

## Key CSR Indicators

For the steadfast promotion of CSR management, Fuji Xerox has formulated some quantitative CSR indicators and numerical targets. We regularly review the achievement level for these targets and make improvements in relevant activities. In the following, we report our performance for the indicators on the themes that we have identified as materiality (priority issues) based on the needs and expectations of stakeholders, our management goals, and the nature of our business. For details about other indicators, please refer to FUJIFILM Holdings Sustainability Report 2019 (Management Performance).

## Work Style, Health, Daily Life

### Number of serious product incidents

SDGs Goal 8



**Definition** Number of product incidents during the fiscal year that were brought to the attention of Fuji Xerox as the manufacturer, and which caused or had the potential to cause major consequences, such as death, serious illness, injury, aftereffects, or fire, and which were not deemed isolated incidents.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox and affiliates (including OEM sales)	0	1	0	0

**Notes on fiscal 2018 performance** There were no reports of major product incidents in fiscal 2018. In its continuous effort to deliver safe products to customers and prevent major product incidents, we have enhanced product safety assessments and measures to ensure compliance with product-safety laws and regulations.

**Goals/challenges** We will further improve our technologies for safety and safety evaluation to prevent product safety incidents, while ensuring compliance with product safety-related laws and regulations. We will also enhance our product safety education to increase employees' awareness, aiming to eliminate product incidents.

### Customer loyalty index based on Fuji Xerox CS surveys

SDGs Goal 8



**Definition** In the CS(customer satisfaction) evaluation survey that Fuji Xerox independently conducted, the ratio of the customers who answered "Choose Fuji Xerox again" or "Probably choose Fuji Xerox again".

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox and sales companies in Japan	96 %	96 %	95 %	96 %

**Notes on fiscal 2018 performance** Although the rate slightly decreased year on year, we are still at a high level for customer loyalty. We worked to meet more customers' expectations by clarifying issues related to our relationships with customers based on the CS survey results. (At our sales companies outside Japan, we conduct the overseas-version CS surveys in order to improve local CS activities based on the survey results.)

**Goals/challenges** To help customers solve their issues, which are becoming increasingly diversified and complex, we will start improving the CS survey in fiscal 2019, including in terms of its content and frequency. Under the CS survey system, we will enhance our measures to increase the satisfaction level of our customers, thereby deepening our relationships with customers in each region and in each customer group.

### "Core Morale" score as employee engagement indicator

SDGs Goal 8



**Definition** Average score (full score: 5.00 points) on the following five key "Core Morale" components of the ES survey conducted targeting employees of Fuji Xerox and its affiliates: job fulfillment, workplace fulfillment, trust in supervisors, human resource management, organizational management

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox (unconsolidated)	3.38	3.33	3.37	-
Sales companies	3.4	3.35	3.34	
Affiliates in Japan (excluding sales companies)	3.26	3.26	3.27	
Overseas affiliates(sales personnel, office staff, etc)	3.55	3.56	3.53	

**Notes on fiscal 2018 performance** There were no major year-on-year changes in the average scores of employees of Fuji Xerox, its domestic sales companies, and affiliates in Japan and overseas. In Japan we renamed the survey the "Engagement Survey" and revised the questions. Through the survey, we can now check the level of employees' motivation to make contributions to their companies and take expected actions, while maintaining consistency with past surveys.

**Goals/challenges** There have been no major changes in the scores recently. At all targeted companies we will conduct workplace improvement activities to make year-on-year achievements for "Core Morale."

## Percentage of women in managerial positions

GC Principle 6 SDGs Goal 5



**Definition** Percentage of managerial positions occupied by women at Fuji Xerox and its affiliates. "Managerial positions" here includes all positions categorized as management under the company's HR system, regardless of whether they involve supervision of other employees.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox (unconsolidated)*	6.4 %	6.9 %	<b>7.6 %</b>	14% by Fiscal 2019
Affiliates in Japan *	3.8 %	4.5 %	<b>5.3 %</b>	-
Overseas affiliates	25.2 %	25.6 %	<b>30.0 %</b>	

**Notes on fiscal 2018 performance** The number of female managers increased at affiliates. In particular, the rate substantially increased to 4.41 % outside Japan.

**Goals/challenges** Fuji Xerox aims to achieve the goal of 14% by fiscal 2020 on an unconsolidated basis. To this end we will continue to foster measures to improve our corporate culture, management, and related systems and programs.

\* At Fuji Xerox (unconsolidated), the baseline date for calculation was changed to the final day of the fiscal year (March 31), and we recalculated the results for fiscal 2017 accordingly.

