MODERN SLAVERY AND HUMAN TRAFFICKING

INTRODUCTION FROM THE MANAGING DIRECTOR OF FUJIFILM UK LIMITED

FUJIFILM UK Limited is a distributor of, and service provider in relation to, products in the UK and Ireland for a range of industries including medical, graphic arts, recording media and photographic technologies.

We are a part of the group of companies owned by FUJIFILM Corporation ("FUJIFILM Group"). Our ultimate parent company is FUJIFILM Holdings Corporation. Both FUJIFILM Holdings Corporation and FUJIFILM Corporation have their head offices in Japan.

The FUJIFILM Group are dedicated to developing mutually beneficial partnership relationships with suppliers. Through our procurement policies and procedures the FUJIFILM Group foster social and environmental responsibility, while encouraging fair trade and free enterprise in international markets.

The FUJIFILM Group are committed to improving our practices to combat any kind of slavery and human trafficking. Companies within the FUJIFILM Group are required to conduct their activities in accordance with the FUJIFILM Group Charter for Corporate Behaviour and the FUJIFILM Group Code of Conduct which cover a variety of ethical business principles including the prevention of slavery and human trafficking in the activities of such companies. As part of the FUJIFILM Group's commitment to these principles, in June 2015 FUJIFILM Corporation adopted the FUJIFILM Corporate Social Responsibility Procurement Guidelines for suppliers ("Supplier Guidelines") under which suppliers to FUJIFILM Corporation are requested to commit to ethical business principles in a number of areas where human rights can be affected. These include the prohibition of forced labour, child labour and inhumane treatment. In addition to the existing use in Asia, the Supplier Guidelines have now been adopted by FUJIFILM Group companies in North America as part of their supply chain management systems. The next step is to introduce the Supplier Guidelines to FUJIFILM Group companies in Europe.

In August 2017 FUJIFILM Holdings Corporation announced the adoption of its Sustainable Value Plan 2030 (SVP 2030) in which its stated goal is to become a corporation that promotes social revolution through innovation involving all employees and action on social issues from a long-term perspective. In connection with the 15 priority issues established in the four areas of the environment, health, daily life and work style, enhancing management of the entire supply chain from the viewpoint of Corporate Social Responsibility has been established as a particular priority area.

ORGANISATION STRUCTURE

Beginning in 1934 as Japan's pioneering photographic film maker, the FUJIFILM Group has leveraged its imaging and information technology to become a global presence known for innovation in healthcare, graphic arts, optical devices, highly functional materials and other high-tech areas. The FUJIFILM Group has over 30,000 employees worldwide and operates in most countries around the world. The FUJIFILM Group has a global annual turnover of around £7 billion.

OUR BUSINESS

In the year ending 31 March 2018, our business in FUJIFILM UK Limited was organised into five main business units: Photo Imaging, Graphic Systems, Medical Systems, Optical Devices and Recording Media which supply FUJIFILM branded products and services in their respective sectors to the UK and Irish market as distributor for the wider FUJIFILM Group. We also act as marketing agents in the UK and Ireland supporting the sales of other FUJIFILM Group company businesses in fields such as digital cameras and industrial products.

OUR SUPPLY CHAINS

Our product supply chain is dominated by products supplied by other FUJIFILM Group companies (mainly sourced from FUJIFILM Corporation). We source all these products and all our other products for onward sale to customers from our European intermediate parent company, FUJIFILM Europe B.V. based in the Netherlands. The only products we purchase ourselves are either for local marketing purposes or for internal consumption in running our facilities in the UK and Ireland. These, along with the services we procure, are almost exclusively sourced from UK suppliers.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We comply with the <u>FUJIFILM Group Charter for Corporate Behaviour</u> and <u>FUJIFILM Group Code of Conduct</u> which reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and promoting this approach in our supply chains.

As most of the products we sell are ultimately sourced from FUJIFILM Corporation, this is also reflected in their adoption of the Supplier Guidelines as referred to above. For those products and services that we purchase ourselves, during the year we wrote to those of our suppliers and business partners who had not published their own Modern Slavery Act statement, enclosing a statement of our expectations of our suppliers and business partners in ensuring that there is no modern slavery or human trafficking in our supply chains and making it clear that their adherence to those expectations was necessary for continued custom from FUJIFILM UK Limited.

