

## 2.1 Corporate Governance

### 2.1.1 Basic Approach

The Fujifilm Group aims to contribute to the sustainable growth of society while improving its corporate value through sincere and fair business activities. As the foundation to achieve this, we regard corporate governance as a primary issue in our business management. We also position the Board of Directors as the organization that determines basic Group management policies and strategies and other important matters relating to business execution, as well as supervising the implementation of business affairs.

This idea is clarified in the Corporate Governance Guidelines, which are approved by the Board of Directors.

**Corporate Governance Guidelines**

[https://asset.fujifilm.com/holdings/files/2020-06/0a34c0bd6edc052b798655ba12838d90/about\\_governance\\_ff\\_governance\\_guideline\\_en.pdf](https://asset.fujifilm.com/holdings/files/2020-06/0a34c0bd6edc052b798655ba12838d90/about_governance_ff_governance_guideline_en.pdf)

**Report on Corporate Governance (Tokyo Stock Exchange)**

[https://asset.fujifilm.com/holdings/files/2020-06/b2ad6c1ec376694c5918beb5d9ff5dde/about\\_governance\\_ff\\_ab\\_2020\\_001.pdf](https://asset.fujifilm.com/holdings/files/2020-06/b2ad6c1ec376694c5918beb5d9ff5dde/about_governance_ff_ab_2020_001.pdf) (in Japanese only)

**Our Basic Policy on Internal Control Systems**

[https://www.fujifilmholdings.com/en/about/governance/internal\\_control/index.html](https://www.fujifilmholdings.com/en/about/governance/internal_control/index.html)

**Articles of Incorporation**

[https://ir.fujifilm.com/ja/investors/stock-and-shareholder/shareholders-meeting/main/02/teaserItems1/00/tableContents/0/multiFileUpload2\\_0/link/ff\\_irnews\\_20150626\\_001j.pdf](https://ir.fujifilm.com/ja/investors/stock-and-shareholder/shareholders-meeting/main/02/teaserItems1/00/tableContents/0/multiFileUpload2_0/link/ff_irnews_20150626_001j.pdf) (in Japanese only)

**Fujifilm Tax Policy**

[Sustainability Report 2020 Management Performance 2.1.8](#)

**Yuka Shoken Hokokusho (Securities Report) 2020**

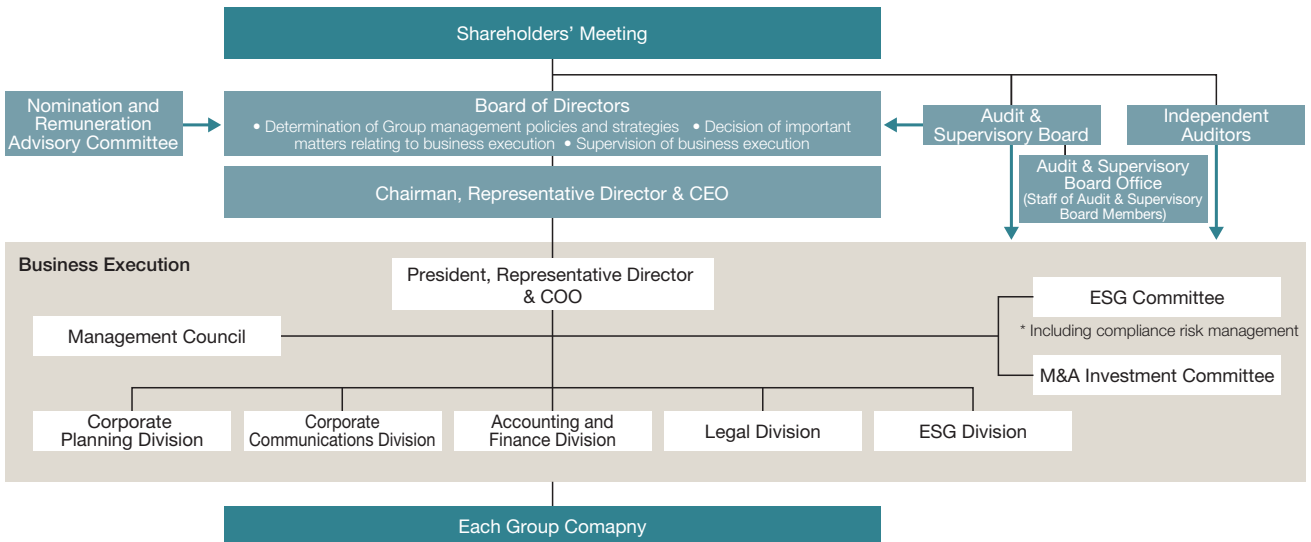
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**Integrated Report 2019**

<https://ir.fujifilm.com/en/investors/ir-materials/integrated-report.html>

### 2.1.2 Corporate Governance and Governing Structure

**Corporate Governance and Governing Structure**



Structure of the Board of Directors: 4 independent outside directors, 7 inside directors

Structure of the Audit & Supervisory Board: 2 independent outside auditors, 2 full-time auditors

Structure of the Nomination and Remuneration Advisory Committee: 2 independent outside directors, 1 inside director

## Auditing structure

As part of upgrading our corporate governance, we have adopted an auditing system based on interactive coordination of internal audits, auditor's audits and financial audits (including internal control audits for financial reports) by independent audit corporation.

As of July 31, 2020, the Audit & Supervisory Board consists of 4 members, of which 2 (50%) are outside auditors. One of the 2 current outside auditors is a certified public accountant with extensive experience and knowledge of global business management and specialized knowledge of accounting and financial affairs. The other outside auditor is a qualified lawyer with a career as a public prosecutor and extensive experience in law, as well as knowledge of and experience in the field of compliance. Each auditor attends the Board of Directors meetings and the full-time auditors always attend the management meetings and engage in regular exchanges of views with the representative director. They also receive regular audit reports from the internal audit division and independent audit corporation. Overview of the business year is reported to the Audit & Supervisory Board.

The internal auditing departments consist of the Global Auditing Division currently made up of 86 members who are independent of our business execution divisions, and is responsible for evaluating and inspecting the appropriateness of business operations across the entire Group.

An independent audit corporation has been selected for a comprehensive study into factors such as quality control, independence and expertise of audit teams, audit compensation and organization capability for a comprehensive audit of our global activities as a whole. After selection, auditors and Audit & Supervisory Board confirm it is good through regular evaluations.

### 2.1.3 Independence of Outside Directors

There are 11 directors as of the end of July 2020, 4 of which are independent outside directors (36% of the board). Outside Directors observe the Board of Directors' decision making and its processes objectively to judge and discuss their rationality from a perspective of increasing corporate value considering the benefit of stakeholders including minority shareholders. They are playing role of contribution to ensure validity and appropriateness of Board decision making.

Outside directors and outside Audit & Supervisory Board members of FUJIFILM Holdings Corporation are deemed to be independent when none of the following conditions apply:

**Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members**

<https://www.fujifilmholdings.com/en/about/governance/officers/index.html>

### 2.1.4 Diversity among Directors

Director candidates are selected giving overall consideration including diversity of the Board of Directors, to enable exchange of opinions from the diverse perspectives of all Directors along with free and open deliberation no distinction between race, ethnic group, nationality, gender, or age, to their personality and acumen, wealth of professional experience, international business experience, depth of insight into the Fujifilm Group's business and management environment, ability to analyze and judge matters objectively and such.

Outside Director candidates in addition to the selection criteria of the Directors candidate, are selected giving overall consideration to their having sufficient acumen and wealth of professional experience for supervising management from independent perspective, high level of expertise in fields such as corporate management, finance, and accounting, and law and experience regarding Fujifilm business fields, and such. We appointed our female outside director in June 2018.

## Expected Expertise and Experience for Directors and Auditors

As end of July 2020

	Name		Global management	Experience of priority business and industry	Innovation/Technology	Finance/Accounting	Legal/Risk management	ESG (Environment/Social/Governance)
Directors	Shigetaka Komori		○	○	○			○
	Kenji Sukeno		○	○		○		○
	Kouichi Tamai		○	○	○			○
	Takashi Iwasaki		○	○	○			
	Takatoshi Ishikawa		○	○	○			
	Junji Okada		○	○		○		
	Teiichi Goto		○	○				
	Tatsuo Kawada	Outside	○	○	○			○
	Kunitaro Kitamura	Outside	○			○		○
	Makiko Eda	Outside	○	○				○
	Takashi Shimada	Outside	○				○	○
Auditors	Kazuya Mishima						○	○
	Nobuo Hanada					○	○	
	Masataka Mitsuhashi	Outside	○			○		○
	Tatsuya Inagawa	Outside					○	

\* Indicates the best four items for Director and Auditor. This table does not show all the knowledge and experience each Director and Auditor has.

## 2.1.5 Effectiveness of Directors

### Attendance Status for the Board and Audit & Supervisory Board Meeting (between April 1, 2019 and March 31, 2020)

Outside directors and auditors are indicated with \*. The chair person is indicated with ◎

	Name	Board meeting (No. held: 11)	Audit & Supervisory Board meeting (No. held: 14)
Directors	Shigetaka Komori	◎ (Attendance rate: 11/11, 100%)	
Directors	Kenji Sukeno	○ (Attendance rate: 11/11, 100%)	
Directors	Kouichi Tamai	○ (Attendance rate: 11/11, 100%)	
Directors	Junji Okada	○ (Attendance rate: 11/11, 100%)	
Directors	Takashi Iwasaki	○ (Attendance rate: 11/11, 100%)	
Directors	Teiichi Goto	○ (Attendance rate: 11/11, 100%)	
Directors	Takatoshi Ishikawa	○ (Attendance rate: 9/9, 100%)	
Directors*	Tatsuo Kawada	○ (Attendance rate: 10/11, 91%)	
Directors*	Kunitaro Kitamura	○ (Attendance rate: 10/11, 91%)	
Directors*	Makiko Eda	○ (Attendance rate: 10/11, 91%)	
Directors*	Makoto Kaiami	○ (Attendance rate: 11/11, 100%)	
Auditors	Kazuya Mishima	○ (Attendance rate: 11/11, 100%)	◎ (Attendance rate: 14/14, 100%)
Auditors	Naohiko Sugita	○ (Attendance rate: 10/11, 91%)	○ (Attendance rate: 14/14, 100%)
Auditors*	Hisayoshi Kobayakawa	○ (Attendance rate: 2/2, 100%)	○ (Attendance rate: 4/4, 100%)
Auditors*	Masataka Mitsuhashi	○ (Attendance rate: 9/9, 100%)	○ (Attendance rate: 10/10, 100%)
Auditors*	Shiro Uchida	○ (Attendance rate: 10/11, 91%)	○ (Attendance rate: 12/14, 86%)

\* The attendance rate is since the appointment.

\* Director's duty period: One year

\* Auditor duty period: Maximum four years

\* Takatoshi Ishikawa was appointed a director on June 27, 2019, Masataka Mitsuhashi was appointed an auditor on June 27, 2019, and Hisayoshi Kobayakawa retired from an auditor on June 27, 2019

## 2.1.6 The Evaluation of the Effectiveness of the Board of Directors

Here is the summary of the outcome of the evaluation which we have recently conducted.

### 1. Method of the evaluation

Evaluated Board Meetings:	All of 12 Board Meetings held in the fiscal 2019
Evaluators:	All of 11 Directors and 4 Audit and Supervisory Board members
Survey Execution Period:	The end of January through mid March, 2020
Outline:	Evaluation point

The decision of management basic policies, management strategies and the deliberation of propositions about the decision and supervision of the important business execution (added as new point from this time)  
The composition, the deliberation and the administration of the Board of Directors ("BoD")

Outline: Evaluation method :

- After answering questionnaire, individual interviews are carried out based on the result of the questionnaire and reported to the BoD for discussion.
- For the purpose of securing transparency and objectivity, a part of the questionnaire making and the evaluation analysis was consigned to a third party agency.

## 2. Results of the evaluation and analysis

- The BoD appropriately performed its roles and duties as stipulated in our Guidelines with regard to efficient deliberation and decision-making, and supervision of the business execution for factors and perspectives that the board members place importance to in the strategic decision and the supervision that the important matters related business execution;
- The BoD maintains an appropriate composition, and its administration is managed well. We have implemented measures to improve the quality of the deliberation by the BoD by setting separate opportunities to make sufficient explanation to the Independent Officers with regard to businesses and propositions. In this fiscal year, the Independent Officers deepened their understanding through briefing sessions about our important human resources strategy, IT strategy, and an approach to promotion of ESG, which are important for achieving sustained growth.

