



**Environmental Strategy Briefing**  
**The Fujifilm Group's Environmental Strategy**

April 13, 2022  
FUJIFILM Holdings Corporation

## Today's agenda

### Environmental Strategy Briefing- The Fujifilm Group's Environmental Strategy

- 1** | **The objective of today's briefing**  
**Chisato Yoshizawa**  
Executive Officer and General Manager of Corporate Communications Division and ESG Division
- 2** | **The Fujifilm Group's vision and ideals**  
**Kenji Sukeno**  
Chairman, Representative Director and Board Chairman
- 3** | **Initiatives for building a decarbonized society**  
**Yasufumi Nakai**  
Group Manager of Ecology and Quality Management Group, ESG Division

# 1. The objective of today's briefing

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Greetings. I am Chisato Yoshizawa, General Manager of Corporate Communications Division and ESG Division.

Thank you for setting time aside in your busy schedule to attend this briefing session.

First, let me explain the objective and positioning of today's briefing.

## The objective and positioning of today's briefing



In the ESG briefing held in February 2019, we talked about the Fujifilm Group's basic approach to ESG. Today's briefing is defined as the new Environmental Strategy briefing, offering information about the Fujifilm Group's environmental strategy that reflects new decarbonization targets announced in December last year. We will hold briefings on a continuous basis to provide information about the Fujifilm Group's ESG initiatives for achieving sustainable growth and enhancing corporate value.

## Information shared in the previous ESG Briefing

Reflecting on focuses at the first ESG Briefing (February 19, 2019)

### ■ Positioning ESG at the core of corporate management as the established business philosophy

The long-term CSR plan, “Sustainable Value Plan 2030 (SVP2030),” is deployed to and promoted at all business fields through the medium-term management plan, which is a specific action plan for achieving the goals in SVP2030.

### ■ “Offering value to our society” and “contributing to business performance” at the same time

### ■ Continuously “drawing up and implementing a growth strategy” that reflects social issues and “managing risks”

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The previous briefing mainly covered three focuses.

The first was the fact that the Fujifilm Group positions ESG at the core of corporate management as the established business philosophy. We explained how the long-term CSR plan “Sustainable Value Plan 2030 (SVP2030)” is deployed to and promoted at all business fields through the implementation of the medium-term management plan, which is a specific action plan for achieving the goals in SVP2030.

The second focus was how the Fujifilm Group’s management and business activities offer value to our society and contributes to business performance at the same time.

The third focus was the fact that the Fujifilm Group draws up and implements a growth strategy that reflects social issues while continuing to undertake risk management. Our new decarbonization targets and environmental strategy are built on these factors as the business foundation.

## **Main focuses of today's briefing**

### Main focuses of the Environmental Strategy Briefing

- **Environmental considerations, conservation, and communication with local communities form the foundation of corporate activities.**
- **The Fujifilm Group undertakes business activities with equal emphasis on paying consideration to the environment in business processes and solving environmental issues through business activities.**
- **In order to help build a decarbonized society, the Fujifilm Group has adopted the “Green Value Climate Strategy,” which highlights the need to promote “Green Value Manufacturing” (production activities with a lower environmental impact) and create / promote “Green Value Products” (products and services with excellent environmental performance).**

I'm concluding my presentation by highlighting focuses of today's briefing.

The first focus is the Fujifilm Group's basic stance that environmental considerations, conservation, stakeholder trust and communication with local communities form the foundation of corporate activities.

The second focus is how the Fujifilm Group undertakes business activities with equal emphasis on paying consideration to the environment in business processes and solving environmental issues through business operations.

The third focus is the fact that the Fujifilm Group strives to build a decarbonized society by adopting the environmental strategy “Green Value Climate Strategy,” which highlights the need to promote production activities with a low environmental impact called “Green Value Manufacturing,” and creating and spreading products and services with excellent environmental performance called “Green Value Products.”

## 2. The Fujifilm Group's vision and ideals

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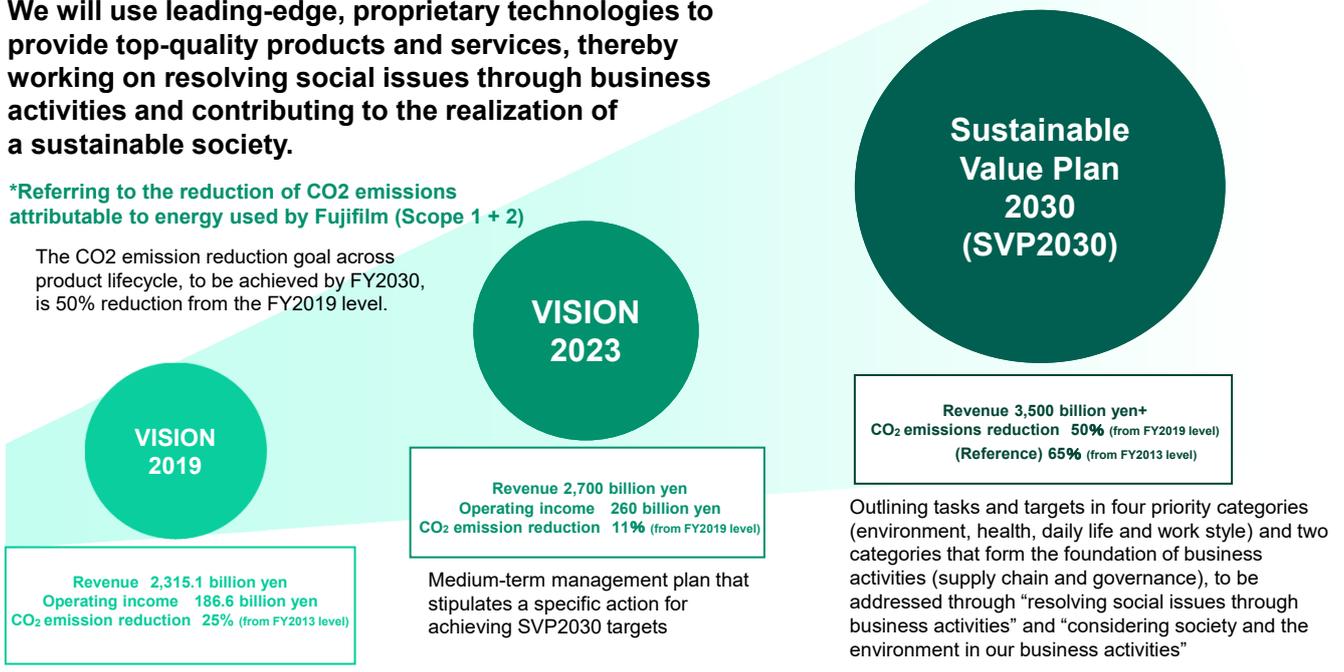
Greetings. This is Kenji Sukeno. In my capacity as the Board Chairman, I'd like to talk about the Fujifilm Group's vision and ideals.

## The Fujifilm Group's vision and ideals

We will use leading-edge, proprietary technologies to provide top-quality products and services, thereby working on resolving social issues through business activities and contributing to the realization of a sustainable society.

\*Referring to the reduction of CO2 emissions attributable to energy used by Fujifilm (Scope 1 + 2)

The CO2 emission reduction goal across product lifecycle, to be achieved by FY2030, is 50% reduction from the FY2019 level.



