

## 4.5 Human Rights

### 4.5.1 Basic Approach

The Fujifilm Group believes that respect for human rights is our duty and we clearly state our commitment to it in the Fujifilm Group’s Charter for Corporate Behavior and Code of Conduct. The Charter for Corporate Behavior states the basic approach of the company toward respecting human rights. The Code of Conduct lists nine items to which every employee must adhere for respecting human rights. Establishment, revision, and compliance to the Charter for Corporate Behavior and Code of Conduct are discussed and decided by the FUJIFILM Holdings ESG Committee and the results are reported to the Board of Directors.

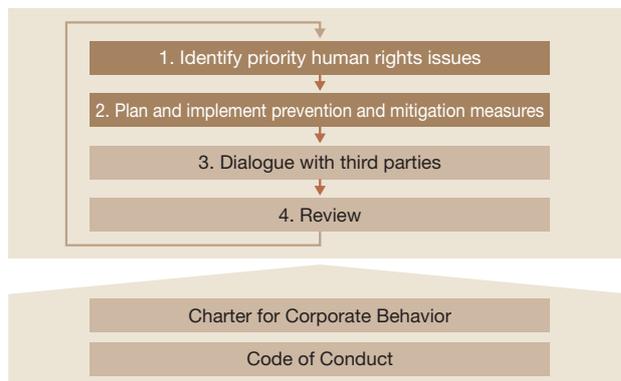
In 2018, we published the Fujifilm Group Human Rights Statement, in which we declare our support for a range of global human rights principles, including the UN International Bill of Human Rights and the UN’s Guiding Principles on Business and Human Rights and to take any necessary measures to assess and reduce human rights infringement risks in business activities. To create the Human Rights Statement, we sought opinions and advice from our Group companies and stakeholders across the world and it was introduced after adoption by the ESG Committee, chaired by the CEO.

Fujifilm Group’s Charter for Corporate Behavior Article 2. Social Responsibility, Article 3. Respect for Human Rights, Article 5. Vibrant Workplaces  
 Fujifilm Group Code of Conduct [URL: https://www.fujifilmholdings.com/ja/about/philosophy/index.html](https://www.fujifilmholdings.com/ja/about/philosophy/index.html)

Fujifilm Group Human Rights Statement [URL: https://www.fujifilmholdings.com/en/sustainability/vision/human/index.html](https://www.fujifilmholdings.com/en/sustainability/vision/human/index.html)

### 4.5.2 Human Rights Due Diligence Process

The Fujifilm Group implements group management in compliance with the procedures set out in the UN Guiding Principles on Business and Human Rights and establishes and promotes human rights due diligence processes covering all its operations and related business activities. For concrete implementation, we refer to the requirements in the UN Guiding Principles Reporting Framework with Implementation Guidance, which we studied in the Human Rights Due Diligence Working Group under the Global Compact Network Japan. The Group engages in the identification of potential and actual risks, investigating in what part of its business activities such risks are likely to occur, and specifically what and whose human rights issues are likely to be violated, and in the review and implementation of preventive and mitigating measures, as well as in dialogue with third parties, regular reviews of risk assessment and associated activities and information disclosure.



### 4.5.3 Priority Human Rights Issues to Be Addressed (Identified Human Rights Risks)

#### Human Rights Impact Assessment Process to Identify Priority Human Rights Issues

We firstly identified human rights risks that our business could potentially cause in each existing business segment. (See *Human rights impact assessment in existing business*.) In the course of examining these risks, assessments are carried out on those stakeholders who are likely to be affected by Fujifilm Group’s business activities, namely, Fujifilm employees, employees of suppliers, contractors and cooperation companies (including paying attention to the rights of children from the perspective of child labor and all foreign workers from the standpoint of immigrant workers), local communities (including paying attention to the rights of indigenous people in the procurement of raw materials) and customers (including paying attention to the rights of children as a section of consumers in general).

