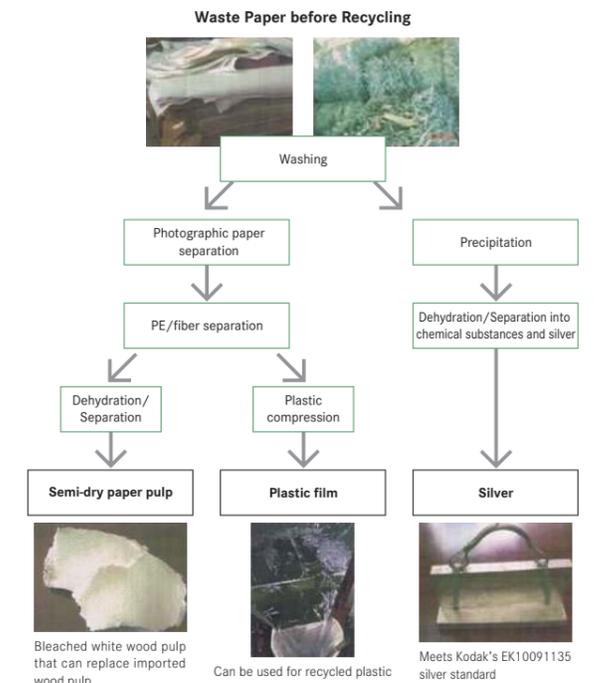
- Chemicals (color paper developer): 65% recycled
- Chemicals (bleach-fix): 86% recycled
- Silver: on average, 85.47% recycled (In 2007, 3,156 kg of silver were collected and sold. The target for 2008 is a 90% recycling rate.)
- Drums: Disposal volume in 2007 decreased by 22% compared to 2006.
- QuickSnap: In 2007, 197 tons of QuickSnap were collected and recycled.

Waste reduction project (Belgium)

FUJIFILM Electronic Materials (Europe) N.V. systematically implemented a waste reduction project in fiscal 2007. The company took such actions as increasing the delivery of raw materials in returnable wrapping, abolishing excessive wrapping, and cutting packing waste through bulk deliveries. The total waste was reduced from 3,465 tons in 2001 to 1,750 tons in 2006.

Recycling project for photographic paper (China)

In 2005, FUJIFILM Hong Kong Limited launched a project to recycle scrap photographic and inkjet paper manufactured by Fujifilm's Fujinomiya Factory. Since these papers are coated with chemicals, a special recycling process must be applied. The company searched for processing factories and established a recycling technology. Photographic and inkjet paper are separated into raw paper, plastic film, paper pulp, silver, and recycled into materials that can be reused. Starting in June 2006, waste paper was sent from Japan to a recycling facility in Xiamen, China, and full-scale recycling commenced in 2008. Approximately 300 tons of scrap paper are expected to be recycled annually.



Related page

▶ Page 88: Zero emission; Volume of waste generation (consolidated); Main recycling method for waste products

Sustainable Use of Water

While maintaining harmony with local communities, the Fujifilm Group is striving to efficiently use limited water resources by adopting water-saving facilities and efforts.

Searching for sustainable water resources, equivalent to annual cost savings of ¥1.1274 billion*

Since there is an abundant source of water, there are many paper mills in Fujinomiya, Shizuoka Prefecture, where the Fujifilm Fujinomiya Factory is located. In the event of water shortages due to a decline in rainfall or drop in the level of underground waters, the municipal government gives priority to local agriculture and orders factories and other facilities to stop taking in water. Consequently, both surface and underground water are subject to restrictions, requiring the Fujinomiya Factory to cut water usage to maintain operations. Actions taken by the factory included installing water-saving production facilities from 1990 to 1992. However, production continues to expand every year, and the issue of water resources has become urgent. From 2002, the Fujinomiya Factory launched an initiative under the Utility Supply Section, which has yielded major results. The section meticulously analyzed production processes and calculated the standard figures for minimal water usage required by each workplace. It also advanced activities to raise awareness of these figures at each workplace. At the same time, the Utility Supply Section conducted ongoing monitoring to maintain proper water volumes and provided instruction to work sites. The plant also reviewed production processes that used well water and shifted to recycled water. Recognizing that water conservation is a daily concern not just during the summer, when shortages occur, the plant implements efforts throughout the entire year. In addition, the Fujinomiya Factory

deployed a variety of approaches. For example, the Utility Supply Section forecasted water shortages and enhanced a sense of urgency throughout the factory by using simulations it had independently developed based on changes in the underground water level, which occurs once every 10 years. As a result, the factory reduced water consumption by 13% in 2005 and by 22% in 2006 compared to 2002. This effort not only reduced costs but also realized the sustainable usage of water resources, for which there are no alternatives, and fulfilled the key mission of maintaining plant operations.

