



Priority Issue

# Strengthen CSR Foundations across the Entire Supply Chain

<p>Target for 2030</p>	<ul style="list-style-type: none"> <li>(1) Realize sustainable procurement considering the environment, ethics and human rights.</li> <li>(2) Ensure compliance with legislation on biodiversity.</li> </ul>
	<p>In SVP 2030, we have reconfirmed CSR as a priority issue, notably factors concerning the environment, ethics, and human rights. Under the Fujifilm Group’s Procurement Policy, we are strengthening our CSR foundation together with our suppliers to build a sounder supply chain that would achieve sustainable procurement.</p> <p>In addition, based upon the Fujifilm Group Basic Concepts and Action Guidelines for Biodiversity Conservation (Guidelines for Biodiversity) established in June 2009, the Fujifilm Group is engaging in a wide range of environmental protection activities for the conservation and protection of biodiversity to sustain the various benefits we now receive from our ecosystem into the future.</p> <p> Human Rights Statement <a href="http://www.fujifilmholdings.com/en/sustainability/vision/human/index.html">http://www.fujifilmholdings.com/en/sustainability/vision/human/index.html</a></p> <p> Guidelines for Biodiversity <a href="http://www.fujifilmholdings.com/en/sustainability/vision/creature.html">http://www.fujifilmholdings.com/en/sustainability/vision/creature.html</a></p>
<p>Outline of Activities in FY2017</p>	<p><b>[Target] Realize sustainable procurement</b></p> <ul style="list-style-type: none"> <li>● Installed comprehensive supply chain management system in North America and commenced supplier surveys (FF)</li> <li>● Achieved elimination of production line stops caused by suppliers’ CSR risks in subsequent years ⇒ FX Shenzhen for three years &amp; FX Haiphong for two years (FX)</li> <li>● Obtained 100% response rate from suppliers for the conflict minerals survey (in the document business where customer interest is high) (FX)</li> </ul> <p><b>[Target] Ensure compliance with legislation on biodiversity</b></p> <ul style="list-style-type: none"> <li>● Continued risk assessment of biological resource procurement from the product design stage, based on internal rules (starting in February 2010)</li> <li>● Participated in the Taskforce Committee for the Nagoya Protocol under the Ministry of Economy, Trade and Industry Japan (METI) (continuous participation since FY2014)</li> <li>● Continued risk management for procurement of copier paper, one of our important products, based on internal rules and guidelines (since 2012)</li> </ul> <p><b>Related Data and Information:</b> Environmental information Page 66 <span style="float: right;">FF: Fujifilm FX: Fuji Xerox</span></p> <div style="text-align: right; border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <p style="text-align: center; font-size: small;">Established Human Rights Statement to promote CSR procurement</p> </div>
<p>Future Activities and Targets</p>	<ul style="list-style-type: none"> <li>● Expand CSR procurement coverage to Europe (FF)</li> <li>● Maintain 95% or more response rate from suppliers for the conflict minerals survey, and refine data accuracy (in the document business where customer interest is high) (FX)</li> <li>● Conduct a more comprehensive impact assessment of potential human rights risks and reinforce preventative or mitigating measures</li> <li>● Implement ongoing efforts to comprehensively manage biological diversity risks resulting from procurement, continuing our FY2017 activities.</li> <li>● Study activities in compliance with the Natural Capital Protocol*.</li> </ul> <p>* The Natural Capital Protocol: A standardized framework developed by the Natural Capital Coalition (NCC) for businesses to identify, measure and value their impacts and dependencies on natural capital to improve their decision making and strategies. First published in July 2016.</p>

**● Enhancement of CSR Procurement Activities**  
 Fujifilm Group believes it is important that the business partners and suppliers, especially production materials suppliers, understand the importance of CSR management and work together with us in resolving issues. Therefore, we clearly stated the group-wide procurement approach, the Fujifilm Group Procurement Policy, and Requests to Suppliers.

In particular, Fuji Xerox, which has a high rate of overseas production (around 90%) and where the customer demand has been high at an earlier age, has started focusing on CSR procurement in 2007 and introduced a scheme for mutual

consensus assessment for CSR operations concerning the environment, human rights & labor, and corporate ethics with its suppliers. Under our mutual consensus assessment scheme, the results of a self-assessment by a supplier is cross-checked by Fuji Xerox, followed by discussions on discrepancies to finally reach agreement. The scheme is designed to give assessments in a manner that is more acceptable to our suppliers. This activity was started with production material suppliers, and gradually expanded to logistics and indirect material suppliers. In 2009, Fujifilm also started to ask some suppliers to conduct self-assessments, and later expanded the scope of these assessments to