## Percentage of employment of people with disabilities

GC Principle 6 SDGs Goal 10



**Definition** (1) Employment rate of people with disabilities calculated for 85 Fujifilm Holdings Group companies to which the special calculation rules for corporate groups are applied.  
(2) Employment rate of people with disabilities calculated for Fuji Xerox and its 41 affiliates in Japan to which the special calculation rules for corporate groups are applied.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
①Fujifilm Holdings	-	-	<b>2.32 %</b>	2.35 %
②Fuji Xerox and Sales Company and Affiliates in Japan	-	2.31 %	<b>2.28 %</b>	2.35 %

**Notes on fiscal 2018 performance** For fiscal 2018, we have disclosed the rate achieved by Fujifilm Holdings Group companies and that attained by Fuji Xerox and its affiliates in Japan (41 in total), to both of which the special calculation rules for corporate groups is applied. We achieved the legally stipulated rate (2.2%) for both, recording 2.32% for the former and 2.28% for the latter.

**Goals/challenges** We will work to achieve the legally stipulated rate on a continual basis through the cooperation across the Fujifilm Group and also strive to provide all employees, including people with disabilities, with fulfilling workplaces.

## Annual work hours per employee

GC Principle 1 SDGs Goal 8



**Definition** Average annual work hours per employee at Fuji Xerox, its affiliates and sales companies in Japan (excluding managerial staff).

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox (unconsolidated)	1,852 hours	1,865 hours	<b>1,883 hours</b>	-
Affiliates in Japan (excluding sales companies)	1,932 hours	1,911 hours	<b>1,911 hours</b>	
Sales companies in Japan	2,012 hours	1,978 hours	<b>1,917 hours</b>	

**Notes on fiscal 2018 performance** The annual work hours increased at Fuji Xerox on an unconsolidated basis, while at its affiliates in Japan there were no measurable changes and at its domestic sales companies the hours decreased.

**Goals/challenges** We will press forward with work style reforms to achieve the best possible results with the limited time and resources available.

# Environment

## Whole-life-cycle CO<sub>2</sub> emissions of Fuji Xerox products

GC Principle 7-9 SDGs Goal 12,13



**Definition** Amount of CO<sub>2</sub> emitted throughout the life cycle of Fuji Xerox products, including procured materials, production, offices (development, sales, etc.), logistics, and customer use.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox and Affiliates	1,356kt-CO <sub>2</sub>	1,197kt-CO <sub>2</sub>	<b>877kt-CO<sub>2</sub></b>	1,380kt-CO <sub>2</sub>

**Notes on fiscal 2018 performance** As a result of making operational improvements and reducing CO<sub>2</sub> emissions from our production and transportation activities, the whole-life-cycle CO<sub>2</sub> emissions decreased from 1,197 kt-CO<sub>2</sub> to 877 kt-CO<sub>2</sub> year on year.

**Goals/challenges** It is expected that our CO<sub>2</sub> emissions will increase along with business expansion. In order to offset this increase and control CO<sub>2</sub> emissions throughout the life cycles of our products, we will promote work style innovation across the company and improve our operational efficiency for further CO<sub>2</sub> emission reductions.

## CO<sub>2</sub> emissions at Fuji Xerox business facilities

GC Principle 7-9 SDGs Goal 13



**Definition** Energy from electricity and other sources consumed at the factories and offices of Fuji Xerox and its affiliates, converted to CO<sub>2</sub> emissions

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Development and production Sites in Japan and overseas	140kt-CO <sub>2</sub>	133kt-CO <sub>2</sub>	<b>124kt-CO<sub>2</sub></b>	156kt-CO <sub>2</sub>
Offices in Japan and overseas	69kt-CO <sub>2</sub>	66kt-CO <sub>2</sub>	<b>59kt-CO<sub>2</sub></b>	72kt-CO <sub>2</sub>

**Notes on fiscal 2018 performance** We achieved our electricity use reduction target (a 15% or more reduction relative to fiscal 2010), which we had been pursuing following the occurrence of the Great East Japan Earthquake, by implementing drastic measures to save electricity, replacing existing equipment with more energy-saving equipment, and increasing the efficiency of our production processes.

**Goals/challenges** In fiscal 2019 also, we will continue to introduce energy-saving equipment to our development facilities and review our production processes while enhancing activities on a medium- to long-term basis, including developing energy-saving production technologies and introducing those technologies to our production processes.

