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**FUJIFILM Sustainable Value Plan 2016**  
Top Commitment

- Contribute to solving social issues concerning the environment, people’s health, daily life, and working style through our products and services.  

**Promotion Policy 1**

- Solve environmental issues within business processes actively.

**Promotion Policy 2**

- Enhance the CSR framework supporting the corporate activities across the value chain.

**Promotion Policy 3**

- Other CSR Activities
  - Products and Services which Reflect Our Customers’ Views  
  - Social Contribution Activities
  - Management
    - Corporate Governance
    - CSR Management
    - Stakeholder Communication Topics
  - Data and Information
    - Compliance and Risk Management
    - Personal and Labor (FUJIFILM Corporation)
    - Personal and Labor (Fujifilm)
    - Environmental Aspects
  - Prioritize Tack/Global Warming Measures/Energy-Saving Measures/Environment Conscious R & D Logistcs/Conserving Resources Measures/Activities on Biodiversity Conservation/ Reducing Chemical Substances Emissions/Pollution Prevention Measures/Local Compliance Measures
  - Domestic and International Appraisals
  - Sustainability Accounting
    - Labor Environment and Social Benefit Accounting, Environmental Accounting
  - Independent Assurance Report
  - Third Party Opinion
  - Fujifilm Group Organization and Business Overview
  - Editorial Policy

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**Value from Innovation**

At Fujifilm, we are continuously innovating — creating new technologies, products and services that inspire and excite people everywhere.

We take an open and flexible attitude to innovation, combining our own original technology with human resources, expertise and technology from around the world. Through this powerful synergy, we rapidly and nimbly develop new solutions that address the true needs of our global customers.

**Value from Innovation**

**Corporate Slogan**

- **VISION2016**
  - Medium-Term Management Plan
  - Economic Value
    - Healthcare
    - Digital Imaging
    - Highly Functional Materials
    - Document Solutions
    - Optical Devices
  - Sustainable Value Plan 2016
  - Medium-Term CSR Plan
  - Social Value

Under its Corporate Slogan “Value from Innovation,” Fujifilm Group continues to contribute to the sustainable development of society through VISION 2016, its Medium-Term Management Plan and Sustainable Value Plan 2016, its Medium-Term CSR Plan.
Recognizing strength in adversity: Real power is tested in a state of emergency

The Great Kumamoto Earthquake that took place in April caused massive damage in the prefectures of Kumamoto and Oita. We would like to take this opportunity to express our condolences to the victims of the disaster and our prayers for the speedy recovery of the area. At the same time, we would like to express our deepest gratitude for the support and encouragement we have received from various parties.

In this natural disaster, FUJIFILM Kyushu, one of our leading factories in Japan, sustained immense damage. Fortunately, no human lives were lost, but many employees suffered damage and were faced with the need to rebuild their lives and protect their families. Notwithstanding such conditions, they voluntarily reported for work and exerted the utmost efforts to help restore the operation of the factory. Thanks to the emergency dispatch of support staff members, speedy delivery of recovery support materials and other measures based on our BCP (business continuity plan), which we strengthened in the aftermath of the previous Great East Japan Earthquake, as well as the extensive support received from various parties, the factory was able to restart production only two weeks after the earthquake. As a result, the impact on our supply chain was kept to a minimum. We received orders from our customers and the local communities. Alongside our recovery activities, we were able to donate the sum of 100 million yen as a relief fund to Kumamoto Prefecture to support the early recovery of the region.

As a business operating in Japan, we believe that we have to prepare for natural disasters of this kind at all times, and we continue to work on developing our organization and human resources to ensure we are able to respond swiftly and precisely to crises, based on our experience in past earthquake disasters. Looking back on the various activities conducted during this earthquake disaster, we were strongly encouraged to realize that our efforts have extended to each and every one of our employees.

There is an old Japanese adage that says “strong grass can be recognized in stormy winds.” It is with stormy winds that the true power of an organization and of its people is put to the test. Stormy winds may signal a natural disaster, competition in the economic or business area or a tumultuous change in geopolitics. With roughly 60% of our sales coming from overseas markets and continuous competition in the rapidly changing global markets, and Brexit—the departure of the UK from European Union membership—can be considered “stormy winds” on a global scale. Notwithstanding such adversities, continuous reinforcement of the organization and its people will enable us to turn the stormy headwind into a tailwind, a crisis into an opportunity. We believe we must consolidate the strengths of individuals working around the world to lead the company toward further business growth.

Following through to the end to achieve the objectives of VISION 2016

Under the new corporate slogan “Value from Innovation” established in 2014, we are making a concerted effort to achieve the goals of our Medium-Term CSR Plan, “Sustainable Value Plan 2016 (SVP 2016)” and the Medium-Term Management Plan, VISION 2016.

Under VISION 2016, our goals in FY2016 are to realize an all-time high in operating profits of 220 billion yen and an ROE of 6-7%, to full a business portfolio to realize stable growth in the medium to long term and enhance shareholder returns, and therefore become a company that can successfully contribute to society with sustainable growth. In FY2015, we achieved consolidate sales of 2.4918 trillion yen (comparable to the previous fiscal year), and operating profit of ¥191.2 billion (10.9% over the previous year). Our sales profit rate amounted to 7.7% and ROE was 5.8%. In FY2016, all employees will focus on the “priorities” in their business operations and concentrate their efforts promptly to achieving the targets of VISION 2016.

Promoting SVP 2016 to contribute to resolving social issues

In SVP 2016, our Medium-Term CSR Plan, we made a commitment to implementing CSR activities from a new perspective of creating values for society and contributing to resolving social issues, in addition to consideration for the environment and society in our business processes.

Despite our production output exceeding that of the base year of 2005, CO2 emissions for the entire group in FY2015 have reduced 560,000 tons (down 11%) over the base year, achieving the FY2016 target of 10% reduction a year earlier. The figures are the results of the group-wide efforts to promote energy conservation measures, use of the in-house co-generation system in Japan, use of renewable energies in overseas operations and continual energy-saving activities at our production sites. Additionally, we have contributed to reducing the impact on the global environment with our highly functional materials created with our own technologies, such as the backsheet for solar cells that increases durability and the sensor film for touch panels EXCLEAR that is free of rare metals.

These activities won worldwide recognition, with continued selection once again in FY2015 as a top constituent in the Dow Jones Sustainability World Index (DJSI World) and FTSE4 Good Global Index (FTSE), the world’s leading indices on socially responsible investment (SRI). In the RobecoSAM Sustainability Award, we ranked the Gold Class and Industry Leader. We were also selected as a “Climate Disclosure Leadership Index” by the Driving Sustainable Economies (CDP), the international not-for-profit organization that motivates companies to disclose their strategies on climate change and concrete emissions figures.

In contributions to resolve social issues, we are actively working on meeting unmet medical needs through our core business operations in health care. In FY2015, we not only acquired a development to oncology and other new drugs in our pharmaceutical business but also expanded our scope in drug creation support and cellular treatment through the partnership formed between our group company and world-leading iPSC cell developer and manufacturer Cellular Dynamics International and Japan Tissue Engineering.

In view of the importance to a business growing alongside society of pursuing social value together with economic value, we plan a group-wide effort to meet the diverse expectations of our company through achieving the goals of SVP 2016.

Achieving further advances, propelled by historic agreements

In 2015, two historic international agreements were concluded on global sustainability, transcending the lines dividing industrialized and emerging economies. They are the Sustainable Development Goals (SDGs) adopted in September by the UN General Assembly and the Paris Agreement at COP21, the United Nations Framework Convention on Climate Change (UNFCCC) in December.

The SDGs define 17 goals for sustainable development, including climate action, good health and well-being, no poverty, reduced inequalities, and clean water and sanitation, and 169 targets for the SDGs and calls for active participation not only by nations but also by private sector companies.

Also, COP21 established as a goal for 196 parties to keep the increase in global average temperature to well below 2°C above pre-industrial levels and to drive efforts to limit the increase to 1.5°C. Each member nation is now required to develop and submit its own long-term development strategy on low greenhouse gases emissions. We believe that this is the result of sustainable growth being most certainly the top-priority issue and global awareness of the serious threat to mankind and the Earth, unless action is taken now.

Since the SDG targets are wide-ranging and the goals of the Paris Agreement extremely ambitious, they are not easily realized. However, global sustainable development cannot be made unless companies make the goals their own and make efforts to achieve them.

We have faced crises on many occasions since the founding of the company in 1934. Perhaps the greatest of these arose with the rapid advance of digitalization around the turn of the century which resulted in the disappearance of the photographic film market. However, we were able to turn this crisis into an invaluable opportunity and the driving force to the next level through the concerted hard work of our management and employees. The targets and goals of the SDGs and the Paris Agreement should similarly be regarded as presenting us with a prime opportunity for greater advancement for our businesses through contributing to the goals.

In June this year, we established a new management organization for development to the next dimension. Under the slogan “value from Innovation,” we plan to generate greater innovation through consolidated efforts by the new management and employees, creating new values and contributing to the sustainable growth of society.
The Fujifilm Group’s Approach to a Sustainable Society

To celebrate the 80th anniversary, the Fujifilm Group founded its new corporate slogan, “Value from Innovation,” which seeks to continue creating new technologies, products and services that inspire and excite people everywhere, and empower the potential and expand the horizons of tomorrow’s business and lifestyle. We established VISION 2016, our Medium-Term Management Plan and Sustainable Value Plan 2016, our Medium-Term CSR Plan based on this slogan. We believe that creating new value through our unique and advanced technologies and solving social issues through our business activities, present opportunities for our business growth and at the same time we can contribute to society.

To put this into practice, we selected businesses in which we can demonstrate our strengths in terms of technology and market position. In these priority business fields (healthcare, highly functional materials, document solutions, graphic systems, optical devices, and digital imaging), high growth is expected due to rising social demand. In particular, health, energy, and information are today key social elements to support a sustainable society, and there are many related issues to be addressed. For this reason, we positioned the healthcare, highly functional materials, and document solutions businesses as the core businesses to drive our overall enterprise.

The Fujifilm Group aims at being a corporation that contributes to the sustainable development of society through creating “new value.”
The Fujifilm Group's Technologies and Businesses

The Fujifilm Group, with its business origins in photographic film, today runs wide ranging businesses utilizing technologies developed over the years. Combining our highly applicable core technology based on photosensitive materials, and other unique core technologies that differentiate us in terms of quality and cost performance, we are able to offer a diverse range of products and services. We also strive to continue to create innovative technologies and new value based on our core technology, aiming to nurture a business in which social demands and expected growth are high, and the Fujifilm Group can exert its distinctive strengths.

The Fujifilm Group's Corporate Social Responsibility (CSR)

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

Fujifilm Group established a current Corporate Philosophy and Vision following the shift to a holding company structure in 2006. Founded on the spirit of contribution to advancement of society, improved health, environment protection and enhancement of the quality of life of people, by providing top-quality products and services with open, fair and clear workplace culture and leading-edge, proprietary technologies, we have established the Fujifilm Group Charter for Corporate Behavior and the Fujifilm Group Code of Conduct and implement them thoroughly throughout the Group.

In the Charter for Corporate Behavior, we uphold five principles, including “Respect for Human Rights,” while in the Code of Conduct we define compliance as “more than simply not breaking the law and acting correctly in the light of common sense and ethics,” and declare that all Group employees, including senior executives, will conduct themselves in line with these action guidelines.

Moreover we have made the following statement to encourage all Fujifilm Group employees to commit themselves to the fulfillment of corporate social responsibility (CSR) in their daily business operations: The Fujifilm Group’s Approach to Corporate Social Responsibility is to contribute to the sustainable development of society by putting our Corporate Philosophy into practice through sincere and fair business activities.

In 2014, we revised the Approach to CSR in order to identify the social challenges and more actively seek their solutions under the new corporate slogan, “Value from Innovation,” established to coincide with our 80th anniversary. We follow this approach and slogan in further promoting our CSR activities.
Under the corporate slogan, “Value from Innovation,” established to coincide with our 80th anniversary, the Fujifilm Group has created a new Medium-Term CSR Plan covering FY2014 to FY2016, titled, “Sustainable Value Plan 2016” (SVP 2016), and commenced work on its implementation.

Creating the Triple Promotion Policy

The SVP 2016 Triple Promotion Policy was established in the following four steps. Please visit the link below for details of the process.


STEP 1 Clarifying the Basic Policies

Making it clear in the Basic Policies through a review of existing CSR activities.

STEP 2 Extracting Social Issues Based on Business Strategy

Listing social issues based on indicators found in ISO 26000, GRI guidelines, etc.

STEP 3 Evaluation of Materiality

The following two approaches have been implemented: 1) Solving social issues through business activities 2) Consciously on environmental and social impact within business processes

STEP 4 Planning and Review

Setting goals for priority issues, along with internal reviews and approval

In FY2015, a general review of the Group’s priority issues identified in SVP 2016 was carried out employing the perspective of the SDGs on the 130 items involved in social issues. Specifically, we invited the CSR specialist E-Square to participate once again, as for the development of SVP 2016, to examine the 169 SDG targets from the standpoint of “social interests and requests” and “materiality for the Fujifilm Group” and to help decide whether new items should be added to the existing priority issues. The findings led to items that increased in importance but confirmed that there is no significant difference with the existing items. We will aim to contribute resolving social issues shown in the SDGs through promoting our activities along with the Group’s priority issues identified in SVP 2016.
Promotion Policy

Contribute to solving social issues concerning the environment, people’s health, daily life, and working style through our products and services.

Related Business Fields

Healthcare
1. Medical systems (X-ray diagnostic imaging systems, endoscopes, etc.)
2. Pharmaceuticals (small-molecule pharmaceuticals and biopharmaceuticals)
3. Regenerative medicine (autologous cultured epidermis/cartilage)
4. Life sciences (functional cosmetics and supplement products)

Document Solutions
1. Global services (outsourcing services including document management and business process improvement)

Outline of Activities in FY2015

The Fujifilm Group aims to be a total healthcare company and is making steady progress in strengthening its business structure. Particularly in the field of medical systems, our medical IT systems and diagnostic ultrasound systems have a good reputation in the market, with sales expanding across the world.

In 2015, we acquired TerraMedical, Inc. in the U.S. in order to contribute to more efficient medical management and diagnosis. We also made contributions to building network systems that link a local government and related organizations. We also started a new business collaboration in order to establish technology to build a rapid diagnosis system for tuberculosis, one of the world’s three major infectious diseases, based on our early detection technology for influenza virus.

In the field of regenerative medicine, we expanded our business strengthening the partnership with our group companies, Japan Tissue Engineering Co., Ltd. and Cellular Dynamics International, Inc. which has become a consolidated subsidiary.

Further, in the pharmaceutical field, we expanded the biopharmaceutical contract manufacturing business, and promoted new drug development through starting clinical trials of two anticancer drugs in the U.S.

Future Prospects

In the field of medical systems, we plan to introduce systems that assist efficient management and diagnosis of medical images. Other contributing prospects include promotion of a portable diagnostic ultrasound system that works well in remote locations and emergency situations, and unique endoscopes—such as transnasal endoscopes and models using laser light. We also plan to enhance the group of functional products that use our proprietary technologies in the life science field. Our focus in the pharmaceutical business includes further development of new drugs that meet “unmet medical needs,” such as functional products that use our proprietary technologies in the life science field. We are continuously striving to widen our contribution to promoting people’s health and well-being. In this new CSR Plan, we set out four priority issues based on the scale of our contribution to help solving the social challenges, identified through reviewing all the products, services, and technologies that we possess.

Health

Ageing Society
1. Increased medical costs
2. Regional divide in medical care
3. Response to healthy life expectancy
4. Unmet medical needs
5. Global health etc.

Basic Approach

Health is the most personal and important topic for people, yet there is a range of associated problems, such as disparities in medical access, shortage of doctors, increasing burden on medical workers, and surging medical costs. The Fujifilm Group started producing X-ray film in 1934, soon after the company’s establishment. Since then we have been a long-term contributor in the field of Medical Diagnosis. Our medical business has recently expanded into the Prevention and Treatment fields, as a part of a strategic move towards the group’s growth.

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Promotion Policy

1. Improve accessibility to medical services
2. Contribute to identifying diseases at an early stage
3. Contribute to unmet medical needs
4. Contribute to health and contribution to beauty

Healthcare
1. Medical systems (X-ray diagnostic imaging systems, endoscopes, etc.)
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Regenerative Medicine

Now there are more than 30,000 types of diseases in the world for which effective treatment methods and drugs have yet to be found. Regenerative medicine is drawing attention as the potential solution. Regenerative Medicine is to bring advanced cell therapy to patients, the function of diseased parts by regenerating damaged organs or tissues with artificially cultured cells and tissues (somatic cells, somatic stem cells and iPS cells*1). In addition, it is expected to simplify and increase certainty of drug discovery, by utilizing iPS cells in its process.

Fujifilm Group is marketing “cellnest” (recombinant peptide or RCP), an extracellular matrix essential for cell culture developed with Fujifilm's collagen technology accumulated in photography business. In addition, in 2014 we acquired Japan Tissue Engineering Co., Ltd. (J-TEC), the only company in Japan marketing autologous cultured epidermis and autologous cultured cartilage at that time. In May 2015, we inoculated to acquire Cellular Dynamics International, Inc. (CDI), a leading company in iPS cell development and manufacturing, and established Cellular Dynamics International Japan Co., Ltd. (CDI) in October for sales operations in Japan. These steps have enabled the Group to set up the framework to expand the business domain extensively in areas of iPS cell-based drug development, cell therapy covering stem cells, somatic stem cells and iPS cells. Although iPS cell-based therapy has yet to be applied in actual practice in the world, we plan to start clinical trials for the treatment of age-related macular degeneration and regenerative therapy that causes blindness (in collaboration with the National Eye Institute (NEI)*2), as well as the development in the treatment of Parkinson’s disease, heart diseases, and other conditions. As the top runner in regenerative medicine, we plan to contribute to the further industrialization of regenerative medicine by generating synergy between our high-performance material technologies, engineering technologies, CDI’s iPS cell-related technologies and know-how, and J-TEC’s manufacturing technologies for therapeutic cells.

