

FURUKAWA ELECTRIC GROUP
SUSTAINABILITY BOOK
2021



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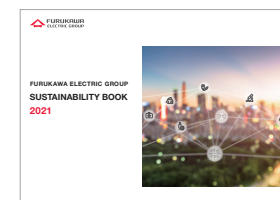
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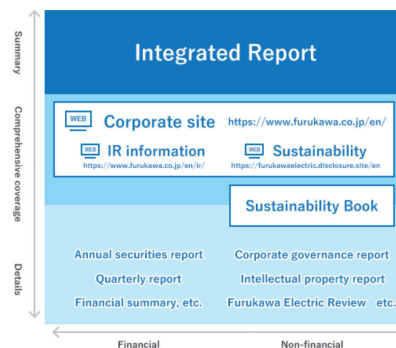


The cover expresses that Furukawa Electric Group runs business activities and social contribution to build a sustainable world and make people's life safe, peaceful and rewarding. Through these activities, we aim to achieve Furukawa Electric Group's Corporate Philosophy which is "contribution to the realization of a sustainable society."



Editorial Policy

Since fiscal 2012, the Group has been publishing Sustainability Reports, which provide non-financial information, including environmental, social and governance information, and financial information, including operating results and strategies. We have changed the content of the Sustainability Report and concisely state important financial and non-financial information about our initiatives to enhance corporate value in the medium to long term. We changed the name of the report to Furukawa Electric Group Integrated Report 2020. With the change to the Sustainability Report, we have decided to publish a Sustainability Book, which primarily provides stakeholders with types of non-financial information that were included in the Sustainability Report, but are not included in the Integrated Report. We would be delighted if the Sustainability Book helps you understand the Group's environmental, social and governance activities.



Guidelines Referenced

- ISO26000
- GRI Standards
- Environmental Reporting Guidelines 2018 issued

Period Covered

Fiscal 2020, from April 1, 2020 to March 31, 2021)

(note) Includes selected information on past initiatives and activities during fiscal 2021.

Organizations Covered

This book covers Furukawa Electric Co., Ltd. and group companies in Japan and overseas. Where activities are limited to specific regions or companies, this fact has been clearly indicated in this book.

Publication Timeframe

Publication date: December 15, 2020

Planned publication of next edition: September 2022

Editing and Publication

Furukawa Electric Co., Ltd

Corporate Sustainability Office Administration & CSR Division Furukawa Electric Co., Ltd. Tokiwabashi Tower, 2-6-4, Otemachi, Chiyodaku, Tokyo 100-8322, Japan

Inquiry form

<https://www.furukawa.co.jp/en/inquiry/>

Company Profile

Company Name	Furukawa Electric Co., Ltd.
President	Keiichi Kobayashi
Founded	1884
Established	June 25th, 1896
Paid-in Capital (As of March 31, 2021)	¥69,395 million
Net sales (Years ended March 31, 2021)	<ul style="list-style-type: none"> • ¥811,600 million (Consolidated) • ¥392,616 million (Non-Consolidated)
Number of Employees (As of March 31, 2021)	<ul style="list-style-type: none"> • 48,449 (Consolidated) • 4,084 (Non-Consolidated)
Head Office	Tokiwabashi Tower, 2-6-4, Otemachi, Chiyodaku, Tokyo 100-8322, Japan
TEL	+81-3-6281-8500

Top Message

Top Message

By continuing to adhere to the founder's belief and driving the Group enthusiastically and energetically, we contribute to a sustainable society.

Ichibei Furukawa, the founder of Furukawa Group, left words "Value employees. Value customers. Value new technologies. And contribute to society."We have inherited the founder's belief as the genes of the Group. For 137 years since the foundation, we have worked to "protect human health and the health of the social infrastructure, and support growth."The founder's belief has a lot in common with the Sustainable Development Goals (SDGs) adopted by the United Nations. As a member of society responsible for the future, we will continue to adhere to this belief.

