## **Independent Assurance Report**

FUJIFILM Holdings Corporation commissioned SGS Japan Inc. to conduct an independent assurance of the environmental and social data contained in its Sustainability Report 2017. Please refer to our website for further details.

http://www.fujifilmholdings.com/en/sustainability/verification/index.html



#### ASSURANCE STATEMENT

SGS Japan's Report on Sustainability Activities in the FUJIFILM Holdings Corporation Sustainability Report 2017.

#### NATURE AND SCOPE OF THE ASSURANCE

SGS Japan Inc. was commissioned by FUJIFILM Holdings Corporation (hereinafter referred to as "the Organization") to conduct an independent assurance of its Sustainability Report 2017. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included data on greenhouse gas(GHG) emissions (Scope 1, 2, and category 1 of Scope 3), amount of water emission and disposal, waste, VOC emissions, personnel and labor (FUJIFILM Corporation and Fuji Xerox Co., Ltd.), and the management systems supporting the reporting process. The data regarding GHG emissions, amount of water emission and disposal and waste consisted of data from FUJIFILM Corporation, Fuji Xerox Co., Ltd., Toyama Chemical Co.

The information contained in the Sustainability Report 2017 and its presentation are the responsibility of the directors or governing body and the management of the organization. SGS Japan Inc. has not been involved in the preparation of any of the material included in the Sustainability Report 2017.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of surance with the intention to inform all the organization's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for

This report has been assured at a moderate level of scrutiny using our protocols for:

- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
- Evaluation against the ISO14064-3(2006):

The assurance comprised a combination of pre-assurance research, interviews with the management and the person in charge of producing the report (FUJIFILM Holdings Corporation head office), onsite visits(FUJIFILM Corporation Kanagawa Factory Odawara Site and FUJIFILM Corporation Yoshida-Minami Factory ), verification and confirmation of vouchers, review of related materials and records, and analytical procedure Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process

#### STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; and environmental, social and sustainability report assurance. SGS Japan Inc. affirms our independence from the organization, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on the knowledge, experience and qualifications of the each of the team members for this assignment, and comprised auditors registered with lead auditors of quality manag-systems(QMS), environmental management systems(EMS), occupational health and safety assessment systems(OHSAS), social accountability 8000(SA8000) and lead verifiers of greenhouse gas emissions.

the methodologies described above, nothing has come ion and data contained within Sustainal the organization's sustainability activities from 1st April,

an be used by the Reporting Organization's Stakeholders. ate level of assurance for this stage in their reporting.

#### ONCLUSIONS, FINDINGS AND RECOMMENDATIONS

o stakeholders from the viewpoints of various sources rative surveys. Social issues in the business segments are esults to the report, and others. Additionally, various ess. The extracted issues are input into the materiality bers whose skills are ensured as a result of

cted in two aspects; the needs and expectations from ssues are reflected in the medium-term CSR plan xperts are involved in the consideration process of rs are reflected in the process. Additionally, the priority nal experts. The issues reflected in the medium-term CSR livisions. The series of processes is available on the

identify the issues and the corresponding status to the

The organization implements two-way communications with stakeholders. The results from the communications sidered as the input information to identify the issues. The disclosed information is not only limited to that which is highly important for the organizations, but also includes a wide range of information that is disclosed by ring the GRI guidelines or corporative surveys. Efforts to use the unified indexes for information disclosure to as great a degree as possible are made. As a result, there is a certain amount of undisclosed information due to the difficulties in unifying the indexes in the global company with various business segments and organizational scale. The relevant divisions monitor progress toward target achievement of the issues cted in the medium-term CSR plan under their own responsibility. SGS Japan Inc. confirmed the above processes through the assurance

For and on behalf of SGS Japan Inc. Senior Executive & Business Manager Certification and Business Enhancement



**Third-Party Opinion** 



Mr. Eiichiro Adachi Counselor, the Japan Research Institute, Limited

After graduating from the Faculty of Economics at Hitotsubashi University in 1986, he joined the Japan Research Institute in 1990. He became counselor after serving in posts for economic strategy and technology research at JRI. He supervises industrial research and corporate assessment projects from the perspective of corporate social responsibility. He was a national expert for the ISO 26000 working group from March 2005 to May 2009. He is currently a member of the Studying Group on Environmental Information and Corporate Value held by the Ministry of the Environment. He has co-authored ESG Handbook for Investors and Businesses (Nikkei Business Publications, 2016), among other publications

The media report on the inappropriate accounting practices at Fuji Xerox's overseas subsidiaries in April 2017 mentioned in the early part of the report came to me as a tremendous shock because I realized my shortcomings in discerning what constitutes an outstanding company, despite the fact that I had worked for so many years on corporate assessment from the standpoint of social responsibility.

Sustainability is not a term that denotes the pursuit of permanent continuity for a company. It denotes longstanding continuity for our planet and society, founded on "satisfying the needs of the current generations without spoiling the power to satisfy the needs of the generations of the future." When a company commits to sustainability, it is a declaration that it will take responsibility for the impact its business decisions and activities will have on society and the environment through transparent and ethical business conduct. The word "impact" used here includes both the positive and the negative meanings. At the same time, it is an announcement of its determination to control the pursuit of "maximizing current profits" in some situations for "the generations of the future." Tolerating the excessive pursuit of sales and disregarding rules amounts to the complete opposite of what sustainability aspires to achieve.