Fujifilm Regenerative Medicine Group

Expand the regenerative medicine business with the combination of Fujifilm’s extracellular matrix, our technology accumulated in the photography business and technologies of other companies.

Medication Verification System

PROOFIT: Cellnest down pharmacists’ workload

The workload of pharmacists is growing rapidly, expanding from dispensing to counseling on medications, in response to the development of direct-to-consumer medication *1 and home medical care for the community and the elderly.

In April 2016, Fujifilm introduced a new medication verification system named PROOFIT. It helps pharmacists to check if types and quantities of medications for patients match the prescription data. In Japan, it is compulsory for a pharmacist to conduct a medication verification, by placing a urine sample into a cartridge in a device that does not match those at prescription. The system reads not only barcodes but also pictures of medications and make analysis to verify instantaneously whether the picked medications were identical or not.

Patient Data Network System

Kita Sanrik¯u Net connects four municipalities and 67 facilities.

In face of the growing number of senior citizens and the rising need for nursing and home medical care, coordination between medical care and social welfare has become a major issue in local communities. In addition, providing seamless medical care / nursing care/social welfare services even during a natural disaster requires back-up of patient data, not only paper-based records. Kita Sanrik¯u Net was created as a system to resolve this issue by connecting hospitals and medical clinics including dental clinics, pharmacies, public and social welfare facilities (such as comprehensive community support centers), totaling 67, in the four municipalities in the Kita Sanrik¯u medical service zone. Started as a drive to support from the Great East Japan Earthquake, Fujifilm is providing the system, including an integrated patient data system, to support community-level problem solving in the areas of medical care, nursing care and social welfare in the Kita Sanrik¯u. The network is being managed by the NPO Kita Sanrik¯u Juku, established as an organization supporting all persons in the Kita Sanrik¯u medical care zone requiring rehabilitation and nursing care through coordination between relevant organizations.

Infectious Disease Diagnostic System

Development of highly sensitive, rapid tuberculosis diagnostic kit for developing countries

Tuberculosis (TB) is one of the top three infectious diseases, alongside AIDS and malaria, infecting 9.6 million people, and causing the deaths of 1.5 million around the world. The percentage of TB patients is particularly high in the developing countries in Africa, Southeast Asia. HIV is also common among populations in developing countries, and when people contract HIV, their immune systems are adversely affected, making HIV patients much more likely to become unhealthy individuals to develop tuberculosis. Therefore, it is important to provide regular tuberculosis screening for people living with HIV in order to begin TB treatment at an early stage of the disease.

Based on Fujifilm’s own silver amplification technology used in photo development, we have developed an immunochromatography*1 diagnostic system that is capable of detecting the influenza virus at an early stage. In the drive to apply this technology to the field of infectious diseases around the world, a joint study started in February 2015 on a rapid diagnostic system for Ebola virus disease. In March 2016, we concluded a joint development contract on highly sensitive rapid tuberculosis diagnostic kits with FND2 of Switzerland. In developing countries, the diagnosis of TB is frequently carried out using a microscope to search a patient’s sputum for the presence of the bacteria that causes TB. We have focused on a compound specifically produced by TB that is excreted in the urine. We will work to bring diagnostic kits suitable for countries that do not have the prompt identification of the presence of the TB bacteria simply by placing urine sample into a cartridge in a device that does not require electricity. This system simplifies diagnosis for children and elderly persons from whom sputum cannot easily be obtained, and extrapolations and TB patients (many of whom are affected with HIV) for whom sputum diagnosis is not effective.

This development project has been chosen for funding by the Global Health Innovative Technology Fund (GHIT-Fund), which aims at the development of innovative medicines, vaccines and diagnostic medicines in Japan. Granted a subsidy of 216 million yen, the project is scheduled for implementation from April 2016 to October 2017.

Tuberculosis fatalities among HIV patients

Children became 8 (with tuberculosis)

400,000

Tuberculosis fatalities among children

140,000

#1 Immunochromatography: A diagnostic method in which a colored line indicating positive antigen (protein) present appears when an antigen-antibody complex, formed when the labeled substance (virus or bacteria) in the specimen (nasal wash) drops on to the reagent, bonds with the labeled antibody in the reagent, is captured by the antibody attached to the detection line. Since this method provides rapid results, it is commonly used for screening of patients that need immediate medical intervention.

#2 FND (Foundation for Innovative New Diagnostics): A non-profit organisation headquartered in Switzerland dedicated to advancing the development and adoption of new diagnostic technologies for infectious diseases that are suited for developing countries.

#3 Coordination gateway: Provides a portal site, paper-based record digitization system, and SS MIX2 data conversion system.
Portable Diagnostic Ultrasound System

Diagnosis ultrasound system has become widely available in recent years, and is used for checking seriously ill patients in hospital laboratories, ICUs, and NICUs, and also in local clinics and for home medical care. Portable diagnostic ultrasound systems to be used in emergency situations or for home medical care need to be compact, and equipped with high definition displays and a variety of diagnostic functions.

Exploiting our market-proven expertise in medical imaging systems, Fujifilm has been working to develop a compact and lightweight diagnostic ultrasound system that offers both high quality imaging and comfortable operability. In 2014, ahead of others, we launched the FUJIFILM FC1, the first joint product with Sonosite, a leading developer of portable handheld medical imaging devices, in order to respond to the diverse demands of the POC testing market. The model released in May 2016 was the Sonosite iViz, a tablet-type diagnostic ultrasound system with a slim body and weighing a mere 520 g, which can even be put into the pocket. The product is designed not only to be compact but also to deliver a clear high definition 1.4 M pixel image backed up by a new image processing circuit developed through our exclusive technology. The product is designed not only to be compact but also to deliver a clear high definition 1.4 M pixel image backed up by a new image processing circuit developed through our exclusive technology.

The table comprises a sector probe and 7-inch display that can be operated with the thumb.

as an image transmission capability over a secure network in order to contribute to a variety of medical situations, including home medical care, accident & emergency events, remote locations, and disaster-affected sites, where improvements to medical support system are indispensable.

1) NECU: Neonatal Intensive Care Unit.
2) POC testing: Point of Care testing.
3) Directors: Lead the company to support the product range both with and without business partnerships to develop products based on oral intake. Fujifilm continues to develop products based on

related business activities

Project "organized during the 2011 Great East Japan Earthquake. With our Tono Mirai Zukuri College, conceived as part of the recovery assistance activities, we are exploring directions we can take in the future to revitalise local communities. Photos and documents can re-vitalize communication and preserve our cultural heritage for future generations, and our hope is that we can develop new products and services and promote their wider use in society. The safe storage of digital data is important in allowing members of society to preserve their ties with other people, thus enriching life in a society that is safe and with fewer accidents and less crime.

As the aging society continues to progress, prolonging “healthy life expectancy”**1 is the focus of many people’s interest. Japanese Foods with Function Claims system was started in April 2015 along with the backdrop of the government’s Self-Care and Self-Medication promotion to raise awareness about preventing lifestyle diseases and health risks among consumers.

Using a mixture of technologies developed through its photographic film production, Fujifilm has developed and offers supplements and functional cosmetics that contribute to lifestyle improvement. Such products include “salacia,” a natural sugar blocker that helps prevent lifestyle diseases, and “astaxanthin,” an antioxidant to help fight against aging. Taking advantage of the Foods with Function Claims approval system, we launched Mebameter Slim, which contains a salacia derivative, salacid, targeted at women in their 20s and 30s. Thanks to the new system, we can promote salacia’s sugar blocking efficacy in an easy and direct manner to the intended audience. In April 2016, Kirin Beverage Company launched Kirin ASTALIFT Water containing nano-astaxanthin**2 and pure collagen**3. This is a beauty-supplement drink developed through a technological collaboration between Fujifilm and the Company to support women’s beauty and health via oral intake. Fujifilm continues to develop products based on scientific evidence and enhance the product range both with and without business partnerships to contribute to the people’s beauty and health.

1) Healthy life expectancy. Suggested by WHO in 2000. The difference between “average life expectancy” and “healthy life expectancy” among Japanese as of 2010 was 0.13 years for men and 1.28 years for women.
2) Nano-astaxanthin: Emulsified astaxanthin made into nano-sized particles less than 100 nm in size using Fujifilm’s technology.
3) Pure collagen: Highly purified collagen developed by Fujifilm.

** • Data archiving using magnetic tapes • Future Double Program to contribute to local communities • The Photo Renaissance art activities to foster the culture of photography • Lenses for security cameras • New communication tools to combat crime

**1 Fujifilm X-T10 released ahead of others—are highly rated for their image quality and sales are expanding globally. In the data storage field, we enhanced the safety and secure long-term storage systems for large amount of data through launching the FUJIFILM LTO ULTIMA Data Cartridge, which utilises our exclusive technology. BaFe magnetic particles, and the data archive service, “deltam.”

As a company that fosters the culture of photography, it was very encouraging that our Tono Mirai Zukuri College, “PHOTO18 30,000—Person Photo Exhibition received such a valuable award. We will continue to promote the way to provide joy in photography and printing in a manner suited to the era of digital cameras and smart phones in order to enrich people’s lives. At the same time, we are striving to offer innovative products and solutions that suit these social needs and lifestyles—represented by our multilingual services for tourists, and safe, long-term storage systems for endlessly expanding data.
One of the priority issues for Fujixerox is to help solve social issues in local communities. As part of related activities, Tono Mirai Zukuri College was established in Tono City, Iwate Prefecture, which served as a logistic support point area after the Great East Japan Earthquake. The college now functions as a collaborative site for industry, government, academia, and the local community to work together towards solving the future social issues for the future through utilizing Fujixerox’s advanced communication technologies.

The college celebrates its second year in FY2015, and Fujixerox has promoted further usage of the college to broaden its operational foundations. Approximately 20 programs over seven areas are offered including; Attractive Educational Environment for operational foundations. Approximately 20 programs over seven areas were conducted on commercializing this technology, we continue to strive to offer a data media service with even higher performance and quality.

We opened a WONDER PHOTO SHOP in Harajuku, Tokyo in 2014, and it was welcomed by young customers — those from their teens to those in their 30s—for the product and service range targeted specifically to smart phone users. Over 60% of the store sales is photo print orders from smart phones (less than 30% in standard chain stores), cultivating a new demand for photo printing. In 2015, we expanded the WONDER PHOTO SHOP overseas including Columbia, Shanghai in China, Manila in the Philippines, Barcelona in Spain, Singapore and Australia. More stores are planned for the future. In addition to photo salon service, we aim to start a new wall décor service in Japan, which is already available in Europe and the U.S. in 2016. While we adapt to new media, we also offer services for legacy media. The Fujicolor Remake Service converts analog image data recorded on video tapes and 8 mm films to high quality digital data and records it on DVDs. It is a mission for Fujifilm to offer the means of preserving the precious memories of the previous age for the next generation utilizing its exclusive technology in a time when it is becoming more difficult to access video decks and film projectors. Fujifilm thus continues to promote "photo culture" by diverse means.

*1 Tono & Sumida Country Life Experience Council, of which the college is a member, received the Global Award of the Discover Countryside Treasures in Japan (second program) selected by the Ministry of Agriculture, Forestry and Fisheries (MAFF). This work of community revitalization is now attracting public interest and has gained a reputation as a movement to invigorate rural areas.

Fujixerox plans to broaden the projects to help in resolving concrete issues like those addressed in education, industry promotion, and administration, in addition to the exchange programs. It also plans to establish a PR team to promote further usage of the college.

Fujixerox is intending to expand the Future Creation projects nationwide, utilizing the expertise it gained in Tono City. Following the Mirami-Ashtaga Mirai Zukuri Project (Kanagawa Prefecture), in October 2015 it concluded a collaborative agreement with Iwate Prefecture, for an AI Mirai Zukuri Project. This project aims to build a model of community revitalization on a remote island. Fujixerox’s efforts in community revitalization are steadily progressing.

*2 Discover Mura no Takarai: An MAFF project to promote nationwide model rural community revitalization projects.

FUJIFILM Sustainable Value Plan 2016


Data Archiving on Magnetic Tape

Technology to store valuable data safely and efficiently

All manner of information and historical documents across the world are now archived as digital data and their volume is increasing day by day. How to store such data safely and efficiently and at a reasonable cost has become a significant issue to be addressed.

In response to this situation, Fujifilm—for the first time in the world—has developed a Barium Ferrite (BaFe)-based high capacity magnetic tape, and commenced a data archiving service “utility” utilizing BaFe tapes. Magnetic tape offers excellent capabilities in long-term data storage without requiring electricity, unlike a hard disk, which requires a constant power supply so that reduces energy cost and CO2 emissions to one tenth. Also, as it is free from system failures and security risks, such as viruses and hacking, magnetic tape has become an important means of data storage in recent years.

In November 2015, we launched LTO Ultrium7 with a maximum capacity of 15.0 TB (6.0 TB native) and a maximum data transfer speed of 750 MB per minute (fully scalable). The 200 TB and 123 Giba tape can store data equivalent to 310,000 CDs or 220 million books.

Photo Renaissance Activity

Globally promoting the culture of photography to enrich people’s lives

Fujifilm is promoting the “Photo Renaissance” activity across the world to communicate the pleasure that photography brings through “shooting, preserving, displaying, and gifting” as a part of the promotion and development of the “photo to culture” that Fujifilm has pursued since its foundation.

In 2015, the Heart to Heart Communication—PHOTO IS 30,000-person photo exhibition received the Photo Inspiration Prize at the Mécénat Awards 2015 hosted by the Association for Corporate Support of the Arts. The exhibition started as the PHOTO IS 10,000-person photo exhibition in 2006, and has now continued for 10 years, with the number of entries now standing at approx. 30,000 each year. The exhibition is the largest photo exhibition held in Japan, and at photographic works convey the innermost feelings of the admirers. The total number of admirers over the past ten years has now reached 192,234 together with some 3.8 million visitors to the exhibitions. The awarding of the Photo Inspiration Prize was in recognition of Fujifilm’s significant contribution to the development of the culture of photography through such measures as providing a wide audience with the opportunity to enjoy photographs, establishing an exhibition in which everyone can participate and utilizing the company’s own resources—the Fujicolor chain of photo shops across Japan.

The Photo Renaissance activity also included a business aspect in that we commenced a variety of new services for smart phones. We opened a WONDER PHOTO SHOP in Harajuku, Tokyo in 2014, and it was welcomed by young customers — those from their teens to those in their 30s—for the product and service range targeted specifically at smart phone users. Over 60% of the store sales is photo print orders from smart phones (less than 30% in standard chain stores), cultivating a new demand for photo printing. In 2015, we expanded the WONDER PHOTO SHOP overseas including Columbia, Shanghai in China, Manila in the Philippines, Barcelona in Spain, Singapore and Australia. More stores are planned for the future. In addition to photo salon service, we aim to start a new wall décor service in Japan, which is already available in Europe and the U.S. in 2016. While we adapt to new media, we also offer services for legacy media. The Fujicolor Remake Service converts analog image data

*2 Discover Mura no Takarai: An MAFF project to promote nationwide model rural community revitalization projects.

College Programs

Approx. 20 programs over seven areas were conducted for the College Programs. The program areas are: Industry creation Business model research through collaborations with sponsor companies and local companies, and making suggestions to governments and community organizations; Regional revitalization Workshops and discussions on open themes; Local community Junior-high and high school students, and making suggestions to governments; Academic collaboration Research by university students on local community issues; Future creation camp Workshops and discussions on open themes; and making suggestions to governments.
Utilizing the technology accumulated through photographic film production, the Fujifilm Group develops and sells a range of products that reduce environmental impact as a leading company of highly functional films.

We set a goal to reduce CO2 emissions by 20 million tons by FY2020 compared to FY2005, and in FY2015 we contributed 50% to this target. We also achieved ∼70% reduction compared to FY2005. Important contributors include BaFe-based data storage media, whose sales have grown constantly, LTO tapes, and DYNAPLUS, the IT solution for medical clinics. Our backsheet films for solar cells received the Nikkei Global Environmental Technology Award in October 2015 for promoting the useful life of solar cells and thereby reducing environmental impact. Also, the thin double-sided sensor film for touch panels that won the JCA Technology Award contributes to the reduction of environmental risks and risks related to material supply stability.

Our efforts and products in the document solution business have won multiple environmental awards for their contribution to environmental impact reduction.

**Future Prospects**

We plan to promote sales of sensor film for touch panels and backsheet films for solar cells, which already have steady sales, along with resource-saving solutions for graphic systems and products and services in the digital printing market, where demand is expected to grow. Utilizing our advanced fundamental technologies and the core technologies that we have accumulated over the years, the Fujifilm Group continues to contribute to resolving ever-progressing environmental issues by launching innovative products that match market needs in a timely manner.

According to the latest report from the United Nation Intergovernmental Panel on Climate Change (IPCC), it is likely that temperatures will increase by approximately 4°C by 2100 without additional mitigation and CO2 emissions continue to rise. Global warming is becoming ever more serious and remains as one of the most important issues to address across the world. The water risk is another serious issue in focus. The Fujifilm Group aims to help resolve these environmental challenges through changing our working styles and products towards low environmental impact, including highly functional materials and magnetic tape utilizing applied photographic film development and production technologies.