## Contribution to CO<sub>2</sub> reductions at the customers' offices

GC Principle 7-9 SDGs Goal 13



**Definition** Reduction in electricity consumption at customer business sites realized through use of Fuji Xerox products, solutions and services, converted to CO<sub>2</sub> emissions.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox and Affiliates	3,727kt-CO <sub>2</sub>	3,792kt-CO <sub>2</sub>	<b>3,565kt-CO<sub>2</sub></b>	–

**Notes on fiscal 2018 performance** The amount of contribution at customers' offices decreased about 227 kt-CO<sub>2</sub>. We recorded an increase in the sales of solutions and services that were highly effective for CO<sub>2</sub> emissions reductions but posted a decrease in the sales of environment-friendly products, which led to a decrease in the total contribution amount.

**Goals/challenges** We will support customers in expanding their businesses while also reducing their CO<sub>2</sub> emissions through solutions and services that contribute to their business reforms as well as through our highly environment-friendly products equipped with energy conservation functions.

## Water usage in manufacturing process

GC Principle 7-8 SDGs Goal 12



**Definition** Amount of water Fuji Xerox and its affiliates in Japan and overseas use in the manufacturing process.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox and Affiliates	2.12 million t Japan: 1.69 million t Overseas: 0.43 million t	2.20 million t Japan: 1.83 million t Overseas: 0.37 million t	<b>1.99 million t Japan: 1.60 million t Overseas: 0.39 million t</b>	2.59 million t or lower

**Notes on fiscal 2018 performance** Since fiscal 2009, Fuji Xerox has focused on reducing water use at the manufacturing stage, which accounts for the largest portion of our water consumption, by setting specific targets for water use.

**Goals/challenges** We will continuously work to achieve the target (below 2.59 million t).

## Reduction of new resource inputs in manufacturing process by reusing parts

GC Principle 7-9 SDGs Goal 12



**Definition** Amount of new resource inputs avoided through incorporation of reused parts in the manufacturing process at Fuji Xerox and its affiliates.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox and Affiliates	3,809t	3,730t	2,967t	–

**Notes on fiscal 2018 performance** Due to decreased production which was caused by a change in demand for products incorporating reused parts, the amount of new resource inputs avoided by reusing parts decreased.

**Goals/challenges** The amount of new resource inputs avoided by reusing parts is showing a downtrend due to the downsizing of products and the extension of product lives, which can help reduce the total amount of resources used in products even if the production quantity remains the same year on year. We will work to reduce the use of resources by fostering the 3Rs in a comprehensive manner.

## Resource recycling rate for recovered end-of-life products

GC Principle 7-9 SDGs Goal 12



**Definition** Percentage of those end-of-life multifunction devices and printers recovered in Japan and overseas (excluding consumables) that were recycled for reusable parts, materials, heat energy, etc.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Japan	99.90%	99.90%	99.90%	–
Mainland China	99.90%	99.90%	99.80%	
Asia-Pacific region (excluding above countries)	99.60%~99.90%	99.60%~99.90%	80.00%~99.90%	

**Notes on fiscal 2018 performance** In response to the world trends toward regulating the import of waste and of resources to be recycled, we have been shifting from collective treatment in Thailand to treatment in each Asian country and region since fiscal 2018. As a result, for the fiscal 2018 performance in the Asia-Pacific region, there was a wider range of differences by country and region.

**Goals/challenges** We will establish a treatment system suitable for the local situation in each Asia-Pacific country and region and stabilize the process. We will also foster the recycling of resources while giving due consideration to compliance, human health and safety, thereby reducing our environmental impact on a continual basis.

## Percentage of FSC®-Certified Paper in Paper Products

GC Principle 7-9 SDGs Goal 12,15



**Definition** Percentage of FSC®-certified paper among the Fuji Xerox branded plain paper products in Japan

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox and sales companies in Japan	–	–	29%	–

**Notes on fiscal 2018 performance** We have been working for sustainable paper procurement based on our own criteria and in consideration of the need to preserve ecosystems and biodiversity and protect the rights of local inhabitants in the areas where paper materials are sourced\*. In 2017 we signed the Vancouver Declaration in support of the SDGs and the FSC® certification system, which was established to ensure the sustainable management of forest resources. In fiscal 2018 we set a new CSR indicator (acquisition of FSC® certification) and added one more FSC®-certified paper to our lineup of paper products.

**Goals/challenges** We will continue expanding the lineup of FSC®-certified paper among the Fuji Xerox-branded plain paper (PPC) products toward sustainable paper procurement.