## 3. Measures for enhancement of effectiveness

Based on the result of the evaluation, we will continue our efforts to further enhance the deliberation and effectiveness of the BoD by taking the following countermeasures.

- To improve the quality of the deliberation at the BoD, we will promote the understanding of the board members for propositions to be deliberated by giving information to be conscious of the consistency with the company's corporate and management philosophy, and the company-wide point of view.
- In the deliberation of important M&A's and capital investments, we will provide information about the process of discussions in the company and establish opportunities to subsequently review the effects of the execution.
- We will increase opportunities to discuss management issues from a medium- and long-term point of view and opportunities to discuss environmental issues and SDGs as important issues of the management.

### 2.1.7 Executive Remuneration

#### 1. Remuneration decision process

- The total (upper limit) of the remuneration for either a director or an auditor is determined at the shareholders' meeting.
- The remuneration of each director (including performance-based remuneration) is determined by the resolution in the board meeting after deliberations of the Nomination and Remuneration Advisory Committee. The remuneration of each auditor is determined through discussions by the auditors.

#### 2. Remuneration structure linked to business performance

- Remuneration for directors consists of a fixed remuneration decided by their position and responsibilities and a performance-based remuneration that depends on their business performance. Performance-based remuneration comprises a short-term performance-based remuneration that is associated with their performance and target achievements in a single business year, and a stock option that is a medium- and long-term performance-based remuneration.
- Remuneration for outside directors and auditors consists of a fixed remuneration only, due to the nature of their role and to maintain their independency.
- The total amount of remuneration for directors who also serve as employees is determined according to the position.
- It includes employee salaries, employee bonuses and the amount of stock option costs.
- As a guide, the ratio in the total amount is as follows;
- 50% (fixed compensation), 15% (short-term performance-linked compensation), and 35% (giving stock options).

They are therefore subject to vary depending on our evaluation of their business performance and changes in our stock value. The evaluation is carried out by adding ESG initiatives, which are important for improving the corporate value and sustainable growth of the company, to the indicators.

- For short-term performance-based remuneration, "consolidated sales" and "consolidated operating profit," which are the numerical targets for the Company's short-term business management, are selected as performance-based indicators in a single fiscal year, and the amount of short-term performance-based remuneration is changed between 0% and 150% of the standard value based on the achievement level of the indicators and the comparison with the previous fiscal year's result.
- Stock options are granted to directors (excluding outside directors) as middle- and long-term performance-based remuneration for the purpose of encouraging directors to share the interests of stock price fluctuations with our shareholders and to contribute to improvement of corporate value. The stock option plan is an incentive for management to improve the corporate value, and the amount of shares granted as stock options is determined by the Board of Directors according to rules in consideration of the position, responsibility, authority etc. of each director.

### 3. Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee, which was established in June 2018 as a voluntary advisory organization to the Board of Directors, is made up of 3 members, 2 of which (including the chairman) are outside directors. The Committee normally convenes more than once a year to deliberate on CEO succession plan and the basic policies and procedures for director remuneration and reports its deliberations to the Board of Directors. The Committee met three times in fiscal 2019 (with 100% attendance each time) and the main activities are as follows.

- Confirmation of criteria for appointing a CEO
- Confirmation of criteria for dismissing executive officers
- Deliberations on the list of CEO candidates
- Deliberation and agreement on fiscal 2019 director remuneration
- Review of the director remuneration system
- Report to the Board of Directors of the above items

#### Remuneration for Each Director (FY2019)

Name	Category	Company	Basic remuneration (million yen)	Short-term based remuneration (Bonus) (million yen)	Stock option (million yen)	Total (million yen)
Shigetaka Komori	Directors	FUJIFILM Holdings Corporation	97	25	169	293
	Directors	FUJIFILM Corporation	50	14	33	98
	Directors	Fuji Xerox Co., Ltd.	52	18	—	71
	<b>Total</b>					<b>463</b>
Kenji Sukeno	Directors	FUJIFILM Holdings Corporation	87	21	85	194
	Directors	FUJIFILM Corporation	37	10	17	65
	Directors	Fuji Xerox Co., Ltd.	9	2	—	11
	<b>Total</b>					<b>270</b>
Kouichi Tamai	Directors	FUJIFILM Holdings Corporation	24	3	33	62
	Directors	FUJIFILM Corporation	2	—	7	10
	Directors	Fuji Xerox Co., Ltd.	82	33	—	116
	<b>Total</b>					<b>188</b>
Takashi Iwasaki	Directors	FUJIFILM Holdings Corporation	28	10	12	50
	Directors	FUJIFILM Corporation	19	7	12	40
	Directors	FUJIFILM Electronic Materials Co., Ltd.	6	—	—	6
	<b>Total</b>					<b>97</b>
Takatoshi Ishikawa	Directors	FUJIFILM Holdings Corporation	9	3	—	12
	Directors	FUJIFILM Corporation	44	14	20	79
	<b>Total</b>					<b>92</b>
Junji Okada	Directors	FUJIFILM Holdings Corporation	16	6	12	35
	Directors	FUJIFILM Corporation	25	9	2	37
	Directors	FUJIFILM Toyama Chemical Co., Ltd.	6	—	—	6
	<b>Total</b>					<b>78</b>
Teiichi Goto	Directors	FUJIFILM Holdings Corporation	11	3	12	26
	Directors	FUJIFILM Corporation	39	13	12	65
	<b>Total</b>					<b>91</b>

For further details, please refer to the *Yuka Shoken Hokokusho (Securities Report) 2020*.

[https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff\\_sr\\_2019q4\\_allj.pdf.pdf](https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff_sr_2019q4_allj.pdf.pdf) (in Japanese only)

The Number and Amount of Remuneration Paid to Executive Officers (FY2019)

Category	Number	Basic remuneration (million yen)	Short-term based remuneration (Bonus) (million yen)	Stock option (million yen)	Total (million yen)
Directors (excluding outside directors)	7	275	73	325	674
Auditors (excluding outside auditors)	2	43	—	—	43
Outside Executive Officer	7	60	—	—	61
Total	16	380	73	325	779

\* The above amounts include remuneration paid as compensation for the duties of executive officers and Directors.

For further details, please refer to the *Yuka Shoken Hokokusho (Securities Report) 2020*.

[https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff\\_sr\\_2019q4\\_allj.pdf.pdf](https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff_sr_2019q4_allj.pdf.pdf) (in Japanese only)

### 2.1.8 Tax Policy

#### Fujifilm Group Tax Policy

1. In line with its Code of Conduct, which advocates an “Open, Fair and Clear” corporate culture, the Fujifilm Group shall comply with taxation laws of countries around the world, international taxation regulations and the spirit of such laws and regulations. The Group shall make payment of all required taxes by all specified dates in all countries in which it operates
2. The Fujifilm Group shall thoroughly examine the contents of all business transactions in advance from the perspective of tax, receive advice from competent tax advisors if and when required, and implement reporting and preliminary approval processes for important tax matters in accordance with internal regulations in order to maintain and improve governance on tax affairs
3. The Fujifilm Group shall maintain trusting relations with tax authorities, and give full consideration to, and if deemed necessary, shall proceed with its application for the Advance Pricing Agreement, so as to avert any lack of transparency in tax affairs
4. The Fujifilm Group shall actively utilize beneficial tax treatment in countries in which it operates while complying with their legislative intent in order to maximize consolidated cash flow. The Group shall not engage in tax planning or use tax havens for the sole purpose of obtaining tax benefits.

#### Control of tax matters

The Fujifilm Group closely monitors our tax-related activities and management.

We do not recognize any serious issue concerning tax-related risks at this moment.

- The director responsible for managing the accounting departments takes responsibility for execution of tax processing and instructions, and the creation of financial statements. Note that the financial statements are audited by an independent audit corporation.
- With the recognition that each auditor is an independent authority to form an overall corporate governance system, the auditors closely examine the directors’ business fully adhering to the auditing standards specified by the Audit & Supervisory Board, as well as the company’s auditing policies and plans.

*Yuka Shoken Hokokusho (Securities Report) 2020*

[https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff\\_sr\\_2019q4\\_allj.pdf.pdf](https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports/main/019/teaserItems1/0/linkList/0/link/ff_sr_2019q4_allj.pdf.pdf) (in Japanese only)

## 2.2 Compliance and Risk Management

### 2.2.1 Basic Approach

The Fujifilm Group defines “compliance” as “not only to pursue the law but to behave correctly within the framework of common sense and ethics.” Moreover, we think the compliance and the risk are two sides of the coin, as the lack of compliance awareness among employees would lead to grow the possible corporate risk. For this reason, we are promoting compliance and risk management.

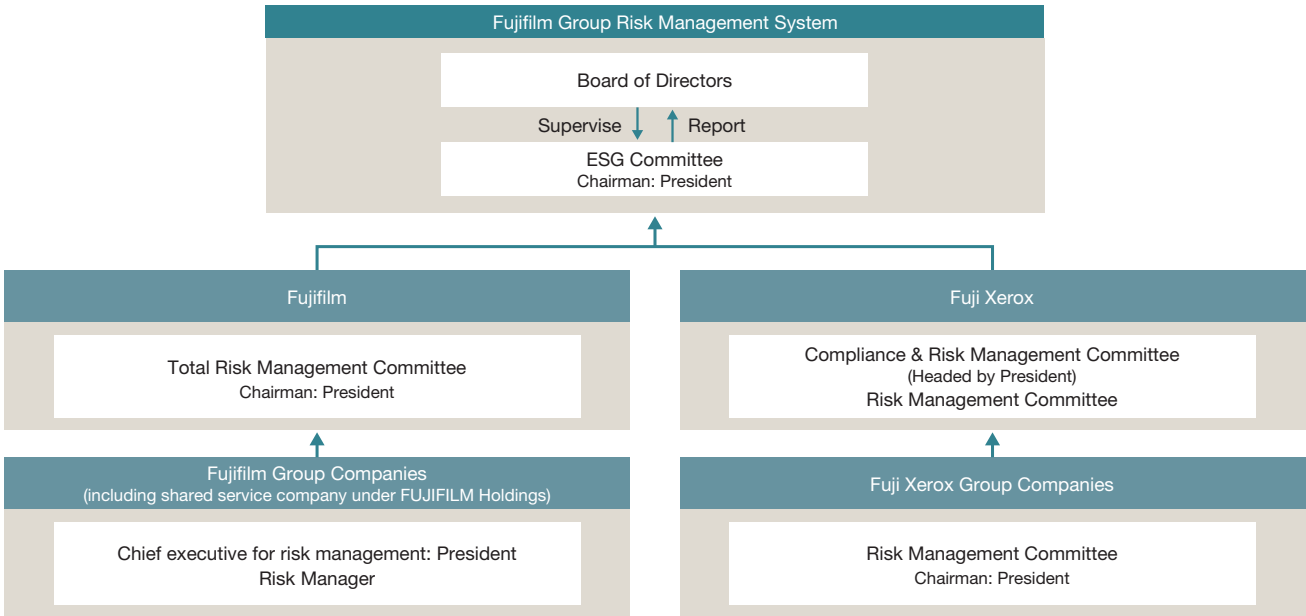
### 2.2.2 History of the Measures Implemented for Compliance and Risk Management

<p>1995-2005</p>	<p><b>Establishment and reinforcement of foundation at each company</b></p> <ul style="list-style-type: none"> <li>• Formulation of a Code of Conduct for employees</li> <li>• Establishment of responsible organization (committee)</li> <li>• Opening of a helpline and whistle-blowing office</li> <li>• Start raising employees' Awareness, education, and monitoring through awareness surveys and briefings sessions</li> </ul>
<p>2006-2008</p>	<p><b>Establishment and reinforcement of foundation for the entire Fujifilm Group</b></p> <ul style="list-style-type: none"> <li>• Establishment of FUJIFILM Holdings CSR Committee</li> <li>• Revision of Group's Corporate Philosophy and Charter for Corporate Behavior , and formulation of Vision and code of Conduct and raising awareness</li> <li>• Expansion of initiative to Group companies outside of Japan</li> </ul>
<p>2009-2013</p>	<p><b>Addressing new priority issues</b></p> <ul style="list-style-type: none"> <li>• Introduction of anti-corruption regulations</li> <li>• Review of Group-wide risk issues related to natural disasters, such as large earthquake or possible eruption of Mt. Fuji</li> <li>• Establishment of a system to ensure no relations with anti-social forces</li> <li>• Introduction of information security regulations and guidelines etc.</li> </ul>
<p>2014-2016</p>	<p><b>Further activity promotion toward Sustainable Value Plan 2016 targets</b></p> <ul style="list-style-type: none"> <li>• Review and clarification of major risks for the Fujifilm Group</li> <li>• Strengthening measures to raise awareness on existing rules and regulations etc.</li> </ul>
<p>2017-2019</p>	<p><b>Strengthening Corporate Governance as the Fujifilm Group</b></p> <ul style="list-style-type: none"> <li>• Compliance education for all Employees and distribution of CEO message concerning the inappropriate accounting issue</li> <li>• Establishment of whistle-blowing system to report directly to FUJIFILM Holdings</li> <li>• Revision of the Charter for Corporate Behavior and the Code of Conduct</li> <li>• Establishment of FUJIFILM Holdings ESG Committee reorganized from CSR committee</li> </ul>