**Related Business Fields**

- Highly functional materials
  - Industrial materials and electronic materials, etc. (development of new materials, etc.)
- Graphic systems
- Materials and equipment for graphic arts (CTP plates)
- Document Solutions
  - Office products and office printers
- Production systems (digital printing systems)
- Global services (outsourcing services including document management and business process improvement)

**Outline of Activities in FY2015**

Utilizing the technology accumulated through photographic film production, the Fujifilm Group develops and sells a range of products that reduce environmental impact as a leading company of highly functional films.

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- Production systems (digital printing systems)
- Global services (outsourcing services including document management and business process improvement)
**Working Style**

**SDGs list the issues of gender equality, sustainable economic growth, and employment among others. In Japan, the Act of Promotion of Women’s Participation and Advancement in the Workplace was enforced on April 1, 2016. We now face concerns for labor shortages in the future and diversification in occupational needs, and globalization. To address these issues, it is indispensable to diversify human resources in various employment areas. Women’s participation is particularly important in such employment issues.**

**Priority Issue 1**

**Promote communications that transcend the information barrier**

Target: Promote solution services to enhance communications inside and outside the company and widely notify details of case studies

**Basic Approach**

- **Working disparity**
  - Reduction in workforce
  - Diversity etc.

The Fujifilm Group has brought evolution to communications in society through a fusion of familiar paper data with digital data and on to a seamless integration with cloud services and mobile solutions. Access to and the sharing of information in various forms with ease and without any conscious awareness of the digital divide expands the possibilities for different services and working styles in every possible place—in offices and government organizations and in education and medical care.

With the recent emergence of various social factors, including an increasingly organized ICT environment, workforce diversity promoted as a political issue, and concern for workforce reduction, working styles utilizing ICT are becoming a focus of society as a means to enable diverse human resources to work with higher productivity. Since the 1980s, Fujixerox has engaged in research and practice focused on work style reforms and has been proposing New Work Styles based on its experiences. In 2009, the company started sales process reform, and in 2013 we introduced new working interface to support different working styles. As a part of these changes, we implemented a sales support system that reduces complicated administrative tasks, changed the company rules and practices, and established a mobile work environment. Now we are building an office environment to support such new working styles. One example is the opening of satellite offices in the central Tokyo area in 2015. The office space of Nihonbashi Branch (Nihonbashi, Chuo ward) was newly designed as a model to put the latest working styles into practice. The office layout was free address and the branch building also contains a satellite office. One of the Departments has its main office in Nakano-Sakaue, Nakano ward, about 40 minutes away by train from Shinjuku. Many sales staff members who work in this department have customers around the Nihonbashi area, and they now carry out the majority of their work in the satellite office instead of the main office. Activities without returning to the main office significantly improve their productivity, and among the sales staff members in the department, the number of visits to customers has increased by 65%, and average overtime per hour has decreased by 10–20% compared to FY2014.

**Work Style Reform**

**Improve sales productivity by streamlining business processes and structures**

**Future Prospects**

To contribute to resolving increasingly complicated social issues, we continue to develop and offer ICT and Cloud-based solution services and products that address clients’ business issues or offer new ways of working, along with the concrete examples of our own experience of resolving similar problems.

A newly introduced research collaboration system that links researchers from diverse cultural backgrounds in Japan, North America, and Singapore, is helping to evolve reforms to our own working styles and business processes through new ways of communications utilizing ICT. We then offer the results of such reforms as solutions to customers.

Today, business communications are no longer just simple face-to-face meetings—meetings now take place across different time zones and locations and through different languages, demanding more advanced methods of information delivery and sharing. In order to accelerate development for advanced communication technology that promotes diverse working styles and interaction, in 2015 Fujixerox established a new research organization, the Innovation Office, in Singapore. The Innovation Office’s role is to verify that our technology leads to solutions for each customer’s business challenges, working together with customers and partner companies in the Asia Pacific region excluding Japan, in order to create the most advanced values. Following the verification, Fujixerox R&D Division in Japan will receive the innovation research results into a specific solutions/services as a business to offer to customers. Research collaboration is also conducted with the FX Palo Alto Laboratory in the U.S., where the most advanced technologies are being integrated. In Fujixerox R&D Square, research activities with a medium- to long-term perspective are conducted toward the commercialization of solutions and services. We plan to link these three research facilities utilizing the remote communications technology developed by FX Palo Alto Laboratory to build a unique research environment, in which our researchers and customers work together for value verification in real time, regardless of their geographical locations whether in Japan, Silicon Valley, or Singapore.

**Technological Development to Realize Valuable Communications**

**Global collaboration among Fujixerox research facilities**

- **FX Palo Alto Laboratory (Silicon Valley, U.S.)**
  - Developing specific solutions and services to customers
- **FX Palo Alto Laboratory (Silicon Valley, U.S.)**
  - Innovation Office (Singapore)
  - Working together with customers and partner companies, the core organization in the Asia Pacific region manages customer relations leading to solutions for business issues

Through the collaboration among these three facilities, Fujixerox aims to extend its solutions and services businesses that realize valuable communications, promptly responding to the global customer needs.

1. FX Palo Alto Laboratory, Inc. - Research site established in California, U.S. in 1985. Conducts research into the document service and communication area with a long-term vision. The laboratory’s forte is in multimedia and information technologies.
2. Remote communications technology. Technology that enables various locations to be connected with a remote conferencing system via web interface. Such systems create an environment just as if participants were attending a real meeting by offering natural conversation together.
Incentive Award
The 12th Award of "LCA Society of Japan (Fujifilm)"

Target Reduction by 30% CO₂ emissions by FY2020 (compared to FY2005)

FUJIFILM Sustainable Value Plan 2016
Promotion Policy 2
Solve environmental issues within business processes actively.

Direct control over the Fujifilm Group’s environmental burdens
Atmospheric emissions
CO₂*1 .... 1,970 kilotons

Waste combustion recycling energy

Procurement
Resource extracting, transporting, refining, synthesizing, processing, and material transporting

Production

Light diesel oil and heavy oil used, Electricity used

Discharged water

Water ....... 44.4 million tons
SED*2 ....... 53.7 tons
COD*3 ....... 149.4 tons
BOD*4 ....... 149.4 tons
Ammonia nitrogen*5 ....... 4.16 tons

Waste material recycling

Material recycling

Period: April 1, 2016 to March 31, 2017

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

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

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

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

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

The Fujifilm Group is working towards recognizing the social and environmental impact through the material flow system summarized resource inputs, emission and recycled volume from our corporate activities in all business processes—from material procurement, manufacturing, transportation, to usage and final disposal. Understanding the entire picture of such impact caused by our activities throughout the value chain is helping us to accelerate our efforts towards realizing a sustainable society.
Promote Global Warming Countermeasures

Target: Reduce CO2 emissions from the entire product lifecycle by 30% compared to FY2005 by FY2020

The Fujifilm Group has been promoting activities to reduce CO2 emissions by setting management indicators for CO2 emissions across the entire product and service lifecycle (from material “procurement,” “production,” “transportation,” “use,” “disposal,” and “recovery” processes), not only within our Group. We set the target of “reducing CO2 emissions for the entire lifecycle of products by 30% to FY2020 (relative to FY2005)” in April 2010, and we are continuing to actively reduce CO2 emissions in our Group as a whole. Since FY2012, we also calculate CO2 emissions based on the Scope 3 Greenhouse Gas Protocol (“Scope 3”), and report related information as required. We also carry out reduction of environmentally conscious products based on “Rule for Design for Environment (DfE),” with which we review the degree of achievement in product performance to the target set in the design stage. These efforts should contribute to the further reduction of CO2 emissions.

CO2 Emissions Reduction Across the Product Lifecycle

In FY2015, despite our Group’s production output exceeding that of the base year, FY2005, the Group’s overall CO2 emissions were reduced by 553 thousand tons (11%) from the base year level, and the medium-term target for FY2016 (a reduction of 10%) was achieved one year earlier. We have maintained a downward trend since FY2011 with a reduction of 5% compared to FY2014. In FY2015, we reduced CO2 in all lifecycle stages including a reduction of 8% compared to FY2014 for procurement in particular. This was due to the contribution of reductions in procured amounts of raw materials (continuous recycling activities of aluminum from used PS plates and promotion of reduction of loss in manufacturing). CO2 emissions in the manufacturing stage were reduced by 2% compared to FY2014 and by 16% in FY2005. Under conditions where the CO2 emissions coefficients of the electric power utilities in Japan increased by 30%, this was achieved by further efforts to improve the energy usage efficiency at our facilities, through promotion of energy-saving measures across the group companies, enhanced utilization of in-house co-generation systems in Japan, and utilization of renewable energy in overseas sites. In addition, we also made steady improvements from the perspective of environmental efficiency in terms of product value (revenue)/environmental impact, with an improvement of 5% compared to FY2014.

Continuous Promotion of Energy Strategy

The Fujifilm Group founded the Global Warming Prevention Committee in FY2007 to promote significant improvements in production energy intensity and CO2 emissions per unit production at six major factories in Japan, as well as the Energy Cost Reduction Project, across the company including overseas companies and factories since FY2010, both of which achieved their targets in FY2012. In FY2013 these energy management schemes were renewed and restarted as the Energy Strategy Promotion Committee, giving them control over energy procurement and supply. In FY2015, we reduced energy use by 3% compared to FY2014. In addition, in part due to the drop in energy unit prices (electricity and fuel), we achieved a significant (18%) reduction in energy costs.

As specific activities for FY2015, we devised energy minimum production plans in collaboration between the operations division and the power division, as well as group-wide activities such as energy-saving seminars and mutual-inspections and energy-reduction diagnosis, etc. Furthermore, we also embarked on new measures such as the introduction of electricity from new power companies looking toward the separation of generation and transmission of electricity (implemented in April 2016, etc.). Moreover, the in-house co-generation system that was launched in FY2014 to supply the power generated in the Fujifilm Fujinomiya Factory to sites among our group companies, was additionally expanded to 18 sites in FY2015, simultaneously contributing to alleviating peak demand to the power grid and to reducing energy costs.

Future Prospects

In FY2016, we plan to further expand energy-saving measures across the Fujifilm Group and revise their manner of operations in order to continuously reduce energy-derived CO2 emissions. At the same time, we will reassess our scenario for achieving the FY2020 targets as well as considering new targets for after FY2020. In addition, we will promote contributions to the prevention of global warming, through comprehensive measures in production processes and offices, from technical endeavors to improve production efficiency, thorough reductions in fixed energy consumed, regardless of the amount of production, and sharing of energy-saving measures from each business site across the entire group, followed by group-wide deployment/implementation of new measures for expanded effects. Meanwhile, we continue our in-house co-generation system while planning and promoting more measures for new National systems in the future. In-house co-generation system: Enforced in Japan following the revision of the Electricity Business Act, in April 2014.
Fujifilm Group
Fujifilm Group carries out development of environmentally conscious products throughout the entire product lifecycle based on the Green Policy, and promotes to provide products and services that contribute to reducing CO2 emissions and other global environmental impacts.

Fujifilm
Fujifilm has been working on reducing environmental impact for its all new and renewed products according to “Rule for Design for Environment” since 2003. We promote to visualize the results of social contribution toward the target to “reduce CO2 emissions by 20 million tons by 2020 (compared to 2005)” stated in the Medium-Term CSR Plan, based on the internal guideline to Calculate the Environmental Contribution for the Reduction in CO2 Emissions" formulated in March 2013. In FY2015, we made ten case studies focusing mainly on medical products, and also confirmed new projects and updated the list of candidate projects (a total of about 60) that may contribute to CO2 emissions reductions. In view of the significant potential expansion of IoT in the future, we added a special assessment format for “Software/Service/IT System” for the purpose of Design for Environment. Aside from this, to raise awareness of the contribution for CO2 emission reduction for general customers, we actively participated in industry activities such as the LCA working group at the Japan Environmental Management Association for Industry in FY2015 (see page 33).

Future Prospects
In FY2016, we start Design for Environment activities for the Software/Service/IT System and intend to accelerate our efforts to promote contributions to reducing CO2 toward the achievement of the 2020 targets. Also, concerning water usage, we will promote the development of products to conserve water resources and provide the environmental information through visualizing the water usage amount in our products.

Fuji Xerox
Fuji Xerox hopes to contribute to both solving issues and reducing environmental impact at customer offices through its products and services. At the core of its mission is our concept of “RealGreen,” our policy on realizing both reducing environmental impact, (b) environmental impact reduction effect when used by the customer, (c) environmental action on media, printed matter, packaging, etc., provided to the customer and (d) environmental improvement activities by the organization in charge of product commercialization. We contribute to CO2 reduction in the customer office by offering software with outstanding effect in reducing environmental impact.

Future Prospects
We will continue to contribute to business growth of our customers and at the same time reduction of CO2 emission, through solutions and services that are the strengths of our company combined with outstanding environmental-friendly products by eco-friendly technologies that we have developed over our history.

Mr. Takejiro Sueyoshi

Praise for dramatic reduction in CO2 emissions over the entire product lifecycle
The most notable result for FY2015 was the dramatic reduction in CO2 emissions. This was achieved not only one year earlier than the target in the medium-term plan, despite the increase in the production output, but it also covers the entire product lifecycle. The Fujifilm Group deserves praise for its determination to implement the product lifecycle approach while the CO2 reduction efforts by other companies remain fragmentary or partial, defined in the narrow sense. I am strongly impressed by the results of diligence and drive organized through consolidated action by the management and employees. In the Paris Agreement at COP21 held late last year, the global target was set at keeping global warming under 2°C. Around the world, many leading companies are already competing head-to-head to achieve zero emissions. In view of this development, I would like to see Fujifilm Group define a more ambitious long-term target beyond its FY2020 goal of a 30% reduction. A higher target will attract great attention and will stimulate greater motivation. This is all the more important because realization of carbon neutral has become a vital factor in winning the competition in the 21st century.

I look forward to further action from the Fujifilm Group.

Response to the third-party opinion
We sincerely appreciate your highly evaluative for our activities in FY2015 for the Fujifilm Group’s target of achieving a 30% reduction in CO2 emissions in FY2020 over the 2005 level through the entire product lifecycle, as well as our success in achieving our medium-term target one year early.
We will continue to do our utmost to reduce CO2 emissions in the business processes, as well as at our success in achieving our medium-term target one year early.
We will continue to do our utmost to reduce CO2 emissions in the business processes, as well as our success in achieving our medium-term target one year early.

Mr. Takejiro Sueyoshi
Special Advisor
"Japan Federation of Economic Organizations"
Mr. Sueyoshi has been an active member for 30 years of an international conference on the Environment called the World Business Council for Sustainable Development (WBCSD). Mr. Sueyoshi is a former special advisor of the Cabinet of the Prime Minister, and has been serving as the President of the Community Development Foundation. He is also an atomic accelerator of the Foundation for Environmental Cooperation of the World Business Council for Sustainable Development (WBCSD) and the Fellowship of the JETRO (Japan External Trade Organization). In addition, Mr. Sueyoshi is a member of the board of the Earth Institute of the University of Tokyo. He is also a member of the advisory board of the Environmental Research Institute of Honda Motor Co., Ltd. and the Environmental Research Institute of Mazda Motor Corporation.
The Fujifilm Group has always been aware of the importance of effective use of natural resources, as the main raw material for photographic film, the main product at the time of our establishment, is the precious natural resource, silver, and to which lots of clean water and fresh air are essential in manufacturing. Since our establishment, we actively continue with our efforts to reduce the amount of virgin resources, such as by reducing water usage, recycling and reusing water, recovering and reusing silver, and establishing a resource recycling system for multifunction devices and copiers, etc. We are conducting efforts to use resources effectively and reduce waste through measures which take into account the total lifecycle of a product, by considering the 3Rs (reduce, reuse, recycle) in the product design, reducing loss at the manufacturing stage, collecting, reusing and recycling used products, and recycling or converting into valuables.

Measures to Reduce Waste
The Fujifilm Group is making comprehensive efforts to use resources effectively and reduce waste throughout the entire lifecycle of its products. We think carefully about the most effective ways to use resources and reduce waste as much as possible, by considering reduction of resources in products and recycling after use in the design stage, and reducing losses at the manufacturing stage. Meanwhile, we are concerned about waste emitted necessarily in manufacturing too, and since FY2011, we have been involved in a project as Fujifilm Group to convert waste in manufacturing into valuables and raise the value of these valuables. In addition to activities at production sites, we have expanded our efforts to waste in offices and warehouses for transportation and promoted our measures in the scope of our business activities overall.

These various continued efforts have made strong results, with 4% reduction in volume of waste generated compared to FY2014 and the achievement of a significant reduction by 13% compared to the base year FY2012 of the medium-term target. In addition, reduction of waste to be disposed of by simple incineration/landfill (zero emission) is underway on a global scale. Since FY2014, the Group has kept zero emissions of over 90% for all regions (Japan, US, Europe and China).

Future Prospects
We are progressing with the further utilization of resources and reductions in environmental impact to enhance the “quality” of recycling, such as by improving the working environment in dismantling processing bases while maintaining “Zero Landfill” in all of our business operation areas.

1. Definition of “Zero Landfill”: Reduction of simple incineration and landfill rate of no more than 0.5% of all waste produced by weight.
2. Japan, China and the Asia-Pacific:

Response to Water Risks
Since our establishment, the Fujifilm Group has been working toward water usage reduction and water recycling. Considering increasing attention to water risks, we set a medium-term target related to water resources and have been promoting further reductions in and more efficient water usage in FY2013. As a result of continued efforts at each site, in FY2015, we achieved a significant improvement by 20% compared to FY2012 in water usage per unit (water usage/revenue), which achieved the medium-term target. In addition, regarding our group sites with relatively higher water risk we identified in FY2014 through visualization using a matrix with two indices: “water stress” and “impact on company business in terms of water usage,” in FY2015, we reconfirmed how low risk is at each site through the situation of water management and water usage reduction measures. We were assessed as B rank by COP Water.*

Measures to Zero Landfill from Products
At Fuji Xerox, based on the principal of treating used products using recycled parts since 1995, reached to 380 tons of products using recycled parts since 1995, reached to 380 thousands in 2015. As for the reduction of new resource inputs by using recycled parts, we increased these by 357 tons in FY2015 from the previous year. This was because the amount of products and consumers using recycled parts increased.

