

Environmental Management

Furukawa Electric Group Basic Environmental Policy

Basic Philosophy

We, the employees of the Furukawa Electric Group, recognize that conservation of the global environment is a serious issue confronting the international community, and we pledge to contribute to a sustainable future for the world through technological innovation that utilizes our strength in advanced materials.

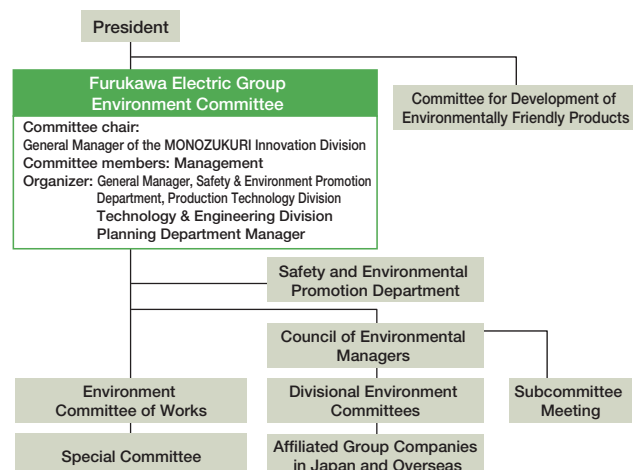
Action Guidelines

1. We shall comply with environmental laws and regulations as well as the demands of our customers and others, setting ever higher environmental targets as we continuously improve our global environmental conservation efforts.
2. We shall strive to develop products that are friendly to the Earth, and create new environmental businesses.
3. We shall strive to reduce environmental risk by incorporating anti-climate change and resource conservation/recycling considerations, as well as a reduction in the use of environmental impact-causing substances, across the entire product lifecycle.
4. We shall evaluate the ecological impact of all of our businesses, and strive for the conservation of biodiversity and sustainable use of resources.
5. We will seek harmony with the natural environment and local communities through dialogue with our stakeholders.

Environmental Management Organization

Furukawa Electric Group promotes environmental activities based on the basic environmental philosophy. In April 2013, we underwent organizational restructuring, transitioning to a strategic business unit system. We also named our highest-level advisory body related to the environmental management; the Furukawa Electric Group Environment Committee and promoted the environmental management. The “Council of Environmental Managers” was set up under the Committee in order to promote the smooth development of the decision making in the environmental management and a variety of special committees were consolidated and merged.

Promotion Framework



Environmental Education

Environmental Education System and Environmental Education Programs

Furukawa Electric Group is engaged in a variety of environmental education activities in order to raise environmental awareness among its employees and help them to gain information necessary to conduct the environmental activities of Furukawa Electric Group.

From fiscal 2016, we have been proceeding to train the ISO14001: 2015 version of the internal environmental auditors, in fiscal 2017 37 employees attended the classes for the newly appointed ISO14001 internal environmental auditors. Also, in order to notify the qualified staffs about the revised contents covering the entire Furukawa Electric, a total of 98 internal environmental auditors participated in training courses at each site, including 35 at the Copper Foil Division, 32 at the Nikko Works and 31 at the Chiba Works.

Environmental training is also implemented on an ongoing basis as part of training for staff, such as newly-appointed section managers and middle-ranking Monozukuri staff.

Environmental activity award system

Since fiscal 2010, Furukawa Electric Group has been presenting environmental activities awards in the following three fields with the aims of improving the environmental

awareness and raising the level of the environmental activities, “the sales promotion activities for the environmentally friendly products”, “the global warming prevention activities” and “Furukawa Electric Group environmental activities”. The award system was combined into a single category in fiscal 2014 under the “environmental contribution awards”. In fiscal 2017, one Excellent Award and two Effort Awards were awarded at the “MONOZKURI presentation” in early July. The project chosen for the Excellent Award was the Waste Reduction Activity which achieved a great resulting in the waste emission by the domestic group being reduced by about 20%.

Environmental Accounting

Furukawa Electric Group has introduced environmental accounting and works hard to promote efficient and effective environmental activities through the quantitative identification

of environmental conservation costs and effects.

Collation is implemented in reference to the Ministry of the Environment’s “Environmental Accounting Guidelines 2005” and covers Furukawa Electric Co., Ltd. and 21 domestic group companies.

The costs of environmental conservation activities in fiscal 2017 were 2.70 billion yen in expenses and 1.40 billion yen in investments. This represents a 0.18 billion yen fall in expenses and a 0.40 billion yen increase in investments against the previous fiscal year.

Please see P.59 for details of the companies included in the scope of data collation. Please see below for the collated results of environmental accounting.