Capital investment for saving water and results (Fujinomiya Factory)

Capital investment (water saving management equipment)	¥30 million
Current annual amount of water saved	5.637 million tons
Value of water savings (estimate*)	¥1.1274 billion

*Calculated based on ¥200 per ton, as used in environmental accounting



The Shimizu River. This source of water for the community runs through the grounds of the Fujinomiya Factory (left), and Shimizu River cleaning activities. Residents and volunteers from the factory clean the river every year (right)

TOPIC

Supporting Conservation Activities for the Saluda-Reedy Watershed



Fujifilm Manufacturing U.S.A., Inc. with Lake Greenwood in the background

FUJIFILM Manufacturing U.S.A., Inc. produces color paper, PS plates, QuickSnaps and screen materials for large-size displays. The company has donated \$500,000 (approximately ¥50 million) to the Saluda-Reedy Watershed Consortium (SRWC) over five years, from 2003 to 2008. The main sponsors of the SRWC are FUJIFILM Manufacturing U.S.A., Inc. and the V. Kann Rasmussen Foundation. SRWC manages water quality and volume as well as conservation activities for the Saluda-Reedy Watershed and other rivers and lakes, including Lake Greenwood. In addition, SRWC engages in outreach programs to educate local residents of the importance of protecting the watershed. For details of SRWC activities, please visit the following website.

URL <http://www.saludareedy.org/>

Related page [Page 87: Water input \(Consolidated\)](#)

Biodiversity Conservation

Recognizing that, along with climate change, biodiversity is another important CSR issue for the Fujifilm Group, we are developing a specific action plan incorporating views from within and outside the Group.

Clarifying our policy and developing concrete measures

Conserving biodiversity is a priority issue for the Fujifilm Group's medium-term CSR Plan. Fujifilm has designated it as a focus point for stakeholder dialogues since 2005 and has maintained ongoing discussions. As a result, we have reconfirmed the responsibility of the Fujifilm Group to seriously address the issue of conserving biodiversity since we draw upon so many natural resources in our products and services. To turn this belief into action, we will start from a self-recognition of the profound interconnections between biodiversity and our own business operations. We will then advance to do what we can, step by step, based on sincerely heeding the opinions of stakeholders and clearly grasping the needs of society.

Related pages [Page 29: Progress evaluation of the Medium-term CSR Plan](#) [Page 35: Clarifying basic policies on biodiversity](#)



Step 1 Questionnaire

A questionnaire on biodiversity conservation was conducted to grasp recognition, involvement, influence, and cooperation with society. The questionnaire was sent to 25 business entities, including business units and affiliates of Fujifilm and Fuji Xerox, with 22 responding. Based on the responses, we found approximately half of these entities recognize the term, "biodiversity," although 90% answered that they did not know about the ecosystems surrounding them. They understood the relationship between biodiversity and business activities, particularly at the point of purchasing raw materials. Actions taken thus far had mainly been in-house volunteer activities; there was no cooperation with NPOs or NGOs that directly addressed biodiversity. We intend to draw upon this data to develop future efforts.

Step 2 Stakeholder dialogue

The stakeholder dialogues for 2008 focused on conserving biodiversity and consisted of two parts, a Dialogue with the Future Generation and a Dialogue with Experts. The Dialogue with the Future Generation was a first for the Fujifilm Group. Since the issue of biodiversity conservation reaches across generations, cooperation between adults and future generations is vital. The goal of this dialogue was to seek clues and explore methods for effective inter-generational discussions to encourage a level of cooperation in which all generations stand on an equal footing. We will continue to hold these conversations with the future generation and experts.