Measures to Zero Landfill from Products
The program aims to utilize resources as effectively as possible, by considering reduction of resources in products and the reusing of resources in products.

Fujifilm

Water Source in FINEJET Ashigara Factory

Water use at production sites*1 accounting for the total lifecycle of a product, by considering the 3Rs (reduce, reuse, recycle) in the product design, reducing loss at the manufacturing stage, collecting, reusing and recycling used products, and recycling or converting into valuables.

Japan

North America

Europe

North Africa

Middle East

South Africa

Asia

Scarcity

Stress

Sufficient quantities

Annual water availability per capita for 2025

<500 m3

500–1,000 m3

1,000–1,700 m3

1,700–4,000 m3

>4,000 m3

0 m3

Water Stress Map: Mapping Fujifilm Group’s water usage into 2025 Water Stress Map (UNEP)

Assessment of water usage & business risks

Made in China & Asia-Pacific

Assessment of impact on company business

Assessment of risk level of companies

Degree of impact on company business

●: Worksites (production sites & non-production sites)

@: Non-worksites (offices & warehouses)

□: Other (retail stores, etc.)

Assessment of locations in water stress regions

Degree of water risk

1. Low

2. Medium

3. High

4. Very high

5. Extremely high

Future Prospects
We not only maintain the level of water usage per unit set as the medium-term, but also consider the new goals. And, we continue to reduce water usage and water recycling by implementing water risk countermeasures in our group sites according to their water risk levels and actual business operations. We are also surveying and taking measures to reduce water usage in our suppliers and customers.
Prioritize Policy 2

Ensure Product and Chemical Safety

Target: Contribute to “Minimization of adverse effect to environment and human health from chemical substances in production and usage by FY2020”

* Joint Article Management Promotion-consortium (JAMP)
A cross-industry organization established in 2008 to ensure smooth communication and management of information on chemical substances contained in products throughout the supply chain.

Because the Fujifilm Group manufactures a wide range of products such as chemical products, functional materials, optical devices, office equipment, and medical equipment, we have established and implement management rules according to the respective composition and manufacturing processes of our products, from the perspective of management of the handling of chemical substances and management of information on chemical substances. Since 2010, in our Medium-Term CSR Plan, we have been making efforts for the priority issues of establishing and disseminating the framework to acquire, manage, and communicate information on chemical substances contained in products along the supply chain and enhancing our system to acquire information on laws and regulations in each country and region around the world accurately, and to ensure response efficiency.

Formulated the New Rules
Company-wide rules on chemical substance control (Fujifilm)

Management of Chemical Substances
Fujifilm manages the chemical substances used in its business according to the internal classifications based on the applicable laws and regulations, the level of hazard, and the company’s management policies.

In FY2015, we created the outline of our new company-wide rules on chemical management, to ensure consistency with the trend of chemical management in the world today, including the change of perspectives on chemical safety placing the emphasis on the chemical management and the expanding scope of regulated chemical substances as well as shortening the period of time between proposal for regulation and enforcement. The essential features of our new internal rules are implementation of regulatory information assessment concerning chemicals in products in addition to the method and procedure of the information communication to foster the deeper understandings. We focused on conversation with the suppliers about their issues on the information communication towards their solution.

At the same time, we became a supporting member of chem-SHERPA, which is a new scheme that facilitates communicating information on chemicals in products throughout the supply chain developed by the Ministry of Economy, Trade and Industry, Japan to reinforce our system to enhance the management of chemical substances contained in our products. For the smooth transition from the current information communication scheme to chem-SHERPA, we established various related activities at the JAMP Joint Article Management Promotion-consortium, which has been the operating body of chem-SHERPA, and as one of the leading companies since April 2016.

Future Prospects
Along with preparation for the smooth transition to chem-SHERPA, we will further expand our management system concerning chemical in products in the Asia region.

Domestic and International Appraisals

Fujifilm has won the Incentive Award under the 12th Awards of “LCA Society of Japan”*1 The prize was given in recognition for our LCA Life Cycle Assessment activities (establishing an internal system for LCA promotion, Employee training, Integration to “Design for Environment,” and CO2 emissions reduction across the product life cycle) and its resulting on environmental impact reduction, which we have been working on since 2003.

Activities to Reduce Environmental Impact in Europe and U.S.A.

Building the first large-scale joint wastewater treatment plant in the Netherlands Together with Water Board De Dommel, FUJIFILM Manufacturing Europe B.V. (EF), and three other companies in the Netherlands are constructing a large-scale joint wastewater treatment plant in the premises of EF. The ground-breaking ceremony was held in November 2015. The companies are combining their wastewater flows into the plant to minimize the environmental impact from their businesses, while at the same time reducing wastewater treatment costs. Benefits of the plant include not only being able to release treated water as clean water, but also generating biogas from the wastewater sludge. The plant is expected to start operations in summer 2016.

Commercing production solely by wind power (Netherlands) On January 13, 2016, FUJIFILM Manufacturing Europe B.V. (EF) concluded a contract with Eneco, a Dutch energy company, to commence production using only wind power. Since 2011, Eneco has been directly supplying 20% of EF’s electricity needs from five wind turbines on Eneco’s sites. The new contract is for additional electricity required from Eneco’s wind farm in Thorin to power EF’s entire production requirement, enabling Fujifilm to achieve complete carbon neutrality.

Renewable energy for its own use. The energy used by 30,000 households. These solar panels are supplied with treated water as clean water, but also generating biogas from the wastewater sludge. The plant is expected to start operations in summer 2016.

Redesigning the company garden reduces water usage as an adaptation measure (U.S.A.) California has been suffering from drought for the last five years, and mandatory water restriction and water rationing by the State of California have been introduced. Taking the initiative in water usage reduction, FUJIFILM North American Corporation (FNAC) has collaborated with the owner of the facility, Cypress Land Company, to replace grass and plants that require significant amounts of water with drought-tolerant plants, and change watering systems to drip irrigation to minimize water consumption. These measures reduced water usage in FY2015 to some 60% of that in FY2014.

Solar power generation realized 39.62 tons CO2 emissions reduction (U.K.) FUJIFILM Biopharmaceutical Systems Ltd. (FBIS) has installed 800 solar panels measuring 1,320 m² at its premises to generate power for its own use. The solar power generation system started full-scale operations on February 1, 2016, and 39.62 tons worth of carbon had been offset by the end of March.

Plants in the 23.183-square-foot garden were replaced with drought-tolerant plants and ground cover that require minimum watering.

*1 An award scheme established in 2004 to honor the excellent activities of LCA to lead to reduce environmental impact reduction across the product life cycle.
*2 A nonprofit organization to gather and assess corporate environmental information on behalf of institutional investments. Their program cover climate change, water, and forests.

Timeline for FY2015

2. Expand our activities to ensure an understanding of the new chemical management throughout the Group, both in Japan and other countries, and start full-scale implementation.
3. Fujifilm has been improving its management of chemicals in products across the supply chain through regular briefings for the suppliers and support to the suppliers. Fujifilm has been improving its management of chemicals in products across the supply chain through regular briefings for the suppliers and support to the suppliers. Fujifilm has been improving its management of chemicals in products across the supply chain through regular briefings for the suppliers and support to the suppliers. Fujifilm has been improving its management of chemicals in products across the supply chain through regular briefings for the suppliers and support to the suppliers.
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The Fujifilm Group established its Charter for Corporate Behavior, Code of Conduct, and Approach to CSR and promotes CSR through sincere and fair business activities. In order to expand and strengthen our activities, it is necessary to collaborate all processes, procurement, manufacturing, transportation, use, and disposal throughout the value chain. In March 2015, the Fujifilm Group revised the Procurement Promotion Policy and presented the “Requests to Suppliers” in an effort to enhance value chain management. We will keep recognizing social effect through our business activities and our responsibilities, and aspire for establishing a sustainable value chain with mutual growth through understanding and implementation of these activities not only within the Group but also by our business partners.
The Fujifilm Group interprets compliance as “more than simply not breaking the law and acting correctly in the light of common sense and ethics.” We believe that we achieve compliance by responding flexibly with a keen sensibility to the needs of society. A lack of awareness of compliance often leads to increased risk. Consequently, compliance and risk 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 the risks associated with business operations is a single continuum. We steadfastly advance compliance and risk-management activities across the Group, with our two operating companies, Fujifilm and Fujifilm Xerox, overseeing their respective affiliates in Japan and overseas. The Fujifilm Group ensures compliance with laws and regulations, including those related to respect for basic human rights, which is the most fundamental compliance item, as well as for occupational health, as the basis for all business activities.

**About the anti-corruption matters**

The Fujifilm Group has never been investigated by administrative authorities concerning any anti-corruption matters. With overseas Group companies will be strengthened. In FY2016, Fujifilm Xerox will strengthen the function of the CSR Council, integrating the Ethics and Compliance Committee into the Council, which is a higher level of the conference body. Through this change, the important measures related to corporate ethics and compliance that are deliberated on and decided by the Council will be implemented more promptly and steadily by the heads of the various functional organizations.

**Compliance and Risk Management Promotion System (Fujifilm and its affiliates)**

Each operating company establishes and maintains its own appropriate risk management systems. Following prescribed procedures, the operating companies report their risk management activities, including preventive measures and countermeasures against materialized risks to the CSR Committee secretariat. With regard to significant risks in Group operations, the CSR Committee takes a group-wide perspective in examining appropriate countermeasures and effecting their implementation.

In FY2015, Fujifilm conducted training for the risk managers in each Group organization to deal with the measures related to prevention of misconducts. Regarding the risk management for the safety of employees outside Japan, we enhanced the measures for employees visiting or living in developing countries on business. Also regarding information security, training against targeted attacks and web-based training are conducted for improvement of employee awareness. Fujifilm Xerox selects priority issues, with attention given to changes in social and business conditions, the status of our business operations, the occurrence frequency, impact on management, etc. every year. While the Fujifilm Group is concerned about large-scale natural disasters, new types of influenza, information security, etc., were selected for priority action and were deliberated by the CSR Council on the state of progress in action.

**Future Prospects**

In addition to strengthening response to large-scale natural disasters and information security, Fujifilm will identify priority risk issues through the PDCA cycle and formulate and implement specific action plans. Fujifilm Xerox will further enhance response against the priority risks deliberated at the CSR Council, including business continuity in a disaster and activities to prepare against outbreak of contagious diseases.

**Corporate Ethics and Compliance Promotion System (Fujifilm Xerox) and its affiliates**

**System of Collect Information on Risk and Compliance Consulting (Fujifilm)**

**Risk Management System (Fujifilm Xerox)**

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**System of Collect Information on Risk and Compliance Consulting (Fujifilm)**

**Risk Management System (Fujifilm Xerox)**
Outline of Activities in FY2015

**Occupational Health and Safety/ Promotion of Health**

**Respect for Human Rights**

We believe that respect for basic human rights is a fundamental aspect of our compliance and we have clearly stated our commitment to it in the Fujifilm Group’s Charter for Corporate Behavior and Code of Conduct." Group company employees are required to sign their names on a declaration found at the end of the Code of Conduct. At the same time, to deepen our understanding of human rights, we have training programs aimed at engendering respect for human rights and eliminating discrimination.

From the perspective of internal checks, Fujifilm has included items on human rights issues in our annual self-assessment questionnaire for the business activities of all our Japanese and overseas affiliates since FY2013. In recent years, especially in Europe and North America, there has been an increase in the demand for measures to ensure that human rights are respected, not only by companies themselves, but by their supply chains too. The Modern Slavery Act enacted in the UK in 2013 and the California Transparency in Supply Chains Act enacted in 2012 are the part of the demand. Considering this movement, we are introducing measures across our entire supply chain as part of our CSR procurement activities. To promote the due diligence for human rights, FUJIFILM Holdings has been participating in the Nippon CSR Consortium managed by the Caux Round Table Japan since 2012. We are studying human rights risks within the company in response to deliberations at international conferences and public comments. FY2015 was the fourth year of our participation. In FY2015, at the international conference, we held discussions and exchanged opinions with experts on our Group’s CSR policy and our CSR activities promoting at our suppliers as one of the measures for human rights due diligence (see page 59).

In FY2016, referring to the Human Rights Guidance Tool created by UNEP FI *(formulated in 2011, revised in 2014)*, we reviewed the “Human Rights Issues by Sector (Second Edition)” formulated in FY2015 by the Consortium from the perspective of the chemical and construction materials industry to see whether there were any additions, deletions or revised items. As formulated in FY2016, the human rights issues of sexual minorities, a subject that has raised significant concerns among the public in Japan, and foreign workers, and we identified human rights issues including the raised issues with other 11 industry sectors.

**Future Prospects**

Considering international movement around the subject of human rights in recent years, we aim to formulate a Human Rights Policy to clarify our Group’s stance besides our Group Charter for Corporate Behavior and the Code of Conduct. We will continue to strengthen measures both within and outside the Group.

To deepen our understanding of human rights due diligence and further enhance our Group’s activities, in addition to our own views, we will continue to actively adopt outside opinions and joint studies with other companies and continue with our activities to raise awareness of the importance of human rights issues.

FUJI FILM Corporation Sustainability Report 2016

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**FUJIFILM Sustainable Value Plan 2016**

**Promotion Policy 3**

Enhance the CSR framework to support the corporate activities across the value chain.

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**FUJIFILM Holdings Corporation Sustainability Report 2016**

**Outline of Activities in FY2015**

**FUJIFILM**

The Fujifilm Group believes it essential to ensure that employees can work with vigor and in good health both physically and mentally at their workplaces, in order to implement our vision of maintaining our position as a leading company by Creating New Value. In the Group, however, we suffer from the cases of decreased labor productivity and an increase in medical costs. In response, we established a group-wide health promotion council composed of the Group companies’ Human Resources divisions, industrial doctors and the Fujifilm Group health insurance association in July 2013. The council has since been proceeding with its efforts to conduct activities focusing on four areas: prevention of serious lifestyle-related diseases; quitting smoking; mental illness and prevention of overwork.

In FY2015, we measured to prevent lifestyle-related diseases, we implemented a target to reduce the number of persons with metabolic syndrome to 25%. We were able to achieve the target and reduce the number of persons with metabolic syndrome to 21% through life-style habits and diet counseling.

In FY2016, we opened the Nishiaizu Medical Center in its headquarter region to improve the detection rate and early treatment of cancer by establishing an environment that enables employees to easily have endoscopic examinations, which are more accurate than x-ray screening and effective for the early detection of cancer in the stomach, esophagus, and colon. In FY2015, to encourage the further use of this Center, we conducted activities to enlighten employees about the colorectal cancer examination. As for the occupa- tional health and safety committee conducting discussions on causes and countermeasures at each factory, we are also reinforcing predictive management based on individual data and seeking to reduce the risk of occurrence of disease and health due to long working hours.

**Future Prospects**

In FY2016, the Fujifilm Group managed to maintain the number of persons with metabolic syndrome while at the same time enhancing our stop-smoking activities. At Fujifilm, we deploy the group-wide measures to share work accident information and lessons from accidents to other factories. From FY2016, Fuji Xerox will conduct activities focusing on the five priority targets of “measures for quitting smoking and preventing lifestyle-related diseases,” “measures against cancer,” “measures for mental health,” “countermeasures against risk due to overwork,” and “prevention of work accidents.” All companies, including domestic affiliated companies, have banned smoking during working hours. As a result of our stop-smoking treatment subsidy program and quit-smoking support seminars, the proportion of smokers has fallen from 19.1% to 17.6%. In terms of measures against cancer, we have established a system to enable employees at all companies to have endoscopic examinations for stomach. We have added checks for gynecological cancer to our regular health checks, and as a result of employees being able to have a treatment if needed, the cost of medical treatment has halved compared to the previous year to over 60%. In Oct. 2015, we introduced the colorectal cancer endoscopic check subsidy system which is helping to contribute to the early detection and early treatment of cancer.

In terms of measures to support mental health, 93% of employees have taken our annual stress check in FY2015. In addition, in FY2015, the number of employees who had consulted regarding long working hours increased by 54.8% compared to last fiscal year, and as well as the safety and health committee conducting discussions on causes and countermeasures at each factory, we are also reinforcing predictive management based on individual data and seeking to reduce the risk of occurrence of disease and health due to long working hours.

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The Fujifilm Group aims at realizing its corporate slogan “Value from Innovation” by challenging with courage in the dramatic changes of business environment. Further, for the purpose of driving such acceleration on the creation, development, and global expansion of prospective businesses listed in the Medium-Term Management Plan, VISION 2016, it is important to develop the human resources and to create an environment where diverse human resources can maximize their abilities. For these purposes, we are giving a top priority to developing global and executive talent with high level of skills in thinking and acting on their own in global society, and are actively reforming and expanding our businesses for the next generation. We are now implementing the systems to identify, develop, and promote human resources based on an international viewpoint across the Group.

In terms of development of global human resources, in addition to continuing to provide global training to the next generation of leaders, we have also enhanced our program to develop management-level candidates from overseas affiliates through study in Japan at graduate schools or in long-term OJT. We increased the number of such positions from one in FY2014 to four people in FY2015. We are also conducting internships in collaboration with famous overseas technical universities to aid in obtaining and utilizing non-Japanese human resources to strengthen the global responsiveness of our domestic employees. In FY2015, we received four students from China, one from Australia, and four from India, totaling nine students in all.

To achieve transformation through accelerated human resources development and to allocate the most suitable human resources to the most suitable positions, we have integrated HR and training system of approx. 23,000 employees in Japan, including in domestic affiliates and sales companies, and we have also been unifying our human resources database and information system.