CSR

 <http://www.furukawa.co.jp/en/csr/>

Environmental education programs

Category of educational training	Content	New recruits	General employees	Mid-career employees	Newly appointed section managers	Management
Education for new recruits (once a year, mandatory)	General environmental conservation activities	Training for new recruits				
EMS activities (as needed, mandatory)	Environmental Policy and purpose, goals and general knowledge pertaining to the environment					
ISO14001-related education (two-day course)(twice a year, voluntary)	Requirements of ISO standards, environment regulations, procedures for internal environment audits, various drills					
One-day brushup course (once a year, voluntary)	Trends in environmental regulations, various drills to brush up auditing skills					
Environmental subjects (as needed, voluntary)	Environmentally considerate design					
	Environmental regulations					
	Control of chemical substances contained in products					
Consolidated environmental management seminars	Seminars by experts on priority issues					

Message from the General Managers



We will actively use the renewable energy and promote the environmentally friendly manufacturing

Tsutomu Fujinuma

General Manager, Safety & Environment Promotion Department,
MONOZUKURI Innovation Division

After the Paris Agreement which is considered the framework of the climate change measures, the activity on the greenhouse gas reduction is accelerated globally, and the significant reduction of the environmental burdens is urgently required. The Nikko Works operates a hydroelectric power generation at Furukawa Nikko Power Generation Inc. and the clean energy has been used for to manufacture products including the copper products. We will continue to promote the active use of other renewable energies including a photovoltaic power generation as well. Furthermore, in order to enhance the manufacturing capability, we

believe that the promotion of the manufacturing with less environmental impact is also important based on the reconsideration of the energy balance and the material balance of the material and the waste. In fiscal 2017, we have greatly reduced waste.

We will work with our colleagues around the world to develop products that contribute to the environment and create environmentally friendly products.

We will continue our efforts to earn the trust of our stakeholders.

Material Flow

Environmental Impact of the Furukawa Electric Group in Fiscal 2017

We tallied data for Furukawa Electric, 34 Group companies in Japan, and 54 Group companies overseas—a total of 89 companies.

Siam Furukawa Co., an overseas group company, was added to the aggregation of fiscal 2017. The greenhouse gas emissions and the energy consumption were retroactively adjusted to the base year.

Please refer to page 59 for a list of all applicable companies.

INPUT

Category	Domestic	Overseas	Unit
Raw materials			
Copper	177.8	180.4	1000t
Aluminum	6.7	39.3	1000t
Iron	2.2	9.7	1000t
Other metals	5.3	0.9	1000t
Glass	—	3.8	1000t
Plastic	33.2	41.7	1000t
Energy			
	7,685	8,566	TJ
Electricity (purchased electricity)	534.8	743.0	GWh
Electricity (hydroelectric electricity)	109.5	—	GWh
Electricity (solar electricity)	21.6	657.3	MWh
City gas	5,914	5,142	1000 m³
LPG	18.6	3.6	1000 t
Heavy fuel oil A + Kerosene + Light oil	5,036	930	kl
Water			
	10,362	2,651	1000 m³
Industrial water	7,016	69	1000 m³
Groundwater	2,677	322	1000 m³
Tap water	670	2,250	1000 m³
Chemical substances			
Volume handled (note 1)	49.1	—	1000t
Packaging (note 2)			
Cardboard + Wood + Paper	2.0	8.7	1000t
Plastic	0.1	0.4	1000t

Furukawa Electric
7 works,
34 Group companies
in Japan
and
54 Group companies
overseas



OUTPUT

Category	Domestic	Overseas	Unit
Waste (note 3)			
Total waste generated (note 4)	28.1	17.4	1000t
Final waste disposal	0.4	12.0	1000t
Recycling amount	26.8	5.2	1000t
Atmospheric emissions			
CO ₂	353	460	1000t-CO ₂
SF ₆	85	—	1000t-CO ₂
SO _x	1	—	t
NO _x	55	—	t
Soot	4	—	t
Chemical substances			
Volume emitted	200	—	t
Volume transferred	343	—	t
Wastewater			
	9,494	1,715	1000 m³
Public waterways	8,754	417	1000 m³
Rivers	7,789	108	1000 m³
Sea	949	0	1000 m³
Other	17	309	1000 m³
Sewer	740	1,298	1000 m³
BOD			
	32	—	t
COD			
	33	—	t
SS			
	38	—	t
Volume of water recycled and reused			
	1,113	37,121	m³

(note 1) PRTR-listed substances

(note 2) Cardboard, wood, paper, and plastic used in product shipping

(note 3) Including valuable resources (Japan)