Then we listed up the priority human rights issues that the Fujifilm Group should address based on the probability of a human rights risk incident, the scale of impact should it occur, and our readiness to handle such an incident. In this process of risk assessment, we invited opinions from overseas experts from international human rights NPOs to narrow down the priority issues (see the figure *Human Rights Issues Considered Important for the Chemical and Construction Materials Industries*).

When we start a new business, such as by making a large-scale investment, we assess the suitability of the project, covering the human rights-related check items among a wide-ranging due diligence check list.

## Reference: Human Rights Issues Considered Important for the Chemical and Construction Materials Industries

The following lists the priority issues identified through discussions with human rights NPOs and other companies in the industry under the stakeholder engagement program conducted by Caux Round Table Japan.

Key Human Rights Issues		In our group	Contractor/ Cooperation company	Suppliers
Core operation/Supply chain				
Workplace condition	Working hours	◎	◎	◎
	Health and safety	◎	○	○
	Disciplinary measures	○	—	○
Discrimination	During work	○	○	○
Child labour	Risks to children	—	—	○
	Minimum age	—	—	○
	Working hours and conditions of employment	—	—	○
	Employment of young workers	—	○	○
Forced labour	Deposits and papers	—	○	○
	Forced overtime	◎	◎	◎
	Trafficking in human	—	—	○
Freedom of association	Freedom of association and collective bargaining	○	○	○
	Conflict with local law	○	○	○
Community				
Resources	Use of natural resources (water, land, etc.)	◎	—	◎
Society and Government				
Relations with governments	Bribery and corruption	◎	—	—
	Governments with poor human rights records	○	—	○
Relationship with consumers	Health and safety			

◎: Most important ○: Important

### Priority Human Rights Issues That the Fujifilm Group Must Address

Following the above process, in FY2018, the Fujifilm Group identified the following potential human rights issues that we should address as a Group (see the table on the next page, Human Rights Impact Assessment in Existing Business). Out of these issues, we have identified the following two areas as salient human rights issues and have begun to take concrete action: (1) Actions for suppliers, contractors and cooperation companies, and (2) Actions for employees.

#### Human Rights Impact Assessment in Existing Business

(Priority human rights issues that the Fujifilm Group must address are colored red)

Targeted stakeholders	Potential human rights issues that the Fujifilm Group must address	Relevance to business segments		
		Imaging solutions (Digital cameras, etc.)	Healthcare & Material Solutions (Highly functional materials, etc.)	Document Solutions (Office products and printers, etc.)
Customers, etc.	Product safety	◎	◎	◎
	Personal data protection	◎	◎	◎
	Human rights infringement by unintended use of products and services	△	○	△
	Consideration of rights of human subjects and sample providers for R&D in the healthcare business	—	◎	—
Employees of suppliers, contractors and cooperation companies	Appropriate labor conditions, labor management, health and safety management	◎	○	◎
	Consideration for rights and safety of foreign workers (especially in factories)	◎	○	◎
Local communities	Infringement of local residents' rights (including decrease in assets, degradation of daily life environment, and health damage) due to environmental damage caused by inappropriate management of chemical substances or illegal dumping	△	△	△
	Decrease in assets, degradation of daily life environment for local residents due to inappropriate procurement of raw materials	○	△	◎
Employees	Appropriate labor conditions, labor management, and health and safety management	○	○	○
	Adverse impacts such as mental or physical damage and decrease in opportunities due to discrimination, harassment, and infringement of privacy	○	○	○
	Health damage due to inappropriate management of chemical substances, biomaterials, etc. in production and R&D	◎	◎	○

### 4.5.4 Prevention and Mitigation of Adverse Impact on Human Rights and Progress

#### (1) Actions for suppliers, contractors and cooperation companies

The Fujifilm Group promotes actions for respecting human rights among suppliers, contractors and cooperation companies, which is one of the priority human rights issues, mainly within the framework of ethical procurement. We clearly specify the Procurement Policy and Request to Suppliers as a procurement approach to gain the understanding of suppliers involved in the Group's product manufacturing regarding the importance of CSR management. We aim to work together to resolve human rights issues. In the Sustainable Value Plan 2030 (SVP2030), the CSR mid- and long-term plan announced in 2017, we committed to reinforce the CSR foundations such as labor, human rights, environment, and corporate ethics throughout the supply chain—which we appointed as one of the priority areas.