\* For paper procurement, we set the Paper Procurement Regulation Standards to inform suppliers our paper procurement and paper materials supplier selection criteria, and request them to preserve biodiversity and respect the rights of local inhabitants in the areas where paper materials are sourced.

# Supply Chain, Corporate Governance

## Number of serious corporate governance and/or compliance issues

GC Principle 10 SDGs Goal 16



**Definition** Number of corporate governance and/or compliance issues warranting disclosure that emerged during the fiscal year.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Fuji Xerox and Affiliates	1	0	0	0

**Notes on fiscal 2018 performance** As part of measures (to enhance corporate governance, appropriate accounting, auditing and compliance) taken under the "governance enhancement project" implemented in response to the inappropriate accounting practices revealed at some of our overseas subsidiaries in 2017, we worked to prevent the occurrence of serious incidents by ensuring compliance and identifying related risks.

**Goals/challenges** We will continue to enhance our internal control and implement more substantial compliance measures across Fuji Xerox and its affiliates to keep the occurrence of serious incidents as zero.

## Results of ethical procurement self-assessment by production sites

SDGs Goal 17



**Definition** [Very important items] Percentage of production sites achieving a compliance rate of 90% or higher on "very important" items on the Fuji Xerox Ethical Procurement Self-checklist  
 [Important items] Percentage of production sites achieving a compliance rate of 90% or higher on "important" items on the Fuji Xerox Ethical Procurement Self-checklist  
 [Percentage of production sites rated "green" in the RBA\* self-assessment survey] Percentage of production sites rated "green" in the RBA self-assessment survey conducted at the request of customers

Items	Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Very Important items	(1) Production sites of Fuji Xerox and its affiliates	100% (10 facilities)	100% (10 facilities)	100% (10 facilities)	100% (8 facilities)
Important items	(Production sites of new machines, components, chemical products and recycled products)	100% (10 facilities)	100% (10 facilities)	100% (10 facilities)	100% (8 facilities)
Percentage of production sites achieving a "green" rating on the RBA*	(2) Production sites of Fuji Xerox affiliates (Production sites of new-machines, components, and chemical products)	100% (8 facilities)	100% (8 facilities)	100% (8 facilities)	100% (7 facilities)

**Notes on fiscal 2018 performance** (1) In fiscal 2018, we asked the production sites to submit evidentiary materials for the major CSR self-check items to make the self-check almost as strict as an external check and achieved a compliance rate of 90% or higher at all of our production sites as in the previous fiscal year.  
 (2) We continued improvement activities at all of our production sites for new machines, components and chemical products both within and outside Japan. As a result, all the sites were rated "green," which was our target, again in fiscal 2018.

**Goals/challenges** (1) We will continue the strict self-checks and maintain a compliance rate of 90% or higher at all of the sites.  
 (2) As we are required to meet more and more social requirements every year, we will continue to encourage all our sites for new machines, components and chemical products in Japan and overseas to continue to be rated "green."

\* The Responsible Business Alliance (RBA) is a consortium of manufacturers committed to fulfilling their CSR. The RBA Code of Conduct includes the criteria to be met for CSR-oriented business operations in manufacturers' supply chains. In the RBA self-assessment survey, low-risk suppliers are rated "green." The questions asked in the survey are revised almost every year and the criteria to be met are made more difficult year by year.

## Ratio of production materials suppliers with compliance rate of 90% or higher on Ethical Procurement Self-Checklist

GC Principle 1-10 SDGs Goal 17



**Definition** [Very important items] Percentage of production materials suppliers completing the Ethical Procurement Self-checklist that achieved a compliance rate of 90% or higher on "very important" items.\*  
 [Important items] Percentage of production materials suppliers completing the Ethical Procurement Self-checklist that achieved a compliance rate of 90% or higher on "important" items.\*

Items	Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Very Important items	Suppliers in Japan and overseas	94.1%	95.6%	93.7%	-
Important items		56.9%	68.2%	74.6%	
All items		-	-	-	80%

**Notes on fiscal 2018 performance** We conducted activities to deepen the understanding of suppliers and help them improve their noncompliant items, including the identification of suppliers' CSR risks by our buyer team and the enhancement of the system that our experts visit and advise the suppliers for our overseas production sites. As a result, the self-check results remained at the same level as those of the previous fiscal year for the "most important" items and slightly improved for the "important" items.

**Goals/challenges** We will enhance the activities to preliminarily detect and prevent CSR related risks through our experts' visiting suppliers to help their improvement and holding seminars for persons in charge at suppliers, so that we can meet the social requirements as an entire supply chain, which are becoming more demanding year by year.  
 In fiscal 2019, we will revise the CSR self-checklist for suppliers to make it more focused on important CSR items and will stop classifying the items into "most important" and "important" items.