(note 4) Emissions off-site

Targets and Performance of Environmental Conservation Activities

😊 Achieved 😐 Partially achieved ☹ Not achieved

Activity		Furukawa Electric Group (Domestic and overseas)			
		Base year	Targets for fiscal 2017	Fiscal 2017 results	Evaluation
I	Reduction of greenhouse gas emissions (Scope1&2) ^(note 1)	2013	Domestic : 4% or more	reduced 17.9%	😊
		2015	Overseas : 2% or more (greenhouse gas emission per sales)	reduced 12.4%	😊
	Reduce greenhouse gas emissions (Scope3) ^(note 2)		We plan to set targets by fiscal 2018.		
	Reduce production energy	2013	Domestic : 8% or more (production energy per sales)	reduced 16.4%	😊
		2015	overseas : 2% or more (production energy per sales)	reduced 9.1%	😊
	Reduce transportation energy	2015	Domestic : 2% or more (transportation energy per ton-kilometers)	reduced 3.7%	😊
	Reduce office energy	2015	Domestic : 2% or more (energy per floor area in office)	reduced 6.1%	😊
	Reduce total waste	2015	Domestic : 2% or more (volume per sales)	reduced 25.6%	😊
	Improvement of zero emission ratio		Domestic : 0.3% or less	0.03%	😊
	Reduce water withdrawal	2015	Domestic and overseas : 2% or more (volume per sales)	Domestic : reduced 13.5% Overseas : reduced 7.4%	😊
II	Improvement sales of environmentally friendly products		Sales ratio : 35% or more	32.4%	☹
	Contribution of products to avoided environmental impact		70,000 ton-CO ₂ or more	107,000 ton-CO ₂	😊
	CDP ^(note 3) SCORE UP (Climate Change)		Score B or more	Score C	☹
III	Prevention of environmental accidents		Number of accidents : Zero Number of small accidents : 3 or less	accidents 2 small accidents 2	☹

(note 1, 2) Scope 1: Direct emissions from business sites through the use of fossil fuels, etc.

Scope 2: Indirect emissions through the use of electricity, steam and heat supplied from outside of business sites

Scope 3: Other emissions include indirect emissions such as purchased products and services, business trips, commuting, upstream transport.

(note 3) CDP: CDP is an organization formed from institutional investors for the purpose of managing a project requiring companies to disclose their strategies for climate change and the specific amount of greenhouse gases they generate.

Activities Targets and Performance in Fiscal 2017

Furukawa Electric Group sets out environmental conservation activities targets for each fiscal year in accordance with the three-yearly mid-term environmental targets. In fiscal 2017, we carried out initiatives to achieve the targets in the middle year of the three-year plan.

As a climate change measurement, the integrating and the consolidating of the manufacturing sites of the various products were implemented through the business structure reformation, achieving 2.3% of reduction in CO₂ emissions for the domestic and overseas group compared to fiscal 2015.

Activity Targets in Fiscal 2018

In fiscal 2018, which is the last year of the three-year medium term environmental plan, we will thoroughly implement initiatives on a Group-wide basis to achieve the targets. We will aim to improve our CDP climate change score as a form of the external evaluation and will take action to reduce emissions of chlorofluorocarbon and other greenhouse gases through CO₂ reduction measures as a part of the climate change measurement activities.

From fiscal 2018, the improvement of the renewable energy ratio was added to our efforts. At Furukawa Nikko Power Generation Inc. possesses a hydroelectric power generation and we will make efforts to maximize its usage.

Medium and Long Term Targets

Furukawa Electric Group has identified three items (the greenhouse gas measures, the efficient use of the resources, and the biodiversity conservation), and will design the medium to long-term targets by 2020.

The medium to long term target of the climate change measures is aiming at 50% or more reduction in greenhouse gas emissions by 2050, referring to the Intergovernmental Panel on Climate Change, The Fifth Assessment Report (IPCC AR5), and we are formulating the concrete medium to long term reduction plans to reach this goal. Also, since fiscal 2017, We are discussing the medium to long term scenario analysis, the concrete measures and the methodologies and we are compiling plans in conscious of the Science Based Target (SBT) ^(note 4).

(note 4) SBT: To formulate reduction targets consistent with scientific knowledge.

Environmentally Friendly Products

Environmentally Friendly Products and the e-Friendly Accreditation System

Furukawa Electric Group certifies and registers as environmentally friendly products those products with improved performance compared to existing products in the categories of materials and parts purchasing and manufacture, use, distribution and disposal.



The e-friendly mark

We have created the “e-Friendly” environmental mark to identify such environmentally friendly products. This mark is placed on those products.

Categories of Environmentally Friendly Products

Furukawa Electric Group's environmentally friendly products belong to one of four categories described below.