Looking to the future

It is important to recognize the meaning and significance of biodiversity conservation. We intend to promote in-house education about biodiversity conservation and clearly present the stance and policy of the Group to move this dialogue toward concrete activities and measures across the Fujifilm Group.

COMMENTS

After the Biodiversity Stakeholder Dialogues

Mr. Masayuki Aoki

Facilitator, Aoki Masayuki Facilitator Office



If I were to share my honest impression of the Dialogue with the Future Generation (junior high and high school students), what comes to mind is the saying, we must not underestimate young people. Statements and questions by the future generation were frank and got to the point. At the same time, I felt, from what they said, that young people also learned a great deal from the attitudes of employees, who sincerely listened as adults to the opinions of the future generation. In addition, I sensed at the dialogue in May the Fujifilm Group's firm determination to do its best despite not yet being completely familiar with biodiversity. I would like to continue supporting the Group's efforts.

Contributing to Society

The Fujifilm Group, as a global enterprise, has been implementing activities that contribute to the sustainable growth of local communities around the world.

Basic concepts

As an upstanding corporate citizen, the Fujifilm Group accepts its fundamental responsibilities to live in harmony with local communities and contribute to their sustainable development as well as to faithfully meet the needs and expectations of society. Based on this concept, Fujifilm has formulated an action plan and actively engages in various efforts worldwide.

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 the demands and expectations of those communities. The Group has established the following action plan for implementing this policy.

1. Main activities

The Fujifilm Group will primarily focus on the fields of: research and education; culture, the arts and sports; health; and environmental conservation.

2. Importance of these activities

(1) Undertake these activities through cooperation and collaboration. In implementing these activities, the Fujifilm Group places importance on communication and partnerships with NPO/NGOs, local communities and others.

(2) Active support for volunteer activities

The Fujifilm Group values living in harmony with local communities and contributing to society through the voluntary participation of employees and fully supports these activities.

Related page [▶ Page 84: Classifications of social contribution activities](#)

25-year support for preserving and fostering the natural environment: The Fujifilm Green Fund

In 1983, Fujifilm placed ¥1 billion in a public trust, the Fujifilm Green Fund (FGF), to provide support for preserving and fostering the natural environment. This was the first nature preservation trust ever established by a private-sector enterprise in Japan and is widely recognized as a pioneering effort in this field.

FGF supports activities in the following four categories: (1) the planting of forest areas for future use, (2) projects that support “greening” activities, (3) assistance for activities that encourage contact with nature, and (4) support for research related to the preservation and use of greenery. In the 25 years since its establishment, FGF has provided a total of approximately ¥690 million to 95 projects to aid and subsidize research and activities involving preserving and nurturing the natural environment, and these

efforts have borne fruit. While many other funds subsidize research, few support the activities themselves. This is the outstanding feature of FGF.

Activities supported by the Fujifilm Green Fund

FGF grants subsidies by inviting proposals for financial assistance from the public. A total of 86 applications were received in fiscal 2007, including 41 for activities and 45 for research. After rigorous review, the following four were selected to receive funding.

● Nationwide Survey of Red Dragonflies

(Executive Committee of the National Citizen's Summit on Dragonflies)

It has become increasingly urgent to investigate the causes and conditions leading to the declining numbers of red dragonflies, a symbol of Japanese landscapes. A nationwide survey of red dragonflies supports conservation of watershed habitats (lakes, rivers, ponds) by encouraging a nationwide count of red dragonflies and posting the data on a website.



● Effects of “Dobi-nagashi,” Pond Draining and Sludge Removal—a traditional water circulation system that protects the Japanese Rose Bitterling

(Takayasu Study Group of Japanese Rose Bitterling)

A research group is applying a scientific approach to spotlight the effects of traditional pond draining and sludge removal. The research is being conducted at a pond (a protected habitat for the Japanese rosy bitterling) on the campus of Osaka University of Economics and Law. The group analyzes soil, water, and sludge before and after draining the pond, and posts their activities, data, and research papers on a website.



● Research and Conservation of Eco-systems of Oyster Reefs in Japan

(Mr. Hiroyoshi Yamashita, Director, Malacological Diversity Research Institute)

This institute is conducting a nationwide survey of the distribution of Paleozoic and current oyster reefs. It is also investigating water purity, depth, year established, salt density, and other living organisms in reefs that are spread throughout river mouths in inner bays and mudflats to produce a report on oyster reef distribution nationwide, including a database, photos, and information.