### 2.2.3 Compliance and Risk Management Promotion Structure

Fujifilm Group Compliance and Risk Management System



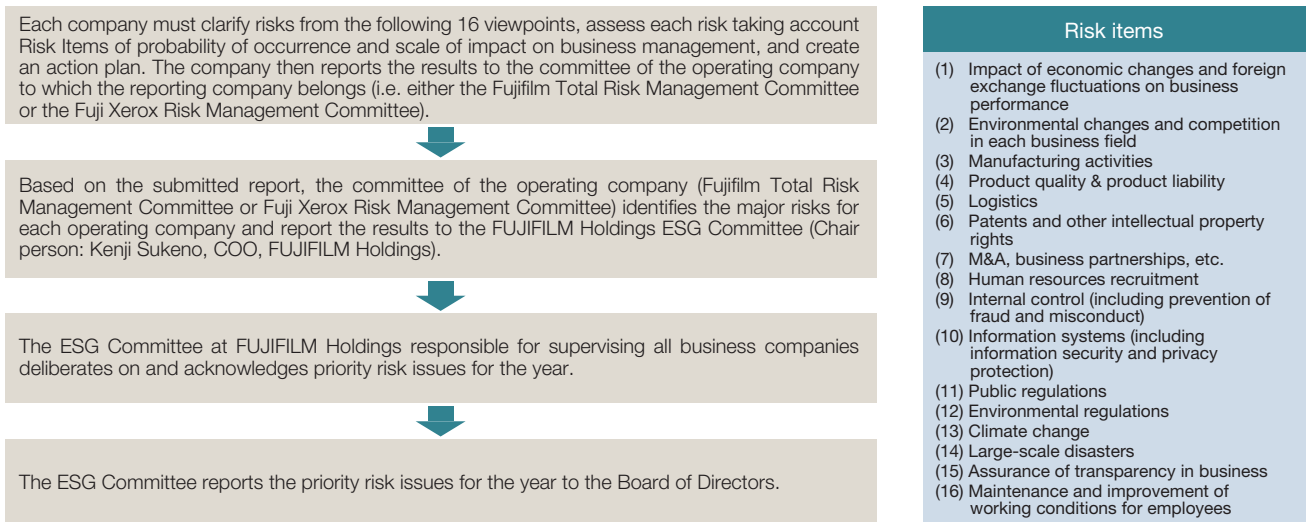
The Fujifilm Group appoints officers in charge of compliance and risk management at each of its businesses and Group companies and implements a variety of measures to establish throughout the Group the business spirit treasured by the Group and a corporate culture that is “open, fair and clear.” Status on implementation of such measures is reported regularly from each organization to the ESG Committee of FUJIFILM Holdings, and from the ESG committee to the Board of Directors on a regular basis. The Board of Directors is responsible for supervising compliance and risk management for the entire Group and for assuring the effectiveness of the processes.

### 2.2.4 Risk Management

Under the risk management regulations of Fujifilm Group, we identify issues for risk prevention and take action in the event of a risk incident.

To strengthen our risk prevention activities, especially in normal circumstances, we implement the following process every year on a global scale, covering all companies controlled by FUJIFILM Holdings, to identify the risks at each company and develop action plans to address them.

#### Risk Extraction and Process for Establishing an Action Plan



**Priority risks in FY2019**

Please refer to the *Yuka Shoken Hokokusho (Securities Report)* for risk issues not listed below.

Risk item	Reason for selection	Countermeasures
Personal data management	In the face of the growing reinforcement of local regulations in each country, the effects of violations and information leaks are growing. Therefore, more comprehensive management is necessary.	<ul style="list-style-type: none"> <li>•Improvements to internal rules and risk management systems</li> <li>•Comprehensive implementation of a range of compliance, information security and risk training programs</li> </ul>
Information security	In response to the expansion of ICT in products, services and manufacturing, enhancement of our conventional system is necessary.	
Compliance of healthcare business (Securing ethics and transparency)	In the healthcare business, ethical conduct and transparency are requested by the regulation authorities in each country. Meeting social requirements as well as compliance with laws and regulations are necessary.	
Eliminating misconducts and fraud	Incidents are declining; however, more comprehensive management and education mainly for overseas are necessary.	
Labor management	In line with the Work Style Reform Law that was enacted in April 2019, we manage working hours to suitable lengths to prevent long working hours.	
Harassment	With society’s increasing interest in harassment issues, harassing behavior must be prevented.	

**Response to crises**

Any crisis that takes place in a Group company is handled by the Compliance and Risk Management promotion structure described in 2.2.3 and in accordance with the procedures set out in our risk management regulations. When found, it is reported to each business company and ESG Division of FUJIFILM Holdings, and at the same time addressed swiftly to prevent further propagation of the risk.

Each business company supervises the execution of recurrence prevention measures at the Group company in question and takes exhaustive action to prevent any recurrence through group-wide dissemination and application of the measures throughout the Group.

Serving as Secretariat, the ESG Division of FUJIFILM Holdings reports incidents received through our business companies to the ESG Committee and at the same time takes action to strengthen and promote risk management for the entire Group, based on the information received.

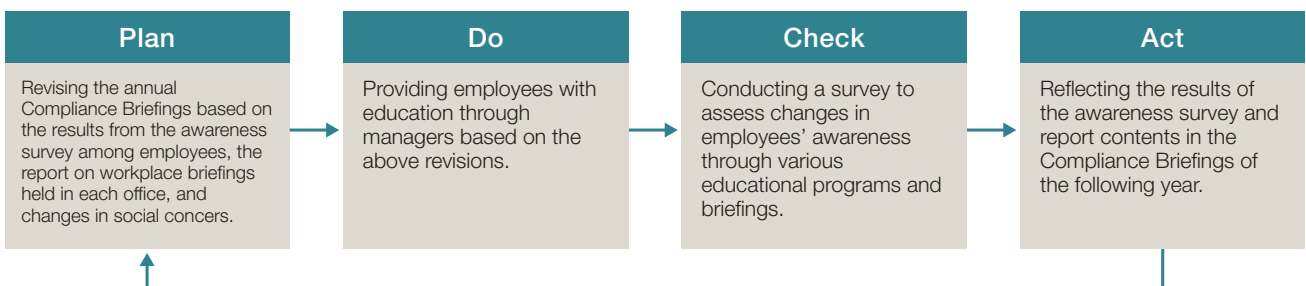
In the event of a serious incident, reports to the ESG Committee do not only include a summary of the incident, but also detailed information. We monitor the effectiveness of risk management in the Group through such information reports from the ESG Committee to the Board of Directors in every quarter.

**Status for FY2019**

No major crisis worthy of public announcement took place in fiscal 2019.

**2.2.5 Efforts to Promote Compliance**

At the Fujifilm Group, the following four steps have been implemented in the PDCA (plan-do-check-act) cycle in the drive to maintain and increase awareness of employees’ compliance.



### 1. Charter for Corporate Behavior and Code of Conduct

In step with changes in social conditions and our business operations, the Fujifilm Group has revised its Charter for Corporate Behavior and Code of Conduct and has disseminated the changes made to its employees.

In April 2019, revisions were made from a perspective more global in scale than previously, in step with the changes in our policy on corporate social responsibility taking place in recent years. To ensure that our employees have an accurate understanding of the changes, the Charter and the Code of Conduct were translated into 23 languages and disseminated in 24 languages through the entire Group.

Fujifilm Group Charter for Corporate Behavior

<https://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html>

Fujifilm Group Code of Conduct

<https://holdings.fujifilm.com/en/about/philosophy/law#>

<https://holdings.fujifilm.com/en/about/philosophy#24languages>

### 2. Compliance education

To establish compliance awareness widely among its employees, the Fujifilm Group has been organizing annual training courses on the Fujifilm Charter for Corporate Behavior and Code of Conduct since fiscal 2019. At the same time, we ask all employees to pledge compliance with “understand, observe and act” in accordance with the provisions set out in the Charter and the Code of Conduct.

Additionally, workplace discussions are organized on a regular basis for employees in each workplace for exchanges on concrete issues related to compliance and risks that are closer to home for them, such as harassment and preventing misconduct.

Training is also conducted for specific job levels and functions to ensure that the necessary information is disseminated to those who require it and comprehensive compliance is implemented.

Intended audience	Category	Objective
All employees	Charter for Corporate Behavior and Code of Conduct and declaration of compliance (Global)	Gaining a greater understanding of the Charter for Corporate Behavior and Code of Conduct Declaration of understanding, complying with and behaving according to the Code of Conduct
	Compliance in general (Prevention of misconduct, prevention of harassment, whistle-blowing, etc.)	Application of the Charter for Corporate Behavior and Code of Conduct to concrete behavior in compliance
	Information security	Acquire a correct understanding of the information security rules and prevent leaks of confidential information
New employees (New executive officers, new managerial personnel, new general employees)	Compliance and risk management in general	Establish awareness of compliance and risk management pertaining to each employee's job level and function, to assure appropriate behavior.
Officers in charge of compliance/risk management at each organization	Risk management in general Handling harassment inquiries and current topics on information security, etc.	Promotion and guidance on compliance/risk management activities in each organization, in accordance with the groupwide policy.
Managerial personnel and general employees of organizations to be strengthened	Program content focused on key points in preventing misconduct, workplace discussions, preventing harassment, etc.	Education and training focused on key points to be strengthened in each organization, to ensure deeper knowledge and greater awareness and improvement

### 3. Compliance awareness survey

The Fujifilm Group conducts regular awareness surveys to examine the degree of awareness of compliance and comprehension among employees and to review the effectiveness of the Code of Conduct. The survey results are reported to the Board of Directors, ESG Committee and top management at each company. At the same time, feedback is given to various organizations and all employees for training purposes and measures are implemented in each organization to maintain and upgrade compliance awareness and prevent violations.

- Compliance awareness surveys (global): Conducted in alternate years  
Objective: Examine the level of dissemination of awareness and comprehension of compliance in general
- Harassment awareness survey (Japan): Conducted in alternate years  
Objective: Examine the level of comprehension of harassment and current conditions

### 4. Whistle-blowing office and consultation office

The Fujifilm Group has a separate whistle-blowing system. One is in FUJIFILM Holdings that can be accessed directly by all Fujifilm Group employees across the world (consultation available in Japanese, English and other 23 languages), and the other enables employees to report to each regional headquarter.

Anonymous reporting is possible to the various reporting systems. Privacy of the reporting person is protected by the regulations, to ensure that the person does not suffer any discrimination as a result of the report. We are promoting this whistle-blowing system among all employees through posters and the intranet to ensure that they can make contact whenever necessary.

The offices handle each report and consultation promptly and appropriately to lead to a resolution. In the case that a possible infringement of the Code of Conduct becomes known through whistle blowing or an internal audit, a compliance division takes responsibility for factual investigation and making an appropriate response.

For outside stakeholders, the Group provides the Contact Sustainability form as a channel to report any type of problems.

## 2.2.6 Effort Results

### 1. Compliance education

- Training on the Charter for Corporate Behavior and Code of Conduct revised in April 2019 and request for pledge of compliance were implemented for approximately 80,000 global employees. They have been completed for 99% of the global workforce by the end of March 31, 2020.
- In January and February 2020, we held training programs for employees to learn about compliance and risk management, including workplace discussions about identifying potential risks and their countermeasures. The programs were provided for all 47,000 employees in Japan, and with a 94% attendance rate.
- The workplace discussions have been held only in Japan. To expand them to overseas Group companies, the first session was provided to managers in the US under the theme of misconduct prevention.
- We provided training programs about compliance and the mindset of a corporate person for our new employees in April 2019. In January 2020, another training programs about compliance and risk management from the managerial viewpoint was held for new managers.
- In September 2019, risk management officers in each Group company joined training programs to learn about the Group's priority risk issues, the appropriate attitude as a responsible officer, and information security.