The Fujifilm Group uses leading-edge and proprietary technologies to provide top-quality products and services, thereby working on resolving social issues through business activities and contributing to the realization of a sustainable society.

Sustainable Value Plan 2030 (SVP2030), our long-term CSR plan, outlines tasks and targets in four priority categories, namely the environment, health, daily life and work style, to be addressed by "resolving social issues through business activities" and "considering society and the environment in our business processes." By the goal year of FY2030, we aim to exceed 3.5 trillion yen in consolidated revenue, while halving CO2 emissions attributable to our energy use and CO2 emissions across entire product lifecycle, both in comparison to the FY2019 level.

## Resolving social issues through business activities

Priority areas		Business segments	SDGs goals
<div style="background-color: #8bc34a; color: white; padding: 5px; text-align: center; font-weight: bold;">Environment</div> <ul style="list-style-type: none"> <li>• <b>Address climate change</b></li> <li>• Promote recycling of resources</li> <li>• Address energy issues</li> <li>• Ensure product and chemical safety</li> </ul>	Explained this time	Healthcare Materials Business innovation Imaging	
<div style="background-color: #42a5f5; color: white; padding: 5px; text-align: center; font-weight: bold;">Health</div> <ul style="list-style-type: none"> <li>• Reduce healthcare disparities and build a healthy society through the global provision of leading-edge products and services in all areas of prevention, diagnosis and treatment</li> </ul>		Healthcare	
<div style="background-color: #9c27b0; color: white; padding: 5px; text-align: center; font-weight: bold;">Daily life</div> <ul style="list-style-type: none"> <li>• Contribute to the creation of a safe and secure society that promotes DX through the development and delivery of highly advanced materials</li> <li>• Contribute to enriching and making people's life peaceful through the development and provision of high-quality and high-performance products and services in the field of photography and videography</li> </ul>		Materials Imaging	
<div style="background-color: #e91e63; color: white; padding: 5px; text-align: center; font-weight: bold;">Work style</div> <ul style="list-style-type: none"> <li>• Contribute to social change where every person is motivated in the workplace through global provision of products and solutions that increase productivity and creativity creating</li> </ul>		Business innovation	

This table shows social issues for each of the priority areas defined in the SVP2030.

Today's briefing covers the Fujifilm Group's decarbonization initiatives as our response to climate change in the "Environment" category.

## The Fujifilm Group's approach to the environment

### Environmental approach – Corporate DNA since foundation

- Clean water and air are essential for manufacturing photographic films, the origin of Fujifilm's business foundation
- Photographic films cannot be tested before shooting. Photography captures precious moments in life that would never be repeated.

### People are buying “reliability” when buying photographic films Gaining trust from stakeholders is crucial

Since our foundation, we have positioned

- Environmental considerations and conservation
- Communication with local communities

as factors that **form the foundation of corporate activities**



Watershed and protection forest near the Ashigara site of Kanagawa Factory

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Firstly, let me talk about the Fujifilm Group's approach to the environment.

Our environmental approach is the Fujifilm Group's corporate DNA since our business foundation. Clean water and clean air are essential for manufacturing photographic films, the origin of our foundation. Photographic films cannot be tested before shooting. Since there is no second chance if you miss a once-in-a-lifetime photo opportunity, we have always perceived photographic film as a product of “trust.” Therefore, gaining trust from stakeholders has long been the most important criteria for business management.

Since our foundation, the Fujifilm Group has positioned environmental considerations and conservation, and communication with local communities as factors that form the foundation of corporate activities. It is this belief that we have built our corporate activities on.

## The Fujifilm Group's approach to the environment

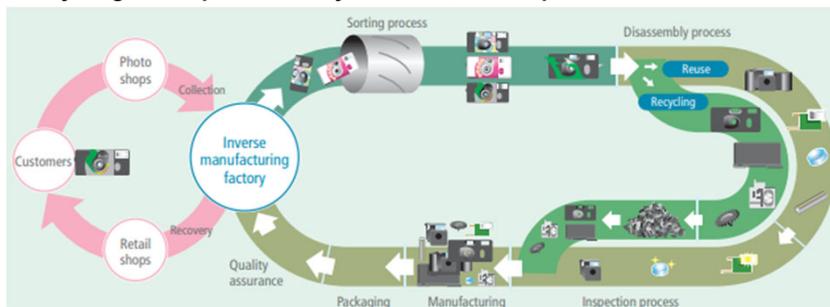
Since the early days, the Fujifilm Group has embraced the concept of resource recycling and chemical safety assurance at the heart of business activities for environmental considerations and conservation.

### **[Example] Recycling-based production of QuickSnap, film with lens**

In 1998, Fujifilm established a recycling-based production system for QuickSnap to implement 3R (reduce, reuse and recycle).

**Sustainable recycling-based production and environmentally-considerate design with a long-term perspective**  
 ⇒ "Considerations for the future of the environment" embedded in the Fujifilm's Group's business activities

#### Recycling-based production system for QuickSnap



\*The above recycling-based production system is currently in operation in the United States with changes to some processes.

#### Environmentally-considerate design of QuickSnap

- Minimizing the number of parts
- Designing parts so that they can be used in multiple models
- Eliminating the use of screws and adhesives in product design on the premise of recycling

#### Early environmental initiatives

- 1975 Setting up a testing organization for the safety assessment of chemical substances
- 1998 Launching a recycling-based production system for QuickSnap-branded film with lens

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The Fujifilm Group has embraced the concept of resource recycling and chemical safety assurance at the heart of business activities to achieve environmental considerations and conservation.

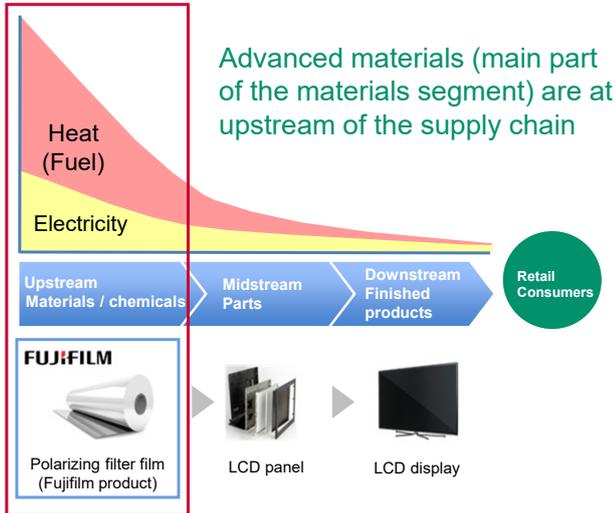
A recycling-based production system was launched in 1998 for QuickSnap-branded film with lens, released in 1986, to reduce, reuse and recycle waste. In order to achieve recycle-based production, we reviewed product design to reduce the number of parts as much as possible, and eliminated the use of screws and adhesives to facilitate easy disassembling for easy recycling.

Since our founding business handles photographs that customers keep at hand and treasure for years, we have always been committed to complying with laws and regulations current at the time of sales, while incorporating environmental considerations into business activities. In 1975, we took a step, far ahead of others in the industry in Japan, to set up a testing laboratory capable of conducting evaluation of chemical substances for safety, and has since provided safety assurance of chemical substances used on a voluntary basis. To this day, the laboratory continues to operate as a chemical safety testing organization with international credibility.