The new CSR plan SVP 2030 that had been introduced sets new goals on resolving issues in the global society spotlighted in the SDGs and the Paris Agreement. The Plan is innovative in establishing longterm goals based on backcasting, and the ambition and details expressed in the Plan are highly commendable. On the other hand, I have a little concerns over the Fujifilm Group's conviction that the true responsibility of a company can be mainly fulfilled through the creation of products and services that have value, with the settlement of societal challenges in mind rather than through the responses for the expectations from society, including Design for Environment, legal compliance and contribution to local communities. If a

company underestimates the latter attitudes too much as being passive, I can't avoid a sense of uncertainty about its future.

The impression I received on reading through the Report also focuses on this point. In the report of the activities organized under SVP 2016, there lacked an explanation about criteria in the self-assessment and the content of the table was somewhat difficult to understand. I would have liked to know more about the company's stance on the ethical issues involved in regenerative medicines and other cutting-edge technologies, all the more because the Fujifilm Group aspires to be a total healthcare company. I was also concerned that environmental pollutant emissions are not necessarily on the decline and progress in reducing chemical substance emissions has not been reported in detail. Furthermore, reporting on the consolidated group companies as a whole, the reports centered chiefly on the case involving Fujifilm and Fuji Xerox. And although overseas employees form the major part of the consolidated employee ratio, the report focused chiefly on cases in Japan.

With sales profits in FY2016 at ¥172.3 billion, achieving an all-time high in net profits attributable to shareholders, the business performance of FUJIFILM Holdings was truly outstanding, and the impact of the inappropriate accounting case has been limited. Looking back at its history, the Fujifilm Group is a corporate group that survived obstacles by applying its technologies in creating innovations. From this business perspective, the opinions stated herein may appear to be limited and to be restricted to exceptions. However, I feel a general shift taking place in corporate evaluations recognizing "businesses that seek something that creates profits in terms of results" rather than "businesses that seek profitability for its own sake." I look forward to seeing the Fujifilm Group making dramatic advances to become a truly excellent corporate group.

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# Fujifilm Group Organization and Business Overview

### Holding Company: FUJIFILM Holdings Corporation

Company name: FUJIFILM Holdings Corporation

Representative: Shigetaka Komori

Head office: Tokyo Midtown, 9-7-3 Akasaka, Minato-ku,

Tokyo 107-0052, Japan

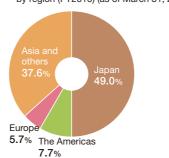
Established: January 20, 1934

Capital: ¥40,363 million (as of March 31, 2017)

**Employees:** 112 (as of March 31, 2017)

Consolidated employees: 78,501 (as of March 31, 2017) Consolidated subsidiaries: 277 (as of March 31, 2017)

Proportion of consolidated employees by region (FY2016) (as of March 31, 2017)

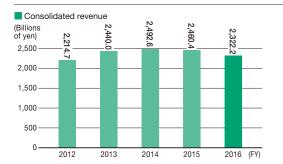


#### ■ Fujifilm Group Organization Overview (as of March 31, 2017)

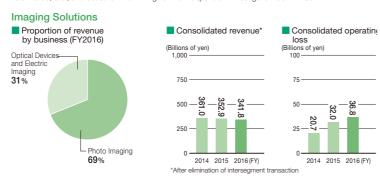


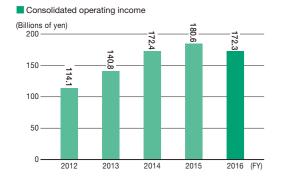
For information about the consolidated subsidiaries of FUJIFILM Holdings Corporation, please visit: IRL http://www.fujifilmholdings.com/en/business/group/index.html

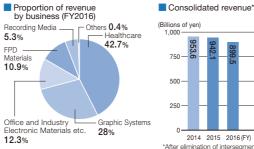
Information Solutions

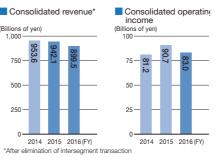


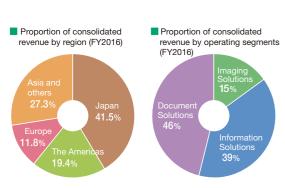
\*The figures in the financial results for FY2015 have been revised after the review of the sales reporting standards, etc., and based on the findings of the Independent Investigation Committee

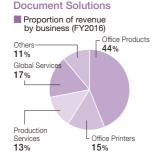


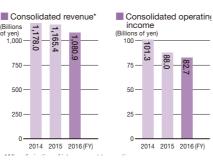












#### Editorial Policy

FUJIFILM Holdings Sustainability Report 2017 was edited with the major emphasis on our CSR activities, which have high relevance to both the Fujifilm Group and its stakeholders. Out of the three aspects generally involved in a corporation's activities, it is the areas of the environment and society that are the focus of our activities. The main article in the Report describes the progress made with Fujifilm Group's Medium-Term CSR Plan, Sustainable Value Plan 2016 (SVP 2016).