Based on the founder's belief and the SDGs, the Furukawa Electric Group has formulated the "Furukawa Electric Group Vision 2030" which sets the year 2030 as its target in a backcasting.I firmly believe that accelerating our efforts to achieve Vision 2030 and implementing ESG management will become the foundation on which the Group contributes to the sustainability of society.For achieving Vision 2030, we concluded that the important management issues (materiality) for the Group were the "Creating of businesses that solve social issues", "Developing of business activities that consider climate change," "Strengthening human capital management and organizational execution abilities," and "Building a governance system to strengthen risk management." Therefore we intend to promote "Open, Agile, Innovative" and "Building partnerships with various stakeholders" as the action principles of the Group.

In a world that is shifting rapidly including the crisis caused by the new coronavirus infection, the Group will continue to change to become a sustainable corporate group to provide safety and expectations to all stakeholders. We will develop the Group enthusiastically and energetically with "passion, persistence, and pride" to contribute to achieving a truly affluent, sustainable society.

We hope that we can count on your continued support.



Keiichi Kobayashi

President *Kei Kobayashi*

Corporate Philosophy

CORPORATE PHILOSOPHY

Drawing on more than a century of expertise in the development and fabrication of advanced materials, we will contribute to the realization of a sustainable society through continuous technological innovation.

MANAGEMENT PHILOSOPHY

With an eye to the future, the Furukawa Electric Group management team pledges to:

- Live up to the expectations and trust invested in us by society, with fairness and integrity.
- Apply the sum total of our expertise to satisfy our customers and grow with them.
- Continuously strive to achieve world-class technological innovation, and transform ourselves in every area of endeavor.
- Nurture human resources at every level, so that we can become a more diverse and creative organization.

Core Value



FURUKAWA ELECTRIC Group Vision 2030

In order to build a sustainable world and make people's life safe, peaceful and rewarding, Furukawa Electric Group will create solutions for the new generation of global infrastructure combining information, energy and mobility.





Basic Policy and CSR Code of Conduct

Each of the companies in Furukawa Electric Group develops CSR activities in line with the following Group basic policy. In order to follow in conducting corporate activities based on Furukawa Electric Group Philosophy and Core Value, the CSR Code of Conduct defines fundamental rules of behavior for Furukawa Electric Group executives and employees from the perspective of corporate social responsibility.

Furukawa Electric Group CSR Code of Conduct (Revised April, 2019)

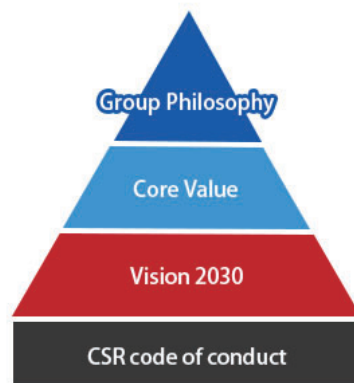
1. [Human rights](#)
2. [Labor practices](#)
3. [Environment](#)
4. [Products and services](#)
5. [International businesses and transactions](#)
6. [Fair competition](#)
7. [Relations with customers, partners, and society](#)
8. [Management and preservation of Company assets](#)
9. [Disclosure of information](#)
10. [Duties and obligations of senior management and employees](#)

The **Furukawa Electric Group Philosophy** comprises of the Corporate Philosophy and the Management Philosophy and explicitly explains what we aim to become in order to help realize a sustainable society.

The **Core Value** shows the five values that we wish to particularly emphasize and enhance even more, for the achievement of the Group Philosophy and the sustainable growth of the Group.

The **Furukawa Electric Group Vision 2030** clarifies the targeted time frame and business domains, aimed by the Group to be achieved by 2030.

The **Furukawa Electric Group CSR Code of Conduct** sets the basic code of conduct to be followed by the officers and employees of the the Group from the perspective of corporate social responsibility in conducting corporate activities based on the Group's philosophy and Core Value.