### 2. Compliance awareness survey

- In December 2017, a compliance awareness survey was conducted on 93,000 group company employees.
- Compliance priority marked more than 90%, which was a good result. The survey results are shared across the Group for further improvement of compliance awareness.
- We made the follow-up investigation for companies which answered some concerns about misconducts in the 2018 compliance awareness survey. We confirmed that there was no serious issue.
- July–August 2019: Harassment awareness survey was conducted on 50,00 employees at 69 Fujifilm Group companies in Japan. From all companies, the number of employees who responded that “they had received sexual or power harassment in some form during the past year” remained roughly unchanged from the two previous surveys, showing that frequent training and awareness promotion are necessary. Subsidiaries that rated below the Group average in the findings were designated for intensive training. After studying and implementing these measures during the next 12 months, we will conduct a repeat survey in fiscal 2021.

### 3. Whistle-blowing and consultation results

- Number of whistle-blowing reports and consultations in fiscal 2019: 136 (112 in Japan and 24 in overseas)  
Among the whistle-blowing reports and consultations received, issues related to human relationships, personnel and labor affairs and harassment accounted for 60% of the total. We have handled each case appropriately. There have been no incidents that could lead to a serious situation for the Group.
- In fiscal 2019, we did not experience any critical violation of Code of Conduct that we needed to make public.

## 2.2.7 Efforts for Each Theme Related to Laws and Regulations Particularly Important in Business Management

An “open, fair and clear” corporate culture is the fundamental principle of the Fujifilm Group in conducting its business activities. Chapter 2 of the Charter for Corporate Behavior and Code of Conduct (Fair Business Activities) states explicitly that the Group will uphold fair competition, fair sales activities, fair procurement activities, prevention of corruption, prohibition of bribery and restrictions on gifts and entertainment and compliance with export control regulations.

### 1. Efforts to prevent corruption (bribery)

In the Charter for Corporate Behavior and Code of Conduct, the Fujifilm Group has declared that we will refuse any involvement in corruption or in any dubious action that could cause suspicion of fraud with suppliers, business partners, public officials and government representatives. Also, each Group company implements the Corruption Prevention Regulations and conducts regular on-site audits in areas where the risk is deemed to be high.

The Corruption Prevention Regulations prohibit actions that are for inappropriate purposes or lacking in propriety by general social norms, involving provision, request or promise of monetary and other benefits. Both the Corruption Prevention Guidelines and the Regulations specify the procedure to make advanced application for the provision of benefits within a scope that is socially acceptable, to obtain approval and record the procedure, to conduct self audits at least once a year, to report the results of the self audit to the Secretariat of FUJIFILM Holdings and to report to the Secretariat if violations are found. These measures are implemented appropriately at each company.

Relationships with middlemen such as sales agents require advanced inspection prior to starting to trade, inclusion of corruption prevention stipulations in contracts and submission of reports once a year.

#### Status for FY2019

- Self audits have been carried out by each Group company worldwide and no serious incidents were found. The results were reported to the Secretariat at FUJIFILM Holdings.
- The Fujifilm Group never had a corruption or bribery, and we have never been investigated by administrative authorities concerning any corruption matters.

### 2. Efforts to prevent anti-competitive practices, etc.

The Fujifilm Group is working hard to observe anti-trust laws and have developed manuals and guidebooks that provide basic knowledge of anti-trust laws, standards of conduct to be observed and important points to be noted. We maintain regular employee education systems, and introduce annual self audits.

For compliance with Japan's subcontractor law (Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors), regular training sessions are organized for personnel responsible for order management at business divisions where subcontractor business volumes are large. At the same time, divisions are monitored for their state of compliance with the subcontractor law in response to inspections conducted once a year either by the Japan Fair Trade Commission or the Small and Medium Enterprise Agency.

#### Status for FY2019

##### • Anti-trust Laws:

Internal audits were carried out at each Group company worldwide and no serious violations were found. Since 2003, we have never been subject to a penalty concerning antitrust/anti-competitive practice nor are there any ongoing antitrust lawsuits.

##### • Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors:

Internal inspections were carried out in fiscal 2019 based on the written survey conducted by the regulatory authorities and no serious violations were found. In response to the domestic consumption tax hike in October 2019, the purchasing system was modified, and transaction partners were notified of the changes in the consumption tax rate, in order to prevent violations.

The Fujifilm Group never had a case pointed out by administrative authorities concerning the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors.

### 3. Export and import control

The Fujifilm Group has created the Global Security Trade Control Policy, one of the basic policies commonly shared across the Fujifilm Group, and control our exports based on this policy. This is our means of preventing products and goods that could be converted into arms or be adapted for military use from being obtained by terrorists or nations that could threaten international security. We can therefore state that we contribute to maintaining international safety not only by observing the related laws. The Fujifilm Group has established Regulations on Export Security Control based on its Export Security Control Policy for export control in compliance with laws and regulations by an export control organization chaired by the President.

We have prepared an e-learning program to train employees in the purpose and outline of export and import control to facilitate acquisition of the necessary knowledge.

Additionally, we hold briefings on revisions to laws and rules, concrete details on export and import control methods, etc., to foster greater understanding among employees.

For each division in Group companies, we conduct on-site audits in addition to annual written audits to check whether improvements are required.

#### Status for FY2019

We carried out written audits and on-site audits in fiscal 2019 and did not find any serious violations.

The Fujifilm Group never had a case pointed out by administrative authorities concerning export and import control.

Global Security Trade Control Policy

 <https://www.fujifilmholdings.com/en/sustainability/vision/control.html>

## 2.2.8 Information Security

### 1. Basic policy

The Fujifilm Group recognizes information security as one of the priority risk issues in management and has laid down its Basic Information Security Policy as a group-wide action policy covering the following six items. All the employees share this Policy.

#### Basic Information Security Policy

Under an “open, fair, and clear” corporate culture, the Fujifilm Group establishes the Basic Information Security Policy to maintain and improve corporate information security, which is one of the priority issues in our business activities, so that we will remain as a reliable corporation that fulfills its social responsibility.

#### 1. Development of rules on information security

To observe all laws and regulations applicable to the areas in which we operate, we establish and implement rules and guidelines based upon this policy.

#### 2. Establishment of an information security control system

To ensure that information security measures are appropriately carried out, we clarify the security system and responsibilities.

#### 3. Training in information security

To ensure that information security measures are appropriately carried out, we disseminate knowledge about information security and improve security awareness through educational programs for employees, and fully implement the information security regulations.

#### 4. Continual improvements to information security measures

To remain up-to-date with changes in laws and regulations and technological innovations, we review the rules and guidelines based on the policy in both a regular and ad-hoc manner. We continuously improve such rules and regulations to keep our information security practices at a high standard.

#### 5. Preservation and protection of corporate assets and information

Based on the Code of Conduct, we endeavor to protect our corporate assets and information.

#### 6. Compliance with laws and regulations

We observe laws such as the Unfair Competition Prevention Act, Act on the Protection of Personal Information Held by Administrative Organs, Intellectual Property Basic Act, and Act on Prohibition of Unauthorized Computer Access, and the contracts made with customers and suppliers.

### 2. Promotion structure

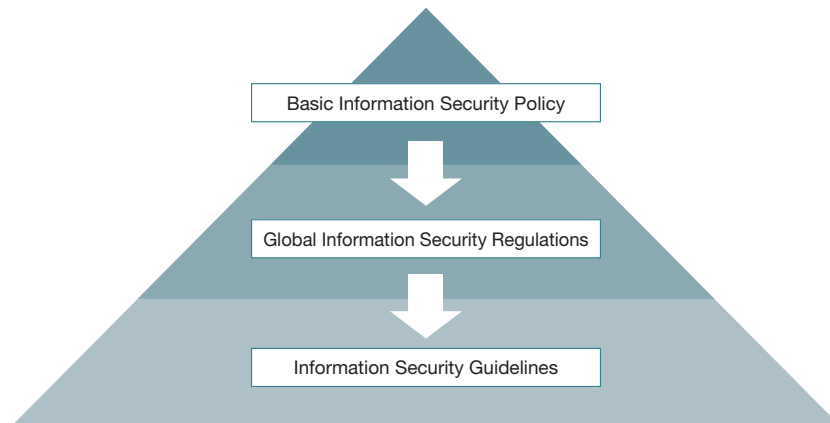
The Fujifilm Group has appointed the director in charge of ESG-related matters as the corporate executive officer for information security who is to engage in the maintenance and improvement of information security management for the entire Group.

The group-wide information security strategy is determined by the ESG Committee chaired by the President of FUJIFILM Holdings, and strategy-related information is regularly reported from the ESG Committee to the Board of Directors. The Board of Directors is responsible for monitoring group-wide compliance and risk management, including information security and protection of privacy as one of the priority issues. In this way, the effectiveness of the process is secured. Information security and personal information protection activities are implemented by a system in which the policy decisions are made by the ESG Committee, followed by communication of the measures to be implemented from the ESG Division of FUJIFILM Holdings, which is responsible for information security management, to the various Group companies and comprehensive implementation of the measures by the information security manager at each organization.

### 3. Information security management system

The Fujifilm Group ensures a uniform global security level led by our regional headquarters in Japan, the US, Europe, Southeast Asia, and China, based on the group’s Information Security Guidelines and the Global Information Security Regulations, which complies with ISO/IEC 27001, the standards for an information security management system. The Information Security Guidelines define concrete security management methods that are globally applicable and each company manages their security accordingly. The guidelines include, for example, device encryption, mandating antivirus software installation, ID management and access control by building an authentication platform, and mandating installation of an email filtering system to prevent information leakage.

Structure of Information Security Rules at Fujifilm Group



4. Summary of efforts

(1) Information security training and education

To maintain information security at a high level, it is necessary for each and every employee to maintain a high level of awareness and the knowledge essential to handling information securely each day. We hold e-learning courses on information security and personal information protection each year for all our employees in Japan and overseas.

Additionally, we conduct training on cyberattacks, including sophisticated persistent threats, by actually sending emails posing as phishing emails to employees. This suspicious email handling training, aimed at increasing sensitivity to security through the experience of receiving such emails, has been conducted every year since 2011.

The Fujifilm Group work regulations incorporate an article stipulating the observation of information security. Any employee who breaches this article become subject to disciplinary action. We are keen to prevent the occurrence of information security incidents by raising awareness through sharing near-incident cases both from our own and other companies.

(2) Incident response

To prepare for information security incidents, both Fujifilm and Fuji Xerox have set up their respective information security incident response teams to minimize damage from such incidents.

Due to the need to take prompt and comprehensive action in the event of a cyberattack in accordance with the response procedure, the information security incident response team works together with business divisions related to services and products to conduct cyberattack response training (desktop training) every year on a regular basis. This includes activities to improve the actual desktop training procedure and an incident response manual by presenting trainees with training scenarios.

Desktop Training Procedure

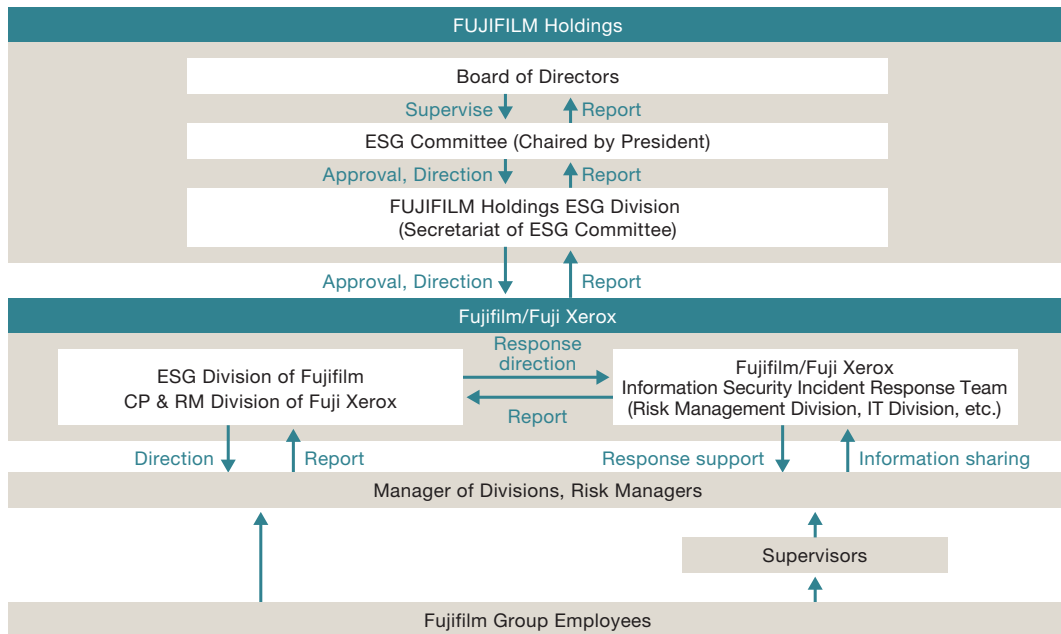




**(3) Escalation procedure of Security incident case**

The Fujifilm Group specifies an escalation procedure in the event of an information security incident or suspicious case. Should such an incident or case occur, we respond quickly and appropriately to minimize any damage or loss that could occur.