● Study on the Cause of Native Species Pushed Out by Introduced Species in Urban Environments

(Mr. Takashi Matsumoto, The Graduate School of Human and Environmental Sciences, Kyoto University)

This group is clarifying the causes behind the decline in a native species of dandelion in cities while Western dandelions increase with the objective of tackling issues related to introduced species. It will test the hypothesis that the decrease in fruiting rates is caused by the adherence of pollen from Western dandelions on the stigma of Kansai dandelions.



Copy machines and DocuWorks utilization: Fuji Xerox supports the preparation of large-font textbooks

Approximately 300,000 people in Japan are visually impaired. Of this total, 60-70% are said to have amblyopia, a condition that makes it difficult for children to study. For this reason, volunteer groups have been preparing large-font textbooks by hand. This process requires several people and more than two months to make one textbook, cutting and pasting enlarged color copies of illustrations, photographs, maps, graphs, and other elements. Therefore, Fuji Xerox has offered the use of color copy machines at sales offices and sales companies, free of charge, to volunteer groups and legal guardians of children and students with amblyopia since 1989. In addition, employees of these offices and companies assist in making copies and providing services to alleviate the time-consuming, labor-intensive burden of making large-font textbooks.

This support service started in one area of Kanagawa Prefecture. Once the effort went nationwide in 1994, it became widely recognized and is now indispensable for making large-font textbooks. In fiscal 2007, 82 volunteer groups and legal guardians of children and students with amblyopia made use of this service, producing a total of 790,000 large-font color copies, a 4.8% increase from the previous year, and provided free of charge at 48 sales offices nationwide. In recent years, Fuji Xerox has enthusiastically supported the preparation of textbooks by electronically cutting and pasting using DocuWorks software. Fuji Xerox will continue this effort as a social contribution that makes optimal use of its core business.



Large-font textbook

Activities by overseas business sites

Donations to charities in concert with Wal-Mart Canada

FUJIFILM Canada Inc. has been making ongoing donations to the NPO Children's Miracles Network in partnership with Wal-Mart Canada. The donated money is distributed to hospitals across North America. In the past two years, this support has amounted to total of C\$400,000.

In addition, Fujifilm Canada actively supports the Canadian Breast Cancer Foundation (CBCF) utilizing marketing initiatives for products such as QuickSnap. In exchange for placing the CBCF logo on the body of QuickSnap, the company donated C\$50,000 (approximately ¥4.9 million) in 2007.

Fundraising and donations for medical fields

FUJIFILM Australia Pty Ltd runs a number of fundraising programs each year for medical-related fields, including the Cancer Council, the National Breast Cancer Foundation, the Leukaemia Foundation, research activities associated with Sudden Infant Death Syndrome (SIDS), among others. Employees volunteer to raise funds at event venues and the company supports staff by making a donation to event sponsors.

Donations

Event	Date	Fundraiser	Volunteer activities
World's Greatest Shave	March 16, 2007	Leukaemia Foundation	Staff participated as volunteers and raised money (support from the company). Amount raised: A\$1,311
Big Morning Tea	May 24, 2007	Cancer Council	Staff participated as volunteers and raised money (support from the company). Amount raised: A\$500
Jeans for Genes Day	August 3, 2007	In support of research activities associated with Sudden Infant Death Syndrome	Staff purchased products offered by sponsors (support from the company). Amount raised: A\$1,000
Pink Ribbon Day	October 22, 2007	National Breast Cancer Foundation	Staff participated as volunteers and raised money (support from the company). Amount raised: A\$570

Tree planting and donations to the Cancer Association by employees and the company

FUJIFILM Europe NV and FUJIFILM Hunt Chemicals Europe NV in Belgium supported local tree-planting activities started by the Flemish League against Cancer in December 2007. Support for this activity has the dual objectives of contributing to the crusade against cancer through buying trees and contributing to the protection of the environment by planting the trees. The company encouraged employees to purchase trees by making a matching purchase for every tree bought by employees (at €7 per tree). The number of trees ultimately bought was 250, exceeding the initial target of 220 trees, which represented at least one tree for every Fujifilm employee in Belgium. The trees were planted on March 16, 2008, and a small Fujifilm forest was born. Office paper-saving activities were also launched to commemorate this day. A delegation of employees attended the tree-planting ceremony and the mayor of Sint-Nicklaas expressed thanks to all Fujifilm employees. A total of 5,200 trees were sold and planted in this Flemish League activity, a strong show of citizen support.