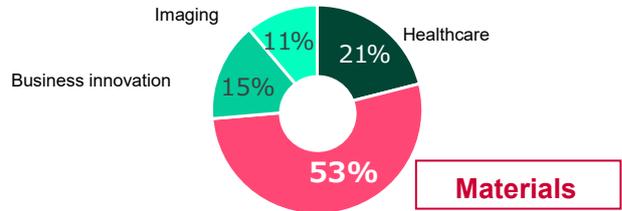
# Significance of the Fujifilm Group's environmental initiatives

The Fujifilm Group is fulfilling its responsibility as CO2 emissions reduction is a crucial initiative for the materials / chemicals industry, which is upstream of the supply chain.

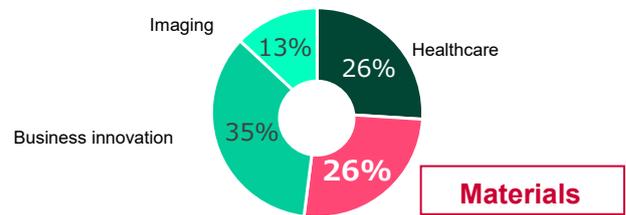
## Energy requirement in the supply chain



## Breakdown of CO2 emissions in the manufacturing stage (FY2020 actual)



## Revenue breakdown (FY2020 actual)



Next, let me talk about the significance of the Fujifilm Group's environmental initiatives.

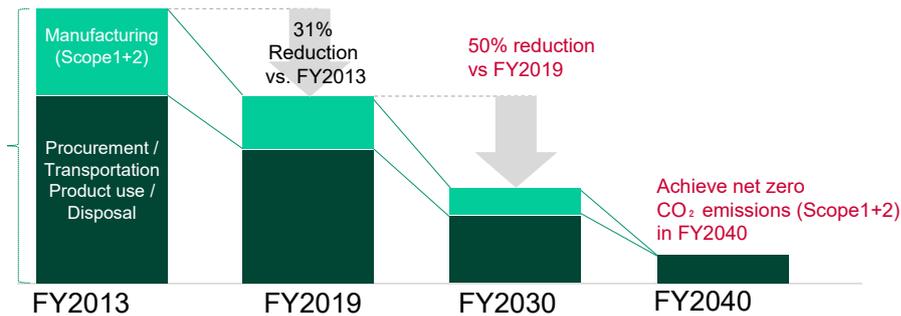
Take a look at the diagram on the left. It shows the amount of energy required in the supply chain. In the case of LCD displays, for example, Fujifilm, which supplies polarizing filter film, is positioned at the upstream of the supply chain. The materials and chemicals industry at the upstream typically consumes the highest amount of fuel and electricity. The breakdown of our CO2 emissions shows that over 50% of our carbon emissions comes from the Materials segment, which mainly consists of advanced materials including polarizing filter film.

The medium-term management plan VISION2023 refers to accelerating the growth of Healthcare as well as Advanced Materials businesses. We will fulfill our corporate responsibility in the materials and chemicals industry by implementing CO2 emissions reduction initiatives while striving to achieve business growth at the same time.

## New CO<sub>2</sub> emissions reduction targets

①	<b>CO<sub>2</sub> emissions from manufacturing (Scope1+2*)</b>
<p><b>Target: Achieve net zero CO<sub>2</sub> emissions in FY2040</b>          (Previous target: FY2050)  <b>(Achieve 50% reduction compared to FY2019 level in FY2030)</b></p>	

②	<b>Reduce CO<sub>2</sub> emissions across entire product life cycle</b>
<p><b>Target: 50% reduction compared to FY2019 levels by FY2030</b>          (Previous target: 45% reduction compared to FY2013 levels)</p>	



\*Scope 1: Direct emission of greenhouse gases (during fuel combustion, industrial processes) by the business operator  
 Scope 2: Indirect emissions through the use of electricity and heat/steam supplied by other companies

The Fujifilm Group now has new decarbonization targets, adopted by the Board of Directors in December last year.

The new targets are consistent with the 1.5 degrees Celsius target, set under the Paris Agreement, to build a decarbonized society. The timing of achieving net zero CO<sub>2</sub> emissions, originating from our own energy use, by FY2040, ten years earlier than the original target of FY2050. By FY2030, we also aim to halve the level of CO<sub>2</sub> emissions compared to the FY2019 level. The previous target on reducing CO<sub>2</sub> emissions across the entire product lifecycle by FY2030 has been upwardly revised to 50% compared to the FY2019 level.

## New environmental strategy

### Policy for achieving decarbonization targets

Rather than merely withdrawing from business operations with large CO<sub>2</sub> emissions, the Fujifilm Group will strive to reduce carbon in existing businesses and develop / supply low-carbon solutions to help build a decarbonized society while fulfilling supply responsibility in areas with social needs.

### New Environmental Strategy “Green Value Climate Strategy”

1. Promoting “Green Value Manufacturing” (production activities with a lower environmental impact)
2. Creating and promoting “Green Value Products” (products and services with excellent environmental performance)

#### Past general tendency

Energy-efficient and resource-saving initiatives that lead to cost reduction



#### The Fujifilm Group’s approach

Making necessary investments for decarbonization to achieve sustainable growth  
(Using ICP in investment decisions)

Rather than merely withdrawing from business operations with large CO<sub>2</sub> emissions, we will strive to reduce carbon in existing businesses, and develop and supply low-carbon solutions to help build a decarbonized society while fulfilling the responsibility of supplying products and services in areas with social needs.

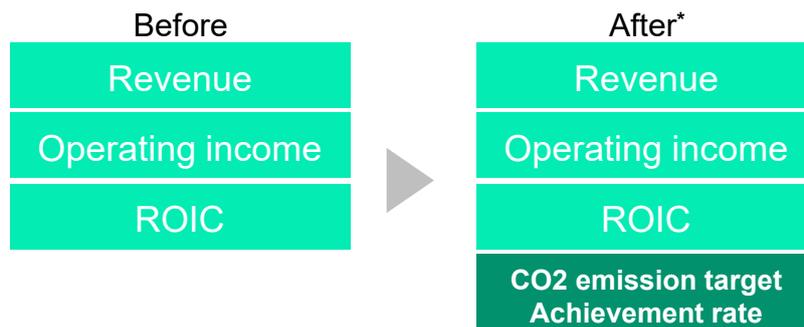
Under this policy, we have launched a new environmental strategy “Green Value Climate Strategy.” The strategy calls for promoting “Green Value Manufacturing” to conduct production activities with a lower environmental impact, and creating and promoting “Green Value Products” that offer excellent environmental performance. Yasufumi Nakai will share more detailed information about these later.

Previously, environmental initiatives were often seen as initiatives for energy efficiency and resource saving that lead to cost reduction. In order to achieve sustainable growth, it is important to change our mentality. Today, taking an initiative for decarbonization is a required qualification to participate in global business. We are basing our initiatives on the approach of making necessary investments for decarbonization while tapping into our own technologies. In this process, internal carbon pricing (ICP) will be used to thoroughly examine return on investment and give priority orders in making investment decisions.

