

5.0 Sustainability Accounting (Labor Environment and Social Benefit Accounting, Environmental Accounting)

<Period of coverage>

FY2018 (April 1, 2018 to March 31, 2019)

<Scope of labor environment and social benefit accounting>

68 domestic companies in the Fujifilm Group (FUJIFILM Holdings, Fujifilm and 19 Fujifilm affiliates, Fuji Xerox and 46 Fuji Xerox affiliates)

5.1.1 Labor Environment and Social Benefit Accounting

<Basic items>

● Objectives of labor environment and social benefit accounting

These accounts are prepared to allow the Fujifilm Group to keep up with its activities for improving the working environment of its employees and the amounts spent for social contributions by preparing data on these activities from an economic perspective.

● Accounting method

The expenditures (including investments) for the year have been added up to arrive at the figures shown. These figures do not include depreciation.

Figures for personnel training and social contributions may overlap with figures in the Environmental Account as well.

* Values presented are rounded and the sums of the items do not always make up the totals.

Breakdown of labor environment and social benefit accounting

Unit: million yen

Stakeholder	Goal	Cost totals	
		FY2017	FY2018
Employees	Work health and safety	1,698	1,586
	Personnel training	2,848	952
	Protect diversity	870	26
	Develop a workplace in which employees can work comfortably	1,135	864
Customers	Ensure appropriate customer response and safety	232	202
Future generations	Education for future generations	75	68
Communities (local society and government)	Harmony with the local community	218	220
	Promote culture and the arts in society (in Japan)	896	601
International community	Consideration for the international community and international cultures	2	96
NGOs and NPOs	Cooperation with NGOs and NPOs	77	34
Suppliers	Consideration for products	52	14
Total		8,103	4,663

Volunteer activities during working hours

	FY2016	FY2017	FY2018
Hours spent on volunteer activities	1,117	1,436	1,440
Volunteering cost (million yen)	6	9	9

*Volunteer activities

Calculated based on the hours spent on volunteer activities, such as area clean-up, working hours, the salary equivalent to that of those hours, and cost of the activities.

Overview of FY2018

- Expenditure on improving working conditions and for socially beneficial activities for different stakeholders is summarized.
- Efforts are made to create a worker-friendly environment through expanding educational seminars and supporting mental healthcare programs.
- For local communities, expenditure includes a donation to build the Japan Photographic Preservation Center and a product donation to the Nature Conservation Society of Japan. In the promotion of art and culture, expenditure includes Fujifilm Square as the base for preservation and communication concerning photographic culture, as well as for photo contests.

5.1.2 Environmental Accounting

<Basic items>

● Objectives of environmental accounting

1. To provide accurate quantitative information on volumes and economic effects to interested parties inside and outside the Group
2. To provide numerical environment-related information useful for decision making by management and supervisors at the working level

● Accounting method

Based on the “Environmental Accounting Guidelines (2005 edition)” published by the Ministry of the Environment in Japan.

1. Depreciation is calculated in principle according to the straight-line method over a three-year period.
2. When costs include expenditures for both environmental and non-environmental purposes, the portion relating to non-environmental purposes has been excluded.
3. Economic impact within the Group: The difference in value terms from the previous year in fines for polluting and usage of energy, raw materials, water, and other resources is accounted for, as well as the real impact of recovery, recycling, and other measures in value terms for the year in question.
4. Economic impact outside the Group: The difference in value terms from the previous fiscal year has been shown for SO_x, VOCs, and CO₂. For recycling, the anticipated benefit in value terms has been shown for the year in question.

* Values presented are rounded and the sums of the items do not always make up the totals.

Environmental Accounting

Unit: million yen

Environmental conservation benefits					Environmental conservation costs					
Fiscal year	Capital investment		Expenses		Economic impact inside the Group			Economic impact outside the Group		
	2017	2018	2017	2018		2017	2018	2017	2018	
1. Costs incurred within the business site	1,129	1,168	5,493	6,355						
(1) Environmental damage prevention	376	367	1,440	1,738	Reduced pollution levy	5	0	Reduction in SOx emissions ¹	0	0
								Reduction in volume of SOx emissions	4t	-4t
								Reduction in volume of NOx emissions	81t	75t
								Reduction in VOC emissions ²	-32	2
(2) Global environmental protection	751	797	1,900	2,073	Energy conservation	485	590	Reduction in volume of VOC	-92t	6t
								Reduction in CO2 emissions ³	16	142
(3) Resource recycling	2	4	2,153	2,544	Reduced raw materials and resources used	6,261	6,261	Reduced waste materials through reuse and recycling ⁴	14,450	12,907
					Reduced water resource consumption ⁵	331	412			
					Silver	1,622	1,676	Reduced volume ⁶	144.5 kilotons	129.1 kilotons
					Polymeric materials	318	283			
					Aluminum materials	150	245			
					Others	182	103	Reduced volume of CO2 emissions	20 kilotons	30 kilotons
2. Upstream/downstream costs	9	0	7,005	6,976	Parts recovered from used equipment	8,036	7,704			
3. Cost of management activities	46	138	10,743	9,708						
4. Research and development costs	1,369	1,345	9,770	10,014			Customer benefits ⁷	119,754	124,542	
5. Costs for social programs	0	0	115	4						
6. Costs for handling environmental damage	3	19	28	50						
Pollution levies										
Total	2,555	2,670	33,155	33,107		17,391	17,273		134,225	137,680

*1 SOx emissions reductions: ¥4.4/ton

Bidding price of SOx emissions credits offered by the United States Environmental Protection Agency in March 2019 (US\$0.04/ton).

*2 VOC emissions reductions: ¥350,000/ton

From the "Economics Evaluation Report on Countermeasures for Harmful Atmospheric Pollutants" issued by Japan Environmental Management Association for Industry, February 2004.

*3 CO2 emissions reductions: ¥2,818.2/tons

Trading price of EU emissions credit 2019 futures (€11.54/ton) at the end of March 2019.

*4 Landfill costs for the waste product (¥100/kg).

*5 Water resource consumption reduction: ¥200/ton for clean water supply, ¥200/ton for sewage water times the reductions amount.

*6 Volume of recycle and valuable resources in generated industrial waste

*7 For further details of customer benefits, please refer to 4.6.4 *Efforts to assess the impact on society and the environment.*

Overview of FY2018

● Environmental conservation costs

Total cost is the same as last year's. The facility investment is a little increased to last year's, with approx. 7% into facility investment and roughly 93% into expenditure.

[Facility investments] Increased 4% year-on-year.

[Expenditure] The same as last year's.

● Environmental conservation benefits

This resulted in year-on-year increased by 75 billion yen (5%), when internal and external economic effects are combined.

[Internal economic effect] Roughly the same as last year's.

[External economic effect] Increased benefits for customers by 9% on year-on-year.