Tree-planting ceremony (left), and poster at registration tent for the tree-planting ceremony (right)

FOCUS: Stakeholder Dialogue

A Dialogue with the Future Generation: “Learn the value of living things; protect and preserve them —What can we do and what should we do?”

On March 28, 2008, a dialogue was held with the future generation focused on biodiversity conservation as a new effort. Representing the future generation were seven junior high and high school students who had been awarded the Grand Prize and Prize for Excellence in the 24th Forest Road Viewing Contest. Also participating as adult generations were three experts from outside the company and three Fujifilm Group employees.

Part 1 Status of creatures—sharing information on present conditions

For the question, “How urgent do you think the situation is regarding living things?” participants discussed the present conditions. After exchanging ideas, they came to a common understanding that the situation is indeed serious across the globe due to abnormal changes in ecosystems, environmental destruction, and unabated global warming.

Part 2 “What I don’t know and what I do know”

The participants were posed the questions of what they knew and didn’t know about issues related to biodiversity and explored their answers while listening to comments from experts.

“What I don’t know.” (Excerpts)

- How many species of living things are there?
- How can we eliminate introduced species and naturalized plants? How can we stop them from spreading?
- Who is ultimately responsible for nature?
- Is it possible to restore nature that has been destroyed?
- To what extent must developed countries lower their standards of living?
- Can nature be protected by laws?
- I don’t know what nature was like 20 years ago.
- Can the Earth really be restored by halting the destruction of nature taking place right now?

Outside participants

- Facilitator: Mr. Masayuki Aoki
- Facilitation graphics: Mr. Soshi Shiga

Future generation: Grand Prize and Prize for Excellence winners for the 24th Forest Road Viewing Contest

- Ms. Sayaka Sugawara, Teine Junior High School
- Ms. Chika Inoue, Hakuryo Junior High School
- Mr. Takahiro Murayama, Junshin-gakuin Junior High School
- Mr. Kazuki Motoda, Tokyo University of Agriculture Daiichi High School
- Ms. Tomomi Kitano, Chuo University High School
- Mr. Ryota Senou, University of Hyogo High School
- Mr. Yusuke Nakanishi, University of Hyogo High School

Adult generation

- Mr. Mitsuyuki Okamoto, Director, Office of Communication with Nature, Policy and Coordination Division, Nature Conservation Bureau, Ministry of the Environment
- Mr. Masatsugu Taniguchi, Journalist covering resources and the environment
- Mr. Toshiyuki Okura, Director, Science Communication and Education Conservation Division, WWF Japan



Part 3 What can we do? What should we do?

In order to learn the value of living things and to protect and conserve them, participants explored the challenges together and presented their ideas for what we can do and what we should do.

Three things we can do, from the discussion:

1. **Increase opportunities to commune with, feel close to, and experience nature.**
2. **Become a consumer who is satisfied with just enough. Select environmentally friendly products in daily life as a “green consumer.”**
3. **Act with an eye on the future. Act on things we can do. Never give up and keep your hopes alive.**

Proposals for things we should do:

1. **What should we do to convey and spread awareness and environmental conservation activities, such as being a “green consumer,” with those around us?**
 - Live by example. Start off with something near by.
 - Show specific achievements.
 - Work on this for the long-term, beyond generations, in places such as schools.
 - Create an “eco is so cool” fad, such as eco-bags and others.
2. **Who should we get involved to commune with and feel close to nature more?**
 - Friends and family.
 - Small children, by developing themes like bugs that are interesting for them.
3. **What would you like the Fujifilm Group to do?**
 - Lend field scopes and microscopes.
 - Support biology clubs across the country.
 - Hold photo contests with nature as the theme.
 - Hold eco-tours along with lectures on how to use digital cameras.
 - At digital photo printing at convenience stores, discount print charges for photos taken with observing nature as a theme.
 - Use closed schools and other buildings to hold workshops for protecting culture and traditions as well as for experiencing nature.
 - Have employees bring their own chopsticks and stop using disposable chopsticks.

