

1.2 CSR Management

1.2.1 Basic Approach

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

1.2.2 Philosophical Concepts and Related Policies of the Fujifilm Group

Fujifilm Group established the Fujifilm Group Corporate Philosophy and Vision following the shift to a holding company structure in 2006. 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. To ensure awareness and implementation by all employees, we established the Fujifilm Group’s Approach to CSR in 2006 and updated it in 2014 in step with social changes. Seven additional policies (environmental, social contribution, biodiversity, procurement, quality, occupational health and safety and global security trade and control) have been established to promote activities.

The Fujifilm Group’s Approach to CSR

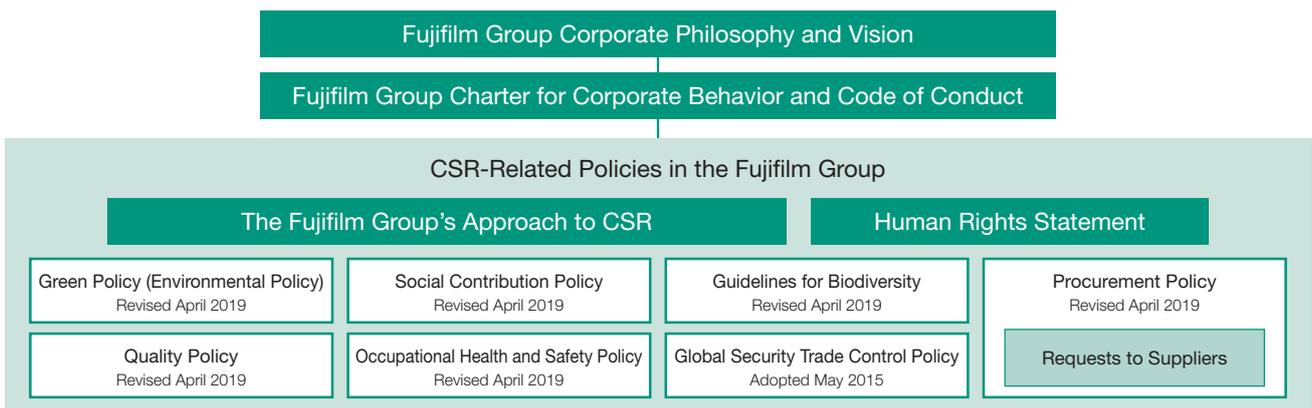
The Fujifilm Group’s approach to corporate social responsibility is to contribute to the sustainable development of society by putting our Corporate Philosophy into practice through sincere and fair business activities.

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

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

Revised in February 2014

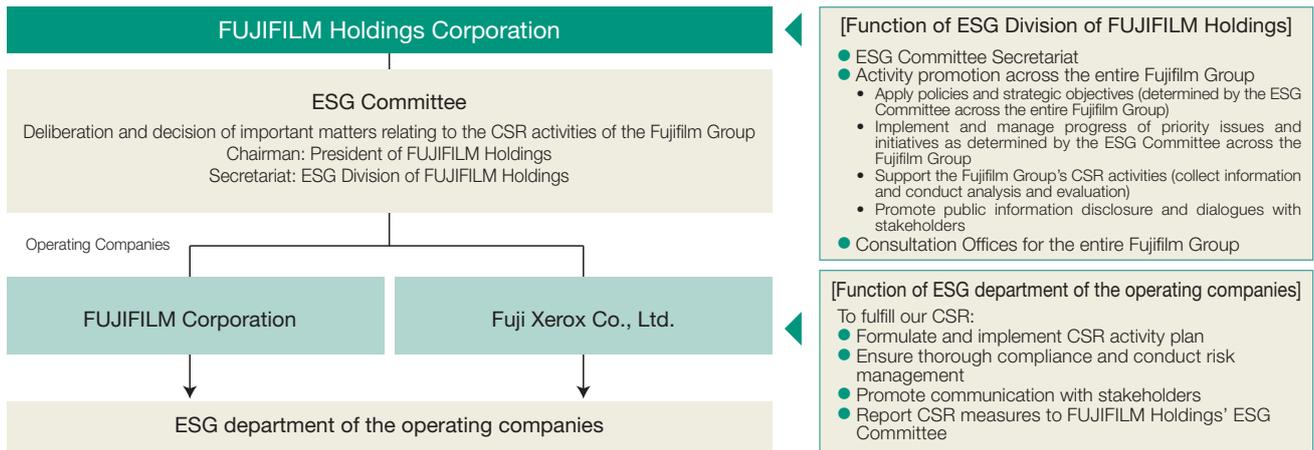
Fujifilm Group Corporate Philosophy/Vision (full text) [URL: https://www.fujifilmholdings.com/en/about/philosophy/index.html](https://www.fujifilmholdings.com/en/about/philosophy/index.html)
 Fujifilm Group Charter for Corporate Behavior (full text) [URL: https://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html](https://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html)
 Fujifilm Group Code of Conduct (full text) [URL: https://www.fujifilmholdings.com/en/about/philosophy/law/index.html](https://www.fujifilmholdings.com/en/about/philosophy/law/index.html)



1.2.3 CSR Management System

The Fujifilm Group's CSR Promotion System

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



Effective Management System

We implement IMS* across our seven business organizations to promote activities aimed at improving customer satisfaction. (For our environmental management system, please refer to 3.1. Environmental Policy and Management System.)

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

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

* Acquisition of ISO & OHSAS

Fujifilm URL: <https://www.fujifilm.co.jp/corporate/environment/governance/isoohsas.html>

Fuji Xerox URL: <https://www.fujixerox.co.jp/company/eco/internal/iso14001/all.html>
<https://www.fujixerox.co.jp/company/news/release/2016/001260>

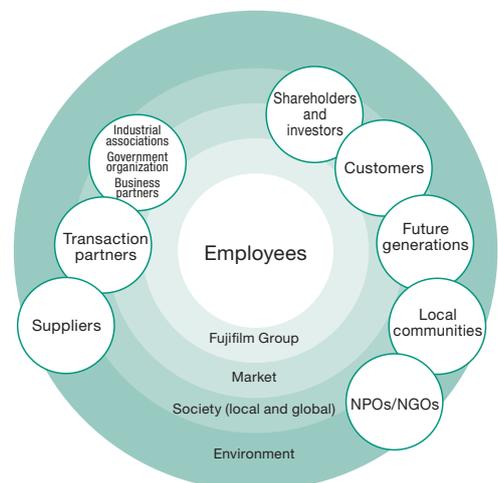
1.2.4 Relationship between CSR Planning and Management Planning

Under our corporate slogan “Value from Innovation,” our targets for contributing to building a sustainable society that complies with SDG's were announced in our Long-Term CSR Plan SVP2030 toward fiscal 2030 in July 2017. Our Medium-Term Management Plan VISION 2019 sets out the concrete business strategies to achieve these targets.