**Security Incident Reporting Procedure**



**(4) Coordination with external incident response organizations**

To deal with the ever-changing cyber security risks, it is important to cooperate with various cyber security response organizations to share the latest information on cyber threats and system vulnerabilities, along with exchanges of know-how in responding to incidents and improving response skills. For this reason, we participate in international communities of cyber security response teams such as FIRST and Nippon CSIRT Association and we are building cooperative relationship with external parties. At the same time, we are actively participating in various working groups organized by these communities and are working on greater information security not only for us but also for the entire network society.

**(5) Security audits and continual improvement**

We are making efforts to eradicating information security incidents and to improve how we manage them, so that we can assure customers that their information assets will be protected securely when they use our solutions and services.

Web servers that are likely to be targeted by external attacks undergo vulnerability tests semiannually, and the necessary security measures are implemented. In addition, we employ external security ventures to conduct security assessments of our major services to ensure that our security assessments are objective.

We examined information security in the course of identifying risks and developing action plans for the entire Group each year as part of our risk management activities, to ensure the effectiveness of our group-wide risk management. We continue to improve our measures with the PDCA cycle, and increase our security levels.

**5. Incidents and violations on information security**

There were no serious cases related to information security were pointed out by any third parties or administrative authorities and assessed to require public disclosure in the last five years.

## 2.2.9 Privacy Protection

### 1. Basic policy

In the Fujifilm Group, the Code of Conduct that sets out how all Fujifilm employees are to conduct themselves, protection of privacy has been defined as an item affecting respect for human rights.

The policy is being applied to external suppliers as requests to suppliers and is being applied to all Fujifilm Group operations. Each group company specifies a privacy protection policy, that includes common contents are shared across the Fujifilm Group to handle personal information in a uniform manner. FUJIFILM Holdings Privacy Policy is shown below as an example.

### 2. Promotion structure

Based on the Privacy Policy, the Fujifilm Group established the Personal Information Management Regulations to specify the methods of handling personal information. The General Manager of the ESG Division is appointed as the officer responsible for building and maintaining the personal information protection structure.

The policies and targets related to the group-wide personal information protection are determined by the ESG Committee, chaired by the president of FUJIFILM Holdings, and its report is submitted to the Board of Directors regularly. The Board of Directors is responsible for monitoring group-wide compliance and risk management, including protection of personal information, as one of the priority issues. In this way, we ensure the effectiveness of the process. After the ESG Committee has determined policies concerning personal information protection, The ESG Division of FUJIFILM Holdings takes responsibility for overall management of such policy implementation and other privacy protection. The ESG Division's tasks include dissemination of the policies and targets, implementation of such policies, inspecting the implementation and management status, promoting details of the Personal Information Management Regulations among employees, and providing instructions and advice to managers of organizations that handle personal information.

Especially, as social awareness of personal information protection rises, we check our security measures in the processes of risk identification and action planning from the viewpoint of risk management. Our risk management structure spans the entire Group.

### 3. Employee training

The Fujifilm Group believes that each and every employee who handles information each day must acquire the necessary knowledge and a high level of awareness of security in handling personal information, to enable them to prevent incidents or violations in this area. For this reason, e-learning programs on personal information protection are being conducted every year for all employees.

Our work regulations specify imposing disciplinary action on employees who take information out from the company without permission. We also raise security awareness by sharing near-incident cases that occurred in our own and other companies across the group to maintain the high level of personal information protection.

### 4. Appropriate handling of personal information

Based on the Privacy Policy, the Fujifilm Group stipulates internal regulations concerning the handling of personal information and implements appropriate security measures to protect the personal information we have acquired. Once a year, each department conducts an "inventory check" of the personal information they hold, confirm and reform security measures as necessary, and delete the information they no longer require. This check is audited by the Compliance and Risk Management Division.

### 5. Incidents and violations in personal information handling

In fiscal 2019, there were no cases related to personal information handling were pointed out by any third parties or administrative authorities and assessed to require public disclosure.

Acquisition of P-Mark and ISMS at Fujifilm Group

As of March, 2020

Certification	Certified affiliates		
P-Mark*1	FUJIFILM Medical Co., Ltd.	FUJIFILM Techno Service Co., Ltd.	FUJIFILM Imaging Protec Co., Ltd.
	FUJIFILM Imaging Systems Co., Ltd.	Fuji Xerox System Service Co., Ltd.	FUJIFILM Media Crest Co., Ltd.
ISMS*2	FUJIFILM Global Graphic Systems Co., Ltd.	Fuji Xerox Co., Ltd.	Fuji Xerox Manufacturing Co., Ltd.
	FUJIFILM Software Co., Ltd.	Fuji Xerox domestic sales companies (37 companies)	Fuji Xerox Service Creative Co., Ltd.
	FUJIFILM Imaging Systems Co., Ltd.	Fuji Xerox System Service Co., Ltd.	Fuji Xerox Service Link Co., Ltd.
	FUJIFILM Imaging Protec Co., Ltd.	Fuji Xerox Printing Systems Co., Ltd.	Fuji Xerox overseas manufacturing companies (4 companies)
	FUJIFILM Business Expert Corporation	Fuji Xerox InterField Co., Ltd.	Fuji Xerox Asia Pacific Pte Ltd
	FUJIFILM Recording Media Products Division		Fuji Xerox overseas sales companies (16 companies)
	FUJIFILM Medical Co., Ltd.		

\*1 Privacy Mark (P-Mark): A mark granted by the Japan Information Processing Development Corporation (JIPDEC) to companies in which personal information is handled appropriately.

\*2 ISMS: Certification regarding the overall management framework for information including personal information (Information Security Management System).

\*3 Fuji Xerox "Information Security Report" Page 18:

[https://assets.fujixerox.co.jp/sites/com/files/2019-09/15a48c07d388aad47397a2063cadd0c1/i\\_security.pdf#page=18](https://assets.fujixerox.co.jp/sites/com/files/2019-09/15a48c07d388aad47397a2063cadd0c1/i_security.pdf#page=18)

### 2.2.10 Preparations for Large Scale Natural Disasters

As the global environment changes, such as rising sea level by climate change and abnormal weather occurrence, risks concerning natural disasters are increasing.

Based on the damage estimations, we are enhancing and reinforcing the anti-disaster measures as a part of the Business Continuity Plans (BCPs) to further improve the Group response to a wide-area natural disasters in Japan, including preparations for a Tokai-Tonankai-Nankai multiplate earthquake (Nankai megathrust earthquake), Tokyo Metropolitan earthquake, eruption of Mt. Fuji., torrential rain, river floods and rising sea level.

In particular, we are reinforcing preparatory measures for heavy rains, which are increasing in frequency in Japan, and adopting an alert system for early damage prediction to implement damage control measures. We also implement BCPs and reinforce employee safety measures for natural disasters specific to America, Europe, and Southeast Asia, such as earthquakes, tornados, and wildfires.

## 2.3 Innovation Management

Under the Group's corporate slogan, "Value from Innovation," aimed at being continuously innovating—creating new technologies, products and services that inspire and excite people everywhere, the Fujifilm Group will continue to create a wide range of products and businesses, supported by the diverse technologies we have accumulated in manufacturing photographic / motion picture film and other fields with the aim of resolving social issues in a broad range of areas.

In the drive to generate innovation, activities are underway to create innovative new products and services, as well as new businesses and new values, chiefly in our priority areas of healthcare and highly functional materials.

We believe in the fundamental importance of engaging in face-to-face communication with parties outside the company, in addition to building co-creation ties with equal relationship and sharing the same ambitions and goals with our partners, to achieve real innovation that will have a significant impact on society. For this purpose, we created an "Open Innovation Hub" in Japan in 2014 as a center for these activities. As of July 2020, 3 of these centers have been created in regions including the United States and Europe to accelerate collaborative efforts for open innovation. Moreover, in 2018 we set up a center on the development of the next-generation AI technology named "Brains" to advance these co-creation activities for the added value of our products and services.

## 2.4 Supply Chain Management

### 2.4.1 Basic Approach

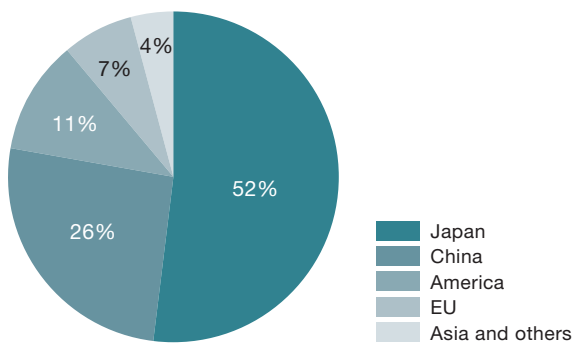
As a global company, the Fujifilm Group distributes a range of products to customers across the world, procuring numerous materials and components for such products. We believe that we are responsible for not only ensuring the quality and safety of our products, but also appropriately managing the supply chain of materials and components used in their production. In response to recent increases in social demands, we are keen to fulfill our social responsibility across the entire supply chain of the Fujifilm Group including our suppliers. The scope of this responsibility covers the global environment; ethics; human rights; and health and safety, and other labor conditions of those working within the supply chain from the CSR point of view.

Under a partnership with our suppliers based on mutual understanding and trust, the Fujifilm Group aims to build a more robust supply chain through socially responsible procurement that reduces business risks in the supply chain and increases the competitiveness and corporate value of all parties in the chain.

### 2.4.2 Fujifilm Group Procurement Overview

The Fujifilm Group manufactures a wide range of products, including chemical products; functional materials; and medical, precision, optical, and office equipment. Our major production sites are located in Japan, Americas, China, the Netherlands, and Vietnam. Procurement items are also diverse, including sensitive commodities, chemicals, equipment, and packaging materials. The costs are shared among different regions: 52% in Japan, 26% in China, 11% in Americas, 7% in Europe, and 4% in Asia and other regions.

Proportion of Procurement Amount by Region



The Fujifilm Group pursues optimization of production and the procurement process in all businesses in order to manufacture ever better products and offer them at appropriate prices. As a concrete procurement strategy, we place emphasis on the three points listed below. We continually improve our procurement activities by setting strategy plan and targets every year.

- (1) Cost improvement (pricing)
- (2) Constant and stable procurement and supply (quality and delivery deadlines)
- (3) Business Continuity Plan (BCP) for procurement

To secure stable procurement and business continuity, one important aspect is to understand and reduce CSR risks in the areas of human rights, labor, environment, safety, and ethics—not only within our own company but also in our suppliers.

The Fujifilm Group bears a variety of CSR risks because we use various suppliers with different regional characteristics for our businesses and products, which span a broad range of categories. Further, social demand for corporations to pursue CSR is also increasing as a part of the ever-changing business environment.

Taking account of such situations, we are working to maintain CSR conscious procurement (sustainable procurement) by incorporating CSR-based assessments when choosing a supplier and in periodic evaluations. In general, labor disputes tend to occur relatively frequently in Asian countries other than Japan. For this reason, and due to the rapid tightening of environmental regulations propelled by international public opinion, factories in Asian countries have a higher risk of operational cessation. To avoid such risk, the Fujifilm Group focuses on sustainable procurement in Asia, including China.