Sustainability Policy / Committee

About the Sustainability Policy

The Furukawa Electric Group's mission as set out in its Corporate Philosophy is to contribute to the realization of a truly affluent and sustainable society. This policy clarifies our basic concept for ensuring environmental, social, and economic sustainability for the medium-to-long term and achieving sustainable growth while improving our medium-to-long-term corporate value.

Furukawa Electric Group Basic Policy on Sustainability

The Furukawa Electric Group will:

- in line with its mission of contributing to the realization of a truly affluent and sustainable society, tackle important management issues (materiality) from the perspectives of both revenue opportunities and risks, while focusing on the future of people and the planet.
- in order to have sustainable growth and contribute to the achievement of SDGs (sustainable development goals), strengthen and create businesses that solve social issues, while focusing on capital efficiency and continuing to transform its business through continuous technological innovation centered on material technologies and collaboration with various stakeholders.
- contribute to the sustainable development of society by maintaining and improving sound and positive relationships with all stakeholders through appropriate information disclosure and active communication, while complying with laws, regulations, social norms and ethics in Japan and overseas.

About the Sustainability Committee

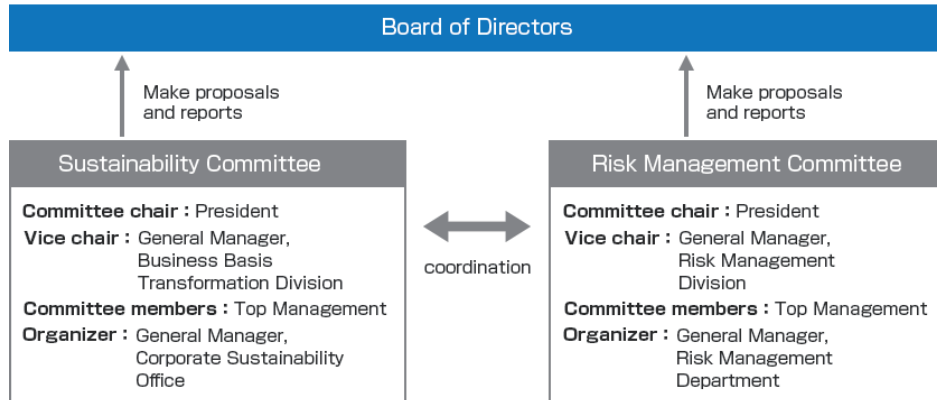
The Sustainability Committee was established to consolidate discussions on sustainability within the Furukawa Electric Group and further enhance the quality and speed of implementation thereof.

The committee is chaired by the President, vice-chaired by the General Manager of the Business Basis Transformation Division, and composed of members of top management. It meets to discuss sustainability issues that concern the Furukawa Electric Group and makes proposals and reports to the Board of Directors. The Corporate Sustainability Office serves as the secretariat, and the committee will generally meet twice a year.

The Sustainability Committee focuses on the following items:

- the Sustainability Policy
- basic matters and current progress on materiality related to revenue opportunities and risks
- disclosure of basic information related to sustainability
- SDG activities and community/social activities
- other important sustainability issues

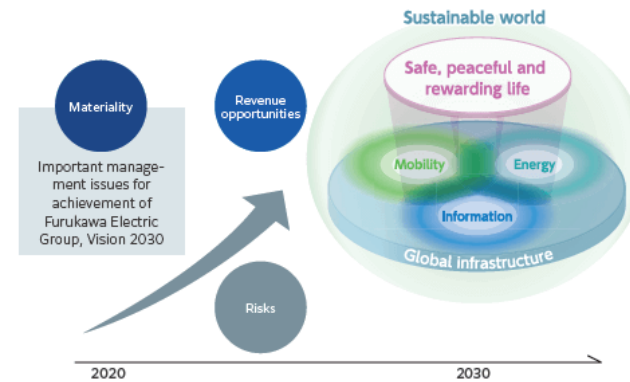
Additionally, as risk materiality matters are closely related to risk items concerning management of the Group, they are therefore handled in coordination with the Risk Management Committee.