The Group's ethical procurement program comprises (1) Notifying policies etc. to suppliers, (2) Risk assessment in suppliers, (3) Instruction activities for suppliers, and (4) Improvement activities for suppliers. As well as elimination of forced labor and child labor, we provide various checks and support for suppliers, including labor management, occupational health and safety, and consideration for migrant workers.

Based on the risk assessments that Fujifilm and Fuji Xerox have conducted using a self-checklist on labor, human rights, the environment, corporate ethics etc., our primary suppliers in Japan, Europe, and the United States have been recognized as low CSR risk. In FY2018, we have identified 46 suppliers with CSR risks in China and Vietnam, and conducted onsite "Visit

and Check” by expert team from the Fujifilm Group. Leading examples of issues related to the human rights of employees at suppliers, issues in the areas of labor management (excessive continuous work attendance and overtime work, etc.), shortage of fire prevention facilities such as sprinklers and fire detection devices, non-use or inadequate management of the necessary protective gear, inadequate management of hazardous wastes, etc., were identified. Requests for improvement have been issued to the suppliers accordingly, and improvements are underway based on their respective improvement plans. For more details about measures of ethical procurement, see *2.4 Supply Chain Management* in this report.

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

## (2) Actions for our employees

We raise awareness on priority human rights issues among Group employees in their new employee training programs and training programs for new managerial personnel. The training programs for new managerial personnel focus on labor management in general, including prevention of long working hours and mental health measures, as well as harassment prevention. Regarding overtime working hours, changes in monthly overtime is monitored, and warnings and guidance to business division exceeding the designated levels are issued and the necessary corrective measures are implemented continuously. We are addressing the harassment issues with implementation of measures adapted flexibly to conditions in each company and business division, in addition to regular training programs. In fiscal 2018, for instance, we conducted customized harassment trainings for business divisions that were likely to show a high level of potential and actual risk. For risk managers, trainings to provide further details on how to handle counseling cases were conducted. For occupational health and safety efforts, see *4.3 Health and Safety* in this report.

In April 2019, we revised the Fujifilm Group Charter for Corporate Behavior and the Code of Conduct to adopt more globally generic contents, and enhanced descriptions concerning human rights such as respect for diversity and elimination of discrimination, prevention of bullying and harassment, promotion of occupational health and safety, and health promotion. The revised Charter for Corporate Behavior and Code of Conduct was translated into 24 languages as part of our global education program, including disseminating the company’s human rights statement to all Group employees.

## (3) Human rights risk management

The Fujifilm Group conducts annual screening of priority risk issues (including potential ones) in business processes at all its organizations. All the organizations including Group companies identify priority risk issues, plan and execute measures, and manage their results. Priority issues for the entire Group, based on the review results for each organization, and the results of action implemented are reported and deliberated on by the Fujifilm Holdings ESG Committee and reported to the Board of Directors. This process is applied also to human rights issues. Human rights are specified explicitly as one of the perspectives requiring attention at each company in review of our priority risk issues, with various human rights issues being managed as elements for review in group-wide risk mappings.

In the 2017–2018 study on priority risk issues, risks related to work accidents, harassment, product safety, labor management, employee safety, personal data management, environmental pollution, etc., were pointed out as major issues related to human rights. The number of organizations that identified labor management and harassment, which are designated as prioritized human rights issues related to our employees, as actual or potential risks stood at 91. All of these organizations have developed and implemented preventive and mitigating measures. For more details about group-wide risk management, see *2.2.3 Compliance & Risk Management Promotion Structure* in this report.

## (4) Review on group-wide human rights-related activities

FUJIFILM Holdings conducts individual dialogues with experts in business and human rights, who were invited to the 2018 Business and Human Rights Conference in Tokyo held by Caux Round Table (CRT) Japan, to review our human rights initiatives. This included a dialogue about FY2017 results.