Future Prospects

We are enhancing our use of human resources by considering the entire Fujifilm Group, both in Japan and overseas, as the arena for their performance, and enhancing the mobility of our human resources through a unified HR and training system and human resources information system. We will continue to provide management improvement training, while evaluating and rewarding human resources who challenge themselves, as part of our transformation into an organizational culture that thrives on challenge.

Future Prospects

Fujixerox

Fujixerox conducts training to develop human resources empowered to rise to the challenges of growth and change, and able to think and act on their own in order to create consistently high value that keeps pace with the changing business and market environment. For this purpose, we provide career support to enable employee to develop their competencies in a self-directed way by offering them diverse experiences, while evaluating and promoting employees who can think and act on their own. We also conduct various programs, including HR training to develop global competence, training in problem solving, and management training to promote renewal of our organizational climate into one that thrives on challenge.

In FY2015, the Al-Fujixerox Management Improvement Training, which was launched in full as a three-year plan that forms the keystone of the transformation of our organizational climate that began last fiscal year, was provided to approx. 800 employees. Our plan to provide this training to a total of 1,500 people. We are also expanding our problem-solving training for overseas affiliates to enable their employees to develop their capabilities to solve problems on their own.

Fujixerox’s Human Resources Development

Future Prospects

Fujifilm

Fujifilm places great importance on developing its human resources. More concretely, we aim to support each of our employees in seeking to improve their capabilities by developing highly suitable strengths and becoming professionals who demonstrate their diverse talents, and to foster a work culture where managers also closely involved in their staff development. To this end, as well as conducting career training to develop the strengths of all our employees, from new graduates to management, and to enhance the individual roles of each of them, we are developing systems in FY2015 to support leadership development. For example, we are fostering the development of young employees who have less than three years of work experience by having senior employees run along with them after setting action and development targets, which is to support them in demonstrating energy and enthusiasm in their work while maintaining a desire to learn at all times with humble heart. We are also enhancing the abilities of our management to see through issues towards their resolution by improving teamwork and stimulating a fundamental transformation.

We are also conducting training to enable employees to gain skills and competencies, and the basic Japanese nursery people working for organizations and functions such as R&D, production, sales and marketing, HR, etc. These consist of various training programs where people systematically learn basic business skills and various technical skills needed in the workplace from basic to application levels. We are also training our employees to work globally. While we are introducing planned practical training, including for Japanese employees due to be appointed to positions overseas and overseas creative training to enable employees to gain practical experience in local workplaces, we are also implementing training for employees of overseas subsidiaries (see figure). We have also begun construction of a system to find, foster and utilize excellent talent, with the aim of conducting global HR development that can deploy and utilize the most suitable talent for each position from all the human resources at all our companies, regardless of nationality or gender. We are in the process of introducing specific measures toward creating a pool of specialists who can identify, select, foster and utilize these human resources from a global perspective, through meetings between the persons responsible for HR management in North America, Europe, China and the Asia Pacific regions.

Fujifilm’s Human Resource Development

The detail of the activity is as followed:

1. Enhancing global leadership

Training for candidates for managers:

- Human Resources (HR) training
- Management training
- Training for professionals
- Training for newly appointed employees

2. Enhancing specialist skills

- Training for newly appointed employees
- Technical training

3. Enhancing organizational and function skills

- Management training
- Training for newly appointed employees
- Technical training

4. Enhancing individual skills

- Training for newly appointed employees
- Technical training

Future Prospects

We are working to establish a basic infrastructure for expanding our business in the global market based on an organic relationship with our employees around the world.
FUJIFILM has been implementing Work Style Innovation activities since FY2014, aiming to become a company where diverse employees, men and women alike, can develop individual strengths to demonstrate their capabilities in an effective way of working that produces results. These activities consist of the three principles of (1) Working style innovation, (Each one of us tries to develop ways to increase productivity and results per hour); (2) Skill exertion of diverse employees (Utilize your strength in work regardless of gender or age); (3) Enhancement of support systems (Company supports flexible ways of working for child rearing or nursing care).

In FY2015, for the purpose of IT utilization in business to promote working style innovation, we conducted activities to enlighten employees about more efficient and innovative working styles by hosting seminars by specialists divided by purpose and level and presentations on exceptional examples from all across the Group.

Meanwhile, in terms of enhancement of support systems, in August, we introduced in full a Home Working System which had been introduced previously as a trial measure, with the aim of enhancing support for employees with responsibilities such as childcare and caring for other family members, to support their motivation and enable them to demonstrate their abilities. This system enables employees who fulfill the conditions to work a certain number of days per week from home. In October, we introduced the Paid Leave by the Hour system, to enable employees to use the paid leave which each Employee is allocated in one-hour units for not only childcare or caring for other family members but also for visiting hospitals for themselves or completing official procedures. Moreover, after investigating the situation of employees who need to care for family members, we launched support measures to assist employees in balancing their work and caring for family members. Care and Work Balance Support Seminar was held as one of these measures and was attended by over 1,000 employees (see page 47).

Future Prospects

We are enhancing support systems to enable diverse employees to demonstrate their capabilities in innovative working styles, by proceeding with activities according to our three principles.

Fujifilm

Fujifilm aims to be a company where all can deliver their full potential—regardless of gender, nationality, disability, or age—by building an organizational culture that draws to the full on diversity of expertise, effective use of a diverse workforce, and a work style designed for high productivity (shorter working hours and flexible working styles) that will form the basis of our employees’ health. In women’s career advancement, the Program for Accompanying a Spouse’s Transfer was created in FY2015 to reduce to zero the number of women leaving their jobs due to marriage or relocation of their spouses by granting them work opportunities (see page 47). A next-generation women leaders program has also been created to stimulate interest and motivation in promotion among female employees. Alongside this, the use of the work-at-home system is also spreading among employees engaged in childcare or home nursing care (increased by 1.3 times over the previous year). These measures have increased the ratio of women executives and managers and are being implemented to achieve the goal of 14% by 2020.

For older employees, the Second Life Program was introduced in FY2006 to make use of the abilities of employees after retirement, as well as to support their livelihood in retirement. The survey conducted on the situations of retired retirees in FY2015 to support the strategic utilization of older employees showed that rehiring has led to effective use of their expertise and experience and has had a beneficial impact on the work environment. We intend to apply the findings to future policy measures. To promote wider participation of employees with disabilities, workshops were held to foster greater understanding of people with hearing disabilities have been held. Similar workshops for mutual understanding are being scheduled in the future.

Management e-learning programs on diversity will also be organized to promote greater understanding of the differences between employees as individuals and greater utilization of their respective strengths. Company-wide promotional measures, etc., will also be conducted to create a workplace culture where a diverse workforce can thrive.

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Fujifilm

Fujifilm aims to be a company where all can deliver their full potential—regardless of gender, nationality, disability, or age—by building an organizational culture that draws to the full on diversity of expertise, effective use of a diverse workforce, and a work style designed for high productivity (shorter working hours and flexible working styles) that will form the basis of our employees’ health. In women’s career advancement, the Program for Accompanying a Spouse’s Transfer was created in FY2015 to reduce to zero the number of women leaving their jobs due to marriage or relocation of their spouses by granting them work opportunities (see page 47). A next-generation women leaders program has also been created to stimulate interest and motivation in promotion among female employees. Alongside this, the use of the work-at-home system is also spreading among employees engaged in childcare or home nursing care (increased by 1.3 times over the previous year). These measures have increased the ratio of women executives and managers and are being implemented to achieve the goal of 14% by 2020.

For older employees, the Second Life Program was introduced in FY2006 to make use of the abilities of employees after retirement, as well as to support their livelihood in retirement. The survey conducted on the situations of retired retirees in FY2015 to support the strategic utilization of older employees showed that rehiring has led to effective use of their expertise and experience and has had a beneficial impact on the work environment. We intend to apply the findings to future policy measures. To promote wider participation of employees with disabilities, workshops were held to foster greater understanding of people with hearing disabilities have been held. Similar workshops for mutual understanding are being scheduled in the future.

Management e-learning programs on diversity will also be organized to promote greater understanding of the differences between employees as individuals and greater utilization of their respective strengths. Company-wide promotional measures, etc., will also be conducted to create a workplace culture where a diverse workforce can thrive.

Future Prospects

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standards, they actively establish the plans for improvements or carry out their own risk assessment. In FY2015, the number of questions in the checklist was narrowed down to improve business efficiency, but we also included more questions on human rights and environmental conservation.

Moreover, we provided training to the persons responsible for procurement (buyers) at Fujifilm and the group companies within Japan and China to ensure the importance of keeping a CSR perspective in procurement, based on our Procurement Policy that was revised in March 2015. We produced CSR Procurement Guidelines to encourage them to promote CSR activities, and clarified the self-check items for suppliers. These Guidelines were sent out to all ongoing suppliers of chemicals and major parts and equipment for our products, OEM manufacturers, and business partners of Group companies in China, and we held briefing sessions for these suppliers and business partners, seeking to increase their understanding.

In order to monitor CSR efforts by our business partners, we extracted the major items common to the global supply chain CSR initiative such as the UN Global Compact and ISO 26000, and also included expert opinions from both within and outside the Group. We established a Fujifilm Supplier CSR Checklist that includes 58 selected questions. From FY2015 to FY2016, this checklist was deployed in one after another, to ensure that it was used by the business partners responsible for over 80% of the total procurement amount for each business division in the Fujifilm, and the Group companies within Japan and China.

These efforts were implemented by the persons responsible for CSR, including a staff member who has passed auditor training under ISO SA8000 relating to human rights. The program was launched within Japan and China, and we held briefing sessions for business partners and suppliers, seeking to increase their understanding. In FY2016, in addition to implementing the Fujifilm Supplier CSR Checklist, we expanded our CSR procurement activities to Europe and the U.S. We also plan to implement onsite inspections of Group production sites and business partners’ factories, etc., to lead to further and more effective improvements.

### Future Prospects

In FY2016, CSR management at the production sites and ethical procurement will be strengthened in both eastern China and Vietnam. CSR management will be restructured for production sites at Fuji Xerox Hai Phong (Vietnam) and Fuji Xerox of Shanghai. Activities will be promoted to create a scheme under which suppliers in the two regions will be visited by expert staffs in the areas of the environment, personnel management, etc., to assess supplier conditions and give support for improvement.

* 1 Group-wide checklist. A checklist of approx. 100 questions on general business management, adherence to laws and regulations, HR and labor management, health & safety, information security, purchasing, transport, accounting, R&D, manufacturing, sales, human rights and labor (child forced labor, freedom of association, prohibition of discrimination, etc.), occupational health and safety, environmental preservation, and others (whistle-blowing system, etc.)

* 2 ECCI: Electronic Industry Citizenship Coalition and its code of conduct

* 3 CFSI: Conflict-Free Sourcing Initiative – an international private sector organization supports companies in addressing the issue of conflict minerals. The template for conflict materials reporting provided by CFSI is an investment and information management tool for procurement of raw materials.

### Response to Conflict Minerals

The Fujifilm Group has declared that it will not use any minerals mined or refined by illegal practices, and does not take part, directly or indirectly, in supporting such activities. Further, it has clearly declared in the basic policy for procurement transactions that we are sincerely addressing the issue of conflict minerals.

Since 2010, Fujifilm has been providing an internal education program concerning conflict minerals. It also participates in the working group on Responsible Procurement of Minerals formed by JETIA*1 in 2011, and created internal guidelines to gather information concerning any conflict minerals in our supply chain using the CFSI*2 Conflict Minerals Reporting Template. We are working to gather such information and improve its accuracy in cooperation with our suppliers.

In FY2015, we held briefing sessions for our suppliers to raise awareness of the need to make efforts to avoid conflict minerals and ask for improvements in the accuracy of the procurement information provided to us.

In spite that Fuji Xerox is not registered with the U.S. Securities and Exchange Commission (SEC), it participates in the working group on Responsible Procurement of Minerals organized by JETIA in 2013, and conducts surveys on the origins of the minerals used for its products, in order to clarify the absence of any involvement of armed groups in its supply chain, as well as cooperating with the survey conducted by business partners which are registered with SEC.

In FY2015 survey, the response rate to the questionnaire to our primary partners increased from the previous year to 97.3% and no involvement of any armed group was identified.

### Future Prospects

In FY2016, Fuji Xerox will aim to maintain the response rate and accuracy of the survey in FY2016.

* 1 Japan Electronics and Information Technology Industries Association (JETIA): This industry organization works to foster the sound production, trade, and consumption of electronic devices and components, thereby contributing to economic development and cultural promotion in Japan.

* 2 CFSI (Conflict-Free Sourcing Initiative): This international private sector organization supports companies in addressing the issue of conflict minerals. The template for conflict materials reporting provided by CFSI is an investigation and information management tool for procurement of raw materials.

### Expectations for future activities based on the Guiding Principles on Business and Human Rights

Globalization of economic activities holds the potential to create negative aspects in the value chain. Society calls for companies to manage the full spectrum of their business activities. In the G7 Summit held in Schloss Elmau in Germany, a policy of “promoting responsible global supply chains” was advocated, and the “UN Guiding Principles on Business and Human Rights” was strongly supported.

I can see that the Fujifilm Group recognizes that enhancing value chain management from the viewpoint of CSR is a priority issue and is putting a PDCA cycle appropriately into practice, reflecting the distinctive characteristics of each business operation throughout the Group. And these activities are making steady progress each year. In FY2015, it is particularly noteworthy that the Group has introduced checklists at suppliers and briefing sessions for business partners and suppliers and has made solid progress in achieving zero production line stops in areas where labor risks are high.

Its corporate policy of strengthening its partnerships with suppliers and overcoming issues through collaboration is vital in satisfying social expectations.

I look forward to the review of the UN Guiding Principles on Business and Human Rights within the framework of Fujifilm’s rules and code of conduct, in order to achieve further advancement in the implementation of these activities.

### Response to the third-party opinion

We sincerely appreciate your high evaluation of one of our priority issues, which is to enhance value chain management from the viewpoint of CSR. We now operate our business across a broad range of industries. And we are working together with our suppliers to enhance our CSR activities across the entire value chain in all industries in order to meet the expectations of each industry and its customers, including the electronics industry where the demand for CSR procurement has been growing in recent years. In face of the rising expectations to address human rights issues in the supply chain that has been pointed out, we intend to take actions on human rights and other social issues in cooperation with our suppliers, focusing particularly on raising awareness of the importance of CSR procurement within the Group, as well as dissemination and consolidation of these activities.

(CSR Group, Corporate Planning Division, FUJIFILM Holdings)
Biodiversity Conservation

- Activities to conserve the water source at each factory
- Training courses for Nature Conservation Educators by the Nature Conservation Society
  - Since FY 2001, more than 400 employees in total have attended the training courses including co-sponsored ones by Fuji Xerox.
- Support to the Monitoring Site 1000
  - We have been providing sensor cameras used in surveying mammals.
- Suizen-Otsuake-Tai
  - Regional collaboration activities to preserve groundwater in Minami-Aso village.
- Cooperation with NPOs, etc.
  - Approved Specified Nonprofit Corporation Network for Coexistence with Nature, etc.:
    - "Kogakai-Kindai"
  - Charitable Trust FujiFilm Green Fund, etc.:
    - "Watsuji-no-
      Shizenkansatsuairo Competition"
- Support to the Biodiversity Action Award Japan
  - We have been providing digital cameras for the prize winners as ‘Fujifilm Awards’ through the Japan Committee for UNDE (United Nations Decade on Biodiversity) that host the Award.

Future Prospects

We will continue our design for environment and various regional activities. In addition, we will construct a reliable measure for domestic procedures for the Nagoya Protocol in Japan and strengthen the management of paper procurement in our subsidiaries.

Biodiversity Action Award Japan 2015 (Fuji Xerox)

Since its foundation, the Fujifilm Group has engaged in a wide range of environmental protection activities for the conservation and protection of biodiversity, based upon philosophy of “environmental consciousness and environmental protection are at the core of our corporate activities,” as we have needed lots of water and clean air to produce photographic films.

In June 2009, we clarified our guideline for cross-group efforts to biodiversity conservation and introduced the “Fujifilm Group Basic Concepts and Action Guidelines for Biodiversity Conservation” (hereafter, “Guidelines for Biodiversity”). In 2012, we reviewed our biodiversity approach under the four key elements of factories, products, social contribution, and communication, in order to implement biodiversity conservation activities linked with our businesses. Fujifilm and Fuji Xerox work on a number of biodiversity conservation activities related to their businesses, respectively.

Fujifilm continues its evaluation based on the Rule for Design for Environment (DfE) from the viewpoint of biodiversity conservation, and promotes development of environmentally conscious products.

In FY2015, we participated in the Taskforce Committee for the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing for Genetic Resources (ABS) led by the Ministry of Economy, Trade and Industry in Japan, as we had in FY2014, to obtain the latest information on the progress with Japan’s accession to ABS, on working and trends in overseas legislation. At Fuji Xerox, where paper is an essential commodity, we refer to guidelines for biodiversity when procuring paper. We also held the Committee for Socially Beneficial Paper Procurement (FX)

Reinforcing Risk Management for Safety of Employees Overseas

Since 2007, Japan has become the paper-making society in which the ratio of the population aged 65 and above exceeds 21%. We recognize that it is an important issue for a corporation to support its employees’ working styles to create time for nursing care. Fujifilm submitted a “Contribution on Nursing Care” to employees and results from the survey revealed that many employees will potentially need to care for their family members in the near future and this possibility makes them concern their caring and work.