## Reflecting decarbonization targets to performance-based remunerations

To boost the effectiveness of achieving new targets, the Board resolved, in a meeting held in March 2022, to reflect the progress in CO2 emissions reduction target, to the part of remunerations linked to medium-term performance. (Incorporating ESG indicators to directors' remunerations)

- Consolidated performance KPI to be linked  
CO2 emissions attributable to energy used by the Fujifilm Group (Scope 1 + 2)  
**FY2023 target: -11% (from FY2019 level)**



\*The period for measuring performance corresponds to that of mid-term management plan (3 years from FY2021 to FY2023 initially)

Furthermore, to boost the effectiveness of achieving new targets, the Board resolved, in a meeting held in March 2022, to reflect the rate of progress in achieving CO2 emissions target, to the part of directors' remunerations linked to medium-term performance.

The consolidated performance KPI to be linked is the progress in achieving the target to reduce CO2 emissions attributable to our own energy use by 11% from the FY2019 level.

This was deliberated on by the ESG Committee and the Nomination and Remuneration Advisory Committee before being resolved by the Board of Directors in March.

This concludes my presentation.



## 3. Initiatives for building a decarbonized society

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Greetings. This is Yasufumi Nakai.

I will explain about our new environmental strategy, “Green Value Climate Strategy,” for achieving a decarbonized society.

## 1. Promoting "Green Value Manufacturing" (production activities with a lower environmental impact)

### ① Achieving carbon-neutral production (☞P20-24)

Converting to electricity generated with renewable energy

Introducing and applying fuel technology that effectively eliminates CO2 emissions

### ② Contributing to reducing CO2 emissions in society through contract manufacturing

Using factories capable of carbon neutral production to cater to external manufacturing needs

### ③ Developing new production processes with significant effectiveness in reducing CO2 emissions

Example: Flow synthesis\*

\*A chemical synthesis method that continuously feeds chemical substances through a fine tube measuring several hundred microns – several millimeters in diameter to mix them to initiate a chemical reaction. It enables precise control of chemical reaction.

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First, let me provide explanation about "Green Value Manufacturing," i.e. production activities with a lower environmental impact.

Firstly, this involves achieving carbon-neutral production. In order to achieve decarbonization of fuel, which is essential in producing advanced films, we have positioned the business's main production sites, namely Kanagawa Factory's Ashigara Site and Fujinomiya Factory in Japan, as "carbon neutral model plants, switching to renewable-derived electricity and introducing and applying the use of hydrogen, synthetic methane and other fuels that do not cause CO2 emissions. Fuel decarbonization is a major hurdle that the materials industry must clear, as I will explain later in more detail.

Secondly, Green Value Manufacturing contributes to reducing CO2 emissions in society through contract manufacturing. We will use factories capable of carbon neutral production to cater to external manufacturing needs. Advanced efficiency and advanced productivity are pursued in our CDMO business for biopharmaceuticals. Biopharmaceuticals must be transported at low temperature, and establishing production sites closer to where demand is will lead to reducing CO2 emissions in society.

Thirdly, it is important to develop new production processes with significant effectiveness in reducing CO2 emissions. One such example is flow synthesis, a chemical synthesis method that continuously mixes chemicals to synthesize chemical compounds. It enables precise control of chemical reactions, thereby achieving a lower environmental impact.

As you can see, Green Value Manufacturing reduces an environmental impact of

production activities from various angles.

## 2. Creating and promoting "Green Value Products" (products and services with excellent environmental performance) (☞P26)

### ① Reducing CO2 emissions across product lifecycle (☞P27-28)

Reducing CO2 emissions in production stages from raw material procurement to manufacturing, transportation, usage and disposal

### ② Contributing to CO2 emissions reduction in society (☞P29-30)

Introducing new products / services with better environmental performance and switching from previous systems to reduce customers' CO2 emissions



Next, I'll talk about creating and promoting "Green Value Products," i.e. products and services with excellent environmental performance.

Creating and promoting "Green Value Products" offers two benefits.

The first is to reduce CO2 emissions across product lifecycle. These products reduce CO2 emissions in the production stages from raw material procurement to manufacturing, transportation, usage and disposal.

The second is to contribute to CO2 emissions reduction in society. We will introduce new products and services with better environmental performance and replace previous products and services with better CO2 reduction effects, thereby reducing our customers' CO2 emissions.

## Setting separate targets for each of the business fields in promoting initiatives

- ① **Businesses that release significant CO<sub>2</sub> during manufacturing and are expected to make a major future growth**  
⇒ Pursuing carbon neutral production
- ② **Businesses that release significant CO<sub>2</sub> during material procurement and product use**  
⇒ Promoting the procurement of low-carbon materials and resource recycling, and improving energy-saving performance
- ③ **Businesses that have a significant effect in contributing CO<sub>2</sub> emission reduction in society**  
⇒ Promoting the use of such products and services

In implementing the environmental strategy, we are drawing up a specific action plan and promoting relevant initiatives while considering each of our business fields' emission characteristics and growth potential.

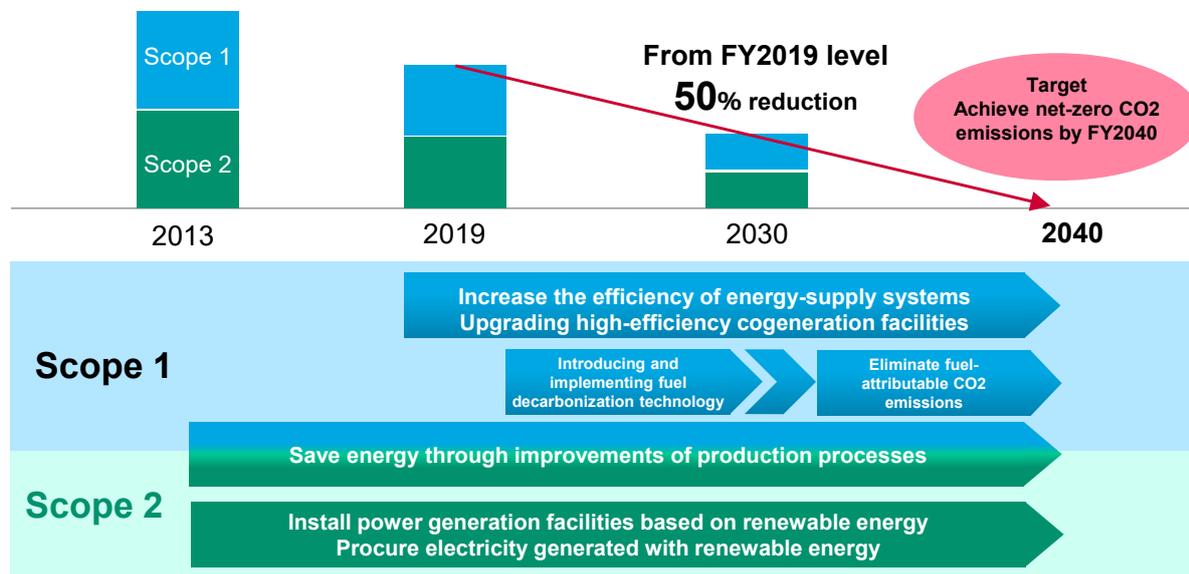
More specifically, we will pursue carbon-neutral production in businesses that release significant CO<sub>2</sub> during manufacturing and are expected to make a major future growth, such as advanced materials.