### ●FY2018 Dialogue with human rights experts

**Date:** September 12, 2018

**Location:** Tokyo, Japan

**Participants:** Experts

Livio Sarandrea, Manager and Chief Adviser of Regional Program on Business and Rights, United Nations Development Programme (UNDP) Bangkok Regional Hub

William Rook, Regional Manager, Middle East, Institute for Human Rights and Business

FUJIFILM Holdings

Mari Kojima, Manager, CSR Group, Corporate Planning Division

Toshihiko Hoshino, Senior Expert, CSR Group, Corporate Planning Division

Moderator

Minoru Matsuzaki, Caux Round Table (CRT) Japan

- Topics:**
1. Appraisal of the Fujifilm Group Human Rights Statement (enacted June 2018) and dissemination throughout the company and suppliers.
  2. Opinion exchange on clarifying positive and negative elements to society from Fujifilm Group business activities when creating the Sustainable Value Plan 2030 (SVP2030), the Fujifilm Group CSR Plan, following the UN SDGs.

**Discussion results:**

The Fujifilm Group Human Rights Statement received a positive comment that it is well composed. In order to disseminate the declaration, the key is to engender the correct understanding of “human rights due diligence,” as it is not such a common concept for general employees. For future prospects we are expected to provide detailed and easy-to-understand descriptions on correction measures and remedies.

Our efforts towards the SDGs were also well appraised, and at the same time it was suggested that we should create a policy for SDGs to support the story that SVP 2030 is well linked with SDGs.

In global society, “responsible business” is becoming increasingly important as a concept that transcends conventional CSR. One comment was that we could realize “sustainable business” only after pursuing responsible business.

### 4.5.5 Grievance Mechanism on Human Rights

Chapter 1 of the Fujifilm Group Code of Conduct describes our policies on Respect for Human Rights. Group employees can report any concerns relating to the violation of items listed in the chapter or infringements of human rights that require correction and remedies through the whistle-blowing system. Reports can be submitted to either (1) each company or region, or (2) the Group. In either case, the anonymity of the whistle blower is ensured and therefore they cannot be unfavorably treated because of their report. For the number of reports made in FY2018, see 2.2.10 *Whistle-Blowing Office and Consultation Office* in this report.

For outside stakeholders, the Group provides the Contact Sustainability form and is ready to receive a wide range of comments on our CSR activities, including human rights.

Contact Sustainability  URL: <https://www.fujifilmholdings.com/en/sustainability/contact/index.html>

### 4.5.6 Collaborative Initiatives Regarding Human Rights

#### Caux Round Table (CRT) Japan

FUJIFILM Holdings has been participating in the Stakeholder Engagement Program held by the Nippon CSR Consortium (secretariat: CRT Japan) since 2012, discussing human rights issues in different industries.\*<sup>1</sup> In the 2018 Business and Human Rights Conference in Tokyo, held by CRT Japan, we presented our human rights practices\*<sup>2</sup> as an example of a Japanese company. We also had individual dialogues with international business and human rights experts and reviewed our practices based on the dialogue results.\*<sup>3</sup>

\*1 CRT Stakeholder Engagement Program

(Japanese)  <http://crt-japan.jp/portfolio/she-program/>

(English)  <http://crt-japan.jp/en/portfolio/human-rights-due-diligence-workshop/>

\*2 Presentation in the CRT International Conference (Agenda and report)

(Japanese)  <http://crt-japan.jp/human-rights/conference/>

(English)  <http://crt-japan.jp/en/seminar-overview/global-conference/>

\*3 CRT dialogues with experts (Japanese only)

 URL: <http://crt-japan.jp/human-rights/expert-dialogue/>

#### UN Global Compact

Fuji Xerox is signed up for United Nations Global Compact, a voluntary initiative that encourages companies to undertake fair operations in the areas of human rights, labor, environment, and anti-corruption. In Japan, we have jointly hosted the Human Rights Diligence Working Group within Global Compact Network Japan since 2017, among the various working groups where corporate members discuss and exchange information on related topics.