Career Advancement for Women

Enhancing the human resource (HR) program and training to reinforce a corporation’s competitiveness continues to be an urgent matter. In order to develop human resources who can lead company transformation, and to appoint the right staff to the right positions, it is necessary to visualize existing human resources and enable flexible appointments by standardizing assessment systems, training programs, labor rules, and HR databases throughout the group companies. In April 2016, Fuji Xerox integrated the HR training programs and HR information systems for 23,000 employees in affiliates and sales companies in Japan. Through this integration, Fuji Xerox intends to increase the flexibility of human resource utilization beyond the borders of individual companies aiming to enhance the opportunities and places for employees to exert their talents, and in turn creating a more empowering corporate culture. Such HR database integration will also standardize HR processes and reduce HR costs.

At the same time, Fuji Xerox introduced the Program for Accompanying a Spouse’s Transfer as part of its initiative to advance employees’ careers. The program provides an opportunity for employees to work in any Fuji Xerox office—including those overseas—to continue their career in the case that their spouses are transferred to another location.

Fujifilm continues to promote a corporate culture and systems that motivate and empower individual employees to achieve their potential.
Promoting Healthy Lives through Integrated Management of Procurement Information

Full Xerox launched operation of a new system that enables unified management of procurement-related information on a global scale. It consists of enhanced Electronic Data Interchange (EDI)* functions for e-commerce with major suppliers and its Procurement Business Continuity Plan (BCP) system. The number of document types handled in the system has been increased in the enhanced EDI system. The new system also supports a progress management function that handles various inquiries and responses between Fuji Xerox and its suppliers. Such inquiries and responses can be viewed by procurement managers and related staff members in Full Xerox, under appropriate access controls. This enables full organization-wide management of procurement information, improving administrative efficiency and reducing costs in Full Xerox procurement departments, as well as for its suppliers.

Promoting Health Activities among Employees

As a part of the countermeasures for this issue, FUJIFILM Holdings America Corporation (FUJIFILM) and FUJIFILM Manufacturing U.S.A., Inc. (FFQ) have introduced health and safety programs called “FUJIFILM Fit” and “FUJIFILM EriGir.” The programs consist of various activities to reduce MSDs, including an exercise promotion campaign that encourages participation in group exercises, stretching, and other body maintenance exercises, as well as an improvement plan for the work environment and work-related processes. These programs successfully eliminated injuries caused by MSDs in FY2015, producing a significant result of zero workplace accident costs. The programs also encouraged employees to continue their healthy habits in their private lives.

Integrated Management of Procurement Information

The procurement BCP system was built by linking various databases that support the creation and execution of BCPs, commencing operations in 2012. This system has significantly reduced the time spent on managing risks. Connecting the EDI and the procurement BCP systems enables integrated management of all risks and procurement information held in different production sites in a timely manner. Further, linking the EDI system with the databases under the BCP system would improve procurement work efficiency and enhance responsiveness in the event of an emergency or disaster.

Better Product together with Business Partners

To continue to be able to offer products with high reliability, close collaboration with business partners is indispensable. As a part of value chain management, FUJIFILM Imaging Systems (Suzhou) Co., Ltd. and FUJIFILM (China) Investment Co., Ltd. have together started a work process improvement activity to assist their business partners in China to realize a stable supply of high quality medical equipment. We continuously access to partners’ production line to review the production processes, create procedural manuals, and offer advice. This close collaboration with business partners helps to create an environment that ensures the supply of safe products with stable quality, enabling us to construct value chains that can win our customers’ trust.

Business Continuity Plan in Emergency Situations

The major earthquake that hit Kumamoto Prefecture, Kumamoto, on April 16, 2016, caused significant damage to the production line at FUJIFILM Kyushu (FFQ), located in Kikuyo-cho, Kumamoto Prefecture. FUJIFILM’s polarizer protective film used in LCDs, boasts a 70% share of the world market, and more than 40% of this film is produced in FFQ. A breakdown at FFQ could have serious consequences for the world’s LCD production, and therefore an immediate assessment of plant damage and the possibilities for business continuity were needed following the earthquake.

Full Xerox had already reinforced its disaster countermeasures after the Great East Japan Earthquake in 2011. All of our group companies collaborated in organizing a disaster recovery system and have continued to improve it, while conducting regular emergency drills. Our BCP specifies the formation of an Emergency Management Team (EMT) in the event of a major disaster. The EMT comprises various departments, which gather general disaster information and specific information on damage within the Fuji Group, in order to take appropriate responsive actions. In the case of the Kumamoto Earthquake, the EMT was formed within four minutes of the occurrence of the preliminary earthquake on April 14. The team immediately started checking the safety of FFQ employees and gathering damage information utilizing the systems for both response and the safety checks of employees. The first disaster report to management was made within 30 minutes.

Better Product together with Business Partners

Supporting improvements in the production environment

The number of failures has significantly decreased through reviews of work processes, etc.

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Integrated Management of Procurement Information

Supporting prompt management decision-making by linking to the procurement BCP system

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*EDI (Electronic Data Interchange): Exchanging order forms, invoices, and other trading information in electronic format between the computers of trading partners, thereby eliminating the physical movement of documents and reducing costs and errors.
Products and Services Which Reflect Our Customers’ Views

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

Fujifilm

Since Fujifilm deploys its businesses in a wide range of fields, it has a wide variety of customers, from companies and hospitals to regular consumers, and it responds to their views according to the special characteristics of each product respectively. Each customer center reports their customer’s opinions and proposals and requests related to products to the relevant departments (sales, marketing, design, development, research, etc.) to improve our products and services. For this purpose, we pay special attention to communicating with our customers at customer centers which are our point of contact with them. We aim to correctly grasp their views, as well as seek to respond in a speedy, kind, accurate and fair manner, and we are constructing a system to link these views to improvements in product development and our work processes.

Fuji Xerox

At Fuji Xerox, we believe that customer satisfaction (CS) is fundamental to all our corporate activities. It is important to know the demands and expectations of customers in order to enhance customer satisfaction. We put importance on interactive communication with the customer, and a basis to raising customer satisfaction is accepting the opinions from the customer provided through the following sources and engaging in continual improvements: (1) the integrated customer support center (the main contact point for customers); (2) the Voice of Customer (VOC) collection system; (3) official website; (4) various market researches; and (5) the CS programs to make improvements based on the CS surveys conducted by external organizations in FY2015.

Customer satisfaction survey

- Customer Satisfaction Questionnaire Survey Results
- Competitive Benchmarking CS Program
- Fuji Xerox’s CS Program (Improvement activities based on the CS surveys)
- FY2015 External Appraisals (Fuji Xerox)

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**Digital Inclusion—Aiming to create a society with lessened gaps by utilizing ICT**

With the dissemination of ICT and its establishment of the infrastructure that supports our everyday living, the concept of "digital inclusion," aimed at creating a society in which everyone can benefit from ICT, is drawing attention. The Fujifilm Group offers new systems and services based on ICT to eliminate the divide for as many people as possible, and to create an environment that offers them access to a wide range of services.

Fujixerox is working on building a local medical liaison service connecting medical clinics, major hospitals and specialized hospitals at the regional level. By building a mechanism that offers access to quality medical services regardless of where a person lives, it leads to the establishment of medical services without a regional divide. Fuji Xerox is also supporting the voluntary production of large-font textbooks for children and students with poor eyesight. By the adoption of the so-called "barrier-free textbook law," textbook publishers can produce large-font textbooks using digital data. Our supports for such printing processes contribute to diminish the educational gap for children with visual disabilities impairments.

Through our business activities, the Fujifilm Group will continue to support the realization of the society where a large number of people can access to services without gaps.

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**Fuji Xerox**

For us, “accessibility” refers to putting something that cannot be used in a state so that it can be used, while “usability” refers to making a part that is difficult to use more usable. We think of expanding the target customers to enable “user diversity” as being “universal design,” and we are currently developing products that aim to enable “everyone and everyone to use them by themselves.” For example, when copying, it is important that a customer can conduct a series of operations such as authentication, setting the manuscript to be copied, selecting functions, output, and replacement of paper. If someone is unable to do even just one of these, they will have to give up or ask someone else for help. In developing our products, we have collected information from listening to and visiting customers, etc. We design, develop and conduct evaluations in operability testing of products based on various internal guidelines that reflect or are in collaboration with JIS or the ISO, and enabling designers to experience for themselves simulations of operating a product from a wheelchair or with poor eyesight.

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**Outline of Activities in FY2015**

- Fujifilm
  - Manufacturing Which Responds to the Needs to a Wide Variety of Customers
  - Social Contribution Activities

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**Social Contribution Activities**

The Fujifilm Group is committed sincerely to contributing to the sustainable development of society in aspects of working together with local communities as a good corporate citizen and responding to the demands and expectations of those communities. In 2008 we formulated the Fujifilm Group Social Contribution Policy, based on which we are conducting activities focusing on the fields of research and education, culture, arts and sports, health and environmental conservation through cooperation and collaboration with NGOs/NPOs, local communities and others and in active support of volunteer activities conducted by employees.

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**Outlook of Activities in FY2015**

- Fujifilm
  - Social Contribution Activities
  - Cost for social contribution activities

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**Cost for social contribution activities**

- Education for future generations: 12
- Harmony with the local community: 94
- Maritime culture and the arts in society (Japan): 362
- Cooperation for the international community and international culture: 103
- Cooperation with NGOs and NPOs: 17
- Total: 1,535

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**Social Contribution Activities Continued by the Fujifilm Group**

- Connecting Photo Project (Fujifilm)
- Creating digital archives of cultural assets (Fujifilm)
- The Heart to Heart Communication Project (Fujifilm)
- Education for NPOs/NGOs (Fujifilm)
- Asian Culture (Fujifilm)
- Restoring Ancient Manuscripts (Fujifilm)
- Pink Ribbon Campaign (Fujifilm)
- Photo contest for young people (Fujifilm)
- Support for the publication of large-font textbooks (Fujifilm)
- Support for the education in emerging countries (Fujifilm)
- Fuji Xerox Co., Ltd. Satellite Ayatani Memorial Fund (Fujifilm)
- Fuji Xerox Phototechnics Co., Ltd. (Fujifilm)
- Support for the education in emerging countries (Fujifilm)

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**FUJIFILM  Sustainable Value Plan 2016**

FUJIFILM Holdings Corporation Sustainability Report 2016
Tree planting activity in China now involves the printing industry

Since 1998, the Fujifilm Labor Union has been undertaking greening activities in the Horqin Desert of the Inner Mongolia Autonomous Region of China. Employees of Fujifilm China Investment Co., Ltd., along with those from affiliated companies and sales agencies in China, joined the activity in 2008 and a total of 411 people have participated in the activity to 2015.

In 2015, Fujifilm China Investment, the Printing Technology Association of China, and China Print Association, together started the Tree Planting Activities through the Industrial Collaboration of Green Printing. We aim to increase tree planting activities and green-printing within the Chinese printing industry.

Delivering safe water and sanitary services to deprived areas jointly with an international NGO

From 2012, FUJIFILM Europa GmbH has been supporting WaterAid, an NGO that provides clean water, sanitation and hygiene services to deprived areas throughout the world, by donating some of the profits made from eco-friendly printing products. In 2015, we visited Malaria in Africa with WaterAid members to gain a better understanding of their activities.

Photo Camp for young people continues from 2007

FUJIFILM Malaysia Sdn. Bhd. holds a youth photography camp every year. This camp offers an opportunity to students to brush up their photography skills, learn to observe and cultivate their creativity as well as sense of art. Students diligently printed and presented their work in print. The camp started in year 2007 and continues till 2015 in Malaysia and is believed to over 10,000 students.

Collaboration with an NGO and Japanese companies helps improve educational conditions for children in a deprived area

Together with a local NGO, Fuji Xerox Vietnam renovated 10th Hour Huu primary school located in a poor area of Nghe An, Vietnam. The school, where children had to study in difficult conditions in a derelict building, was granted a school pack containing stationery, such as a notebook, pencils, as well as a snack and drink, which were donated by seven companies including Japan Ross, an affiliate in Vietnam. As a result of the project, the students were able to continue their education in a proper environment. The project was conducted through the collaborative CSR activity with other companies and an NGO.

Help for explosion sufferers using a regenerative medicine

Japan Tissue Engineering Co., Ltd. has donated autologous cultured epidermis, “JACE,” to local medical institutions treating victims of a dust explosion at Formosa Fun Coast in Taiwan that occurred in June 2015. In accordance with a request from the Taiwan Food and Drug Administration, JACE culturing was undertaken and five patients received grafts of JACE under close collaboration between medical organizations in Taiwan and Japan. This was the first time in which international support by a Japanese company has provided a regenerative medicine.

Letter of Appreciation from Taiwan government

Activities to Support Recovery from the Great East Japan Earthquake

FUJIFILM Holdings, FUJIFILM, and Fuji Xerox participated in the March for Disaster Relief in 2011, organizing the Fuji Xerox InterField to help the Tohoku district in Japan. The March is being expanded to other business offices as a support event in which employees can easily participate.

In addition, a donation-booking site was set up to share information on recovery support activities conducted by FUJIFILM and Fuji Xerox in Japan, such as social issue solution programs held under the Toho no Kizuna (Toho no Bond) project led by the Innovative Foundation. Sales of “Fuji Xerox InterField” share cards were also used to support the Tiho no Kizuna (Toho no Bond) project to build a new school to replace the “Ishida School,” which had suffered heavy damage from the earthquake and tsunami and was struggling in its long-term plan to continue.

Support for Kumamoto earthquake sufferers

FUJIFILM Holdings, FUJIFILM, and Fuji Xerox jointly sent a donation, along with water, food, and daily goods. We also provided the following supports:

• Charity funds by employees
  Charity funds were also collected at Fujifilm Group companies, in cooperation with some labor unions. Collection funds are donated to Kumamoto Prefecture, etc.

• Provision of waterproof sheeting
  Waterproof sheeting stored for emergency facility protection in each business site were donated to some local citizens.

• Lending analyzers and diagnostic equipment without charge
  Providing analyzers and diagnostic equipment without charge to help diagnose deep vein thrombosis and to cover system failures by water outages.

• Lending multifunction devices without charge
  Donation from online shop points
  Fuji Xerox InterField operates e-Quix, an online store of office supplies for corporate members. The company utilized the points generated by customer purchases as a means to donate points worth ¥200 per point donated through an annual campaign of ¥350 per 100 points donated through Fuji Xerox.
Adapting to the Corporate Governance Code

The Company has taken steps to respond to the Corporate Governance Code enacted in June 2015. In October 2015, the Company broadly defined its basic approach to corporate governance and formulated the FUJIFILM Holdings Corporation Corporate Governance Guidelines with the goal of maintaining accountability to stakeholders.

In the Guidelines, the company discloses some items such as evaluation of the effectiveness of the Board of Directors, selection criteria for Director Candidates and Audit & Supervisory Board Member Candidates, criteria for independence of Outside Directors and Outside Audit and Supervisory Board Members, and policy on training of Directors and Audit & Supervisory Board Members.

**Corporate Governance Structure**

FUJIFILM Holdings has positioned the board of directors as the organization for determining basic Group management policies and strategies and other important matters relating to business execution, as well as supervising the implementation of business affairs. The company’s Articles of Incorporation stipulate that the board can consist of up to 12 directors. Currently, the board has 12 directors, including two outside directors. To better clarify their missions and responsibilities, the directors have a one-year term of office. The attendance of outside directors to the board of directors meetings held during the term ended March 2016 was 96% (nine meetings in total). Additionally, FUJIFILM Holdings has adopted an executive officer system to facilitate speedier business execution. The Company currently has 12 executive officers, including six concurrently serving as Board members. The executive officers have a one-year term of office, the same as the Company's Directors. The Company discloses the number of individuals to whom remuneration is paid and the total amount of remuneration by Directors as well as Audit and Supervisory Board members.

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

**Communication with Stakeholders**

In addition to opinions relating to our CSR activities as a whole, regarding priority issues such as the promotion of anti-global warming measures, the promoting body for each issue conducts briefings on the content of the activities and presents the respective report to external parties, to receive their advice and evaluation. Looking back over our activities and obtaining the views of external parties in this way provides a good opportunity to reexamine our activities. We plan to continue these efforts to make them better activities in the future.

**The Fujifilm Group’s CSR Promotion System and Related Policies**

We established our Approach to CSR in 2006 in view of the importance of CSR in achieving sustainable growth in an age of tumultuous changes in the business environment, and of its value not only to top management but to each and every employee. Subsequently, seven policy statements (the Green Policy, Social Contribution Policy, Guidelines for Biodiversity, Procurement Policy, Quality Policy, Occupational Health and Safety Policy and Global Security Trade Control Policy) have been established and implemented.

The Fujifilm Group established the CSR Committee chaired by the President of FUJIFILM Holdings. The Committee takes decisions to promote the CSR activities of the entire Group. The CSR Department of FUJIFILM Holdings, which is the Secretariat of the CSR Committee, is responsible for designing and implementing the CSR activities of the Group. The CSR Department prepares the ground for various activities, discloses information outside, communicates with stakeholders, supports the CSR activities of Group companies, and audits the CSR activities of the entire Group. The CSR Department in each Group company prepares and implements specific plans according to the overall CSR Group plan. It reviews the annual results and reports on activities to the FUJIFILM Holdings CSR Committee. The Group as a whole moves our CSR activities forward with a sense of unity.