1.2.5 Communication with Stakeholders

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

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



The Fujifilm Group's Communications with Stakeholders

Main stakeholders		Main issues and areas of responsibility	Methods of communication	Frequency
Customers	We have a diverse range of customers, from individuals, businesses, corporations to government offices, etc., since we have business deployed all over the world, and we offer such a wide lineup of products, ranging from digital cameras and cosmetics to office printers, medical systems, medicine, highly functional materials and equipment and materials for graphic arts.	<ul style="list-style-type: none"> • Securing the safety and quality of products • Design for Environment • Provision of appropriate information on services & products • Improvement of customer satisfaction levels • Customer response & support 	• Customer Center (liaison office for responding to inquiries)	• Day-to-day
			• Usability evaluation meetings and monitor surveys	• As needed
			• Customer satisfaction surveys	• As needed
			• Questionnaires at product purchase	• Day-to-day
			• Showrooms, exhibitions	• As needed
			• Holding seminars	• As needed
			• Websites and social media	• As needed
Employees	Employees working for the Fujifilm Group total approx. 80,000 people in 279 companies. They are active all over the world and their composition by country is Japan 51%, the U.S. 9%, Europe 6% and Asia 34% (as of end-March 2019).	<ul style="list-style-type: none"> • Ensuring occupational health and safety • Respect for human rights • Utilization and training of human resources • Respect for diversity 	• Providing opportunities for dialogue with top management	• As needed
			• Personnel management division liaison & interviews	• Day-to-day/As needed
			• Compliance & Sexual Harassment Helpline	• Day-to-day
			• Regular meetings between the company and labor unions/Health & Safety Committee	• As needed
			• Intranet; in-house magazines	• Day-to-day
Shareholders & investors	FUJIFILM Holdings has 97,838 shareholders, characterized by a high proportion of overseas and institutional investors. Japanese financial institutions account for 33.0% of our shareholders, while foreign companies constitute 29.5% (as of end-March 2019).	<ul style="list-style-type: none"> • Maintenance and expansion of corporate value • Appropriate redistribution of profits • Timely & appropriate information disclosure • Measures for Socially Responsible Investment (SRI) 	• General shareholders meetings/Business report briefings/Briefings for investors	• Once a year/4 times a year/As needed
			• IR conferences/Individual meetings	• As needed
			• Integrated reports/Shareholder communications	• As needed
			• IR information website	• Day-to-day
			• Liaison office for responding to inquiries	• Day-to-day
Transaction partners	The Fujifilm Group conducts transactions worldwide with suppliers of raw materials and components and retailers of our products, etc.	<ul style="list-style-type: none"> • Thorough implementation of fairness & transparency in transactions • Promotion of CSR issues in the supply chain, such as human rights and the environment 	• Briefings to suppliers (on CSR procurement including green supply, management of chemical substances contained, etc.)	• As needed
			• CSR Self-Check (self-audited) and Onsite "Visit and Check" by expert team	• As needed
			• Website for exclusive use of transaction partners	• Day-to-day
			• Regular discussions with partners	• As needed
			• Liaison office for responding to inquiries (in each procurement and sales division)	• Day-to-day
Future generations & local societies	The Fujifilm Group has bases in approx. 40 countries across the world and conducts its activities by treating the local culture and customs with respect, as well as putting efforts into educational support for future generations.	<ul style="list-style-type: none"> • Contribution activities which make use of our main business strengths • Respecting local culture & customs and environmental conservation • Prevention of fires and accidents in the workplace • Educational support for future generations 	• Environmental communication meetings/Factory tours	• As needed
			• Community volunteer activities	• As needed
			• Regular discussions with local governments (city hall, mayor, community association presidents, etc.)	• As needed
			• Liaison offices (at each factory & office)	• Day-to-day
			• Dispatch of lecturers to the academic organization & endowed chairs	• As needed
			• Environmental education activities in cooperation with NGOs & NPOs	• As needed
Government organizations & industrial associations	The Fujifilm Group has businesses in countries all over the world. Each of these businesses belongs to several industrial associations and has active relations with the respective government organizations, including participating in collaborations and information exchanges, etc.	<ul style="list-style-type: none"> • Legal compliance • Joint research & development and cooperation in public policy aimed at the resolution of social issues 	• Participation in various industrial committees	• As needed
			• Participation in the development of industry guidelines	• As needed
			• Announcement of public comments through industry associations	• As needed
			• Joint research & development of government or industry association	• As needed
			• Proposals aimed at the resolution of social issues	• As needed
			• Obtain views on the Sustainability Report	• As needed
NGOs & NPOs	We are conducting dialogues with NGOs & NPOs who are actively aiming for a sustainable society, for the resolution of social issues and environmental conservation.	<ul style="list-style-type: none"> • Dialogue, collaboration and support aimed at the resolution of social and environmental issues 	• Participate in stakeholder dialogue	• As needed
			• Administration committee of Public Trust Fujifilm Green Fund	• As needed
			• Review meetings on various CSR issues	• As needed
			• Afflicted area support activities with NPO	• As needed

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

Social Background and Basic Approach

In recent days, international long-term targets such as Sustainable Development Goals (SDGs*¹) and the Paris Agreement*² have been announced in the drive to resolve social issues. In particular, expectations are growing for the role of companies as players in resolving social issues and building a sustainable society. In view of these developments, the SVP 2030 has set as its long-term goal for FY2030 to contribute to achieving the goals for resolving global social issues set by SDGs, the Paris Agreement, etc.