Materiality

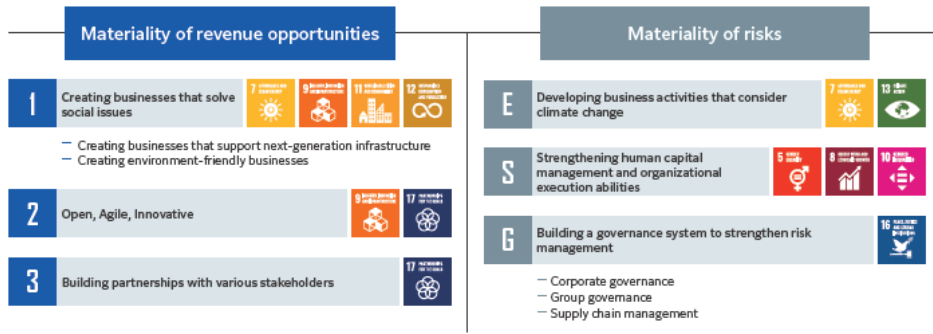
Furukawa Electric Group, Vision 2030 and Important Management Issues

The Group defined "materiality" as important management issues that the Group should address in order to achieve Vision 2030, and we determined materiality in terms of both revenue opportunities and risks, in accordance with the process of identifying important management issues.



In order to solve various social issues through the business activities of the Group, we changed the conventional product-out way of thinking and adopted the "creation of businesses that solve social issues" based on outside-in thinking in SDGs as materiality. In addition, we also defined materiality as "Open, Agile, Innovative," which reflects the aspiration included in Vision 2030, namely, the desire to become a company that actively transforms itself, and the "Building partnerships with various stakeholders," focusing on breaking away from self-reliance and building partnerships with outside parties to create friends. We are currently carrying out initiatives to materialize businesses that solve social issues. These include "creating businesses that support next-generation infrastructure," which will be the foundation of the integrated society, and "creating environment-friendly businesses" that contribute to a decarbonized society and a sound material-cycle society. On the other hand, from a risk perspective, in order to achieve sustainable growth, it is essential that companies develop business activities that consider climate change, and we see this as materiality. In addition, in order to become a company that actively transforms itself, we will strengthen the foundation of ESG management by focusing on the materiality of "strengthening human capital management and organizational execution abilities" and "building a governance system for strengthening risk management" including corporate governance.

The SDGs that are highly relevant to identified materiality are associated with multiple SDG targets. By working on materiality, the Group will achieve Vision 2030 and contribute to the achievement of the United Nations SDGs.



Process of Identifying Important Management Issues

We determined materiality in the following steps 1-3.

Step 1 : Understanding and organizing social issues

In identifying materiality, we identified social issues by referring to "external factors" and "internal factors," adjusted duplicate items, and created a list of 29 items.

External factors

- 17 SDG goals and 169 targets
- FTSE, MSCI and DJSI ESG evaluation items, etc.

Internal factors

- Important measures of Furukawa G Plan 2020
- Values of the Furukawa Electric Group
- Important Companywide risks, etc.

Step 2 : Materiality map evaluation

The two axes of "importance to shareholders and investors" and "importance to achieving Vision 2030" are evaluated for importance (high, medium, low) and prioritized.