**Audit**

FUJIFILM Holdings has adopted a system of Audit & Supervisory Board, which currently consists of four members, including two outside members. Each Audit & Supervisory Board member attends the board of directors’ meetings, while full-time employees attend all Management Council meetings in order to assess our overall business operations. The attendance of outside auditors to the board of directors meetings held during the term ended March 2016 was 100% (nine meetings in total). Also, the attendance of outside auditors to the Audit & Supervisory Board meetings held during the term ended March 2016 was 100% (11 meetings in total). In addition, FUJIFILM Holdings has the Internal Audit Division with a staff of eight, which is independent of the business execution divisions. The division is responsible for auditing the Group companies, in cooperation with or sharing tasks with the internal audit divisions of such companies, in order to assess and verify that the execution of these processes is fair and valid.
## CSR Management

### The Fujifilm Group’s Communications with Stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Main Issues and Areas of Responsibility</th>
<th>Methods of Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Securing the safety and quality of products, Design for the Environment</td>
<td>Customer Center (liaison office for responding to inquiries), Usability evaluation meetings and monitor surveys,</td>
</tr>
<tr>
<td>Employees</td>
<td>Ensuring occupational health and safety, Proper handling of customer satisfaction levels</td>
<td>Customer satisfaction surveys, Customer responses &amp; support</td>
</tr>
<tr>
<td>Shareholders &amp; Investors</td>
<td>Maintenance and expansion of corporate value, Appropriate risk management of profits</td>
<td>General shareholders meetings/Business report (Chairpersons/Directors for investigating), FCI conferences/Individual meetings</td>
</tr>
<tr>
<td>Transaction Partners</td>
<td>Thorough implementation of fairness &amp; transparency in Transactions, Promotion of CSR issues in the supply chain, such as human rights and the environment</td>
<td>Environmental communication meetings/factory tours, Community awareness activities, Regular discussions with partners, Liaison office for responding to inquiries (Corporate Communication/Office)</td>
</tr>
<tr>
<td>Future generations &amp; local societies</td>
<td>Contribution activities which make use of our main business strengths, Respecting local culture &amp; customs and environmental conservation</td>
<td>Community volunteer activities, Regular discussions with local governments (city hall, mayor, community association presidents, etc.), Liaison offices at each factory &amp; office, Dispatch of lecturers to the academic organization &amp; sponsored events</td>
</tr>
<tr>
<td>Government organizations &amp; other associations</td>
<td>Legal compliance, Joint research &amp; development and cooperation in public policy aimed at the resolution of social issues</td>
<td>Participation in various industrial committees, Participation in the development of industry guidelines, Announcement of public comments through industry associations, Joint research &amp; development of government or industry association, Proposals aimed at the resolution of social issues</td>
</tr>
<tr>
<td>NGOs &amp; NPOs</td>
<td>Dialogue, collaboration and support aimed at the resolution of social and environmental issues</td>
<td>Obtain views on the Sustainability Report, Participate in stakeholder dialogue, Administration committees of Public Trust Fujifilm Green Fund, Review meetings on various CSR issues, Affiliated area support activities with NPO</td>
</tr>
</tbody>
</table>

### Dialogue on activities in human rights due diligence

Fujifilm participated in the Business and Human Rights Conference in Tokyo hosted by the Caux Round Table Japan (co-hosted by the Institute for Human Rights and Business, etc.) in September 2015, and held an individual dialogue with foreign experts promoting human rights activities regarding our Group’s CSR policy and its activities aimed at due diligence in human rights, focusing chiefly on CSR procurement. Our wide-ranging business activities and aggressive effort to resolve social issues drew great interest from the experts. We also won high praise also for our CSR Procurement Guidelines that lay out its requirements for suppliers. At the same time, the experts expressed the hope for appropriate assessment and management of suppliers’ status for our CSR procurement activities, including on-site audits, and greater action to make corrections in case of problems at suppliers. The suggestions received from the experts will be utilized to meet the expectations of society and to further expand our activities.

### Family office tours for better communication between employees and their families

Fujifilm Omiya Office holds “Omiya Family Day” (office tours for employees’ family members and summer festival), an event hosted by the management and labor union aimed at fostering greater solidarity at the workplace. Held for the second time, there was greater employee interest in participating in 2015, drawing 170 people from 51 families to the workplace open house, and 817 participating in the summer festival.

The office tour featured a “Photo Adventure,” in which participants take pictures at designated locations while exploring the offices where employees work, and opportunities to touch and experience products being developed at Fujifilm. The summer festival held after the office tour offers games involving family members and contests between workplaces, fostering mutural communication. Such opportunities to promote greater understanding from family members toward the workplaces and work of the employees are expected to foster greater employee incentive and to create a foundation for mutual assistance and ease at work.

### Dialogue on the environment with regional stakeholders and community opinions

To participate as a member of the local community, Fujifilm Group discusses its environmental conservation activities and at the same time holds events in various parts of the country to listen to the opinions of local residents.

Fujifilm Corporation, Fujifilm, FUJIFILM Techno Products and Fuji Xerox Manufacturing based in the Kaisai area of Kanagawa Prefecture jointly hold environmental communication meetings with local community associations each year. In FY2015, 28 citizens were participated and presented various opinions on the Group’s environmental conservation and regional communication activities. The four companies plan to continue working together for active communication with the local communities.

At Fujifilm Fujinomiya Factory, environmental dialogue sessions are being held with the citizens of the surrounding community of the Factory. The FY2015 meeting, as the 11th annual meeting, was held in February 2016, attracting a total of 52 participants consisting of local residents including junior high school students, as well as administrative officers representing Shizuoka Prefecture and Fujinomiya City. Lively exchange took place, including questions and answers on the deregulation of the electric power business currently attracting public attention in Japan. Fujinomiya Factory will continue promotion of deeper exchange with local governments and companies and fostered a greater communication focusing on the environmental conservation with the local communities.
Compliance and Risk Management

Compliance

- **Compliance education (Fujifilm in Japan)**
  - **Intended audience**: All employees, New employees
  - **Details**: Overall compliance (by CP & RM*)
  - **2015 results**: 1,121 participants

- **Compliance education (Fujixerox in Japan)**
  - **Intended audience**: All managerial staff, New executive officer training
  - **Details**: Basic knowledge of compliance, employee code of conduct, corporate rules, consulting faculty, etc.
  - **2015 results**: 36,648 participants

Risk Management

- **Acquisition of P-Mark and ISMS (As of May, 2016)**
  - **Certification**: P-Mark*, ISMS
  - **Certified companies and affiliated companies**:
    - FUJIFILM Global Graphic Systems Co., Ltd., FUJIFILM General Global Systems Co., Ltd.
    - FUJIFILM Imaging Systems Co., Ltd., FUJIFILM Imaging Systems Co., Ltd.
    - FUJIFILM Techno Service Co., Ltd., FUJIXerox System Service Co., Ltd.
    - Fuji Xerox Learning Institute Inc., Fuji Xerox Media Credit Co., Ltd.

Personnel and Labor (FUJIFILM Corporation)

Employment

- **Composition of the Fujifilm workforce**
  - **As of March 31, 2016**
    - **Regular employees**
      - Male: 5,162, Female: 3,898
    - **Non-regular employees**
      - Temporary employees: 207

- **Number of employees taking a leave of absence**
  - **As of March 31, 2016**
    - **Leaves of absence for personal reasons**
      - Male: 1,148, Female: 916
    - **Leaves of absence for volunteer work**
      - Male: 1,148, Female: 916

- **Status of regular employees**
  - **As of March 31, 2016**
    - **Average age**: 44 years old
    - **Average seniority**: 15 years

- **System for a good work-life balance**
  - **Introduction of Paid Leave by the Hour System**
  - **Home Working System**
  - **Flextime and Nursing Leave**

Labor

- **Composition of labor union membership**
  - **As of March 31, 2016**
    - **Unions**
      - Male: 32,278, Female: 29,094
    - **Average age**: 56 years

- **Work accident rate and work accident severity**
  - **2015**
    - **Work accident rate**: 0.019
    - **Work accident severity**: 0.0005

- **Occupational Health and Safety Committee**
  - The Occupational Health and Safety Committee convenes with same number of labor and management representatives, in compliance with laws and regulations.

- **Revisions to systems operating in accordance with agreements between the labor union and the company (the last five years)**
  - As of March 31, 2016
**Personnel and Labor (Fuji Xerox)**

### Employment

#### Composition of the Fuji Xerox work force

<table>
<thead>
<tr>
<th>Year</th>
<th>Full-time (Female)</th>
<th>Full-time (Male)</th>
<th>Part-time</th>
<th>Temporary</th>
<th>Non-regular</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>23</td>
<td>10,032</td>
<td>60</td>
<td>80</td>
<td>348</td>
</tr>
</tbody>
</table>

#### Status of regular employees

<table>
<thead>
<tr>
<th>Average age</th>
<th>Monthly number of employees</th>
<th>Average service years (Year 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max</td>
<td>49.3</td>
<td></td>
</tr>
<tr>
<td>Min</td>
<td>20.6</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>29.8</td>
<td>1.22</td>
</tr>
<tr>
<td>Num. of employees re-employed after resignation*2</td>
<td>60 million yen</td>
<td></td>
</tr>
</tbody>
</table>

#### Recruitment

<table>
<thead>
<tr>
<th>New graduate employees (FY2015)</th>
<th>Technical professionals (Male: 2,375, Female: 138)</th>
<th>Managerial personnel (Male: 2,375, Female: 138)</th>
<th>General employees (Male: 5,104, Female: 1,156)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2,618</td>
<td>2,618</td>
<td>6,260</td>
</tr>
</tbody>
</table>

#### Number of employees taking a leave of absence

<table>
<thead>
<tr>
<th>Leave of absence</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover leave</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Accumulated leave</td>
<td>506</td>
<td>554</td>
</tr>
<tr>
<td>Remuneration</td>
<td>50</td>
<td>0</td>
</tr>
</tbody>
</table>

#### System for a good work-life balance

- **Accumulated leave** for caring for a family member
  - Monthly leave (5 working days) for a family member
  - Long-term leave (1 month) for a family member
  - Special leave for supporting the wife during her childbirth period (first child: 2 days; second child: 7 days)

### Labor

#### Work accident rate and work accident severity

<table>
<thead>
<tr>
<th>Year</th>
<th>Work accident rate</th>
<th>Work accident severity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.0%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

#### Revision of systems operating in accordance with agreements between the labor union and the company

- **Changes in work system to it's employee's convenience**
  - Establishment of the next generation eco-friendly material technologies, such as biomass
  - Establishment of the next generation eco-friendly material technologies, such as biomass

#### Environmental Aspects

**Priority Targets**

1. **Contributing to resolving environmental issues through products and services**
   - Measures against global warming
   - Resource conservation
   - Environment

2. **Promoting the reduction of energy costs through measures against global warming**
   - Target: By FY2020, reduce Co2 emissions throughout the life cycle of products by 50% based on the standards set in FY 2005.

3. **Promoting the efficient use of resources**
   - Use energy efficiently by the 10% (Reduce-Reuse-Recycle).
   - Reduce waste. (By yield increase, reuse of manufacturing waste, consignment of waste to waste facilities.
   - Conserve energy as to contribute to resolving energy issues and promote the reduction of energy costs.

4. **Dress up Fuji’s policy on the promotion of measures against global warming from 2020 and beyond**

---

*Figures shown may not reflect the sum of each behavior individually.

**Fuji Xerox FY2016 Priority Issues**

- **Priority Issues**
  - **Strategies**
    - 1. Contributing to resolving environmental issues through products and services
      - Developing and disseminating products and services that contribute to resolving environmental issues.
      - Measuring Co2 reduction, resource conservation, etc.
      - Quantifying Fujifilm’s contribution to Co2 reductions based on the Environmental Contribution Evaluation to contribute to environmental awareness campaigns.
    - 2. Developing the ability to contribute to resolving water resource issues based on the Water Footprint Guidelines to convey our efforts to customers.
    - 3. **Promoting the efficient use of resources**
      - Use energy efficiently by the 10% (Reduce-Reuse-Recycle).
      - Reduce waste. (By yield increase, reuse of manufacturing waste, consignment of waste to waste facilities.
      - Conserve energy as to contribute to resolving energy issues and promote the reduction of energy costs.
    - 4. **Develop new products and services**
      - Dress up Fuji’s policy on the promotion of measures against global warming from 2020 and beyond**

---

*Figures shown may not reflect the sum of each behavior individually.
**Environmental Aspects**

**Anti-Global Warming Measures**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan manufacturing</td>
<td>1,584</td>
<td>1,918</td>
<td>2,003</td>
<td>2,003</td>
<td>2,072</td>
<td>2,050</td>
<td></td>
</tr>
<tr>
<td>Japan non-manufacturing</td>
<td>20</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Overseas manufacturing</td>
<td>3,458</td>
<td>3,572</td>
<td>3,443</td>
<td>3,511</td>
<td>3,472</td>
<td>3,311</td>
<td></td>
</tr>
<tr>
<td>Overseas non-manufacturing</td>
<td>70</td>
<td>20</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Group total</td>
<td>5,468</td>
<td>5,568</td>
<td>5,508</td>
<td>5,571</td>
<td>5,308</td>
<td>5,250</td>
<td></td>
</tr>
</tbody>
</table>

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

**Energy-Saving Measures**

**Annual changes in energy consumption**

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>Overseas</th>
<th>Group total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>364</td>
<td>285</td>
<td>649</td>
</tr>
<tr>
<td>2012</td>
<td>363</td>
<td>284</td>
<td>647</td>
</tr>
<tr>
<td>2013</td>
<td>352</td>
<td>275</td>
<td>627</td>
</tr>
<tr>
<td>2014</td>
<td>352</td>
<td>275</td>
<td>627</td>
</tr>
<tr>
<td>2015</td>
<td>350</td>
<td>273</td>
<td>623</td>
</tr>
</tbody>
</table>

**Conserving Resources Measures**

**Annual changes in valuable resources**

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>Overseas</th>
<th>Group total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>18,487</td>
<td>21,954</td>
<td>40,441</td>
</tr>
<tr>
<td>2012</td>
<td>18,474</td>
<td>21,933</td>
<td>40,393</td>
</tr>
<tr>
<td>2013</td>
<td>18,442</td>
<td>21,900</td>
<td>40,342</td>
</tr>
<tr>
<td>2014</td>
<td>18,410</td>
<td>21,868</td>
<td>40,278</td>
</tr>
<tr>
<td>2015</td>
<td>18,378</td>
<td>21,836</td>
<td>40,214</td>
</tr>
</tbody>
</table>

**Activities on Biodiversity Conservation**

**Activities on biodiversity conservation - online**

- Measures related to biodiversity conservation (on going)
- Measures related to biodiversity conservation (mid-term target)
- Measures indirectly related to biodiversity conservation

**Activities on biodiversity conservation - offline**

- Conservation of species
- Conservation of habitats
- Conservation of ecosystems
- Environmental education
- Research and development
Environmental Aspects

Pollution Prevention Measures

Annual changes in volume of atmospheric emissions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>254.5</td>
<td>259.0</td>
<td>246.5</td>
<td>223.3</td>
</tr>
<tr>
<td>Overseas</td>
<td>22</td>
<td>20</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Group total</td>
<td>276.5</td>
<td>279.0</td>
<td>267.5</td>
<td>245.3</td>
</tr>
</tbody>
</table>

SDs emissions

- Excludes PCB in minute quantity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>9.0</td>
<td>9.5</td>
<td>8.8</td>
<td>9.0</td>
</tr>
<tr>
<td>Overseas</td>
<td>0.5</td>
<td>0.4</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Group total</td>
<td>9.5</td>
<td>9.9</td>
<td>9.0</td>
<td>9.1</td>
</tr>
</tbody>
</table>

NOx emissions

- Excludes PCB in minute quantity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>2.9</td>
<td>5.5</td>
<td>4.8</td>
<td>4.2</td>
</tr>
<tr>
<td>Overseas</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Group total</td>
<td>2.9</td>
<td>5.5</td>
<td>4.8</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Domestic and International Appraisals

Evaluations by SRI research agencies

- RobecoSAM Sustainability Award 2016
- Gold Class & Industry Leader

Evaluations by the international non-profit organization, CDP
- Climate Disclosure Leadership Index (CDLI)

Appraisals and awards in FY2015

<table>
<thead>
<tr>
<th>Company</th>
<th>Award</th>
<th>Description</th>
<th>Awarding entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUJIFILM Holdings Corporation</td>
<td>Awards from Ministry of Economy, Trade and Industry, FY2015 Regional Environmental Award</td>
<td>Ministry of Economy, Trade and Industry, Japan</td>
<td></td>
</tr>
<tr>
<td>FUJIFILM Corporation</td>
<td>入選および環境友好的な製品評価等</td>
<td>Environment and Global Issues, FUJIFILM Corporation</td>
<td></td>
</tr>
</tbody>
</table>

Legal Compliance Measures

Legal compliance and reports on complaints in FY2015

In 2015, there were two violations of environment-related laws for which we were convicted and nine customer complaints (three in Overseas) and nine incidents (of which nine were customer complaints). Violations were all convicted of infringement of document management regulation at our overseas facilities.