Environmentally friendly product categories

Category	Content
Prevention of global warming	Products with functions that help in the reduction of emissions as well as the absorption and stabilizing of greenhouse gases.
Zero emission	Products made from recycled materials, products designed with easy-to-recycle components, products made from materials or with design facilitating volume reduction for lowering waste volume, products designed to share common components with other products or products designed as common components.
Elimination of materials that have an impact on the environment	Products that do not lead to an increase in the use of ozone-depleting substances during the manufacturing process, do not contain harmful substances above regulatory limits and do not generate harmful substances above these limits during use or disposal.
Resource savings	Products that result in overall energy savings by such means as reducing the use of raw materials and components as well as scarce resources, featuring enhanced longevity, allowing easier product and component maintenance, and reducing the use for resources in packaging.

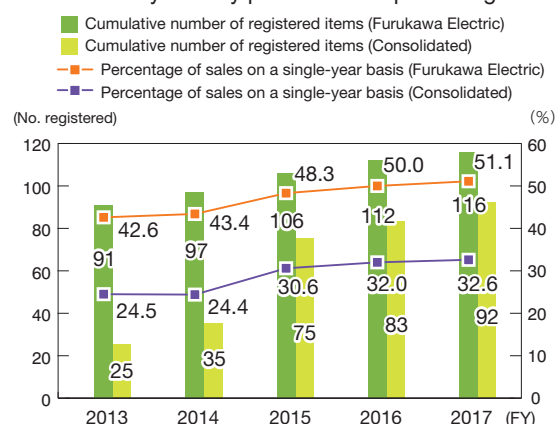
Environmentally Friendly Products

<http://www.furukawa.co.jp/csr/environment/>

Expanding Environmentally Friendly Products

We are working to increase our overall percentage of environmentally friendly products. We set targets based on percentage of sales, and confirm our progress and success on this basis.

Environmentally friendly products as a percentage of sales

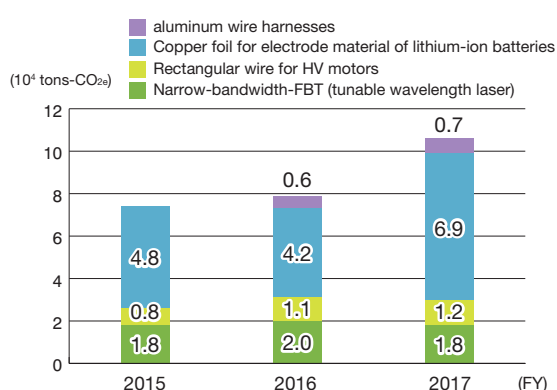


Efforts to Contribute to the Environmental Impact Reduction by the Products

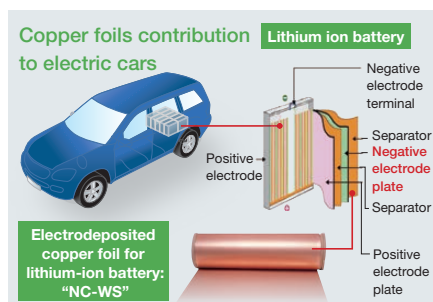
Furukawa Electric Group is working to visualize the reduction amount of CO₂ emission at the final stage of the usage after our components are installed in the customer's products, based on the calculation result of the CO₂ emissions “visualization” of the main products by utilizing the Life Cycle Assessment (LCA). In the fiscal 2017 estimation, the new addition of the aluminum harnesses to the three main products of the copper foils, the rectangular magnet wires and the semiconductor lasers, based on the number of the products sold mainly in the domestic market, the estimated total reduction amount was approximately 110,000 tons CO₂/year.

Taking into account the strengthening of the vehicle electrification regulation of the automotive field where the demands of the climate change measures are strong in the global market, Furukawa Electric Group will work on expanding the sales of our products and to expand the environmentally friendly products and will challenge global environmental issues through our products.

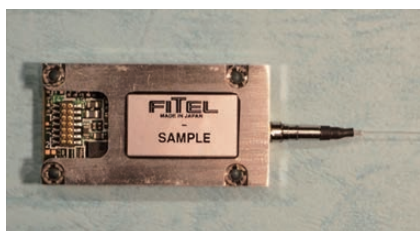
Contribution of products avoided CO₂ emissions



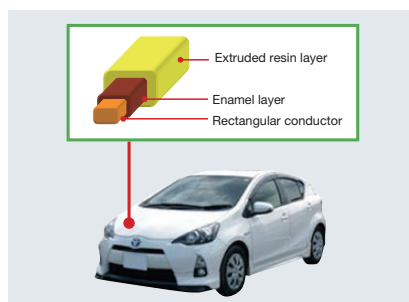
Reduction of CO₂ emissions using copper foil for lithium-ion batteries in electric vehicles.