This year's Report features our main activities in FY2016, the final year of SVP 2016, organized in line with its three promotion policies, a review of the past three years (pages 14-23) and an outline of the new CSR Plan SVP 2030 (see page 24) announced in August

The new CSR Plan is a long-term plan setting targets for 2030, the benchmark year for the Paris Agreement and SDGs. Items that are likely to contribute to resolving the issues the Company faces were selected and reorganized from the 17 goals of the SDGs.

For ease of reading, activities were organized according to the three promotion policies. Icons are used to highlight important points, and attention has been given to clearly indicating the details of the activities under each policy. "Other CSR Activities" and "Data and Information" are also covered for completeness. The content has been organized in line with ESG, ISO 26000 and GRI G4 to assist searching by CSR-related

To ensure that our reporting is accurate, we have again sought independent verification of our environmental and social activity data, in addition to the normal thirdparty opinions on some themes.

Each Fujifilm Group company, including Fujifilm and Fuji Xerox, has its own CSR website for active disclosure of information on their CSR activities. For more details of the Fuiifilm Group's CSR activities, please refer to each company's official website

Please note that Fujifilm has obtained independent assurance of the following information.

#### [Scope of Independent Assurance]

- Greenhouse gases emissions [Scope 1, 2 & 3 (Category 1)]
- Volumes of water intake and discharge
- Volume of waste generated
- Volume of VOC emissions
- Data on Personnel and Labor (for Fujifilm and Fuji Xerox)
- Management systems supporting the reporting process
- http://www.fujifilmholdings.com/en/sustainability/index.html

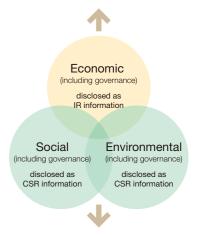
We welcome your comments to improve our future reports. We would appreciate your participation in the questionnaire accessible from the following URL:

http://www.fujifilmholdings.com/en/sustainability/report/questionnaire/index.html

#### ■ Report on economic aspects

●IR Site (website)

URL http://www.fujifilmholdings.com/en/ investors/index.html

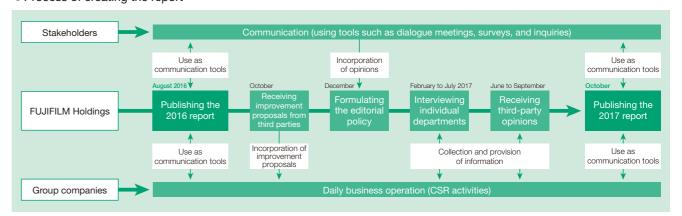


#### ■ Report on social and environmental aspects



Importance of information to the Fujifilm Group

#### Process of creating the report



## Period covered by the report

FY2016 (April 1, 2016—March 31, 2017) is covered in the performance data. With regards to the contents of activities, wherever possible, we have conveyed the most recent trends, including activities in FY2017.

#### Organizations covered by the report

The Fujifilm Group (FUJIFILM Holdings, FUJIFILM Corporation and its affiliates, Fuii Xerox and its affiliates, TOYAMA CHEMICAL, and FUJIFILM Business Expert) Major consolidated companies are shown on our website

#### http://www.fujifilmholdings.com/en/business/group/index.html The scope of Labor Environment, Social Benefit Accounting, Environmental

Accounting, and Environmental Aspects are shown on each Data and Information

#### Date of publication

December 2017 (next report: August 2018, previous report: August 2016)

#### Referenced guidelines

O Japan's Ministry of the Environment: Environmental Reporting Guidelines

© GRI: The G4 Sustainability Reporting Guidelines

- O Japan's Ministry of the Environment: Environmental Accounting Guidelines (2005)
- ISO 26000: Social Responsibility

#### Supplemental information regarding reported matters

- O The term "employees" refers to all employees, including managers, general employees, and part-time staff. The term "company employees" indicates employees (full-time staff). To further ensure the accuracy of the report, the terms "regular employees" and "non-regular employees" (temporary staff, part-time staff, others) have been used separately as required.
- The operating company, Fuji Xerox, issues a separate sustainability report. Please refer to that report for details on the activities of Fuji Xerox.
- © Figures for the environmental data have been revised after recalculating past data to take into account the change in the database in FY2016

[GRI Guidelines (G4) Comparison Table] (In accordance-Core)

- LIFL http://www.fujifilmholdings.com/en/sustainability/report/guideline/index.html
- [ISO 26000 Comparison Table]
- http://www.fujifilmholdings.com/en/sustainability/report/iso26000/index.html

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### O 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.



#### Musashino (Painting by Taikan Yokoyama)

Collection of the Nara National Museum.

Photographic image courtesy of the Nara National Museum (Photo by Kyosuke Sasaki)

#### Nara National Museum

50 Noboriojicho, 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.

■ Please address inquiries on this publication to:

## **FUJIFILM Holdings Corporation**

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