Importance to shareholders and investors

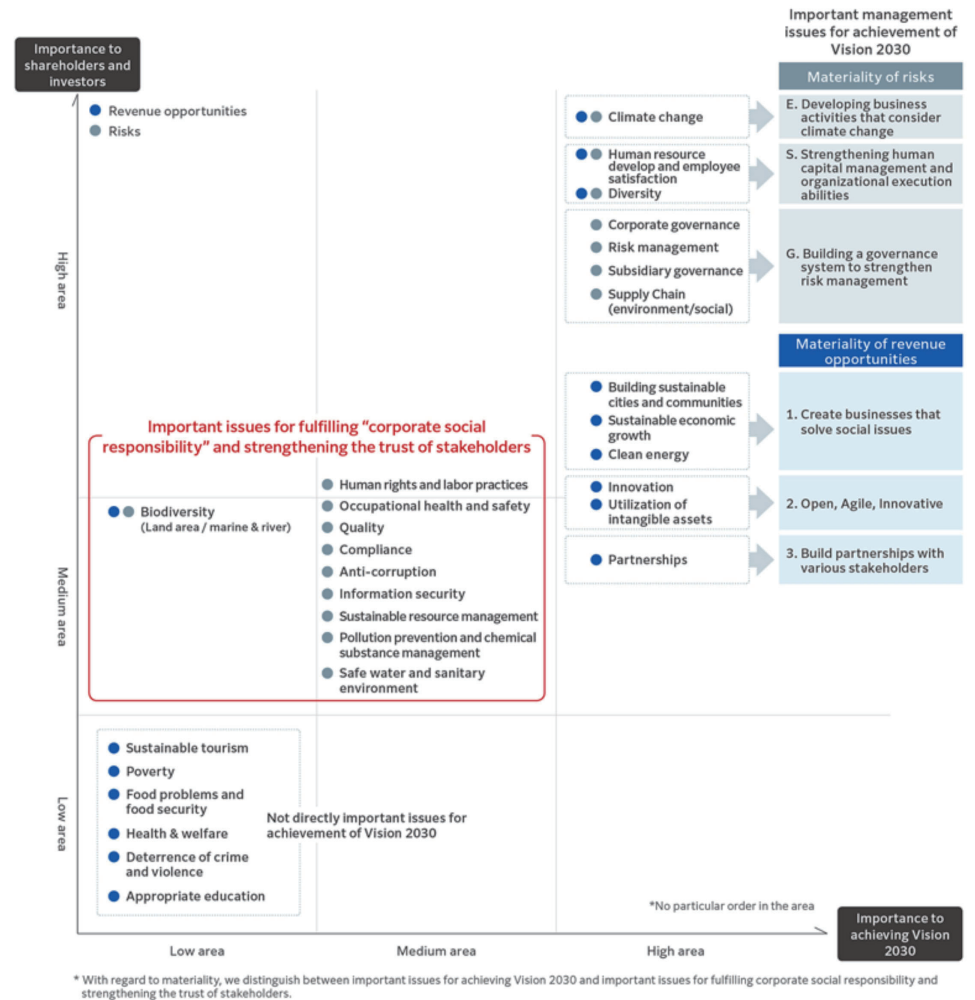
- Interviews with institutional investors
- Impact on ESG rating assessment

Importance to achieving Vision 2030

- Management and executive officers gather together regularly to discuss materialization of Vision 2030
- Discussions of CSR and Risk Management Committee reflected

Step 3 : Identification of materiality

High-priority items are categorized by revenue opportunity and risk aspects and identified as materiality items. The identified materiality items are categorized and rearranged as important issues for achieving Vision 2030, and expressed as the materiality of three revenue opportunities and the materiality of the E, S, and G risks.



> [Furukawa Electric Group's efforts towards the SDGs](#)

> [FURUKAWA ELECTRIC GROUP INTEGRATED REPORT](#)

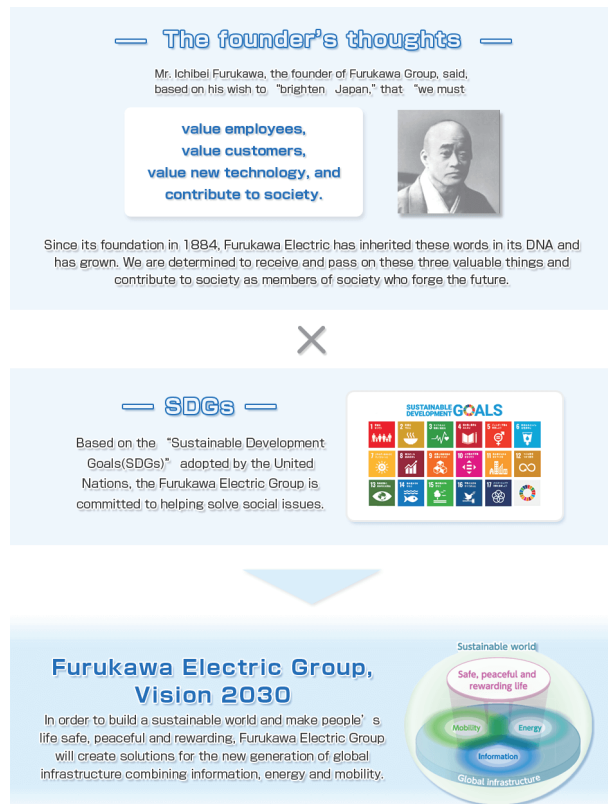
Furukawa Electric Group's efforts towards the SDGs

Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development (the 2030 Agenda) is a set of international development goals from 2016 to 2030, which was adopted by the UN Sustainable Development Summit held in September 2015 building on the success of Millennium Development Goals (MDGs).

The 2030 Agenda listed "Sustainable Development Goals" consisting of 17 goals and 169 targets in order to eradicate poverty and realize a sustainable world. The SDGs are universal goals applicable, not only to developing countries but also developed countries, and pledge "Leave no one behind." through the implementation process.

SDGs and the Furukawa Electric Group

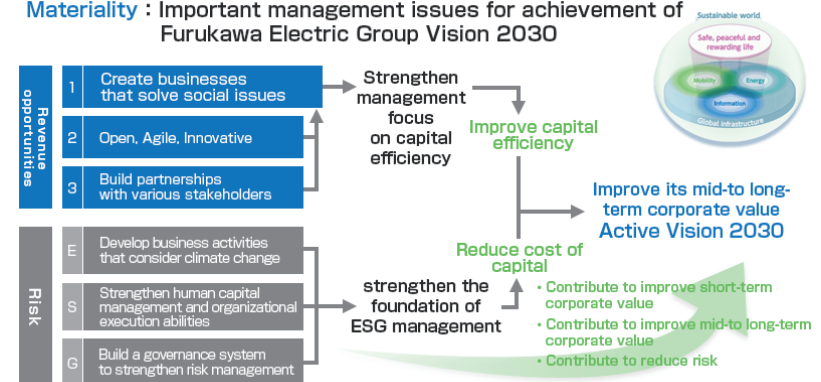


Based on the "SDGs", the Furukawa Electric Group has formulated the "Furukawa Electric Group Vision 2030" which sets the year 2030 as its target and is advancing efforts with the aim to "Build a sustainable world and make people's life safe, peaceful and rewarding, Furukawa Electric Group will create solutions for the new generation of global infrastructure combining information, energy and mobility." Toward the achievement of our Vision 2030, we will take open, agile, and innovative approaches to promote ESG management that that aims to increase corporate value over the medium to long term and will contribute to the achievement of the SDGs.

Important Management Issues (Materiality) and Corporate Value

The SDGs that are highly relevant to identified materiality are associated with multiple SDG targets. We defined "materiality" as important management issues that the Group should address in order to achieve Vision 2030. The materialities that we identified in terms of both revenue opportunities and risks are associated with the corporate value. From the perspective of revenue opportunities, we will tackle the "Creating businesses that solve social issues" through both the "Open, Agile, Innovative," which reflects the desire to become a company that actively transforms itself, and the "Building partnerships with various stakeholders," focusing on collaboration with outside partners. Then, we will improve capital efficiency including cost of capital. On the other hand, from a risk perspective, we will "develop business activities that consider climate change," because it is essential for companies to achieve sustainable growth. In addition, in order to become a company that actively transforms itself, we will "strengthen human capital management and organizational execution abilities." Furthermore, we will "build a governance system to strengthen risk management" including corporate governance. Through those materialities of risk, we will strengthen the foundation of ESG management, and then we will reduce our cost of capital.