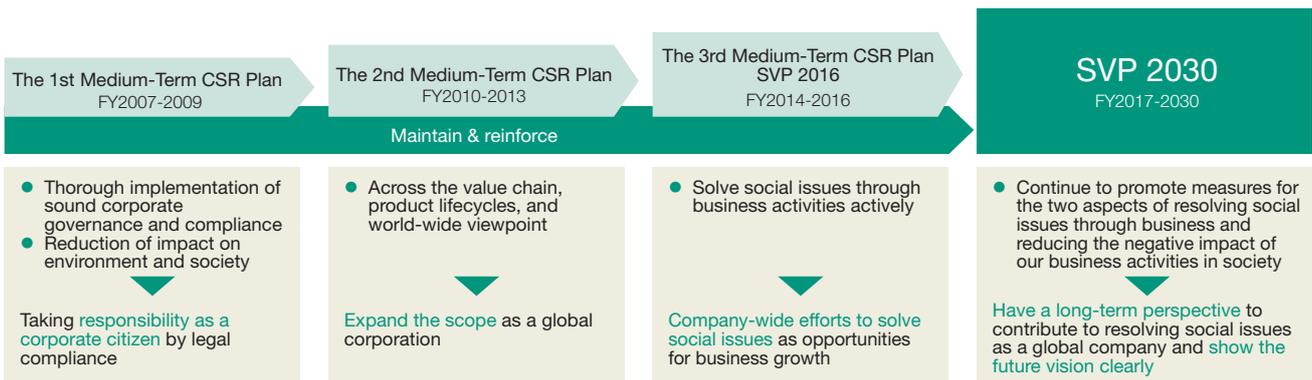
*1 SDGs (Sustainable Development Goals): Goals in sustainable development adopted by the United Nations General Assembly in 2015, to be addressed as social issues by the international community until 2030. There are 17 goals and 169 targets established to address the issues of poverty, inequality and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

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

Process for Identifying Materiality (Priority Issues)

[STEP 1] Clarifying the Basic Policies

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



[STEP 2] Extracting Social Issues Based on Business Strategy

In identifying social issues, roughly 130 items listed from various indexes such as ISO 26000 and GRI Guidelines/Standards were combined from the standpoint of social issues to be addressed from a long-term perspective, including the goals of the Paris Agreement and the 169 targets under the SDGs. Also, the possibility of contributing to resolving social issues was discussed with all business divisions to identify relevant products, technologies, and services in these divisions.

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

Main CSR Issues (PDF) URL: https://www.fujifilmholdings.com/en/sustainability/svp2017/process/pack/pdf/main_CSR_Issue_en.pdf

[STEP 3] Evaluation of Materiality

Evaluation adopted the approaches both of resolving social issues through business and reducing the social impact of business activities in society.

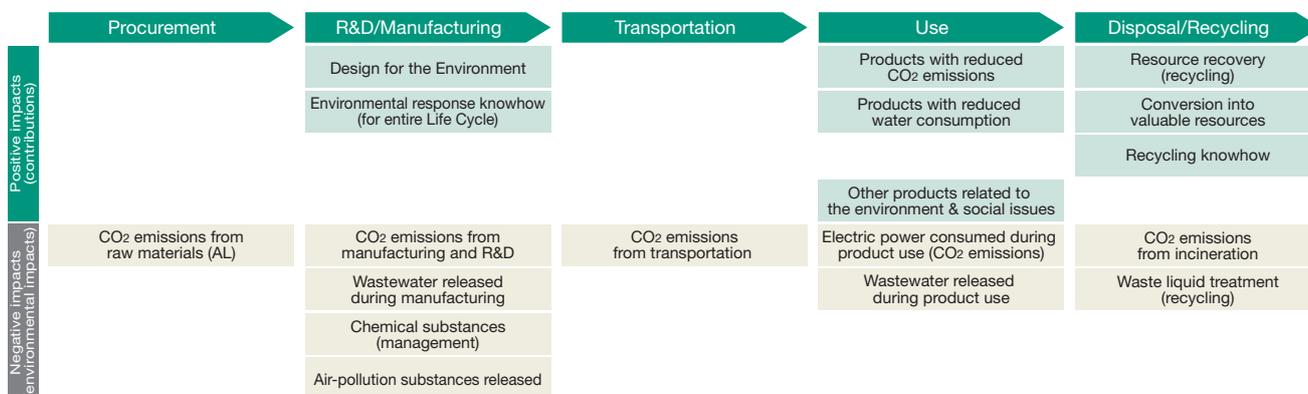
1. Resolving social issues through business

Fujifilm's products, technologies and services that show the potential of resolving social issues and the social issues were organized in a matrix diagram. Based on the diagram, the possibility of contributing to solving social issues and the scale of the impact on society were evaluated, and the social issues that must be prioritized by our company were identified.

2. Reduction of the impact of our business activities

With the participation of the CSR specialist E Square, the social issues identified were evaluated from a social perspective (how important society perceives the issue and what it demands of the Fujifilm Group) and our company perspective (impact on business strategy, brand and reputation) and were mapped on five levels. Issues that were rated four or higher on both sides were organized and reexamined in expressions suitable for the Group's measures on the issues and were defined as priority issues.

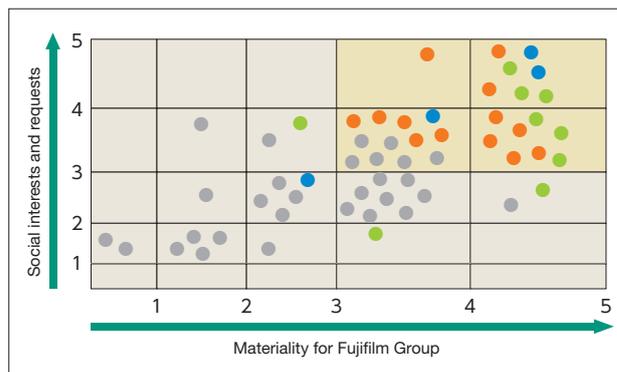
Impact on Business Processes across the Value Chain (Ex. Environment)



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

Matrix on Social Issues and Fujifilm Group's Products, Services, and Technologies/Materiality Mapping for Extracting Priority Issues

Business fields	Social issues	Medical	Pharmaceuticals	Highly functional materials	Document solutions	...
Environment	Reduce CO2 emissions	●●		●●●●●	●●●●●	
	Energy issues	●		●●●	●●●	
	Exhaustion of resources			●	●●	
	...			●	●●	
Health	Improve accessibility to medical services	●●●●●			●●	
	Identify diseases at an early stage	●●●●●		●●●		
	Reduce doctor's burden	●●				●
	...	●	●			●
Daily Life	Enrich humanity and relationships				●●	●●●●
	Create a safe and secure society			●●●	●	●
	...			●		●
	...					●
Work Style	Promote communications				●●●	
	Promote diversity				●●	●
	...					●



[STEP 4] Planning and Review

For each priority issue defined, relevant business divisions at operating companies that had introduced measures on the issue took the initiative in studying the indicators for promoting progress toward the long-term goal, and for environmental issues on a global scale, definitions of the numerical targets for the year 2030. Priority issues of SVP 2030 were finalized in the deliberations by the CSR Committee (present ESG Committee), headed by the President of FUJIFILM Holdings. For achievement of SVP 2030, we will re-examine our group-wide activities through PDCA every three years by planning for medium-term management reform.