OUR PROCESSES TO PREVENT SLAVERY AND HUMAN TRAFFICKING

All FUJIFILM Group staff around the world are required to abide by the <u>FUJIFILM Group Charter for Corporate Behaviour</u> and <u>FUJIFILM Group Code of Conduct</u> in order to ensure that all FUJIFILM Group companies exhibit and promote ethical business activities. FUJIFILM Group companies are required to complete an annual checklist which requires them to answer questions on their measures to prevent forced and child labour in connection with their compliance with the <u>FUJIFILM Group Charter for Corporate Behaviour</u> and <u>FUJIFILM Group Code of Conduct</u>.

For the products that we sell that are ultimately sourced from FUJIFILM Corporation or from FUJIFILM companies in North America (if any), procurement staff in those companies are expected

to identify and assess potential risk areas in the supply chain and work with suppliers in those areas in order to seek to establish that those suppliers act in accordance with the Supplier Guidelines.

As part of the initiatives in FUJIFILM Europe generally to identify and manage risk, for the products that we sell that are ultimately sourced from FUJIFILM Europe B.V., for products that we source ourselves and for services, our procurement staff and those of FUJIFILM Europe B.V. work to mitigate the risk of slavery and human trafficking occurring in our or their supply chains in accordance with the <u>FUJIFILM Group Charter for Corporate Behaviour</u> and the <u>FUJIFILM Group Code</u> of Conduct.

SUPPLIER ADHERENCE TO OUR VALUES AND ETHICS

We promote action to ban slavery and human trafficking from our supply chain.

For the products that we sell that are ultimately sourced from FUJIFILM Corporation or from FUJIFILM companies in certain other parts of Asia and in North America (if any), suppliers of those products are requested to commit to the ethical business principles set out in the Supplier Guidelines. Further, those FUJIFILM companies aim to reflect those standards in cooperation agreements with suppliers and business partners. The Fujifilm Supplier CSR Checklist that is used to assess compliance with the Supplier Guidelines is based on the CSR standards issued by the United Nations Global Compact and the Responsible Business Alliance (RBA) and is revised in response to changes in legal regulations and social demands. Use of the Fujifilm Supplier CSR Checklist in FUJIFILM Corporation and the FUJIFILM group companies within China has resulted in some suppliers being required to submit corrective action plans resulting in improvements in CSR standards at those suppliers. In relation to North America a survey of 90% of North American suppliers was undertaken. By the end of March 2018, FUJIFILM companies in North America had achieved a 72% response rate. This remains an ongoing process.

For the products that we sell that are sourced from FUJIFILM Europe B.V., for products that we source ourselves and for services, our activities and those of FUJIFILM Europe B.V. consist of working with our or their suppliers to understand their approach to ensuring that there is no modern slavery or human trafficking in their supply chains or in any part of their business. In FUJIFILM UK Limited we have introduced compliance with the Modern Slavery Act 2015 into our contracting processes with our supplier and business partners (one aspect of which is the inclusion of a specific provision in our standard terms and conditions of purchase).

TRAINING

To ensure an understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we work with our procurement staff to ensure they act ethically and with integrity in their interactions with our suppliers and to implement and promote this approach in our supply chains. During the year we undertook specific awareness activities around modern slavery and human trafficking with all our staff involved in procurement activities, which included directing them to the UK government guidance in this regard.

FURTHER STEPS

At a FUJIFILM Group level, FUJIFILM Holdings Corporation published its <u>Human Rights Statement</u> in June 2018. This applies to all personnel in the FUJIFILM Group and all business partners associated with the provision of any products and services of any FUJIFILM Group company are also expected to comply with the Statement. Its publication will bolster awareness of the importance of human rights issues within the FUJIFILM Group through internal and external communication and further dissemination of the Statement. At the same time, FUJIFILM Group companies will be encouraged to cooperate with its partners and suppliers in conducting a more comprehensive assessment of the impact of potential human rights risks in each business field and to strengthen prevention and mitigation measures. As previously stated, it is also planned that FUJIFILM companies in Europe will start utilising the Supplier Guidelines during the current financial year.

Following a review of the effectiveness of the steps we have taken to ensure that there is no slavery or human trafficking in our supply chains we intend to take the following further steps to combat slavery and human trafficking:

Follow up with a number of our suppliers and business partners in the perceived higher risk sectors to establish further confidence in their compliance activities in this area.

Adoption of the Supplier Guidelines into our own procurement activities once introduced into Europe by the FUJIFILM Group.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement for FUJIFILM UK Limited for the financial year ending 31 March 2018.

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Yoshitaka Nakamura Managing Director FUJIFILM UK Limited

Date: 30 September 2018

This statement was approved by the Board of Directors of FUJIFILM UK Limited on 21 September 2018.