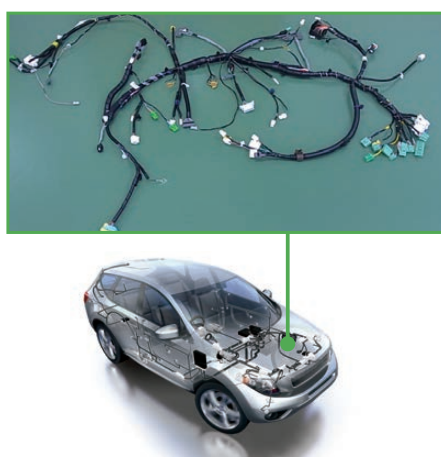
Reduction of CO₂ emissions by the narrow beam linewidth and high power compact Integrated Tunable Laser Assembly (ITLA).



Reduction of CO₂ emissions by the HV rectangular wire for the drive motor in electric vehicles.



Reduction of CO₂ emissions by aluminum harnesses for automobiles.



Climate change measures

Efforts to Reduce Greenhouse Gas Emissions

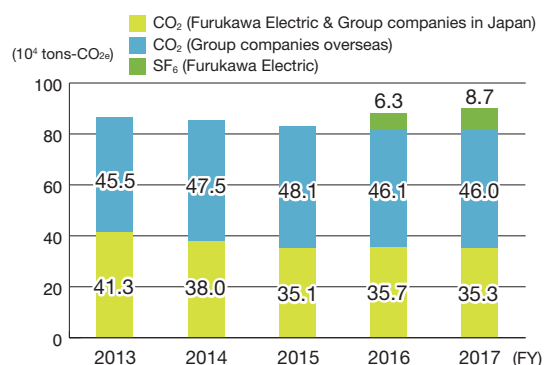
Furukawa Electric Group's greenhouse gas emissions are mainly CO₂ by combustion.

CO₂ emissions of Furukawa Electric domestic Group in fiscal 2017 were 353,000 tons CO₂/year, decreased by 1.2% in comparison with fiscal 2016. Although this was a decrease of 19.7% in comparison with fiscal 2000 (the same level of CO₂ emissions of Furukawa Electric Group in fiscal 1990). CO₂ emissions of Furukawa Electric overseas group were 460,000 tons CO₂/year, a decrease of 0.1% in comparison with fiscal 2016.

Mie Factory plans to change to LNG with less CO₂ emissions than LPG from fiscal 2019.

Furukawa Electric Group plan to change energy with less CO₂ emissions.

Greenhouse gas emissions



(note) For the overseas CO₂ emission coefficient, the coefficient for each country according to the IEA (International Energy Agency) is used for purchased electricity, while the Japanese emission coefficient is used otherwise. Emissions of greenhouse gases other than CO₂ are converted to CO₂ equivalent emissions using Global Warming Potential (GWP).

Furukawa Electric added SF₆ emissions from October 2016. Because we added part of the business of VISCAS Co., Ltd.



Hydroelectric power of Furukawa Nikko Power Generation Inc. (Hosoo Power Plant)

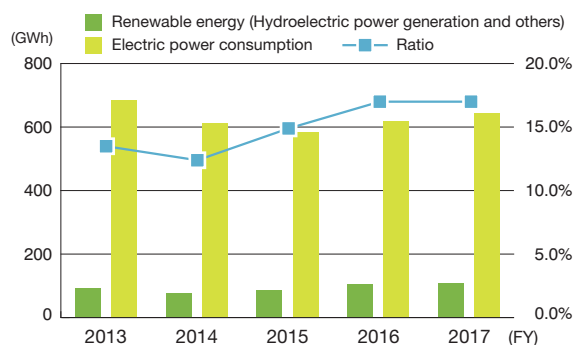
Use of the Renewable Energy

Furukawa Nikko Power Generation Inc. of Furukawa Electric Group possesses the four power plants and is supplying the hydroelectric power. It covers 100% of the power used in Nikko Works and the copper strips are manufactured using the hydroelectric power.

Xin Furukawa Metal (Wuxi) in Furukawa Electric overseas group, has been using photovoltaic power generation since September 2017.

In fiscal 2017, the ratio of the renewable energy was 17.0% in Furukawa Electric domestic group. We will promote the use of renewable energy from fiscal 2018.

Renewable energy ratio (Furukawa Electric domestic group)



Efforts on Energy Saving in Factories

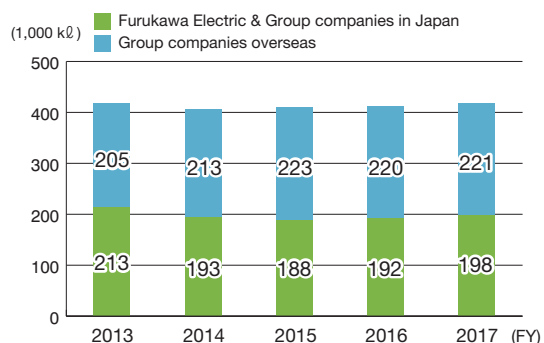
Furukawa Electric Group's energy usage rate was about 20% for fuel and about 80% for electricity.