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

The Fujifilm Group announced its Sustainable Value Plan 2030 (SVP 2030) in August 2017. The new plan sets itself apart from previous medium-term CSR plans in characteristically targeting FY2030 as its longterm goal, which is expected to lay the foundations of the Group’s business management strategies for sustainable growth.

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



SVP 2030 Priority Area/Priority Issues (Materiality)

	Solving social issues through business activities Contribution (Opportunities)	Conscious on environmental and social impact within business processes Impact (Risks)	Fujifilm Group's Contribution to SDGs
Environment 1. Address climate change 2. Promote recycling of resources 3. Address energy issues toward a non-carbon society. 4. Ensure product and chemical safety.	● ● ● ●	● ● ●	
Health 1. Fulfill unmet medical needs. 2. Improve accessibilities to medical services. 3. Contribute to identifying diseases at an early stage. 4. Contribute to health promotion and beauty. 5. Promote management of a healthy workplace.	● ● ● ●	● (Employees)	
Daily Life 1. Contribute to creating a safe and secure society. 2. Contribute to enriching humanity and relationships between people.	● ●		
Work Style 1. Create environments that lead to motivated workplace (provide solution services). 2. Develop and utilize diverse human resources.	●	● (Employees) ● (Employees)	
Base for business activities			
Supply Chain Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.			
Governance Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture.			

Targets and Results of SVP2030

Environment: Reduce our own environmental impacts and contribute to the resolution of environmental issues.

[Priority Issue 1] Address climate change.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
Impact on the company's operation	Risks, costs	(1) Reduce the Fujifilm Group's CO ₂ emissions by 30% by FY2030 (compared to the FY2013 level).
<ul style="list-style-type: none"> Recording Media Graphic Systems Document Solutions 	Opportunities, revenues	(2) Contribute to a reduction in the CO ₂ emissions generated by society by 50 million tons by FY2030.
Progress (FY2018)		
(1) CO ₂ emissions in FY2018: 22% reduction (2) CO ₂ Emission Size of Contribution in FY2018: 9.1 million tons (The achievement rate: 18%)		
Future Activities and Targets		
<ul style="list-style-type: none"> Further disseminate and enhance energy-saving measures at production sites. Seek the further opportunities and actual utilization to achieve renewable energy usage targets (Procuring renewable energy-derived electricity and installation of renewable energy facilities). Promote creation of environmentally conscious products through the "Green Value Products" Certification Program. 		

[Priority Issue 2] Promote recycling of resources

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
Impact on the company's operation	Risks, costs	(1) Reduce the amount of water the Fujifilm Group uses for production by 30% by FY2030 (compared to the FY2013 level).
<ul style="list-style-type: none"> Graphics Inkjet Printers Industrial Products 	Opportunities, revenues	(2) Contribute to the treatment of 35 million tons of water per year in society by FY2030.
	Risks, costs	(3) Reduce the amount of waste generated by the Fujifilm Group by 30% by FY2030 (compared to the FY2013 level).
	Risks, costs	(4) Improve the efficiency of the Fujifilm Group's resource use per unit of production by 30% by FY2030 (compared to the FY2013 level).
Progress (FY2018)		
(1) Water usage in FY2018: 15% reduction (2) Water treatment contribution in society in FY2018: 8.7 million tons/year (3) Waste generation in FY2018: 5% increase (4) Resource usage per unit in FY2018: 28% improvement		
Future Activities and Targets		
<ul style="list-style-type: none"> Continue stable reduction measures suited each region and site. 		

[Priority Issue 3] Address energy issues toward a non-carbon society.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
Impact on the company's operation	Risks	Contribute to the creation and widespread use of renewable energies through highly functional materials.
Progress (FY2018)		
<ul style="list-style-type: none"> Participated in an industry, government, and academia project hosted by the New Energy and Industrial Technology Development Organization (NEDO) to develop the all-solid-state lithium-ion batteries, the next-generation storage batteries for electric vehicles, as one of 23 companies, including automobile and battery manufacturers. 		
Future Activities and Targets		
<ul style="list-style-type: none"> We will continue participating in the NEDO activities and R&D collaborating with other companies. 		

[Priority Issue 4] Ensure product and chemical safety.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
• Fine Chemicals	Revenues, costs, risks, opportunities	Minimize adverse effect on chemical substances on human health and the environment.
Progress (FY2018)		
<ul style="list-style-type: none"> Completed the review of chemical substances used globally in products according to our voluntary management policy for specific chemical substances preceding regulation in each country. Created and enforced management plans for alternatives and reduction of chemical usage and emissions. An alternative test method for skin sensitization test, ADRA has been adopted in OECD test guidelines 442C*. For in vitro skin corrosion tests using 3-dimensional reconstructed human epidermis model, LabCyte EPI-MODEL 24 was also adopted into OECD test guidelines 431. Started full-scale operation of a chemical information communication system, chemSHERPA in China. Started development of a safety prediction method that takes account of animal welfare. Started education program for reagent users concerning chemical substance handling. <p>* OECD test guidelines: Guidelines specified by the Organization for Economic Co-operation and Development (OECD) to standardize testing methods to assess the characteristics and safety of chemical substances.</p>		
Future Activities and Targets		
<ul style="list-style-type: none"> Further reduce usage and emissions of hazardous substances and replace them with safer alternatives based on the chemical substance management plan. Complete transfer to the new version of chemSHERPA within FY2019 and utilize IT tools such as RPA to make the legal compliance system more robust. Further expansion of chemical handling education program to reagent product users and improvement of internal education. Develop a highly accurate safety prediction method. Build a next-generation chemical substance management system. Utilize alternative methods to animal testing for internal safety evaluations. 		

Health: Create a healthy society through the process of prevention, diagnosis and treatment in healthcare.

[Priority Issue 1] Fulfill unmet medical needs.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
<ul style="list-style-type: none"> Pharmaceuticals Biopharmaceuticals CDMO Regenerative Medicine 	Revenues, opportunities	Develop and disseminate new treatments based on regenerative medicine and cell therapy.