As for businesses that release significant CO<sub>2</sub> during material procurement, such as printing plates in the Graphic Communication business, we are promoting the procurement of low-carbon materials and resource recycling.

When it comes to businesses that release significant CO<sub>2</sub> during product use, such as multifunction devices in the Office Solution business, we are exploring improvement in energy-saving performance. In the case of businesses that have a significant effect in contributing CO<sub>2</sub> emissions reduction in society, such as magnetic tape of Recording Media business and Business Solutions business, we are promoting and expanding such products and services in our contribution to social decarbonization.

# Achieving carbon neutral production

## Roadmap toward effectively reducing CO2 emissions by FY2040



Now, let me explain what “Green Value Manufacturing” is in more details.

This slide shows Fujifilm Group’s roadmap for reducing CO2 emissions attributed to our own energy use.

About 50% of energy used by the Fujifilm Group is fuel, mostly natural gas, and the remaining 50% is electricity. We aim to achieve net-zero CO2 emissions from this energy use by FY2040.

For fuel, generating Scope 1 emissions, we are streamlining the energy supply system. High-temperature steam is essential in producing advanced films, and we use a co-generation system that generates both electricity and high-temperature steam at the same time. This will be updated to a facility of greater efficiency. Then, new technology for fuel that effectively eliminates CO2 emissions will be explored, developed and introduced to achieve zero CO2 emissions attributable to fuel.

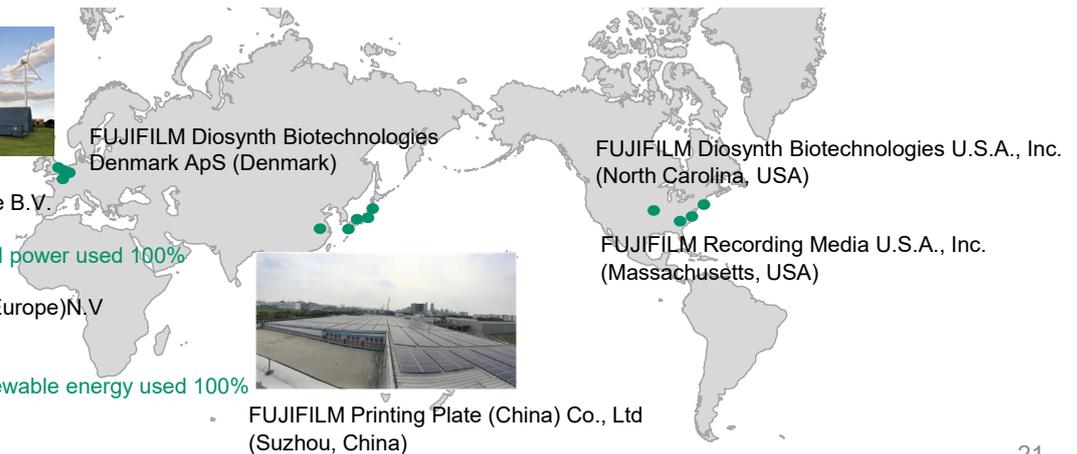
It is crucial to improve production processes to reduce the use of energy, be it fuel or electricity. We will use IT to visualize energy efficiency in production processes, and adopt design that meet manufacturing conditions in our quest for energy saving.

As for electricity, generating Scope 2 emissions, there is a move to switch to renewable-derived electricity. At sites with suitable geographical conditions, installing power generation facilities using renewable energy is also an important option.

## Decarbonizing electricity

### Introducing the use of renewable energy globally

- Analyzing business sites' social and geographical factors
- Evaluating supply capacity, supply stability and economic viability based on candidate sites' business processes
- Incorporating supply possibility of renewable energy as a criterion in selecting the site for M&A and factory development



FUJIFILM Manufacturing Europe B.V. (Netherlands)

● Electricity generated with wind power used 100%

FUJIFILM Electronic Materials(Europe)N.V  
FUJIFILM Belgium NV. (Belgium)

● Electricity generated with renewable energy used 100%

FUJIFILM Printing Plate (China) Co., Ltd (Suzhou, China)

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In our efforts to decarbonize electricity and switch to renewable-derived electricity, the Fujifilm Group analyses its business sites' social and geographical factors in evaluating supply capacity, supply stability and economic viability based on candidate sites' business processes. We globally explore and promote opportunities to introduce the use of renewable energy.

For example, the Dutch plant of FUJIFILM Manufacturing Europe has a joint project with a local energy company to install wind power generation facilities on site and receive electricity from a wind power utility to use electricity generated with wind power for 100% of its power use.

Two production sites in Belgium have also switched to renewable-derived electricity for 100% of their power use.

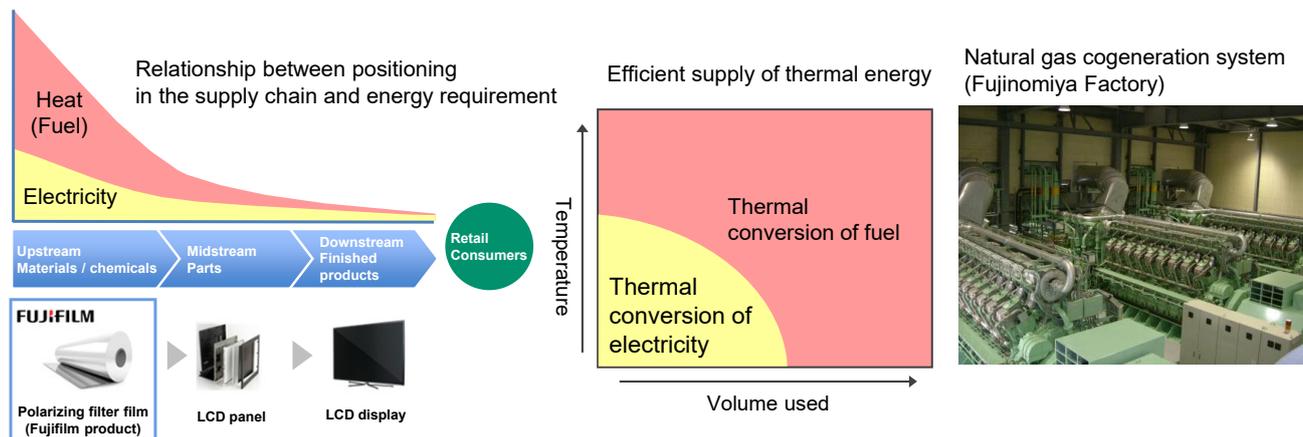
Group companies in the United States and China have used their respective region's renewable energy introduction programs to install photovoltaic facilities.

When we acquired a manufacturing site in Denmark through M&A in the bio CDMO business, the decision-making process took into consideration the potential of renewable energy supply in the selection criteria. The site for developing a major manufacturing base in North Carolina, currently under construction, was also chosen due to the U.S. state's active promotion of environmental programs.

# Decarbonizing fuel

## Common challenges of the materials industry using high-temperature processes

- The materials industry is at the upstream of supply chain.
- High-temperature steam is required when producing and drying advanced films.
  - “Fuel” is more efficient than “electricity” to generate high-temperature steam.
- “Decarbonization of fuel” is essential to achieve carbon neutrality in manufacturing.



As Kenji Sukeno explained at the beginning, fuel decarbonization is a major hurdle that the materials industry must clear.