FOCUS: Stakeholder Dialogue

A Dialogue with Experts: The Fujifilm Group’s relationship with biodiversity

Following the Dialogue with the Future Generation on March 28, 2008, a Dialogue with Experts was held on May 15, 2008. Participants included eight experts from outside the company who have been pursuing activities at the forefront of biodiversity and four employees from the Fujifilm Group.

FUJIFILM Holdings explained the Group’s perspective on biodiversity and the overall outline of the action plan. Following a report on the results of the biodiversity questionnaire, which had been conducted inside the Group, and a summary of the Dialogue with the Future Generation, participants started their own discussion on the main theme.



Opinions

- Biodiversity is generic term referring to all forms of life on the earth, as well as all species, eco-systems and ecologic processes that provide people with economic value, ecological services, and insight into the value of existence. A key issue for every company is how to tackle biodiversity conservation in its main business as well as those activities that are not directly related to business operations.
- Decreasing biodiversity creates risks for sustainable corporate growth. Future plans will become clearer by grasping our impact on eco-systems and the ecological services we benefit from across the entire supply chain as well as by analyzing and examining future business risks.
- Expectations are rising for a low carbon, recycling-oriented society that co-exists with nature. Even in the course of supporting biodiversity as a social contribution, companies should be aware that these efforts are part of their core business. Every company depends on biodiversity.
- A long-term time frame is necessary. Since companies are used to analyzing and evaluating business results in the context of a half-year or quarter, their perspective might not include reflection on their situation 20 years in the past or estimating risks 20 years in the future. The time span of biodiversity is fundamentally different from the time span of regular business activities.
- In business operations, simplification leads to tremendous risks. It is necessary to have many options and to restore diverse perspectives. The era in which a company can thrive as a business with only one area of strength is over.

Outside participants

- Facilitator: Mr. Hideto Kawakita, CEO of IHOE (International Institute for Human, Organization, and the Earth)

Outside experts

- Mr. Masayuki Aoki, Facilitator, Aoki Masayuki Facilitator Office
- Mr. Naoki Adachi, CEO, Response Ability, Inc.
- Ms. Mikako Awano, Director, Head of Business Partnership Marketing Group, Fundraising & Marketing Communications, WWF Japan
- Mr. Norihiro Itsubo, Associate Professor, Faculty of Environmental and Information Studies, Musashi Institute of Technology
- Mr. Mistuyuki Okamoto, Director, Office of Communication with Nature, Policy and Coordination Division, Nature Conservation Bureau, Ministry of the Environment
- Ms. Mariko Kawaguchi, Senior Analyst, Management Strategy Research Department, Daiwa Institute of Research Ltd.
- Mr. Yasushi Hibi, Director, Japan Program Conservation International
- Mr. Toshihiko Fujii, Consulting Fellow, Research Institute of Economy, Trade and Industry, IAA

- What will make a difference is whether a company can recognize unforeseen risks in 10 or 20 years as risks to the present.
- Companies should work on R&D on how to use resources longer and wiser. Companies that consider alternative energy sources as well as the use of crude oil will have an overwhelming advantage. The risk is immense for any company making a product that depends on diminishing resources; on the other hand, a company making a product that depends on bio-resources will gain a competitive edge.
- Fujifilm has profited from products that use bio-resources, such as triacetate and cellulose for photographic film and LCD film products; however, there has been no concept of a bio-resource benefit. I want to think about this.
- Since the risk to biodiversity is hard to envision, a company lacks a sense of crisis and may prefer to move slowly. However, the risk can manifest itself in an instant and can be extremely dangerous once it has occurred. This is the situation that we now must face. We had better start right now, even though we are not fully prepared. We will not, however, gain multifaceted value if we don’t think in a way that reflects a variety of options, like a radar chart that isn’t bound to a single value. There is no one easy pathway to biodiversity.
- There is the concept of PES (Payment for Ecological Services). This concept evaluates things that represent a benefit from nature. If an analysis using a specific index were available, the company could easily take action.
- Like forests are not just for lumber but also prevent water-related disasters by retaining water, we must grasp the multiple functions of natural resources.
- Especially in the case of Japan, it is necessary to develop a philosophy for why we must do this. Without this foundational philosophy, efforts will not last against the influence of business conditions and will completely dissipate eventually.