Progress (FY2018)

[Target] Develop new treatment solutions (① Regenerative medicine, ② Infectious disease treatment, ③ Central nervous system)

- ① Autologous cultured epidermis JACE® was approved for inclusion within national health insurance coverage as regenerative care for hereditary epidermolysis bullosa, a refractory genetic disease.
- ① Applied for manufacturing and marketing approval of autologous cultured corneal epithelium (EYE-01M), the first regenerative medical product in ophthalmic field in Japan.
- ① Received the Prize for Science and Technology under a FY2019 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology for "Development of Autologous Cultured Epidermis."
- ② Obtained an imported drug license in China for the oral synthetic quinolone antibacterial agent, which is mainly for respiratory tract infections, such as pneumonia.
- ② Applied for manufacturing and marketing approval in Japan for a new antibacterial agent for treatment for infectious diseases in otorhinolaryngology, such as otitis media and sinusitis.
- ② Launched Japan's first oral antifungal agent miconazole ORAVI® Mucoadhesive Tablets 50 mg for oropharyngeal candidiasis treatment.
- ③ Started the phase II clinical trials of a new drug candidate that accelerates rehabilitation after strokes.

[Target] Improve accessibility to new treatment solutions (④ Contribution through contract development and manufacturing, ⑤ Contribution through development and dissemination of products that support advanced treatments)

- ④ Acquired a large-scale biologics manufacturing site from a major US biopharmaceutical* company, Biogen.
 - ④ Significantly shortened the development period of biopharmaceuticals down to 34 weeks, the shortest in the CDMO industry.
 - ④ Developed a high-performance and highly efficient fully integrated continuous production system that controls processes from cultivation to purification.
 - ⑤ Launched new product iCell® Microglia, an iPSC-derived neural cell type, contributing to new drug evaluation in human biology, mainly for drugs for neurological diseases, such as for Alzheimer's diseases.
 - ⑤ FUJIFILM Wako Bio Solutions Corporation, our new company, started new subcontract services in new drug development support and inspection.
- * Biopharmaceuticals: Pharmaceutical products utilizing biological particles, such as proteins, that provide effects unachievable by conventional chemically synthesized small-molecule drugs. Such biopharmaceuticals include insulin, vaccines, and antibody drugs. Antibody drugs utilize antibodies used by the immune system to protect our bodies from abnormal organisms, such as viruses and cancer cells, by recognizing them selectively.

Future Activities and Targets

- Introduce regenerative medicine products to the market, expand their application and improve contract manufacturing for these products.
- Accelerate the development of new drug pipelines.
- Expand contract manufacturing for biopharmaceuticals.
- Develop and disseminate cell culture medium or relevant manufacturing technologies that support advanced biomedical treatments (gene therapy, etc.).

[Priority Issue 2] Improve accessibilities to medical services.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
<ul style="list-style-type: none"> Medical Systems 	Revenues, opportunities	(1) Reducing burden on doctors and medical staff by utilizing IT ----- (2) Development and dissemination of infectious disease diagnostic system to contribute to global health ----- (3) Offering technical diagnosis training and spreading effective health practices to emerging countries

Progress (FY2018)

[Target] Expand and scale up AI & IoT technology to reduce burdens on medical staff

- In collaboration with academia, the FUJIFILM Creative AI Center, "Brain(s)" was established as a dedicated research center to foster next-generation AI technologies that can help resolve social issues, including health problems (October 2018).
 - Together with Kyoto University, we have successfully developed an AI technology to support diagnosis of interstitial pneumonia* (April 2019).
 - Launched SYNAPSE SAI viewer, an AI diagnosis support platform, as the first product under the brand of our medical AI technology, REILI (July 2019).
- * Interstitial pneumonia: A general category of lung diseases in which the lungs harden through inflammation. Causes of interstitial pneumonia vary such as pneumoconiosis caused by asbestos and idiopathic interstitial pneumonia which the cause is unknown. Idiopathic interstitial pneumonia is a designated intractable disease that is difficult to treat.

[Target] Market launch and scale up a novel point-of-care tuberculosis diagnostic kits in developing countries

- A highly sensitive rapid tuberculosis diagnostic kit, TB-LAM was adopted for the Phase 2 investment (FY2018 to FY2020) by the Global Health Innovative Technology (GHIT) Fund, to continue its clinical trials. TB-LAM is being developed by Fujifilm with the collaborating partner FIND* under continuous investments from the GHIT Fund, which aims at creating innovative therapeutic drugs, vaccines, and diagnostic drugs originating in Japan to fight against infectious diseases and poverty in the developing world.

* FIND (Foundation for Innovative New Diagnostics): Swiss non-profit organization that helps development and spread new diagnostic techniques for infectious diseases suitable for developing countries.

[Target] Implement a medical checkup system to help improve the medical environment in emerging countries

- Continued to carry out the FY2017 project in Brazil to promote medical collaboration in the use of remote diagnostic imaging technology funded by the Japan International Cooperation Agency (JICA) in FY2014 (completed in March 2019).
- Convened technical workshops to provide trainings to medical staff in South Africa, Myanmar, Kirghiz, etc.

Future Activities and Targets

- Accelerate the implementation of R&D and solutions that utilize advanced medical AI Technology through the platform of "Brain(s)."
- With an aim of commercialization, additional clinical trials to be conducted for TB-LAM to further accumulate data to obtain WHO recommendation. Contribute to the SDGs Goal 3 by aligning the TB-LAM initiative with the WHO target to end the global tuberculosis epidemic by 2030.
- Scale up medical checkup systems and continue providing education and trainings to help improve the medical environment in emerging countries.

[Priority Issue 3] Contribute to early disease detection.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
• Medical Systems	Revenues, opportunities	Reduce the physical burden through widespread and expanded use of medical diagnostic systems.
Progress (FY2018)		

- Continued promoting CureSign*, a remote blood test service in which a user sends self-collected blood by post. The service is targeted mainly towards family members of health insurance association members, who are not eligible for a mandatory annual medical checkup.

* CureSign: A service in which a user collects a small sample of their own blood using a blood collection kit and sends the sample to the test center by post. Within one to two weeks, the test results are returned by post. The screening items currently available are stomach cancer, stomach ulcer, duodenal ulcer, and 14 other items related to lifestyle diseases, including metabolic syndrome. Approximately 14,000 people used this service as of FY2018.

Future Activities and Targets

- Promote the CureSign service among health insurance associations and consider to adopt this service as a substitute of medical exam required for life medical insurance application.
- As a part of overseas business expansion, the project has initiated in Thailand with an aim to implement the service in the country under the JETRO Experimental Project.

[Priority Issue 4] Contribute to health promotion and beauty.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
• Life Science	Revenues, opportunities	(1) Promote measures to prolong healthy lives. (2) Promote to support for women empowerment.
Progress (FY2018)		

[Target] Prolong healthy lives and support a positive state in everyday life

- Launched foods with functional claims to support improvements in lifestyle-related diseases by improving the intestinal environment and excretion, and lower LDL (bad) cholesterol.