Fuel is an essential part of producing advanced films, as it produces high-temperature steam in film-making, drying and other production processes to maintain a high-temperature state.

As shown in the diagram on the right, the amount of heat and level of temperature required for these processes can be achieved more efficiently with fuel than with electricity. This is why we use a private co-generation system that generates heat and electricity at the same time efficiently.

## Promoting initiatives through collaboration with other companies

### Decarbonizing fuel that is essential in producing advanced films

- Positioning main production sites for advanced films, namely Kanagawa Factory's Ashigara Site and Fujinomiya Factory, as “**carbon neutral model plants**” to introduce and implement the use of fuels that do not generate CO2 emissions, such as hydrogen and synthetic methane.

- Announced on March 29, 2022

#### **Fujifilm, Tokyo Gas and Minamiashigara City sign a comprehensive partnership agreement for building a decarbonized society**

Moving toward establishing a zero-carbon model in manufacturing

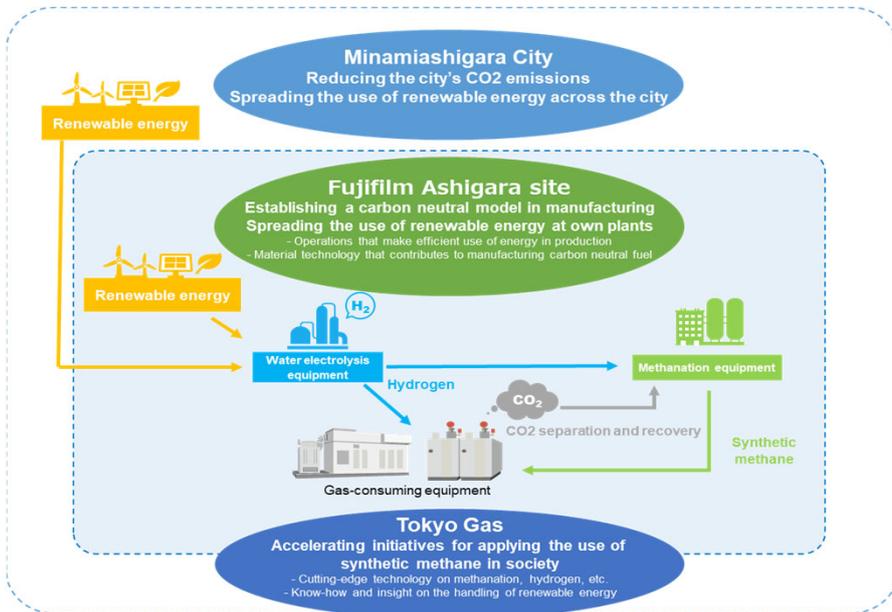


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We are collaborating with other companies to promote initiatives for decarbonizing fuel, which is essential in production processes for advanced films. On March 29, Fujifilm, Tokyo Gas and the city of Minamiashigara, where our main plant for producing advanced films stands, signed a comprehensive partnership agreement for building a decarbonized society. Through this agreement, the three parties, each representing an energy user, an energy utility and a local government are working together to commence an advanced move to create a carbon neutral model in manufacturing.

# Promoting initiatives through collaboration with other companies

## Diagram of a carbon neutral model in manufacturing



### 【Methanation】

Technology that uses chemical reaction between hydrogen and CO<sub>2</sub> to generate methane, the main component of city gas. CO<sub>2</sub> to be released by using the synthesized methane is offset against CO<sub>2</sub> that is separated and collected. This means using gas produced through methanation does not increase CO<sub>2</sub>.

With the goal of achieving net-zero CO<sub>2</sub> emissions attributable to our own use of energy by 2040, Fujifilm, which pursues new low-impact production activities, has partnered with Tokyo Gas, which has cutting-edge decarbonization technologies including methanation and hydrogen technology, and Minamiashigara City, which is accelerating its CO<sub>2</sub> emissions reduction to achieve carbon neutrality. The partners strives to establish a carbon neutral model in manufacturing. Under the Agreement, the three parties are collaborating in various areas including carbon-neutral community development and local consumption of locally-produced energy. We will work on building a decarbonized society in each of the local communities with a view to adding new collaboration partners such as companies and local governments in nearby regions.

## Use of internal carbon pricing for investment decisions **FUJIFILM**

- **Applying internal carbon pricing to capital investments, M&A, renewable energy procurement, etc. to promote low-carbon investments**
  - **Commencing administration from FY2022**
- **Setting internal carbon pricing based on the carbon price of EU's emissions trading system**
  - **FY2022 ¥11,000/ton-CO<sub>2</sub>**
- **Having the ESG Committee monitor and assess the administration status for review by the Board of Directors**

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In implementing "Green Value Manufacturing," we are adopting internal carbon pricing (ICP) to carefully examine potential investments' ROI and give them priority orders to make investment decisions.

Targeted areas include capital investments, M&A and renewable energy procurement, with ICP to commence from this fiscal year. ICP pricing will be set based on the carbon price of EU's emissions trading system. This fiscal year, ICP is set at 11,000 yen per ton of CO<sub>2</sub>.

The administration of this system will be monitored and assessed by the ESG Committee and reviewed by the Board of Directors, which also examines progress of decarbonization initiatives.

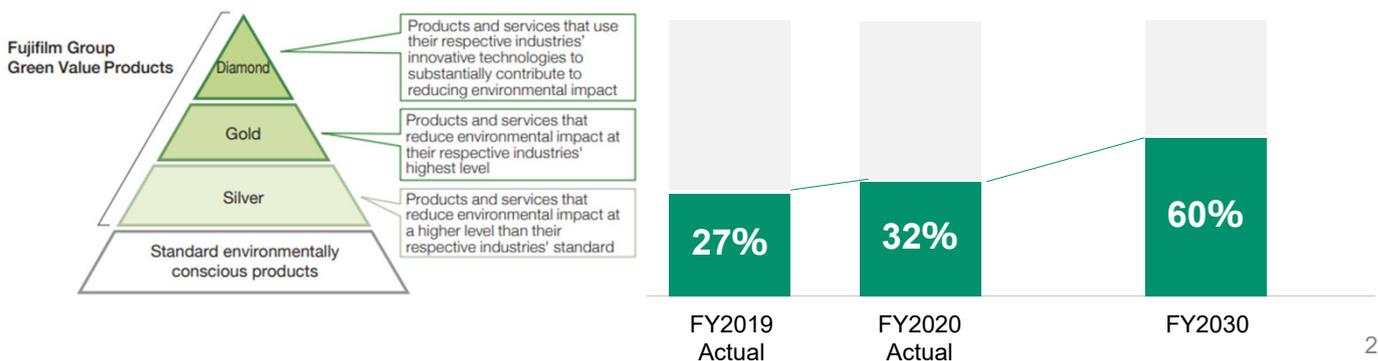


## Creating and promoting Green Value Products

- Applying environmentally conscious design to all products and services: 2002 onwards
  - \*Addressing climate change, promoting resource recycling, reducing hazardous materials, finding alternatives for them, and reducing waste

- Products and services that meet certain criteria concerning environmental consideration are disclosed as “Green Value Products”: 2018 onwards

**Raising the revenue ratio of certified environmentally-considerate products “Green Value Products” against company-wide sales to 60% by FY2030**



Now, let me talk about our efforts to create and promote “Green Value Products.”