In particular, we achieved energy saving in the manufacturing process with high energy usage ratio.

We replaced conventional equipment with more efficient production process and higher efficiency equipment.

We implemented measures such as heat insulation of the high temperature section of equipment considering energy balance.

Energy consumption

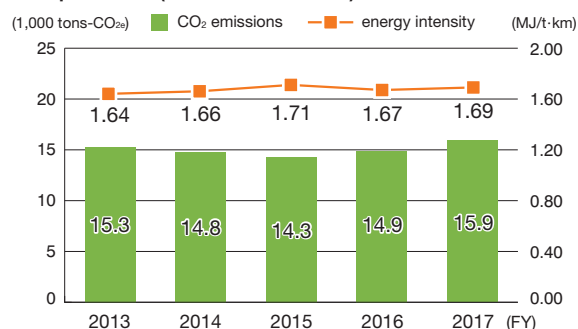


Initiatives in Logistics

The transportation amount in Furukawa Electric Group was 237million ton-kilometers during fiscal 2017. Among this amount, the Company transported 140 million ton-

kilometers which was increased by 14.2% in comparison with fiscal 2015, and the CO₂ emissions were increased by 12.6% which is 16,100 tons-CO₂. The specific consumption showed a 1.1% of reduction in comparison with fiscal 2015. We will continue to promote modal shift, increase loading ratios and encourage the joint shipping.

CO₂ emissions and energy intensity related to transportation (Furukawa Electric)

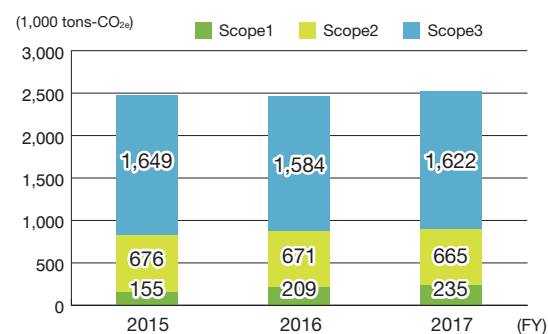


Measures to Disclose Environmental Information

Furukawa Electric Group has been answering to enquiries from CDP, which is representing our institutional investors, on CDP climate change since fiscal 2008 and on CDP water since fiscal 2013. In fiscal 2017, our CDP climate change score was C and CDP water score was B.

As a response to the customers utilizing the CDP supply chain program, in order to maintain and improve the CDP scores, we will continue to expand the environmental information disclosure contents and make the reliability higher. We also continue our participation in the environmental information disclosure infrastructure development project of the Ministry of the Environment and continue our collaboration with The Japanese Electric Wire & Cable Makers' Association and the Japan Copper and Brass Association.

Greenhouse gas emissions of CDP disclosure (10³ tons-CO_{2e} /year)



In order to improve the reliability of environmental data, Furukawa Electric Group conducted independent verification by a third party.

In addition to Scope 1, Scope 2, the greenhouse gas emissions targeted part of the category of Scope 3.



Verification Statement
of Greenhouse Gas
Assertions

Reducing Waste

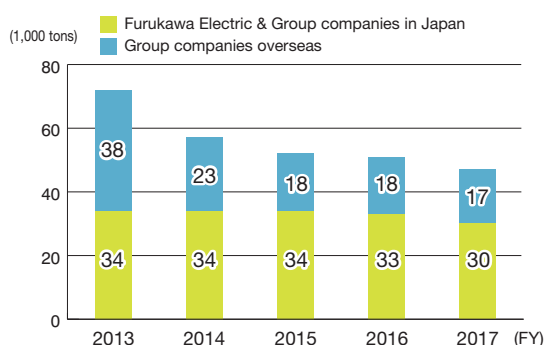
Initiatives in the Waste Reduction

In fiscal 1993 Furukawa Electric Group started the efforts to increase the waste recycling, and since fiscal 2001 the zero emissions activities have been promoted.

In fiscal 2014, the activities aiming at the total waste output reduction, including the valuable resources were started. In fiscal 2017, we achieved the reduction of 25.6%, against 2% of the reduction in per sales unit compared to the domestic group target for fiscal 2015.

We will continue our efforts to the effective use and the recycling of the resources including the raw materials aiming at the sustainable resource flow.

Total amount of waste matter generated



(note) Valuable resources are included in total waste generated for Japan only.