[Target] Support women in staying healthy, beautiful, and attractive

- Developed a new and unique component, Nano-Resveratrol EX, which employs a new function of collagen that helps maintain skin firmness and resilience, and launched cosmetics with functional claims containing this component.
- Introduced a new product lineup that utilizes D-UV Guard+ developed based on our recent ultraviolet research.
- Created the big opportunity to try ASTALIFT, through a free sample giveaway campaign for 100,000 people.
- Promote the CureSign service among health insurance associations and consider to adopt this service as a substitute of medical exam required for life medical insurance application.
- As a part of overseas business expansion, the project has initiated in Thailand with an aim to implement the service in the country under the JETRO Experimental Project.

Future Activities and Targets

- Increase the number of trial opportunities of highly-functional and scientifically-proven anti-aging care products. (Aim at a total of 10 million people who have experienced our products by 2030.)
- Increase the number of people's SNS postings on our healthcare products, such as experience reports. (Aim at a total of 100,000 postings by 2030.)

[Priority Issue 5] Promote management of a healthy workplace.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
Impact on the company's operation	Risks	Promote management of health and productivity to maintain employees' vitality.
Progress (FY2018)		

[Target] Raise cancer screening rates to 90% or more (for men/women: stomach, lungs, large intestine)

- The number of people who requested gastroscopies and screening for breast and gynecological cancer increased steadily. The endoscopy-specialist clinic within the company premises continually encouraged employees to take large intestine endoscopies and to utilize the clinic. The number of users in FY2018 increased to 2,206 (7% over the previous year).
- Promoted breast and gynecological cancer screening by dispatching a cancer screening cars.

[Target] Reduction in number of workdays lost

- The group-wide physical and mental health committee conducted a factor analysis concerning sick leave in order to study the signs that could indicate potential mental illness and implement countermeasures at an early stage. The committee also analyzed departmental characteristics based on stress checks and sent feedback to those departments with high risks.

[Other major activities]

- The Employee Wellness Promotion Group was inaugurated in July 2018. The entire Group, including the health insurance association, formed this structure to promote health practice by setting group-wide health management targets and standardizing measures.
- Announced the Fujifilm Group Employee Wellness Declaration in September 2019 to contribute to achieve a healthy and long life society in addition to accelerate the employee wellness initiatives.
- Listed in the "White 500," the Certified Health and Productivity Management Organization Recognition Program for three consecutive years. Nine group companies were also listed in the program.
- Fujifilm and Fuji Xerox group companies set medium-term targets and KPIs for their health promotion plans.
- Promoted our online stop-smoking program and held walking events as a part of initiatives to address five priority areas (lifestyle diseases, smoking, cancer, mental health, and long working hours) concerning management of employee wellness.
- Identified health issues in each of the 85 group companies belonging to the Fujifilm Group Health Insurance Association, and presented a Health Report to the senior management of each company.
- Reinforced the company's health management system for Japanese employees dispatched overseas to the same level as in Japan (since 2017). This ensured that such employees received regular health checks, and if any health risks were identified, a telephone interview and advice from a Japanese doctor were arranged.

Future Activities and Targets

- Further encourage group-wide health promotion for employees and reinforce the disclosure of the results.
- Under the leadership by top management of each group company, set KPIs in five priority areas and promote healthy practices.
- Reinforce countermeasures against breast cancer and large intestine cancer, cases of which have increased rapidly and occupy a large percentage of the company's medical expenses for cancer.
- Organize a group-wide e-learning program to raise health awareness.
- Further enhance the ongoing online stop-smoking program and a walking event.
- Expand health promotion measures suitable for each region and country, and share good practices.

Daily Life: Support the tangible and intangible aspects of infrastructure in people's lives through various products, services and technologies.

[Priority Issue 1] Contribute to creating a safe and secure society.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
<ul style="list-style-type: none"> • Recording Media • Electronic Materials • Display Materials • Industrial Products 	Opportunities, revenues	(1) Develop technologies for products and services and promote their greater use to contribute to the development of an ICT.
<ul style="list-style-type: none"> • Industrial Products 	Opportunities, revenues	(2) Contribute to enhancing the safety of infrastructure through more efficient inspections for the deterioration and malfunctioning of buildings and structures.
Progress (FY2018)		

[Target] Aim at 100% preservation of records archived on tapes

- Won the Minister of Economy, Trade and Industry Prize under the 7th Management of Technology and Innovation Awards, for developing a large-capacity data tape using barium ferrite magnetic particles that supports the age of big data and the IoT. (Fujifilm)

[Target] Shorten the inspection periods of deterioration and malfunctioning through providing a non-destructive inspection system

- Launches the FUJIFILM Creative AI Center Brain(s) Kyushu, a research facility to develop next-generation AI technologies to streamline the inspection and diagnosis of social infrastructures including bridges.

[Other major activities]

- Newly entered the long-range surveillance camera market in July 2019 by releasing the FUJIFILM SX800, a long-range surveillance camera with built-in zoom lens, in which our cutting-edge optical and image processing technologies are integrated.
- Launched the cloud-based signage service, SkyDeck Media Message which enables multi-language broadcasting of information about facilities and evacuation in case of a disaster.

Future Activities and Targets

- Promote reliable and cost effective long-term data storage with the development of magnetic tape with higher data storage capacity.
- Promote next-generation AI technology research to improve safety in social infrastructure.
- Develop innovative long-range surveillance cameras by combining our unique optical technology, refined through the development of 4K/8K-compatible broadcast lenses with cutting-edge image processing technology found in the "X Series" of digital cameras.

[Priority Issue 2] Contribute to enriching humanity and relationships between people.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
<ul style="list-style-type: none"> • Photo Imaging • Electric Imaging • Optical Devices 	Opportunities, revenues	Contribute to enriching and making people's lives peaceful through records of photos and videos, and photographic products that give form to memories.
Progress (FY2018)		

[Target] Offering opportunities to enjoy photos that give forms to memories

- Launched various smartphone services, including Kazoku no Kiroku (Family Record) app, FUJIFILM Prints & Gifts service, as well as a photo book service, PhotoZINE Slim-Type.
- Launched the Premium Print Service through which customers can easily order professional-level high-quality silver prints on the Internet.
- Held the 20th anniversary campaign to commemorate sales of instax and enhanced the product lineup.
- Hosted photo exhibitions in Japan, the US and Europe to display works, aiming at participation by 100,000 people by 2020. Exhibited 100,000 photographs worldwide and achieved this target ahead of schedule in FY2018.
- Started the Homeshu (Praise with Photos) Project as a main partner to establish a new child-raising practice that improves children's self-esteem by displaying their photographs at home.