Since 2002, the Fujifilm Group has applied environmentally considerate design to all products and services. Environmental considerations include addressing climate change, promoting resource recycling, reducing and finding alternatives to hazardous substances and reducing waste.

In 2018, we began running a system to present products and services that meet specific criteria on environmental considerations as the Fujifilm Group’s “Green Value Products.” These “Green Value Products” account for 32% of the Fujifilm Group’s total revenue in FY2020, which we strive to increase to 60% by FY2030.

This diagram provides the overview of this system. Products and services that reduce environmental impact at a level higher than their respective industry standard are categorized as “Silver,” while products and services that reduce the impact at their respective industries’ highest level are classified as “Gold.” Those that use innovative technologies to achieve a substantial reduction in environmental impact are placed in the “Diamond” rank. These rankings are released externally along with applicable products’ environmental value.

# Reducing CO2 emission across product lifecycle

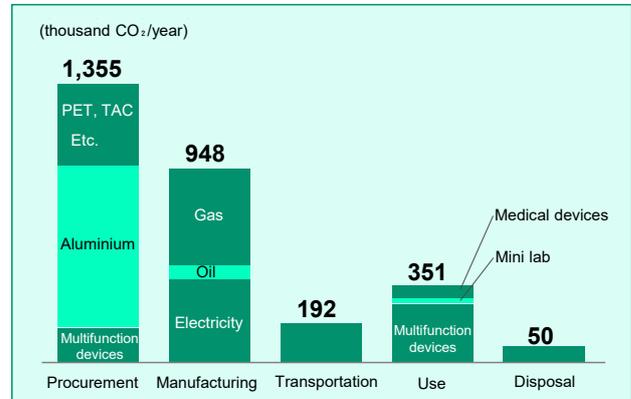
## Product lifecycle

Procurement, manufacturing, transportation, product use, disposal  
 = Scope 1 + Scope 2  
 + Scope 3 in categories with significant contribution  
 (Procurement, transportation, product use, disposal)

### < Emission reduction measures >

- Procurement      Promoting the recycling of raw materials  
Reinforcing collaboration with suppliers
- Manufacturing    Promoting Green Value Manufacturing
- Transportation    Streamlining transportation
- Product use        Providing energy-saving products
- Disposal            Recycling waste  
Developing products that generate less  
CO2 emission at the time of disposal

CO2 emission by stage of product lifecycle (FY2020)



### Target

Reducing CO2 emission across product lifecycle  
**50% reduction (from FY2019 level) by FY2030**

Now, let me cover our efforts to reduce CO2 emissions across product lifecycle.

Here, product lifecycle is defined as a series of processes associated with a product, from procurement to manufacturing, transportation, product use and disposal, encompassing Scope 1+2 and Scope 3, to which the manufacturing sector contributes significantly.

The graph on the right shows the amount of CO2 emissions in each of these stages. Fujifilm defines CO2 emissions across product lifecycle as the sum of CO2 emission volumes at all of these stages, and aims to halve it by FY2030 from the FY2019 level. This is in line with the 1.5 degrees Celsius under the Paris Agreement.

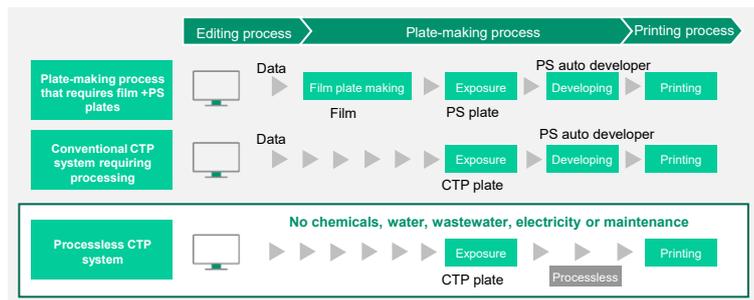
Our measures for reducing CO2 emissions in each of the product lifecycle stages include:

- Procurement: Promoting the recycling of raw materials and reinforcing collaboration with suppliers
- Manufacturing: Promoting Green Value Manufacturing
- Transportation: Streamlining transportation
- Product use: Providing energy-saving products
- Disposal: Recycling waste and developing products that generate less CO2 emissions at the time of disposal

# Reducing CO2 emission across product lifecycle (Product examples)

## Fully processless thermal CTP plates for newspaper printing (Graphic Communication business)

- Eliminating the use of chemicals and electricity previously required in conventional plate development
- Using control technology to eliminate protective paper on the rear side of plates
- “Closed-loop recycling” for aluminium, which is the main raw material



## Multifunction devices (Office Solutions business)

- Using power-saving technology to reduce CO2 emissions attributable to power consumption, compared to previous models
- “Closed-loop system” for effectively utilizing spent products as resources



### [Power-saving technology]

- LED printhead
- Super EA-Eco toner, which fuses and fixes at lower temperature

This slide shows examples of CO2 emissions reduction across product lifecycle. The first example is about CTP plates and PS plates, used as printing plates. These products are made of high-quality aluminium substrate, coated with functional layers. Virgin aluminium requires a massive amount of electricity in the refining stage, resulting in a high level of CO2 emissions.

In collaboration with suppliers, we have established a scheme in which CTP plates and PS plates, spent by printing companies and newspaper publishers, are collected and put through recycling and rolling to produce high-quality aluminium coils. When this scheme is applied, CO2 emissions are substantially reduced when compared with the use of virgin metal.

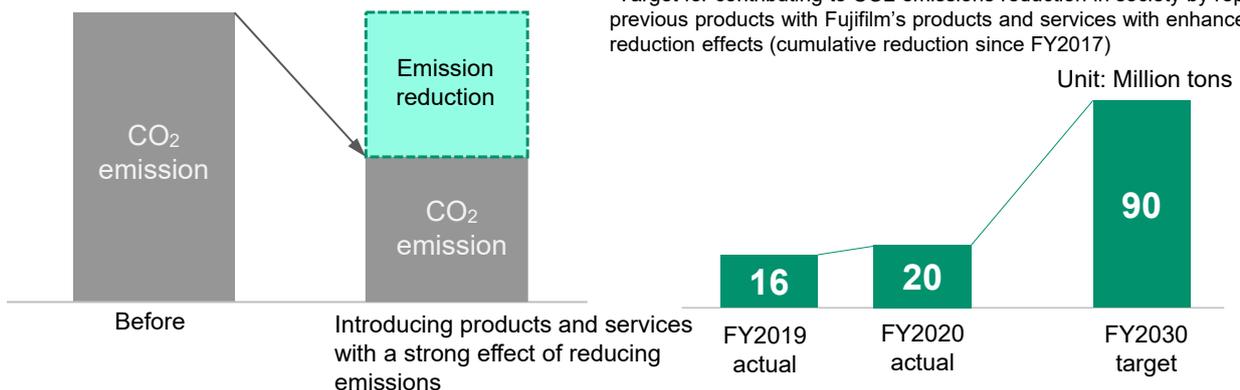
In the case of multifunction devices in the Office Solutions business, we have a closed-loop system for using spent products effectively as resources. Used products are collected from customers, disassembled, cleaned and reused as much as possible. Some may undergo inspection, repair, quality check and a quality assurance process before being returned to a production line. Products that cannot be reused are reverted to the state of raw materials, sorted by type, re-molded and sent to a production line to become new parts.

