



Priority Issue 1

Strengthen CSR Foundations across the Entire Supply Chain

Target for 2030

- (1) Realize sustainable procurement considering the environment, ethics and human rights.
- (2) Ensure compliance with legislation on biodiversity.

In SVP 2030, we have reconfirmed CSR as a priority issue, notably factors concerning the environment, ethics, and human rights. Under the Fujifilm Group's Procurement Policy, we are strengthening our CSR foundation together with our suppliers to build a sounder supply chain that would achieve sustainable procurement. In addition, based upon the Fujifilm Group Basic Concepts and Action Guidelines for Biodiversity Conservation (Guidelines for Biodiversity) established in June 2009, the Fujifilm Group is engaging in a wide range of environmental protection activities for the conservation and protection of biodiversity to sustain the various benefits we now receive from our ecosystem into the future.

Human Rights Statement <http://www.fujifilmholdings.com/en/sustainability/vision/human/index.html>
 Guidelines for Biodiversity <http://www.fujifilmholdings.com/en/sustainability/vision/creature.html>

Outline of Activities in 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)



Briefings for suppliers in China

[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. FF: Fujifilm FX: Fuji Xerox

▶ Related Data and Information:

Management Performance Page 73 *Supply Chain Management*, Page 65 *Biodiversity Conservation*, Page 77 *Human Rights*

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.