[Other major activities]

- Providing high image quality mirrorless cameras that respond to a wide range of demands from entry models to medium format models.
- Received the Award for Excellence "Art of Moment Award" at Japan Mécénat Awards 2018, in recognition of FUJIFILM SQUARE activities.
- FinePix 4700Z, the world's first digital camera with honeycomb-structured CCD, was registered as Essential Historical Materials for Science and Technology by the National Museum of Nature and Science, Tokyo.

Future Activities and Targets

- Offer products, services, and opportunities that disseminate the various ways to enjoy photography across the world, including shooting, preserving, displaying and gifting photographs.
- Launch a cloud photo archive service which uses AI to manage the uploaded digital photographs or scanned analog data.
- Further dissemination of open participation photo exhibitions worldwide.

Work Style: Promote social change where every person is motivated in the workplace through extending our in-house work-style reforms.

[Priority Issue 1] Create environments that lead to motivated workplace

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
<ul style="list-style-type: none"> Document Solution Business Infrastructure 	Revenues, costs, risks, opportunities	Contribute to generate the innovation for organizations and society by offering solutions and services that support increasing worker's productivity and exerting their creativity.
Progress (FY2018) <p>[Target] Efforts in work style reform in our own company</p> <ul style="list-style-type: none"> Overtime working hours per employee has been reduced by 20% compared to FY2014. (FF) Implemented measures that give more consideration to employees' health, such as revising the upper limit of overtime working hours and management-driven initiatives to eliminate long-hour working. (FF & FX) Provided mobile PCs to office-based and sales employees to promote more efficient working. (FF & FX) Promoted work streamlining by utilizing ICT, such as Robotic Process Automation (RPA), Business Intelligence (BI) tools in offices, and training new employees to use such technologies. (FF) Provided seminar for all managers concerning efficient working. (FF) Reinforced and streamlined sales procedures and reformed business processes through companywide reform project. (FX) Modified conditions (such as types of work and work locations) for home working for childcare and nursing care and remote working system (effective from April 2019). (FX) <hr/> <p>[Target] Actions for work style reform for customers</p> <ul style="list-style-type: none"> Offered solution services to realize Smart Work Innovation*. (FX) Concluded a partnership agreement with Yokohama City to realize Innovation City Yokohama. Conducted demonstration experiments to progress work style reform. (FX) <p>* Smart Work Innovation: Fuji Xerox's value provision strategy through offering solution services utilizing AI, IoT, and loH technologies that support our customers' work style reforms.</p>		
Future Activities and Targets <ul style="list-style-type: none"> Promote further work style reform by enabling all employees to utilize the latest IT through offering training and support. (FF) Continue to reform work environments so that employees can work healthily to increase their productivity. (FX) Offer solution services globally to support our customers' work style reforms. (FX) 		

[Priority Issue 2] Develop and utilize diverse human resources.

Relation to business		Target for 2030
Relation to business (Medium-Term Management Plan VISION 2019)	Influence on sales, costs, risk and opportunities	
Impact on the company's operation	Risks, costs	Create frameworks and workplaces so that the Fujifilm Group's diverse may exert their capabilities and creativity to the fullest extent.
Progress (FY2018) <p>[Target] Increase the rate of international employees (i.e., non-Japanese) in major positions.</p> <ul style="list-style-type: none"> Identified important posts in overseas subsidiaries, and started successor training through training programs. (FF) Aiming at optimized assignments and best use of global human resources, promoted more communications and discussions among HR officers in Europe, North America, China, and the Asia Pacific region. (FF) <hr/> <p>[Target] Improve the rate of women in managerial positions.</p> <ul style="list-style-type: none"> Percentage of women in executive and managerial positions increased from 3.4% in 2011 to 7.6% in FY2018. (FX) <hr/> <p>[Target] Continue exceeding the legally stipulated rate of employment of people with disabilities.</p> <ul style="list-style-type: none"> The rate of employment of people with disabilities in June 2019 was 2.35% (group-wide calculation method under FUJIFILM Holdings). Promoted employment of people with disabilities working together with group companies (workplaces tailored for people with disabilities, etc.). (FX) Distributed voice recognition software to help communications for employees with hearing problem. (FX) 		

- [Target] Achieve zero retirement of employees caused by nursing care, childbirth, and childcare.**
- Held seminars for employees returning from childcare leave and their managers to raise awareness on how to make their return to work smooth. (FF)
 - Held specialist seminars to prevent employees quitting their job for nursing care; increased support offices for nursing care. (FF)
 - Prepared for enhanced home working system for childcare and nursing care (raising the maximum age of children requiring care, expanding system coverage to pregnant employees, and more flexible work locations in the use of the system) (effective from April 2019). (FX)

- [Other major activities]**
- Accepted intern students from overseas universities. (FF)
 - Held a cross-industry exchange forum for women managers to support their careers. (FX)
 - Distributed a Managers' Guide to Support Employees in Childcare. (FX)

Future Activities and Targets

- Further disseminate and accelerate Work Style Innovation (WSI)* to realize diverse work styles with high productivity. (FF)
 - Work style reform focusing on thorough business streamlining, work environment to exert employees' capabilities, and thorough labor compliance. (FX)
- * Work Style Innovation (WSI): Activities implemented by Fujifilm to aim to become a company where diverse employees can utilize their individual strengths to demonstrate their capabilities in effective ways of working that produce results.

Supply Chain: Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.

[Priority Issue] Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.

Relation to business	Target for 2030
Business infrastructure	(1) Realize sustainable procurement considering the environment, ethics and human rights.
	(2) Ensure compliance with legislation on biodiversity.

Progress (FY2018)

- [Target] Realize sustainable procurement**
- Started on-site visits by expert teams to suppliers with assemble works in China to offer procurement diagnoses and started providing support for improvements. (FF)
 - Achieved elimination of production line stops caused by suppliers' CSR risks in consecutive years ⇒ FX Shenzhen for four years & FX Haiphong for three years. (FX)
 - Obtained 100% response rate from suppliers for the conflict minerals survey (in the document business where customer interest is high). (FX)

- [Target] Ensure compliance with legislation on biodiversity**
- Continued risk assessment of biological resource procurement from the product design stage, based on internal rules (starting in February 2010).
 - Participated in the Taskforce Committee for the Nagoya Protocol under the Ministry of Economy, Trade and Industry (METI), Japan (continuous participation since FY2014).
 - Continued risk management for procurement of copier paper, one of our important products, based on internal rules and guidelines (since 2012).