# Contributing to CO2 emission reduction in society

## Providing products and services with a high level of CO2 reduction effect

- Business solutions that reduce the movements of people / goods, time and use of resources
- Low-energy method of saving data
- Highly energy-efficient devices and products

**Target**  
**Contributing to reducing CO2 emissions in society by cumulative total of 90 million tons\***  
**(Contribution more than double the amount of cumulative emission by Fujifilm)**



Finally, I'd like to talk about our products' and services' contribution to reducing CO2 emissions in society.

The diagram on the left describes the concept. When the introduction of our products and services reduces CO2 emissions compared to a previous system, the reduced portion is defined as the amount of our contribution, and we gauge the cumulative amount of our contribution. This totalled 20 million tons in FY2020, and we aim to increase the figure to 90 million tons by FY2030.

While the contribution volume in society cannot be used to offset the Fujifilm Group's own CO2 emissions, the figure is sufficiently greater than our emissions level, presenting our sustainable corporate stance and commitment to contributing to society.

Even if we continue to reduce emissions each year, the cumulative volume builds up. We have set a goal in terms of the cumulative figure, as temperature rise has a correlation with the cumulative volume of greenhouse gas emissions.

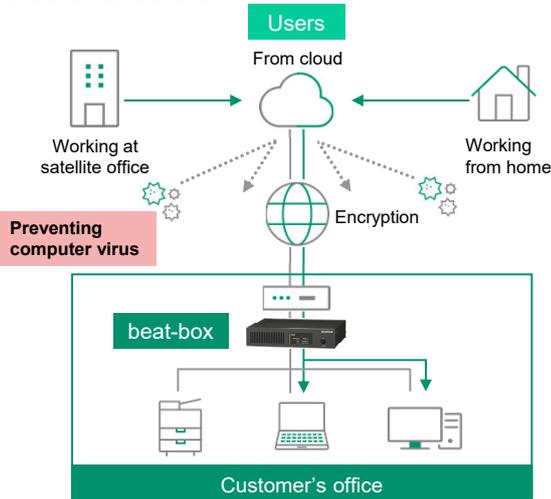
Products that give a major emission-contribution effect include:

- Hardware products with advanced energy-saving performance
- Business solutions that reduce the movements of humans and goods, and save on time and resources
- Data storage systems with low energy use

# Contributing to CO2 emissions reduction in society (Product examples)

## Telework solution “beat” (Business Solutions business)

Facilitating the introduction of remote work, thereby reducing CO2 emissions attributable to human movements and the use of office facilities



## Data archive storage system / Magnetic tape LTO9 (Recording Media business)

Significantly reducing CO2 emissions attributable to power consumption during data storage, compared to HDD-based data storage



### Comparison of power consumption



Administration conditions: Writing approx. 110GB of data each day and having the system powered on for 24 hours a day; Calculating power consumption during writing data and other times

TAA data: Fujifilm's actual measurement based on 10TB HDD + 240TB tape storage (LTO7 x 40)  
HDD data: [Source] JEITA data storage technical committee [Energy saving contribution through the use of tape storage 2016]

Here are examples of our contribution to reducing CO2 emissions in society.

The remote work solution “beat” makes it easy for customers to introduce a remote work environment, thereby reducing CO2 emissions attributable to human movements and the use of office facilities.

The other example is a data archive storage system using magnetic tapes. More and more data is saved in our society, increasing energy consumption and subsequently CO2 emissions. The use of magnetic tapes can significantly reduce electricity use during data storage and resulting CO2 emissions, compared to storage of data in hard disk drives.

## Summary

### New environmental strategy “Green Value Climate Strategy”

1. Promoting “Green Value Manufacturing”  
(production activities with a low environmental impact)
2. Creating and spreading “Green Value Products”  
(products and services with excellent environmental performance)

**Drawing up an action plan for CO2 emissions based on the characteristics of all business fields, and making a group-wide effort to promote it with full commitment**

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This concludes information about Fujifilm’s environmental strategy “Green Value Climate Strategy,” promoting “Green Value Manufacturing” or production activities with a lower environmental impact, and creating and promoting “Green Value Products,” i.e. products and services with excellent environmental performance.

In order to achieve our new decarbonization targets, we will draw up an action plan for CO2 emissions based on the characteristics of all business categories and make company-wide efforts to promote it with full commitment.

# Messages from outside directors

## Tatsuo Kawada

Chairman and CEO  
SEIREN Co., Ltd.



Climate change is causing numerous major natural disasters. There are concerns that our planet might one day become unsuitable for human habitation or that we may be reaching the tipping points where the change is irreversible. As IPCC\* issues strong-worded recommendations in its Sixth Assessment Report, countries around the world are sharing a sense of crisis and stepping up their climate initiatives.

Sharing the risk awareness, the Fujifilm Group has set new decarbonization targets through deliberations by the Board of Directors. Specific measures are already in place in pursuit of the strategy.

Key factors in achieving the targets include national energy policy and collaboration with business partners. The government, in particular, deals with real issues including the energy mix plan for electricity, and appropriate measures are needed to be taken.

\*Intergovernmental Panel on Climate Change

## Kunitaro Kitamura

Senior Corporate Advisor  
Sumitomo Mitsui Trust Bank, Limited



The Fujifilm Group's zero-carbon initiatives are positioned as essential elements of our growth strategy, in order to reduce or eliminate management risks and boost corporate value.

Our new decarbonization targets are very ambitious and enthusiastic, yet backed by specific strategies and measures that have been formulated in intricate details. That is why the chances of us achieving the targets are high.

This strategy serves as the driving force for contributing to resolving social issues and dramatically advancing innovation.

To meet the expectations of our stakeholders, I hope to see the Fujifilm Group embodies the spirit of "Never Stop" and take on these challenges speedily. As an outside director, I will monitor the progress with keen interest.

## Makiko Eda

Chief Representative Officer  
World Economic Forum Japan



Building on the founding tradition of valuing clean water and air, the Fujifilm Group has always strived to give back to society through business activities. Facing environmental crisis of the unprecedented global scale, the Fujifilm Group has now established an environmental strategy that goes one step further as one of Japan's major corporations, which I feel very proud of.

We have compiled an action plan in line with individual business segments' characteristics in a way that is achievable and addresses demands from society at the same time, rather than merely trying to look as though we are coming close to lofty goals. This bold and courageous stance truly reflects the Fujifilm Group's founding tradition.

This new environmental strategy sets out a goal for employees and external business partners to work toward in collaboration. As an outside director, I will continue to ensure transparency about the progress of this process, while guiding the Fujifilm Group's growth as a leading company that actively takes on climate issues.

Finally, this slide features messages from our outside directors.

They express their high expectations for the decarbonization targets and environmental strategy, saying they are compiled on a higher dimension, accompanied with specific measures designed in line with the characteristics of each of our business operations.

At the same time, they say we need to address not only internal initiatives but also collaborations with external partners and government policies as key factors in achieving our targets.

To help the outside directors monitor our progress and fulfill their responsibilities, Fujifilm will continue to provide information appropriately and set up opportunities of discussions on a continuous basis.

Due to time constraints, we are not going to read out their messages, but I urge you to go through these messages attentively.

This concludes our presentation. Thank you very much.