Legal Compliance Measures

Reduction of Chemical Substances Emissions

- Response to the PRTR Law (FUJIFILM and its domestic affiliates)
- In addition to those substances that are reported under the PRTR Law (Pollutant Release and Transfer Register Law), the Group also reports other substances specified by the Japan Chemical Industry Association as requiring environmental monitoring, and is endeavoring to reduce these on a destination-by-destination basis. Data consist of atmospheric emissions volume, emission into public water systems, atmospheric emissions volume, and waste volume outside of facilities, and volume recovered on substances used in amounts less than one ton per year by FUJIFILM and its domestic affiliates may be found on the following website:

http://www.fujifilm.co.jp/environment/entry/environmental/entry.html

Storage and management of devices/equipment containing PCBs

- PFAS released at the rate of 13,484 kg in FY2015

Reductions in VOCs atmospheric emissions

- Reduction rate in VOCs atmospheric emissions

<table>
<thead>
<tr>
<th>Type of device</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latex leak</td>
<td>100%</td>
<td>98%</td>
<td>96%</td>
<td>94%</td>
</tr>
<tr>
<td>Rubber seal</td>
<td>100%</td>
<td>98%</td>
<td>96%</td>
<td>94%</td>
</tr>
<tr>
<td>Sludge, etc.</td>
<td>100%</td>
<td>98%</td>
<td>96%</td>
<td>94%</td>
</tr>
</tbody>
</table>

Group total | 100% | 98% | 96% | 94% |

Response to environment-related complaints and legal violations in FY2015

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>FY2015</th>
<th>FY2014</th>
<th>FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUJIFILM Corporation</td>
<td>LSR research</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FUJIFILM Corporation</td>
<td>LSR research</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Number of legal violations (number of cases solved) | 9 (6)  | 6 (5)  | 3 (4) |
Number of complaints (number of cases solved) | 9 (6)  | 6 (5)  | 3 (4) |
Number of incidents (number of cases solved) | 9 (6)  | 6 (5)  | 3 (4) |
Sustainability Accounting
(Labor Environment and Social Benefit Accounting, Environmental Accounting)

Labor Environment and Social Benefit Accounting

**Overview of FY2015**
- Expenditure on improving working conditions and for socially beneficial activities for different stakeholders is summarized.
- Efforts are made to create a worker-friendly environment through expanding educational seminars and supporting mental healthcare programs.
- For local communities, expenditure includes a donation to build the Japan Photographic Preservation Center and a project donation to the Nature Conservation Society of Japan. In the promotion of art and culture, expenditure included Fujifilm Square as the base for preservation and communication concerning photographic culture, as well as for photo contests.

**Period of coverage**
- FY2015 (April 1, 2015 to March 31, 2016)

**Scope of labor environment and social benefit accounting**
- 69 domestic companies in the Fujifilm Group (FUJIFILM Holdings, Fujifilm and 18 Fujifilm affiliates, Fujixerox and 46 Fujixerox affiliates, and TOYAMA CHEMICAL)

**Basic items**
- Objectives of labor environment and social benefit accounting
- Accounting method

**Results**
- Reduced benefits for customers by 6% on year-on-year.
- Reduced 7.4 billion yen approx. 18% year-on-year. This is due to a drop in R&D costs.
- Reduced 140 million yen approx. 7% year-on-year. This is due to a drop in investments into facilities related to plants.
- Reduced 11 billion yen approx. 7% year-on-year. This is due to a drop in investments into facilities related to plants.

**Customer benefits**
- The customer benefits were calculated in amounts through comparing the usage of a new product purchased by the client with the environmental burden when the customer uses an older product. The customer benefits were calculated in amounts through comparing the usage of a new product purchased by the client with the environmental burden when the customer uses an older product.

**Environmental Accounting**

**Overview of FY2015**
- Environmental conservation costs:
  - Reduction by approx. 17% in total. The breakdown is roughly the same as last year's, with approx. 5% into facility investment and roughly 95% into expenditures.
- [Facility investments]
  - Reduced 140 million yen approx. 7% year-on-year. This is due to drop in investments into facilities related to plants.
- [Expenditure]
  - Reduced 7.4 billion yen approx. 18% year-on-year. This is due to drop in R&D costs.
- Environmental conservation benefits:
  - This resulted in year-on-year reduced by 11 billion yen approx. 7%, when internal and external economic effects are combined.
  - Internal economic effect
    - Reduced by roughly 13% year-on-year.
  - External economic effect
    - Reduced benefits for customers by 6% on year-on-year.

**Period of coverage**
- FY2015 (April 1, 2015 to March 31, 2016)

**Scope of environmental accounting**
- 69 domestic companies in the Fujifilm Group (FUJIFILM Holdings, Fujifilm and 18 Fujifilm affiliates, Fujixerox and 46 Fujixerox affiliates and TOYAMA CHEMICAL)

**Basic items**
- Objectives of environmental accounting
- Accounting method

**Results**
- Reduced pollution levy 3 1.135
- Reduced in SOx emissions (million yen)
- Reduced in NOx emissions (million yen)
- Reduced in VOCs emissions (million yen)
- Reduced waste materials through recycling (ton)
- Reduced waste materials through incineration (ton)
- Reduced raw materials (ton)
- Reduced valuable resources (ton)
- Reduced waste materials through recycling (ton)
- Reduced waste materials through incineration (ton)
- Reduced raw materials (ton)
- Reduced valuable resources (ton)
- Reduced waste materials through recycling (ton)
- Reduced waste materials through incineration (ton)
- Reduced raw materials (ton)
- Reduced valuable resources (ton)

**Contribution to society**
- Efforts are made to create a worker-friendly environment through providing numerical environment-related information useful for decision making by management and supervisors at the working level.
- To provide accurate quantitative information on volumes and economic impact within the Group: The difference in value terms from an economic perspective.
- Environmental Accounting
  - Labor Environment and Social Benefit Accounting
  - Environmental accounting for FY2015

**Data and Information**
- [Environmental accounting for FY2015]
  - Labor Environment and Social Benefit Accounting
  - Environmental accounting for FY2015
FUJIFILM Holdings Corporation commissioned SGS Japan Inc. to conduct an independent assurance of the environmental and social data contained in its Sustainability Report 2016. Please refer to our website for further details.


Independent Assurance Report

FUJIFILM Holdings Corporation Sustainability Report 2016

NATURE AND SCOPE OF THE ASSURANCE

SGS, Japan Inc. was commissioned by FUJIFILM Holdings Corporation herein referred to as “the Company” to independently conduct the Assurance Engagement (“the Engagement”) on the Sustainability Report 2016. The Engagement was performed in accordance with the SGS Sustainability Report Assurance methodology, including data on greenhouse gas emissions (GHG) and other aspects (Category Level 1), amount of water emissions and discharge, water use, ISO 26000, and the like.

The Engagement was performed in accordance with the following frameworks:


The Engagement was performed to determine whether the representations of the Company concerning the Key Findings in the Sustainability Report 2016 (“the Engagement Report”) were in accordance with the Engagement criteria.

Accordingly, due to the Engagement being performed in accordance with the IAASB standards, the SGS Assurance Report provides a Third-Party Opinion as follows:

I, Shigeru Ishikawa, a representative of SGS, concluded that the Company’s statements concerning the Key Findings in the Sustainability Report 2016 (“the Engagement Report”) are in accordance with the Engagement criteria.

This report starts with a clearly defined commitment towards realizing a sustainable society. Next, the Group’s Medium-Term CSR Plan, Sustainable Value Plan 2016 (SVP 2016) is presented together with details from the postrr- cycle viewpoint using a number of diagrams and charts.

The practical application of SVP 2016 is then presented alongside Social Issues (risks in international society) and the Group’s Basic Approach to such issues. Next, an Outline of Activities in FY2016 and Future Prospects are described in a concise manner, before concluding the report with Data and Information.

I can see the efforts that have been made to communicate the Group’s activities to readers. However, the total volume of information makes it somewhat difficult to grasp the progress and results of all the activities. I think it would be beneficial to insert a table that summarizes the targets, results, and prospects, or utilize a bullet style instead of a purely descriptive format.

Also, in Main Issues and Areas of Responsibilities in Communications with Stakeholders (page 58), the overall CSR management could be better understood if some links to the Priority Issues and Targets in SVP 2016 were included.

Top Commitment describes how the Group regards 2015 as a year of historic importance due to the agreements concerning Sustainable Development Goals (SDGs) and the Paris Agreement. The report states that the Group will make an active contribution to the sustainable development of society through its business. Such an advanced recognition of the times and social issues by senior management is still rare in Japanese corporations.

Also, in Main Issues and Areas of Responsibilities in Communications with Stakeholders (page 58), the overall CSR management could be better understood if some links to the Priority Issues and Targets in SVP 2016 were included.

Top Commitment describes how the Group regards 2015 as a year of historic importance due to the agreements concerning Sustainable Development Goals (SDGs) and the Paris Agreement. The report states that the Group will make an active contribution to the sustainable development of society through its business.

In particular, “elimination of product line stops (CSV),” and “conscious on environmental and social impacts” are shown in the CDP water program. I hope that the Group will make a clear analysis of the current status and establish a direction for the future. I would like to see reports on the status and issues concerning the primary suppliers in each region.

As for global water risks, the Group has made a clear statement that the Group has the potential to be an “adaptation business.” However, the Group’s own measures to adapt to this rising situation have not been clearly shown. Therefore, the Group should create a long-term strategy and vision that keeps these trends in mind.

In summary, the Group has achieved the 2016 target, a 10% reduction of CO2 emissions from the product lifecycle compared to FY2005, as a part of its anti-global warming measures, and is continuing to make progress in its energy strategy towards the 2050 targets. In this sense, the Group needs to immediately create a super long-term vision in its efforts to lead a better world in the medium term.
About the art works on the front cover

The Fujifilm Group is recording and storing cultural and artistic works in the form of photos and images to pass on to future generations. We do this as part of our social contribution through our business. Thanks to cooperation from the Nara National Museum, we are presenting works owned by the museum on the front cover of this report.

Jurōjin, Birds and Flowers

Nara National Museum

Individual items:
Left: Flowers and Birds Painting (Part 1)
Right: Flowers and Birds Painting (Part 2)

The word kacho, meaning “flowers and birds,” has been used in Japan since ancient times and can be even found in the Man'yo-shu (Japan’s oldest collection of poems). However, it is believed that it was during the Muromachi Period (1336–1573) that the combination of flowers and birds became more independently used as a theme in painting. Later, in the Edo Period (1603–1868), the style became more realistic and it developed into a popular theme for painters. For the front page of this year’s report, two flowers and birds paintings were selected from Nara National Museum’s collection.

Photo courtesy of Nara National Museum

Nara National Museum

50 Nobornojicho, Nara, Nara Prefecture 630-8213, Japan Phone: 050-5542-8600
http://www.narahaku.go.jp/english/index_e.html

The establishment of Nara National Museum was first planned in May 1889 by the government of the day as one of three imperial museums, the others being in Tokyo and Kyoto; it actually opened in April 1895. Nara National Museum marked the 120th anniversary of its foundation in 2015.
Guideline Comparison Tables
ISO26000 / GRI Guideline
ISO26000 Comparison Table

FUJIFILM Holdings has created a comparison table to verify if the information is disclosed in accordance with the seven core subjects of "ISO26000 Guidance on Social Responsibility" published in November 2010.

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<th>ISO26000 Core Subjects</th>
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<td>P. 04-05 P. 56 P. 57 P. 34-35 P. 36-39 P. 43-46</td>
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### GENERAL STANDARD DISCLOSURES

#### Strategy and Analysis

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<td>G4-2 Description of key impacts, risks, and opportunities</td>
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<td>G4-10 Details of workforce</td>
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<td>G4-11 Percentage of total employees covered by collective bargaining agreements</td>
<td>Personnel and Labor (FUJIFILM Corporation)</td>
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<td>Personnel and Labor (Fuji Xerox)</td>
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<td>G4-12 Organization’s supply chain</td>
<td>(Promotion Policy 2) Solve environmental issues within business processes actively.</td>
<td>P. 25</td>
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<td></td>
<td>(Promotion Policy 3) Enhance the CSR framework supporting the corporate activities across the value chain.</td>
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<td>(Promotion Policy 3) [Priority Issue 3] Enhance Value Chain Management from the Viewpoint of CSR</td>
<td>P. 43-45</td>
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<tr>
<td>G4-13 Significant changes during the reporting period</td>
<td>No significant changes</td>
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### Organizational Profile

<table>
<thead>
<tr>
<th>Indicator</th>
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</tbody>
</table>

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The Report is in accordance with the CORE of the GRI Sustainability Reporting Guidelines (G4).
### Organizational Profile

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<th>G4-14</th>
<th>Whether and how the precautionary approach or principle is addressed by the organization</th>
<th>Fujifilm Group’s Approach to a Sustainable Society (Promotion Policy 2) [Priority Issue 2] Promote Resource Recycling (Promotion Policy 2) [Priority Issue 3] Ensure Product and Chemical Safety (Promotion Policy 3) [Priority Issue 1] Raise Compliance Awareness and Ensure Risk Management CSR Management</th>
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<td>G4-15</td>
<td>Externally developed charters, principles, or other initiatives to which the organization subscribes or endorses</td>
<td>(Promotion Policy 2) [Priority Issue 1] Promote Global Warming Countermeasures (Japan Chemical Industry Association (JCIA)) (Promotion Policy 2) [Priority Issue 3] Ensure Product and Chemical Safety (Joint Article Management Promotion-consortium (JAMP)) (Promotion Policy 3) [Priority Issue 1] Raise Compliance Awareness and Ensure Risk Management (Nippon CSR Consortium)</td>
<td>P. 28 P. 32 P. 39</td>
</tr>
</tbody>
</table>

### Identified Material Aspects and Boundaries

| G4-17 | All entities included in the organization’s financial statements or equivalent documents | Fujifilm Group Organization and Business Overview ◆ Web: Fact Sheet http://www.fujifilmholdings.com/en/about/factsheet/index.html | P. 72 |
| G4-19 | All the material Aspects identified in the process for defining report content | FLUJIFILM Sustainable Value Plan 2016 | P. 10-11 |

### Stakeholder Engagement

| G4-20 | Report the Aspect Boundary within the organization | Fujifilm Group Organization and Business Overview Editorial Policy FLUJIFILM Sustainable Value Plan 2016 Promotion Policy 1: Fujifilm Group and Customers | P. 72 P. 73 P. 12 |
| G4-21 | Report the Aspect Boundary outside the organization | FLUJIFILM Sustainable Value Plan 2016 Promotion Policy 2: Fujifilm Group Promotion Policy 3: Fujifilm Group and Suppliers | P. 24 P. 34 |

### Significant changes from previous reporting periods in the Scope and Aspect Boundaries

| G4-22 | The effect of any restatements of information provided in previous reports, and the reasons for such restatements | N/A | N/A |
| G4-23 | Significant changes from previous reporting periods in the Scope and Aspect Boundaries | N/A | N/A |

### Stakeholder groups engaged by the organization

| G4-24 | Stakeholder groups engaged by the organization | CSR Management | P. 58-59 |
| G4-25 | Basis for identification and selection of stakeholders | CSR Management | P. 57-58 |
| G4-26 | Approach to stakeholder engagement | CSR Management Stakeholder Communication | P. 57-58 P. 59 |

### Key topics and concerns raised through stakeholder engagement

| G4-27 | Key topics and concerns raised through stakeholder engagement | (Promotion Policy 2) [Priority Issue 1] Promote Global Warming Countermeasures (Promotion Policy 3) [Priority Issue 3] Enhance Value Chain Management from the Viewpoint of CSR CSR Management Stakeholder Communication Third-Party Opinion | P. 29 P. 45 P. 57-58 P. 59 P. 71 |

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| G4-28 | Reporting Period for information provided | Editorial Policy | P. 73 |
| G4-29 | Date of most recent report | Editorial Policy | P. 73 |
| G4-30 | Reporting cycle | Editorial Policy | P. 73 |
| G4-31 | Contact point for questions | Editorial Policy ◆ Web: Contact Sustainability http://www.fujifilmholdings.com/en/sustainability/contact/index.html | P. 73 |

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<td>Process for delegating authority for sustainability topics from the board to senior executives and other employees</td>
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<td>Composition of the board and its committees</td>
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<td>G4-40</td>
<td>Nomination and selection processes for the board and its committees</td>
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<td>Board’s and senior executives’ roles in the development, approval, and updating of the organization’s purpose, value or mission statements, strategies, policies, and goals related to sustainability impacts</td>
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<td>G4-43</td>
<td>Measures taken to develop and enhance the highest governance body’s collective knowledge of economic, environmental and social topics</td>
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<td>Processes for evaluation of the highest governance body’s performance with respect to governance of economic, environmental and social topics</td>
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<td>Highest governance body’s role in reviewing the effectiveness of the organization’s risk management processes for economic, environmental and social topics</td>
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<td><strong>Governance</strong></td>
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<td>G4-50</td>
<td>Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them</td>
<td>N/A/N/A</td>
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<td>G4-52</td>
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**Economic DMA**

**Economic Performance**

G4-EC1 Direct economic value generated and distributed

Sustainability Accounting (Labor Environment and Social Benefit Accounting, Environmental Accounting) Fujifilm Group Organization and Business Overview

P. 04-05 P. 06-07 P. 08 P. 10-11 P. 12 P. 57-58

G4-EC2 Financial implications and other risks and opportunities for the organization’s activities due to climate change

(Promotion Policy 1) [Environment] (Promotion Policy 2) [Priority Issue 1] Promote Global Warming Countermeasures Sustainability Accounting (Labor Environment and Social Benefit Accounting, Environmental Accounting)

P. 20-21 P. 26-29 P. 57-58

**Indirect Economic Impacts**

G4-EC7 Development and impact of infrastructure investments and services supported

Fujifilm Group’s Approach to a Sustainable Society Fujifilm Group’s Technologies and Businesses Social Contribution Activities

P. 04-05 P. 06-07 P. 08 P. 53-55

**Environmental DMA**

Top Commitment Fujifilm Group’s Approach to a Sustainable Society Fujifilm Group’s Technologies and Businesses FUJIFILM Sustainable Value Plan 2016 (Promotion Policy 1) Contribute to solving social issues concerning the environment, people’s health, daily life, and working style through our products and services.

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<td>N/A (No remuneration difference between women and men)</td>
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<td>Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
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|                  | G4-HR3        |        | Total number of incidents of discrimination and corrective actions taken | N/A | N/A |
|                  | G4-HR4        |        | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights | (Promotion Policy 3) [Priority Issue 3] Enhance Value Chain Management from the Viewpoint of CSR | P. 43-45 |
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|                  | G4-SO4        |        | Communication and training on anti-corruption policies and procedures | (Promotion Policy 3) [Priority Issue 1] Raise Compliance Awareness and Ensure Risk Management | P. 36-39 |
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N/A: When those indicators have little relation with the Fujifilm Group’s business or there is no need of management.