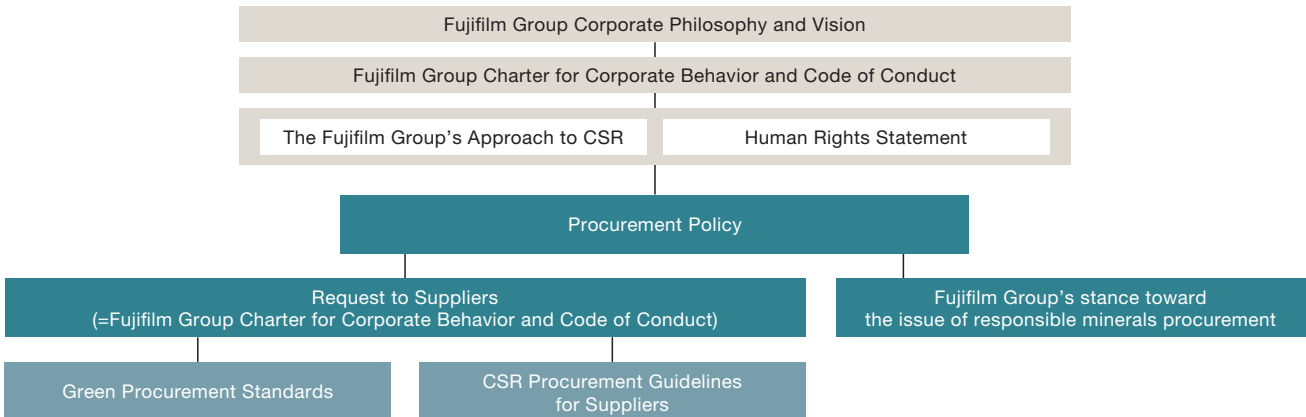
The Fujifilm Group’s pursuit of sustainable procurement is not only to avoid risks, but also for the positive benefits it brings.

We believe that respecting the human rights of workers in the supply chain increases productivity and moral action, which in turn lead to the provision of better products and services, as well encouraging innovation. We aim to develop together with our suppliers by encouraging them to take initiatives in CSR activities to spread such positive effects.

### 2.4.3 Procurement Policy and Structure

#### 1. Procurement policy and rules

The Fujifilm Group's CSR policy and rules concerning procurement are described below.



#### 2. Fujifilm Group Procurement Policy

Fujifilm Group upholds the Fujifilm Group's Procurement Policy as a group-wide policy. We believe it is important that the business partners and suppliers, especially production materials suppliers, understand the importance of CSR (environment, human rights, occupational health and safety, corporate ethics, etc.) and work together with us in resolving issues. Therefore, we added the aspects of CSR for our supplier evaluation standard.

Fujifilm Group Procurement Policy: <https://holdings.fujifilm.com/en/sustainability/vision/policy/procurement>

#### 3. Request to Suppliers (Supplier Code of Conduct)

The Fujifilm Group recognizes the importance of social responsibility and corporate ethics in undertaking business activities not only within the Group itself but also in partnership with our suppliers as we strive to build stronger partnerships. With this aim, we inform and request suppliers to adhere to the Fujifilm Group Charter for Corporate Behavior and the Code of Conduct. We also ask our suppliers to request adherence to the Supplier Code of Conduct by its own employees and subcontractors (that is, secondary contractors of the Fujifilm Group).

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

Fujifilm Group Charter for Corporate Behavior/ Code of Conduct

[English] [https://asset.fujifilm.com/holdings/files/2019-12/e12d042816e0b60935df86d6fca9a970/02\\_FF\\_CoC\\_2019\\_English.pdf](https://asset.fujifilm.com/holdings/files/2019-12/e12d042816e0b60935df86d6fca9a970/02_FF_CoC_2019_English.pdf)  
 [24 languages] <https://holdings.fujifilm.com/en/about/philosophy#24languages>

Items for Fujifilm Group Code of Conduct

Respect for Human Rights	Respect of human rights, Respect and promotion of diversity, Prohibition of discrimination, Prohibition of bullying and harassment, Protection of privacy, Promotion of work-life balance, Prohibition of forced labor/child labor, Promotion of occupational safety and health, Respect of labor rights,
Fair Corporate Activities	Active communication, Information disclosure, Fair competition, Fair sales activities, Fair procurement, Prevention of corruption, Prohibition of bribery and restriction on gift-exchange and entertainment, Prohibition of ideological/religious activities in our roles as executives and employees, Rejection of organized crime, Compliance with trade control regulations, Accuracy of financial reporting and appropriate tax payments, Quality assurance/safety of products and services, Responsible marketing,
Protection/Preservation of Corporate Assets and Information	Effective use of corporate assets, Prohibition of improper use of corporate assets, Prohibition of conflicts of interest, Prohibition of insider trading, Protection of confidential information, Protection of others' intellectual property, Protection of personal information, Crisis management
Measures Related to Environmental Issues	Response to climate change, Contribution to a circular economy, Safety and effective use of chemicals, Protection of local environments and partnerships with local communities

4. CSR Procurement Guidelines for Suppliers

The Fujifilm Group has compiled the most important points and an explanation of the Fujifilm Group Code of Conduct as a set of guidelines so that suppliers can fully grasp the CSR rules to which they must adhere. The guidelines also contain an action checklist, and cover the international CSR framework organized by the electric and electronics industry and all the items specified in the RBA's\* Code of Conduct.

\* RBA: Responsible Business Alliance

Reference: Elements of CSR Procurement Guidelines for Suppliers

<p><b>1. Human Rights and Labor (Social)</b>                  Prevention of Forced and Child Labor; Prevention of Unfair Discrimination and Privacy Infringement; Consideration for Human Rights of International Employees; Prevention of Violence, Sexual Abuse, Sexual Harassment, and Excessive Punishment in Workplaces; Provision of Appropriate Wages and Proper Management of Working Hours and Mandatory Days Off; Guarantee of Right of the Directly Employed for Organization and Collective Bargaining; Prevention of Work-Related Accidents at Workplaces and on Duties; Establishment of Measures on Treatment of Illnesses and Injuries and Maintenance of Health; Sufficient Healthcare Facilities and Welfare Measures; Promotion of Human Resource Development (Capacity Building); Promotion of Third-Party Certification</p> <p><b>2. Environment</b>                  Prevention of Global Warming; Promotion of Resource Conservation in Products (Reduced Use of Natural Resources); Recycling and Proper Waste Disposal; Proper Management of Chemical Substances; Promotion of the Natural Environment Preservation (Biological Diversity and the Ecosystem); Adherence to Administrative Procedures; Promotion of Third-Party Certification of an Environmental Management System (EMS)</p> <p><b>3. Corporate Ethics (Governance)</b>                  Corporate Ethics and Compliance Management; Anti-Corruption; Protection of Intellectual Property; Guarantee of Fair Procurement Transaction; Establishment and Management of Raising Concerns and Whistleblowing; Establishment of Information Security System</p> <p><b>4. Extended application of the provisions by suppliers to their suppliers (secondary suppliers for Fujifilm Group)</b>                  Fuji Xerox requests its suppliers to promote of recommendation and application of each of the three aforementioned provisions to their suppliers.</p>
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Fujifilm CSR Procurement Guideline for Suppliers

[https://asset.fujifilm.com/www/jp/files/2019-12/1eccfe0689686a3e1e354e0fc0a7ee38/about\\_sustainability\\_procurement\\_index\\_pdf\\_02\\_en.pdf](https://asset.fujifilm.com/www/jp/files/2019-12/1eccfe0689686a3e1e354e0fc0a7ee38/about_sustainability_procurement_index_pdf_02_en.pdf)

Fuji Xerox CSR Management Guidelines

[https://www.fujixerox.com/eng/company/csr/svp2030/governance\\_supply/supplychain.html](https://www.fujixerox.com/eng/company/csr/svp2030/governance_supply/supplychain.html)

### 5. Other standards

Other than the above, individual Fujifilm Group companies may request suppliers to follow certain rules specific to their company based on the FUJIFILM Holdings Environmental Policy and other standards.

To resolve environmental issues, it is important that we work together across the supply chain to reduce GHG emissions and energy consumption, seeking environmental solutions. We continue to build even closer relationships to help solve problems that our suppliers may encounter by offering support utilizing the technologies and knowledge concerning energy saving that our group has accumulated.

- Environmental Policy

Fujifilm Group Green Policy (Environmental Policy)

<https://holdings.fujifilm.com/en/sustainability/vision/policy/green>

- Requests to suppliers on environment

Fujifilm Green Procurement Standards

[https://asset.fujifilm.com/www/jp/files/2019-12/7759a2fe60f6bfd732e7570e522b33c2/about\\_sustainability\\_procurement\\_ff\\_greenbasic\\_ver3\\_3e.pdf](https://asset.fujifilm.com/www/jp/files/2019-12/7759a2fe60f6bfd732e7570e522b33c2/about_sustainability_procurement_ff_greenbasic_ver3_3e.pdf)

Fuji Xerox Green Procurement Standards

[https://www.fujixerox.co.jp/company/eco/green/pdf/green\\_procurement\\_standards\\_ver60\\_english.pdf](https://www.fujixerox.co.jp/company/eco/green/pdf/green_procurement_standards_ver60_english.pdf)

- Policy on human rights

Fujifilm Group Human Rights Statement

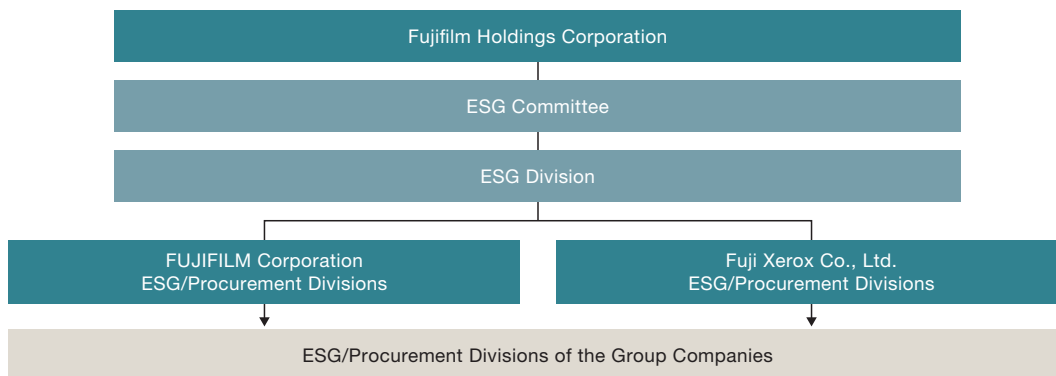
<https://holdings.fujifilm.com/en/sustainability/vision/policy/statement>

### 2.4.4 Structure of Sustainable Procurement Promotion

Collaborating with FUJIFILM Corporation and Fuji Xerox Co., Ltd., the ESG Division of FUJIFILM Holdings Corporation formulates policies and plans for sustainable procurement within the Fujifilm Group. Among these activities, important matters related to corporate management are approved and adopted by the FUJIFILM Holdings ESG Committee, chaired by the CEO of FUJIFILM Holdings.

The matters approved and adopted by the ESG Committee and the policies and plans formulated by the ESG Division are disseminated to the CSR promotion and procurement divisions of the Group companies and implemented by each company. The sustainable procurement promotion structure and roles of the organizations within it are as follows.

Sustainable Procurement Promotion Structure





Roles of Each Organization

Organization	Major roles
FUJIFILM Holdings Corporation ESG Committee (headed by the President)	Deliberation and decision on important matters
FUJIFILM Holdings Corporation ESG Division	Formulation of group-wide policies and plans, support for group companies, and liaison office* for external inquiries.
ESG and Procurement Divisions in FUJIFILM Corporation and Fuji Xerox Co., Ltd.	Dissemination of the group-wide policies and plans to the relevant divisions, formulation of concrete action plans based on such policies and plans, and support for CSR activities in the company and other Group companies.
ESG Divisions in Group companies	Dissemination of group-wide policies and plans, and support for CSR activities within the company.
Procurement departments in FUJIFILM Corporation, Fuji Xerox Co., Ltd., and group companies	Request to suppliers of CSR activities based on Fujifilm Group Procurement and Environmental Policies; checking CSR activities implementation status by surveys and site visits; and advice and support for improvement.

\* Liaison office for suppliers concerning Fujifilm Group CSR activities. It accepts any type of enquiry, including consultations and complaints.