- [Other major activities]**
- In June 2018, the Fujifilm Group Human Rights Statement was approved by the CSR Committee (current ESG Committee; headed by the President) to be disclosed.
 - In April 2019, the Fujifilm Group Charter for Corporate Behavior and the Fujifilm Group Code of Conduct were revised to enhance descriptions concerning respect for human rights. Started dissemination and education including the Human Rights Statement.
 - Conducted the comprehensive human rights impact assessment across the Group and determined the priority in human rights issues to address.
 - Conducted natural capital assessments concerning procurement of copier paper based on the Natural Capital Protocol*.

* Natural Capital Protocol: A standardized framework developed by the Natural Capital Coalition (NCC) for businesses to identify, measure and value their impacts and dependencies on natural capital to improve their decision making and strategies. First published in July 2016.

Future Activities and Targets

- Establish on-site visits by expert teams to suppliers with assemble works in China as a regular practice and reinforce support for improvements. (FF)
- Maintain 95% or more response rate from suppliers for the conflict minerals survey, and refine data accuracy (in the document business where customer interest is high). (FX)
- Implement ongoing efforts to comprehensively manage biological diversity risks resulting from procurement, continuing our FY2018 activities.
- Expand our business assessment in compliance with the Natural Capital Protocol.
- Increase the preventive and mitigating measures for the priority human rights issues (identified human rights risks) and monitor the progress.

Governance: Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture.

[Priority Issue] Improve and maintain governance structures.

Relation to business	Target for 2030
Business infrastructure	Aim for zero cases of misconduct and major legal violations by disseminating an open, fair and clear corporate culture.

Progress (FY2018)

- [Target] Develop a governance organization for the entire Fujifilm Group and reinforce the business management process.**
- Increased the number of independent outside directors to four to augment deliberations by the Board of Directors and improve transparency of management decision-making by using an independent outside director.
 - Established the Nomination and Remuneration Advisory Committee chaired by an independent outside director as an arbitrary advisory body to the Board of Directors.

- [Target] Improve compliance awareness across the entire global Group and reinforce risk management.**
- Revised the Fujifilm Group Charter for Corporate Behavior and Code of Conduct. (see Page 43)
 - Follow-up investigation on the FY2017 compliance awareness survey ⇒ No major issues.
 - Implemented training programs for risk managers at several overseas regional headquarters.
 - Introduced the information security reporting system globally.
 - Implemented disaster prevention education and training to prepare for a wide-area disaster. (see Page 43)

- [Target] Maintain a fair and independent audit and improve the audit quality level.**
- Established methods for analysis of financial data and work record etc. as well as an e-mail forensics mechanism; all of which have already been deployed in domestic audits and have led to improving audit completeness and objectivity.

Future Activities and Targets

- Strengthen consolidated management of compliance activities by operating companies FF & FX under an FH initiative and by execution of measures aimed at further improving compliance awareness among all employees.
- Enhance deliberations by the Board of Directors and improve transparency of management decision-making.

FH: FUJIFILM Holdings FF: Fujifilm FX: Fuji Xerox

Themes That Are Significantly Related with our Business in the Priority Issues of SVP2030

Item	CSR Priority Issue 1	CSR Priority Issue 2	CSR Priority Issue 3
Material Issues	Contribute to resolving social issues related to health, daily life, environment and work style through products and services (Issues related to social impact in the four areas "Environment", "Health", "Daily Life", and "Work Style" of SVP2030)	Business processes that respond to environmental issues. (Issue related to the company's operation in the "Environment" of SVP2030)	Develop and make use of diverse human resources. (Priority Issue 2 in the "Work Style" of SVP2030)
Business Case	In the above four areas "Environment", "Health", "Daily Life", and "Work Style" of SVP2030, contributing to resolving social issues including improving access to medical services, identifying disease at an early stage, fulfilling unmet medical needs and promoting health are priority areas in our Medium-Term Management Plan VISION 2019 and lead to business growth.	Business operations that respond to environmental issues (energy conservation) not only contribute to reduced costs and improved earnings for a company in the chemical, electrical and machinery industries but are also essential in ensuring stability and continuity of business, as well as in maintaining our social reputation.	The people working at the various worksites form the foundation of our global business operations in diverse fields. Improving working conditions and assuring employee diversity in the company and in the supply chain at large is the key to reducing job turnover, increasing motivation and ultimately leading to business growth. In addition, the expertise gained in the course of these activities has led to us offering work style reform services to other companies.
Business Impact	Revenue & profit	Costs & risks	Risks, sales & revenue
Business strategies	<ul style="list-style-type: none"> Grow sales in the growth areas of medical IT, endoscopes and ultrasonic diagnosis systems in markets including emerging countries and expand our lineup of products with functional claims using our exclusive technologies. 	<ul style="list-style-type: none"> Launch of innovative new products founded on value co-creation and incorporating our high levels of fundamental and core technologies that contribute to solving environmental issues in partnership with external parties. Maximizing profits through energy conservation and implementing a cost-cutting business structure. 	<ul style="list-style-type: none"> Creating a corporate environment in which diverse employees are able to demonstrate their individual strengths through the introduction of Work Style Innovation. Promoting CSR procurement (survey) and reinforcing CSR systems at suppliers, including better working conditions for employees aimed at building a stable and sustainable procurement system.
Long-Term Target/Metric	<p>[Health] Increase healthcare business sales by 30% in FY2016 in line with the Medium-Term Management Plan VISION 2019.</p> <p>[Environment] Medium-Term CSR Plan <ul style="list-style-type: none"> Reduce CO₂ emissions by 20 million tons by FY2020. Long-Term CSR plan Reduce CO₂ emissions by 50 million tons by FY2030. </p>	<p>Increase sales of highly functional materials by 20% in FY2016 in line with the Medium-Term Management Plan VISION 2019.</p> <p>Medium-Term CSR Plan <ul style="list-style-type: none"> 30% reduction in CO₂ emissions over FY2005 levels over the product lifecycle by FY2020 10% reduction in basic resource input units over FY2012 levels by the year FY2020 Long-Term CSR Plan 30% reduction in CO₂ emissions over the product lifecycle over FY2013 levels by the year FY2030 30% reduction in water consumption of the entire Group over FY2013 levels by FY2030 </p>	<ul style="list-style-type: none"> Increase number of female managers by 6% (Fujifilm) and by 14% or more (Fuji Xerox) by FY2020.
Target Year	FY2030	FY2030	FY2020
Executive Compensation	Applied when determining compensation of the company president serving as COO and executive officers supervising relevant divisions	Applied when determining compensation of the company president serving as COO and executive officers supervising relevant divisions, as well as executive officers in charge of CSR	Applied to personnel administration and when determining compensation of executive officers in charge of CSR