Conclusion

These dialogues on biodiversity in 2008 represented a departure from the existing seminar styles and are one step closer to a more practical discussion. Both dialogues, with the future generation and with experts, started from the perspective of how this issue can be incorporated into the Fujifilm Group’s businesses. This approach provided the opportunity for lively discussions and an opportunity for all participants to learn as well as providing many suggestions for the Fujifilm Group’s efforts. We will continue these dialogues and sincerely listen to the ideas expressed in them.

Sustainability program to support destitute children

FUJIFILM do Brasil Ltda. has been continuously helping needy children and adolescents achieve a better life and a brighter future. Food, toys and other goods are donated to charitable institutions and organizations according to their specific needs. The company is placing special emphasis on this social activity as part of its support for charitable organizations through sustainability programs for one year. Organizations are selected to receive support after confirming that certain requirements are met, including the demonstration of sound management and operations and a rejection of anti-social activities.



Giving out Christmas presents to children at São Tiago Home

Donations

Recipient Organization	Donation Period	Donated Items	Comments
Sào Paulo Office	Evaldo Foz Hospital August 8, 2007	Blood for hospital patients	A blood donation tent was set up at the office. Employees donated blood in an organized fashion to maintain regular company operations.
	São Tiago Home September 2007	900 kg of milk, rice, beans, oil, sugar, salt, and other goods	The amount donated was equivalent to two months used by the Home. The Home is dedicated to educating and sheltering destitute children.
	São Tiago Home December 2007	Money to buy Christmas presents for needy children	This was a Christmas campaign to purchase park apparatus.
Manaus Plant	São Tiago Home January 2008	Used office equipment such as table and chairs	Old furniture, which was unlikely to be used in the office, having no commercial value, was donated.
	Whida Home and SOS Aldeias October 2007	Employees donated more than 600 toys	Whida Home shelters children with SIDA. SOS Aldeias provides shelter and education to needy children.
	Antonio Aleixo Hospital December 2007	1,800 kg of rice, beans, oil, milk, and other goods	Food assistance is given to Antonio Aleixo Hospital and entities that provide treatment for Hansen's disease (leprosy).

Company supports Volunteer Day

FUJIFILM Manufacturing Europe B.V. (The Netherlands) sponsors an annual volunteer day that encourages employees to take part in a local activity, such as community beautification or cleaning houses for the elderly. In 2007, 250 employees participated in the program. Employees were divided into 25 teams of 10 employees each, with each team working on a different day to minimize impact on company operations. Employees used a half day of paid holiday with the company granting the rest of the day off.

PEI volunteer group

A PEI (Preferred Employee Initiative) volunteer group, consisting of employees of FUJIFILM Dimatix, Inc. (USA), holds fundraising activities and gives the donations to charitable organizations, cancer research, and other causes.



Members of the PEI volunteer group

Fundraising details

Recipient Organization	Donated Items	Donation Period
Listen Center Fuel Assistance Program (Fuel program by a group that provides family support and economic independence)	\$500 raised in a Valentine raffle	February 2007
The Haven (Group that offers simple accommodations, meals, clothing, and employment training support)	\$331 and approximately 110 kg of food	April 2007
CHaD (Children's Hospital at Dartmouth)	\$5,000 raised in silent auction	August 2007
United Way (A coalition of charitable organizations in the United States)	\$500 donation \$16,000 raised through a golf tournament	August 2007 September 2007
Norwich Catholic Church	Books to be sent to Nigeria	October 2007
The Haven	\$522 raised by Turkey Raffle	November 2007
The Haven	Clothing Funds to purchase items raised by a raffle	December 2007

Building awareness of environmental conservation by supporting the Rainforest Alliance's photo contest

Three Fujifilm affiliates*1 in the United States jointly sponsored the first Rainforest Alliance (RA)*2 "Picture Sustainability" Photo Contest, held in 2007. (The companies will continue their support in 2008.) Any U.S. citizen or employee of Fujifilm affiliated companies is invited to participate in this photo contest. Prize winners were awarded a Fujifilm FinePix S100FS digital camera and the grand-prize winner received a trip to the Galapagos Islands and a trip to New York City (courtesy of Fujifilm).