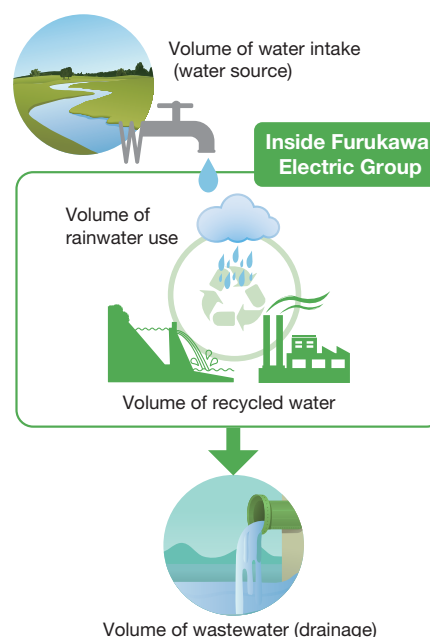
Water Resources

Effective Utilization of Water

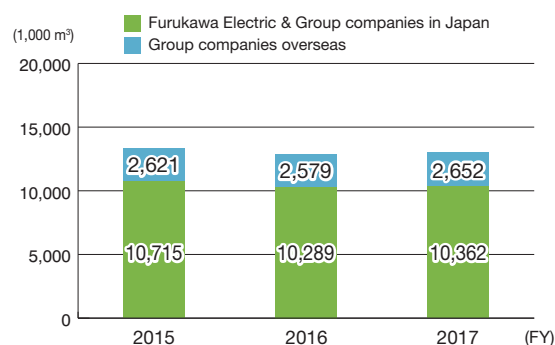
Since fiscal 2013, Furukawa Electric Group has promoted effective water utilization as one of the activities targets and making efforts to grasp the amounts of the

water intake and wastewater for each site. Since fiscal 2015, we have taken action for the reduction of the water intake amount per sales unit. In fiscal 2017, the water intake amount per sales unit of Furukawa Electric domestic group was 2,100 m³/100 million yen, decreased by 13.5% compared with fiscal 2015. The reason is that we grasped the water intake at Nikko Works. For Furukawa Electric overseas group, the water intake per sales unit was reduced by 8.3% compared with fiscal 2015. Furukawa Electric Group will continue to make efforts for water saving and recycling and for the management of the water quality, the water intake, and the wastewater volumes.

In order to release information on water resource management for the CDP supply chain program, the risk assessment including water has been implemented in every year in the major sites of Furukawa Electric Group, and improvement is progressing with incorporating it in the Business Continuity Plan (BCP).



Water usage



Chemical Substance Management

Green Activities

Response to Customer Requests

Furukawa Electric Group has participated in JAMP ^(note 1) since 2009, and is implementing simultaneous environmental examinations based on the latest information from the JAMP management target substance list related to management of chemical substances contained in products. We also monitor trends in laws and regulations covering the chemical substances contained in products and compile and update data as it becomes available, allowing us to respond promptly to customer requests.

Response to Overseas Regulations and Management of Chemical Substances Contained in Products

Furukawa Electric Group establishes a management system for chemical substances contained in products for major operational bases and affiliated companies, strengthens the environmental product regulations and grasps the environmental risk that should be lowered, and implements measures depending on their importance.

Regarding the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) compliance, which is the environmental products regulation in EU, in fiscal 2017, the environmental inspection was implemented on 181 substances up to 18th Substance of Very High Concern (SVHC) REACH. In order to respond to the customer's request, we will proceed to shift to the Chemical information SHaring and Exchange under Reporting Partnership in supply chain (chemSHERPA) which is the information transmission scheme of chemical substances contained in products.

Green Procurement Activities

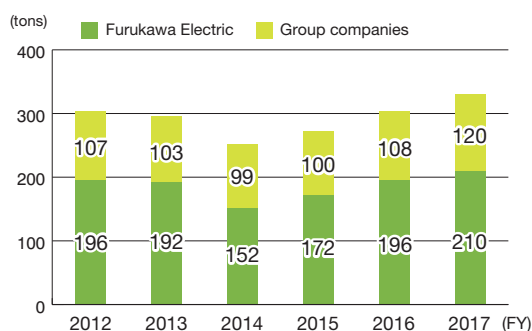
Items that will be used in our products are purchased adequately based on the Green Procurement Guidelines of our operational division, by evaluating the suppliers' system on the management of chemical substances contained in products and its management status as well as by confirming the data of chemical substances contained in products.

Chemical Substance Management Activities

Furukawa Electric Group undertakes voluntary initiatives to reduce emissions of harmful chemical substances. In particular, we make every effort to actively reduce

emissions of volatile organic compounds (VOC), one cause of photochemical smog. In fiscal 2017, the emission amount of Furukawa Electric domestic group was increased by 9% compared with fiscal 2012. We will continue our efforts to reduce the usage amount of the targeted substances along with the suppression of the emissions from the production processes and others.