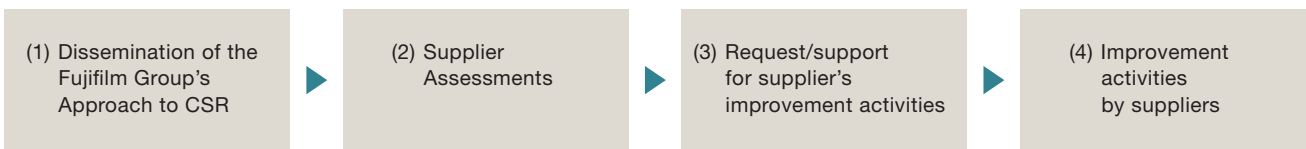
Contact Sustainability <https://holdings.fujifilm.com/en/contact>

2.4.5 Efforts to Improve Sustainability in the Supply Chain

1. Sustainable procurement activity cycle

The Fujifilm Group has designated an Sustainable Procurement Promotion Program that covers (1) dissemination of procurement-related policies (including our Supplier Code of Conduct); (2) risk assessments of suppliers; (3) request to improve and offer support to any supplier facing CSR risks (environment, human rights, labor management and corporate ethics). The program is run cyclically in the following four steps.

Sustainable Procurement Activity Cycle



Activities in Each Step

(1) Dissemination of the Fujifilm Group's Approach to CSR

To help our suppliers gain an understanding of the Fujifilm Group's CSR approach and requirements, instead of just disclosing our Code of Conduct and Procurement Policy on our website, we hold supplier briefings to explain our policies and standards directly, and request for their compliance. To go even further, we also send out our Code of Conduct to the suppliers and receive their confirmation on a regular basis.

(2) Supplier Assessments

To identify supplier's CSR risks and issues in high risk areas\*<sup>2</sup>, such as in China or in other Asian countries, we conduct regular CSR risk assessments and CSR self-check\*<sup>3</sup> of suppliers we see as critical\*<sup>1</sup> according to the value and characteristics of the items being procured.

(3) Request/support for supplier's improvement activities, and (4) Improvement activities by suppliers

As we identify high risk suppliers through the supplier self-check in Step 2 or daily procurement practices, after conducting individual reviews of suppliers, we request them to improve and offer them support. In China and Asia, expert teams conduct onsite visit and check for CSR activities by the supplier and provides advice on making improvements. Based on the check results, we encourage the suppliers to proceed with improvements, and thereby promote the Fujifilm Group's sustainable procurement methods across the whole supply chain.

\*1 The Fujifilm Group considers suppliers that could potentially have a large impact on our business continuity and competitiveness as critical suppliers. The Fujifilm Group identifies critical suppliers by weighing the value of items procured, substitutability, partnership continuity, etc.

\*2 The Fujifilm Group identify risk areas within its procurement chain from the viewpoint of CSR by analyzing the regional environment, social risks and the relevant regulations in countries and regions.

\*3 Fields and elements in the supplier CSR self-check (see next page).

Field	Elements
Human rights & Labor	Policy, Legal monitoring, Forced labor, Human rights of international employees, Child/youth labor, Discrimination and harassment, Discipline, Working hours management (control of long working hours, etc.), Wages (minimum wage, overtime allowance), Working conditions, Collective bargaining rights, Supplier management
Environment	Policy, Legal monitoring, Prevention of global warming, Reduction of resource use, Recycling and proper disposal of waste, Anti-pollution, Licenses, EMS, Supplier management
Health & Safety	Policy, Monitoring of law/regulation, Personal protective equipment, Machinery safety, Chemical substance management, Disaster prevention, Physical examination, Hygiene control in the canteens and dormitories, Management system, Supplier management
Ethics	Fair business, Legal monitoring, Compliance investigation, Anti-corruption, Intellectual property, Fair business, Whistle-blowing, Information security, Supplier management
BCP	Business Continuity Plan (BCP)

## 2. Overview of FY2019 activities

### (1) Dissemination of the Fujifilm Group’s Approach to CSR

We re-informed our suppliers across the world about the Request to Suppliers (Fujifilm Group Charter for Corporate Behavior and Code of Conduct), which had been revised in April 2019, and we collected receipts from 398 suppliers.

### (2) Supplier assessments

We requested our critical suppliers both inside and outside Japan to conduct CSR self-check. We communicate with suppliers if any question arises out of their check results. This then serves to clarify the improvement points in our supply chain. Although the self-check response rate increased over last fiscal year, the response rate from overseas suppliers still require additional improvement. We will make efforts for further improvement in the coming fiscal year. When a significant risk is identified through the self-check, we request the supplier to make improvements and provide support to achieve this. No such serious cases were identified in fiscal 2019.

### (3) Request/support for supplier’s improvement activities

#### ① Onsite visit and check by expert teams

Reviewing CSR self-check results, efforts in regard to QCD, environment and so forth, we judged that we need to conduct risk assessment on 51 suppliers located in China and Vietnam. Expert teams from our production sites provided onsite visit and check to 39 suppliers out of 51. Especially, environmental and safety risks that may lead to environmental destruction or occupational accidents were identified, and we requested improvements to relevant suppliers. With their accumulated knowledge through activities, the teams offered advice to help improve other CSR issues identified in the suppliers. For the identified issues, we monitor the progress of improvements made according to the supplier’s improvement plan, and also revisit the sites to confirm the improvement status.

#### ② Training, Capacity building

Fujifilm holds a chemical management seminar for domestic suppliers every six months. We explained the importance of CSR and our efforts in sustainable procurement as the Fujifilm Group to deepen suppliers’ understanding.

Fuji Xerox Shenzhen (FXSZ) held an occupational health management seminar to share information on establishment of the labor and health management structures. FUJIFILM Imaging System (Suzhou) (FC) started full-scale sustainable procurement in fiscal 2019, and held CSR briefings for 32 particularly important suppliers, utilizing the knowledge acquired from FXSZ. The briefings encouraged suppliers to understand the importance of CSR and the Fujifilm Group’s focus on sustainable procurement.

#### ③ Support for resolving issues through collaboration with suppliers

The Fujifilm Group is proactively strengthening partnerships with suppliers in order to address climate change, one of the most important international issues, through united efforts across the supply chain. Concretely, we disseminate the Fujifilm Group’s climate change policy through the supplier briefings. We also started supporting suppliers in resolving the CSR-related issues they face, such as reducing GHG emissions and reducing energy consumption, utilizing the technologies and expertise owned by FUJIFILM Engineering Co., Ltd.

Results of Sustainable Procurement Activities and Targets (KPI)

Activity	Item	FY2017	FY2018	FY2019	FY2020 target	
Dissemination of Code of Conduct, Collection of receipt	Number of suppliers requested	-	-	398	400	
	Receipt collection rate	-	-	98%*1	90% or over	
CSR self-check by suppliers (Supplier self-assessment questionnaire)	Number of suppliers requested	635	408	263	400	
	Response rate	88%	86%	98%*2	90% or over	
	Percentage of suppliers with 90% or higher conformance rate	(Most critical items)	96%	94%	87%*3	
		(Critical items)	69%	75%		
Visit and check	Number of suppliers evaluated	49	46	39	Plan achievement rate 100%	
	Plan achievement rate	100%	100%	76%		

\*1 Fujifilm: 96%, Fuji Xerox: 100%

\*2 Fujifilm: 96%, Fuji Xerox: 99%

\*3 For FY2017 and FY2018, results of Fuji Xerox. In FY2019, classification of most critical items and critical items is abolished, and total percentage for Fujifilm Group was calculated.

## 2.4.6 Efforts in Fujifilm Group Production Sites

### 1. Audit by customers

We appropriately respond to audits conducted by our customers, to whom we supply our products. In fiscal 2019, we received several customer audits in both Japanese and overseas sites and no issues that could have an effect on the continuation of our partnerships were identified.

### 2. Self-check by our production sites

We conducted the CSR self-check in 8 production sites across the world, and confirmed that all sites observed 100% compliance. The RBA self-assessment questionnaire results (conducted in 7 sites) also remained “green” evaluation for all sites.

We also made a site visit to a production site in the Philippines to inspect their CSR efforts—including their contractors. As a result, we found out that they imposed a pregnancy test on female workers. Although the test was conducted in consideration of their working situation, it may have led to the detriment of gender equal opportunities and fair working conditions. Therefore, we requested the abolishment of the test, applying accepted international standards. We also confirmed that no other group companies carried out similar practices.

### 3. Reinforcement of CSR activities in China

In June 2019, Fujifilm and Fuji Xerox jointly held a meeting in Suzhou, China, under the theme of environment and sustainable procurement. The meeting was attended by 33 people from 12 companies, including Tokyo head office and major group companies in China. The attendants shared their environmental and sustainable procurement plans and goals, CSR activity statuses at each site, and discussed potential CSR risks in suppliers and countermeasures against them. The results of the discussions will be reflected in addressing future challenges.

## 2.4.7 Response to Conflict Minerals

### 1. Policy and framework of efforts

The Fujifilm Group is aware of conflict minerals\*1 issues, the mining of which causes human rights violations and disputes, and clearly declares that it will not be complicit, directly or indirectly, in supporting activities related to such disputes and human rights violations. The Fujifilm Group manages minerals by following the five steps of the Due Diligence Guidance specified by the Organisation for Economic Co-operation and Development (OECD) to ensure responsible procurement across our supply chain.

Fujifilm Group's stance toward the issue of responsible minerals procurement

<https://holdings.fujifilm.com/en/sustainability/vision/policy/procurement>

#### Fujifilm Group Efforts

OECD 5 steps	Fujifilm Group efforts
(1) Establish strong company management systems.	Because the document business is particularly relevant to targeted minerals, HQ and the procurement and sales departments have formed an intra-company structure to accurately track the origins of minerals by monitoring the supply conditions. An annual plan is formulated every year and a survey is conducted. We are extending this scheme to the whole Group.
(2) Identify and assess risks in the supply chain.	We track the origin of minerals through monitoring our supply chains, verifying the results and identifying the country of origin, following the procedures specified by the Responsible Minerals Initiative (RMI)*2. We report the investigation results to our clients for OEM products in the document business. In other businesses such as the optical devices & electronic imaging business, the graphic systems business and the recording media business, we have received inquiries about the origin of minerals from many clients and have responded to them appropriately.
(3) Design and implement a strategy to respond to identified risks.	Although it is possible that minerals from conflict areas have been used, there has been no proof that any terrorist groups were involved. Because there are recognized humane mining companies and organizations in the area, we have not withdrawn from mineral usage uniformly.
(4) Carry out independent third-party audit of the due diligence practices of smelters/refiners.	In the Fujifilm Group, Fujifilm and Fuji Xerox participate in the Responsible Minerals Trade Working Group of JEITA*3 and discusses RMAP*4 jointly with other companies. We encourage suppliers to use conflict-free smelters that are verified by the RMI after a third-party audit.
(5) Report annually on supply chain due diligence.	The Fujifilm Group's conflict minerals policies, measures and results are disclosed on the official website.

\*1 Minerals (tantalum, tungsten, tin, and gold) regarded to be problematic because profits may be used for inhumane purposes or its mining may infringe human rights.

\*2 RMI = Responsible Minerals Initiative

\*3 JEITA: Japan Electronics and Information Technology Industries Association.

\*4 RMAP: Responsible Minerals Assurance Process.

### 2. Results and targets for avoiding conflict minerals

In conflict minerals survey for fiscal 2019, we got a response from 98% of suppliers in scope relating to the document business. As a result of surveys, we identified 331 suppliers listed as a smelter or refiner by the Responsible Minerals Initiative (RMI). Out of these smelters or refiners, 250 were compliant with the Responsible Minerals Assurance Process (RMAP). (As of March 31, 2020)

	FY2017	FY2018	FY2019	FY2020 target
Supplier response rate for conflict minerals survey	100%	99%	98%	95% or higher
Percentage of conflict-free smelters in conflict minerals survey	46%	55%	76%	Continuous improvement of conflict-free smelter percentage

### 2.4.8 Efforts in Paper Procurement

To maintain natural forest resources, the Fujifilm Group has established a policy for paper and paper materials to ensure responsible paper procurement. Since our document business sells paper for printers and copiers as one of its major products, we declare that we procure pulp from forests that are managed with consideration given to the environment and human rights, avoiding any involvement in forest destruction or human rights infringements. We have also formulated Environmental, Health and Safety Requirements regarding Paper Procurement. These requirements specify paper quality standards for procurement and selection criteria for material suppliers. These requirements instruct material suppliers to pay attention to biodiversity and respect the rights of local residents in their business operations.

We hold annual meetings of the CSR Paper Procurement Committee, chaired by the director responsible for procurement, to confirm the compliance status of existing suppliers regarding these requirements and to select new suppliers.