The grand-prize and first-prize winning photographs in the photo contest were auctioned off at an annual gala, and the proceeds donated to the RA. In addition, Fujifilm initiated a nationwide radio promotion during February and March 2007 as part of its overall support. Local stations ran promotional spots during peak listening hours. The photo contest was announced during programs and listeners were encouraged to submit entries. Participating stations were located in major cities throughout the United States, including New York, Los Angeles, Chicago and Boston.



Rainforest Alliance "Picture Sustainability" Photo Contest 2008 website

*1 The three Fujifilm affiliates are: FUJIFILM Holdings America Corporation, FUJIFILM U.S.A., Inc., and FUJIFILM Hunt Chemicals U.S.A., Inc.

*2 The Rainforest Alliance is an international non-profit conservation organization established in 1981 to protect rain forests and maintain biodiversity.

URL <http://www.raphotocontest.org/>

Working Together with Local Communities

Fujifilm Group sites in Japan and overseas communicate with local communities and residents to carry out various activities.

Environmental Dialogue Meetings

In October 2007, an "Environmental Dialogue Meeting in Odawa 2007" was held at the Odawara site of Fujifilm's Kanagawa Factory. The goal was to explain and discuss activities for environmental preservation and disaster prevention with community residents. Approximately 150 people participated. The meeting consisted of two parts, with the first part a factory tour and the second focusing on a presentation of Fujifilm's environmental activities, followed by a discussion. Participants asked many questions about such concerns as substances discharged from the factory.



Environmental Dialogue Meeting at the Kanagawa Factory

In addition, the Third Environmental Dialogue Meeting was also held at Fujifilm's Fujinomiya Factory in February 2008, with the participation of 30 residents and officials from the local government of Onakazato in Fujinomiya City, where the plant is located. A lively discussion was held. The Q&A included a number of questions about the white, smoke-like steam emitted from the smoke stacks of power generation facilities, and participants encouraged the continuation of efforts to reduce environmental burdens. The Fujifilm person in charge sincerely answered each question in detail. Fujifilm intends to further strengthen communications with residents by looking into more effective ways to hold these meetings.



Environmental Dialogue Meeting at the Fujinomiya Factory

Conducting continuous environmental education for young people in local communities

The Manaus Plant, a production base for FUJIFILM do Brasil Ltda. has been developing its Environmental Awareness Program since 2004 to offer information on the importance of environmental conservation to the community surrounding the plant. Between 2004 and 2007, 17 programs were launched with the participation of 581 young people in the community. Commonly experienced challenges were explained, including the basic concepts of recycling, waste reduction, water conservation and the rationalization of energy consumption as well as environmental pollution. The goal of this activity is to have young people recognize

that the global environment can be improved if Fujifilm and local residents do their part and work together.



Children who participated in the environmental program

Funding street cars and a promenade through a national park

A national park has been under construction since 2006 in the neighborhood around FUJIFILM Manufacturing Europe B.V. (The Netherlands) and is scheduled for completion in 2010. The company has been offering financial support of €50,000 (approximately ¥7.8 million) over three years. Several kilometers of a pleasant promenade will be constructed in the park with this support. In addition, to mark the company's 25th anniversary, it provided another €50,000 (approximately ¥7.8 million), enough for five of the 25 street cars that are planned to be introduced in the city of Tilburg. A campaign to increase the number of street cars started two years ago in this town, and FUJIFILM Manufacturing Europe has been supporting this effort.

Dayton Factory sponsors a field trip for local elementary school

The Dayton Factory of FUJIFILM Hunt Chemicals U.S.A., Inc. sponsors a class trip to the state capitol for fifth grade school students of Graysville Elementary School every year and also provides T-shirts and QuickSnap. Employees at the plant sponsor and judge a photo contest with photographs that children took during the field trip. In 2007, children were invited to the factory on May 10 for a tour and prize winners for the photo contest were announced. The three top entries were awarded Wal-Mart gift certificates of \$50, \$25 and \$15, and received framed prints of their prize winning photographs.



A photo contest and plant tour for local fifth graders