Emissions of volatile organic compounds (Group Companies in Japan)



(note) Volatile organic compounds are the 118 substances specified by The Japanese Electric Wire & Cable Makers' Association (January 2012 edition).

Appropriate Management of Chemical Substances

At Furukawa Electric Group, we confirm the properties and applicable laws and regulations regarding all chemical substances we use during the manufacturing process on their Safety Data Sheets (SDSs) and administrate them. We also monitor the usage volume of chemical substances listed in the PRTR Law ^(note 2).

(note 1) JAMP: Joint Article Management Promotion-consortium

(note 2) Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Environmental Risk Management

Preventing Soil and Groundwater Pollution

Furukawa Electric Group conducts regular inspections of facilities and equipment that handle specific toxic substances to prevent the pollution of soil and groundwater. We reduce the risk of pollution through measures to prevent leaks of specific toxic substances and underground seepage, as well as through ongoing efforts to switch to substitute substances.

PCB Management

Furukawa Electric Group identifies the volume of high-concentration PCB-containing equipment at Furukawa Electric Co., Ltd.'s works and at the bases of our group

companies, and carries out appropriate storage and management. We have been gradually disposing of this equipment in accordance with a plan set out by the Japan Environmental Storage & Safety Corporation. We are conducting the analysis and the surveys of the equipment that have the potential to contain a low concentration PCB, and those found to be the low concentration PCB contained equipment shall be properly kept, managed and disposed of while making consideration for storage-related risks. Furthermore, we will proceed the disposal at an early stage according to the equipment updating schedule.

Compliance with Environmental Laws and Other Regulations

Furukawa Electric Group regularly confirms environmental laws and other regulations to determine items requiring compliance. We ensure compliance in a number of ways, such as by conducting on-site patrols to check the state of compliance. We follow official journals and other sources of information to stay updated on revisions to environmental legislation and ensure that our response is thorough.

We maintain voluntary control limits and manage operations appropriately to ensure compliance with the Air Pollution Control Law and the Water Pollution Control Law.

In fiscal 2017, in order to prevent environmental accidents, we conducted the self-diagnosis by the “Environmental accident management level check”, in addition to recognizing the past environmental accidents and abnormalities. We will continue to appropriately manage the hazardous chemical substances.

We also conduct annual checks for conceivable, clear environmental impact to prevent environmental accidents or prevent widespread impact in the event of an accident. According to our survey on the status of our regulatory compliance, we were not in material violation of any regulations.

Please see the URL below for our response to the asbestos problem, and a list of PRTR compatible materials.

CSR



<http://www.furukawa.co.jp/en/csr/risk/>

Biodiversity Conservation

Biodiversity Conservation Initiatives

Furukawa Electric Group has included biodiversity conservation measures in our Basic Environment Policy. We have formulated and are applying Furukawa Electric Group comprehensive guidelines in relation to initiatives aimed at protecting biodiversity.

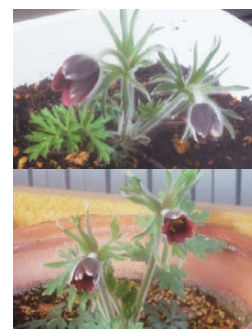
While registering with the JBIB (Japan Business Initiative for Biodiversity) and gaining a better understanding, our Group company Furukawa Research, Inc. started the cultivation activity of *Pulsatilla cernua* designated as an Endangered Species II^(note 1), on a premise of Yokohama Works. In fiscal 2016, the plant was provided to Hiratsuka Works and Chiba Works and the cultivation activities are also implemented.

(note 1) Endangered Species II is a category of species for which the danger of extinction is becoming more serious.

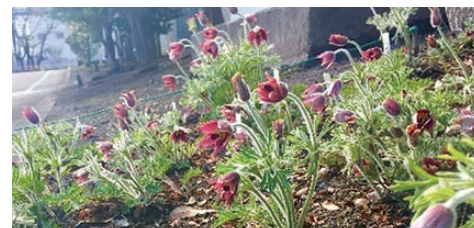
Cultivation activity of *Pulsatilla cernua*



Hiratsuka Works



Chiba Works



Yokohama Works

Furukawa Electric Group Biodiversity Conservation Guidelines

1. Evaluate the effects that our business activities have on the ecosystem, and minimize the harmful effects while maximizing the beneficial ones
2. To sustainably use resources and conserve biodiversity, consider more than ever the need to carry out measures against climate change, conserve resources, recycle and reduce environmentally hazardous substances
3. Carry out activities in collaboration with local communities to conserve biodiversity