\* Existing suppliers include companies that achieved a compliance rate of 90% or higher by devising and implementing improvement plans for the items of noncompliance in the previous year (i.e., not for all "important" or "very important" items).

## Ratio of product logistics partners with compliance rate of 90% or higher on Ethical Procurement Self-Checklist

GC Principle 1-10 SDGs Goal 17



**Definition** Percentage of first-tier logistics partners and sites completing the Ethical Procurement Self-checklist that achieved compliance rate of 90% or higher. The Ethical Procurement Self-checklist for product logistics partners consists of relevant questions from the checklist for production materials suppliers supplemented with items specifically tailored to the logistic field.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
First-tier logistics partners and sites in Japan*	100 %	100 %	100 %	100 %

**Notes on fiscal 2018 performance** As for product logistics partners, we focus on measures taken by Fujifilm Logistics Co., Ltd., which transports Fuji Xerox's products in Japan. As for logistics partners transporting products from our overseas production sites, we have been promoting, since fiscal 2018, ethical procurement measures as part of the initiatives implemented at each of the production sites.

**Goals/challenges** Awareness of our efforts is spreading among many of our suppliers. However, we continue to have issues in acquiring the understanding of new suppliers and sites, and of suppliers and sites where the management team or the persons responsible have changed. Also in fiscal 2019, we will continue to conduct activities targeting our product logistics partners in Japan.

\* First-tier logistics partners and sites of Fujifilm Logistics who is in charge of product logistics for both Fuji Xerox and Fujifilm. (Consolidated numbers for both of them)

## Ratio of suppliers worldwide in full compliance with requirements of Fuji Xerox for paper procurement

GC Principle 1-10 SDGs Goal 15,17



**Definition** Percentage of suppliers determined to be in full compliance with the Paper Procurement Regulation Standards of Fuji Xerox.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
All companies supplying paper to Fuji Xerox and affiliates	100 %	100 %	100 %	100 %

**Notes on fiscal 2018 performance** Fuji Xerox requires all its paper suppliers to conduct their business operations in accordance with the standards for social responsibility outlined in its Paper Procurement Regulation Standards (revised in 2012). Since 2012 the division managers in charge of paper purchasing and sales in Japan and overseas have been meeting regularly as a committee to review and confirm compliance with these standards. In fiscal 2018, the committee again confirmed full compliance by 100% of our paper suppliers.

**Goals/challenges** We will continue to monitor our suppliers' compliance with our requirements for paper procurement as part of our commitment to sustainable paper sourcing.

## Ratio of suppliers submitting conflict minerals report

GC Principle 1-6 SDGs Goal 17



**Definition** Percentage of suppliers subject to conflict minerals reporting that completed and returned RMI's CMRT\* conflict minerals reporting template

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
Suppliers of components of key Fuji Xerox products	96.5 %	100 %	99.2 %	95 %

**Notes on fiscal 2018 performance** In fiscal 2018 we maintained a high response rate thanks to cooperation from suppliers in Japan and overseas. Among smelters specified for our supply chain, the percentage of smelters that have obtained conflict-free certification from the Responsible Minerals Initiative (RMI) was 54.8%, up 8.6 points year on year.

**Goals/challenges** Also in fiscal 2019, we will work to attain a response rate of 95% or higher.

\* The Conflict Minerals Report Template (CMRT) provided by the Responsible Minerals Initiative (RMI) is a global-standard template for conflict mineral surveys.

## Local content ratio for raw materials and parts at overseas production sites (China, Vietnam)

SDGs Goal 17



**Definition** Percentage of raw materials and parts procured by the production sites of Fuji Xerox's affiliates in China and Vietnam that are purchased from local companies in each country, by transaction value.

Companies	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 goal
China (Fuji Xerox of Shenzhen, Fuji Xerox of Shanghai)	73.4 %	73.0 %	72.3 %	Maintain a consistent level of local procurement
Vietnam (Fuji Xerox Hai Phong)	45.0 %	47.0 %	53.0 %	

**Notes on fiscal 2018 performance** We fostered appropriate procurement in consideration of the local content ratio, and the ratio remained at the same level in China and increased by 6.0 points in Vietnam in fiscal 2018.

**Goals/challenges** We will continue to foster appropriate procurement and production in consideration of the local content ratio, so that we can contribute to the development of local economies where we operate.