#### Paper Procurement Regulation Standards

##### (1) Principles on paper procurement

- ① The paper materials shall be derived from forests managed in a sustainable manner.
- ② For recycled pulp, the supplier of waste paper used as raw materials shall be clearly identifiable.
- ③ The chemical substances used in the manufacturing process shall be confirmed to be safe.
- ④ The bleaching process used for the paper shall be chlorine-free.
- ⑤ The manufacturing facilities shall have environmental management systems.

##### (2) Principles on transactions with paper suppliers

- ① Environment: Suppliers shall comply with both national and regional laws and regulations in the countries where they operate, and shall conduct business in consideration of the protection of valuable local forests and their ecosystem
- ② Right of local communities: Suppliers shall see to it that the rights of local communities, such as the right to exist, are protected, and shall fully engage in dialogue with local communities whose rights might be seriously affected by their business activities.
- ③ Corporate ethics: Suppliers shall protect the rights of their workers, conduct fair transactions as a matter of routine, and avoid any association with antisocial forces or organizations.

#### Paper Procurement Efforts KPI

	FY2017	FY2018	FY2019	FY2020 target
Percentage of suppliers inside and outside Japan fulfilling our paper procurement requirements (Fuji Xerox)	100%	100%	100%	100%

### 2.4.9 Sustainable Procurement Efforts in Logistics

The number of items delivered by courier services has significantly increased since 2017 due to continued popularization of internet commerce. This has caused social problems in logistic companies' employees, such as long working hours by courier drivers, death from overworking, and environmental and safety issues caused by poorly maintained vehicles.

FUJIFILM Logistics Co., Ltd., which delivers Fujifilm Group products, has been requesting its logistics partners (primary suppliers) to cooperate in our sustainable procurement for logistics in Japan since fiscal 2009. Through such requests, logistics partners conduct CSR self-checks and if they identify that their conformance rate is less than 90%, FUJIFILM Logistics visits the partner company to offer advice for correction. In 2019, 123 partners conducted CSR self-checks.

#### Sustainable Procurement Effort KPI in Domestic Logistics

	FY2017	FY2018	FY2019	FY2020 target
Percentage of companies with 90% or more CSR self-check conformance rate	97%	100%	97%	100%

### 2.4.10 Collaboration with Initiatives in the Supply Chain Area

The Fujifilm Group participates in various initiatives to meet the evolving globally-applicable production and procurement standards and deliver our products with confidence, valuing the importance of global CSR trends. Below are the initiatives in which we participate in the supply chain area.

- **Joint Article Management Promotion-consortium (JAMP)**  
JAMP aims to disseminate a system to manage chemical substance information and smoothly communicate such information across supply chains.
- **United Nations Global Compact (UNGC), and Global Compact Network (GCNJ)**  
Fuji Xerox became a signatory to the United Nations Global Compact in 2002, and participated in the Action Platform on Decent Work in Global Supply Chains in 2019. (Since June 2020, we have signed UNGC as FUJIFILM Holdings.) Moreover, we are working actively in the Supply Chain Working Group and the Human Rights Due Diligence Working Group of the Global Compact Network (GCNJ).
- **Responsible Minerals Trade Working Group of JEITA**  
Both Fujifilm and Fuji Xerox participate in the Responsible Minerals Trade Working Group led by the Japan Electronics and Information Technology Industries Association (JEITA), the industrial organization of the Japanese IT and electronics industry.
- **International Labour Organization (ILO)**  
In 2019, Fuji Xerox responded to the ILO's request to prove best practices for the Responsible Supply Chains in Asia programme.

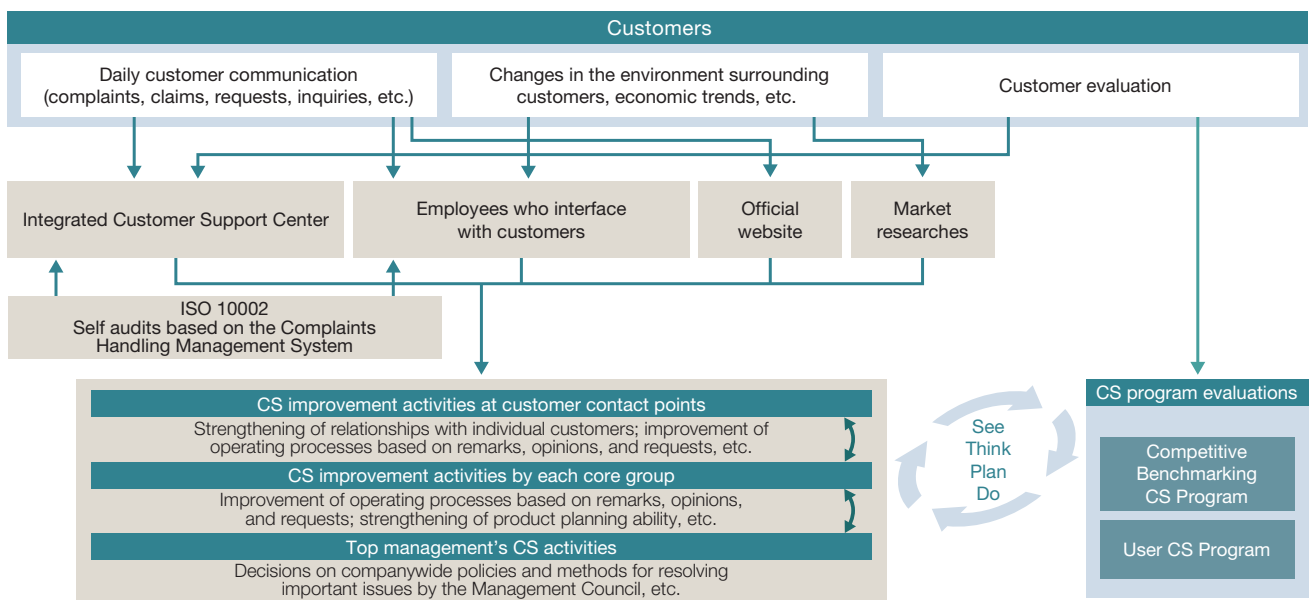
## 2.5 Customer Relationship Management

### 2.5.1 Basic Approach for Customer Relationship

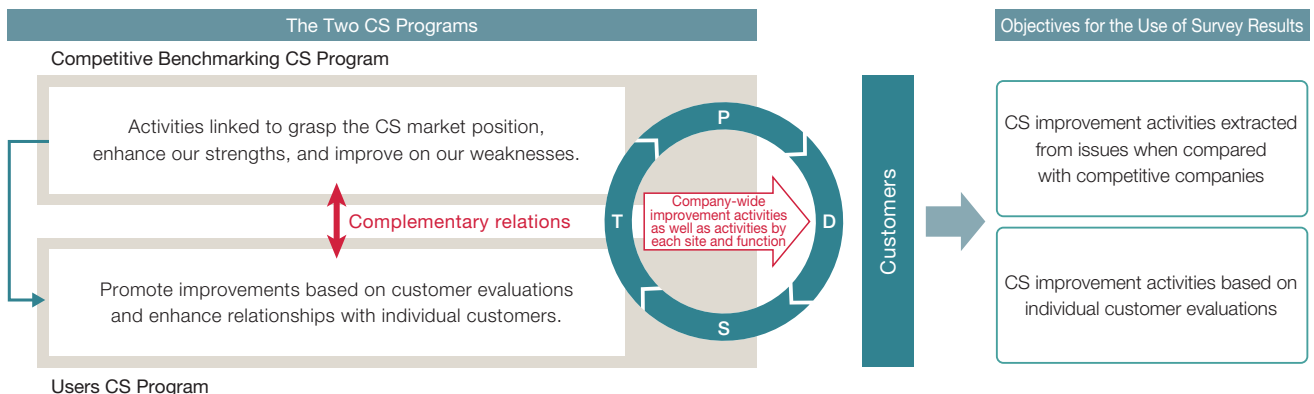
As we declare in our corporate philosophy, the Fujifilm Group aims to provide the best quality products and services which are safe, appealing to customers and provide them with peace of mind, by basing our management on Customer Satisfaction (CS).” In order to achieve customer satisfaction, it is important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

### 2.5.2 Structure for Customer Relationship

#### Mechanisms for Communicating with Customers



#### CS Program (Improvement activities based on the CS surveys)



## 2.5.3 Efforts to Improve Customer Satisfaction

### 1. Education and training programs for our employees and sales distribution network

The Fujifilm Group offers training not only to our own customer engineers but also to our external partners in authorized retailers to further improve our customer satisfaction.

In order to deliver high and consistent support quality to customers, we offer all partners product and service training sessions that cover the skills and knowledge required for software and hardware installation of various products and services, maintenance, repair, and usage instructions. We also share the results of customer satisfaction surveys in different regions, and hold associated training sessions to ensure better maintenance services and sales activities. Uniting the efforts of our companies and our external partners, we aim to further improve customer satisfaction across the world.

### 2. Online service

#### Online Service Usage Status

Unit: %

	FY2017	FY2018	FY2019	Target in FY2019
Online customers* <sup>1</sup> (Percentage of customers who use online services or sales platforms among all customers)	74.7	79.3	83.4	82
Online sales* <sup>2</sup> (Percentage of online sales (direct sales and advertising))	4.8	4.9	4.9	5.0

\*1: Online customers refers to customers using Fuji Xerox's multifunction machine online remote maintenance contract in Japan.

\*2: Online sales were calculated from the business fields of imaging, life science, and document solution, where online business has been reinforced.

### 3. Customer satisfaction survey results

#### (1) Customer satisfaction survey

Customer satisfaction percentage was calculated in the area of FUJIFILM Holdings to take track of customer satisfaction where after-sales services are critical, i.e., in photograph-related products, digital cameras, medical systems and the document solution business.

##### ① Results of customer satisfaction survey

Unit: %

	FY2017	FY2018	FY2019	Target in FY2019
Percentage of satisfied customers among all customers (%)	83.5	85.1	86.3	86
Data coverage (e.g. within sales, customers, etc.)	73	77	77.6	

##### ② Customer satisfaction for business fields in the above data

Unit: %

Business field	FY2017	FY2018	FY2019
Imaging Solutions business (digital cameras and photograph-related products)	85.2	89	89
Healthcare & Materials Solutions business (medical systems)	80	78	79
Document Solution business	93.2	91	92

#### (2) Received awards for customer satisfaction survey in 2019

Fuji Xerox Ranks Highest for two years in a row, in J.D. Power 2019 Japan Technical Support Call Center Customer Satisfaction Study <Copiers/Printers>.

The study measures overall customer satisfaction with companies with five or more employees for technical support; troubles shooting and support.

<http://jdpower-japan.com> (in Japanese only)



#### 4. Efforts in the healthcare business

The healthcare business is one of the most critical field that directly influences on people's life.

As the foundation of its business activities, the Fujifilm Group increases awareness of our Charter for Corporate Behavior and Code of Conduct among all employees. We also implement the following activities with the healthcare business in mind.

##### (1) Efforts to improve access to healthcare services

The Fujifilm Group appoints health as one of our priority areas and aims to improve the quality of life for people through our products, services, and technologies. Setting “Improve Accessibilities to Medical Services” as the priority issue in the area, we are promoting various efforts such as introducing a health check service within different regions and developing an early tuberculosis diagnosis system for use in developing countries.

<https://holdings.fujifilm.com/en/sustainability/activity/health/priority-issue-2>

##### (2) Efforts to ensure fairness and transparency in the healthcare business

###### ① Sales activities through fair competition

The Fujifilm Group recognizes the importance of ensuring transparency and trust in our relationships with medical institutions in the healthcare business. All activities conducted by the Fujifilm Group follow industrial regulations, such as the Code of Ethics, the Charter of Business Behavior, the Promotion Code of the Medical Devices Industry, and the Fair Competition Code of the Medical Devices Industry in Japan, as specified by the Japan Federation of Medical Devices Associations, the Japan Fair Trade Council of the Medical Devices Industry, and the Japan Pharmaceutical Manufacturers Association. Further, we have set up the Fujifilm Group Charter for Corporate Behavior and Code of Conduct, as well as each company's regulations involved in the healthcare business.

In view of the laws and regulations we are required to comply with, we established Fujifilm Group Global Healthcare Code of Conduct for relevant Group companies in the healthcare business in July 2020. Employees in the relevant Group companies follow these regulations in carrying out their business to ensure fair business competition.

###### ② Information disclosure

The Fujifilm Group regularly discloses healthcare business information, such as funding, in order to gain the wider understanding of society with regards to the manner in which the Group operates its business to a high ethical standard.