Materiality : Important management issues for achievement of Furukawa Electric Group Vision 2030



Consideration of SDGs Priority Issues Based on Value Chain Mapping

Using the value chain mapping of the SDG compass, we examine whether the Group's current major products contribute to the 17 goals and 169 targets of the SDGs, and we are proceeding to identify the Consideration of SDGs Priority Issues Based on Value Chain Mapping SDGs that the Group should prioritize. Here, we would like to introduce the results of discussions by all of our executive officers and senior fellows that have distinctive effects and impacts.

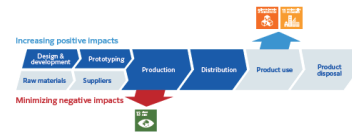
Communications Solutions Optical fiber & cable products

<Increasing positive impacts>

Optical fiber and cable products will contribute to the development and expansion of sustainable and robust communication infrastructure, as well as safe and resilient urban development, in light of the progress of 5G and the further increase in communication traffic caused by the COVID-19 crisis.

<Minimizing negative impacts>

As we recognize that reducing greenhouse gas (GHG) emissions in the manufacturing process is an important issue, we are promoting various measures such as energy saving at manufacturing plants.



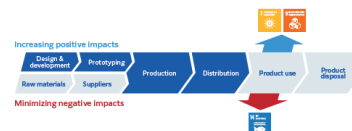
Energy Infrastructure Submarine transmission cables for offshore wind power generation

<Increasing positive impacts>

We will contribute to the realization of a decarbonized society by supplying and laying submarine and underground cables, which are indispensable for building interconnections between renewable energy power sources such as offshore wind power generation and power grids.

<Minimizing negative impacts>

In the process of laying submarine cables, we are taking care to minimize the impact on the marine environment.



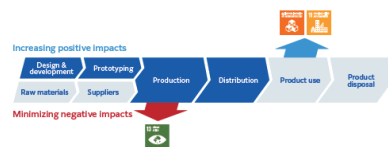
Automotive Products Aluminum wire harnesses

<Increasing positive impacts>

The use of wire harnesses that use aluminum wires, which are lighter than copper, contributes to the realization of a decarbonized society by reducing the weight of automobiles and improving energy consumption through an improvement in fuel efficiency.

<Minimizing negative impacts>

With regard to energy use in the manufacturing process, we are promoting an improvement in the ratio of renewable energy use, in addition to energy saving at manufacturing plants.



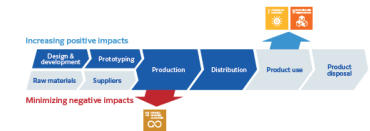
Electronics Component Materials Oxygen-free copper wire

<Increasing positive impacts>

Oxygen-free copper wire is used in drive motors for electric vehicles and hybrid vehicles. The use of this product improves the efficiency of clean energy utilization and contributes to the realization of a decarbonized society.

<Minimizing negative impacts>

In the manufacturing process, we will increase the percentage of recycled copper and make effective use of natural resources.



Functional Products Thermal products

<Increasing positive impacts>

Thermal products with high-performance heat dissipation and cooling mechanisms improve the efficiency of energy consumption and reduce running costs at datacenters.

This is one of the applications of these products and this positive impact in terms of power consumption volume has attracted worldwide attention. They also contribute to high-speed and high-capacity

<Minimizing negative impacts>

With regard to energy use in the manufacturing process, we are promoting an improvement in energy saving and the ratio of renewable energy use at manufacturing subsidiaries.



Activities for in-house penetration

The Group is promoting efforts to help employees understand the connection between the SDGs and their services. While promoting businesses that start with social issues, the Group is promoting activities so that employees can develop activities with an awareness of the SDGs in their own work.

Related videos



> [Environmental Vision 2050](#)



Corporate Governance

1. Basic Views and Guidelines on Corporate Governance

Basic Views on Corporate Governance

Based on the "Furukawa Electric Group Corporate Philosophy", we enhance our management performance responding appropriately to changes in the business and market environment by prompt business decision making as well as with transparency and fairness. At the same time, we ensure sound management by developing and establishing an effective internal control system. With these, we will expand and develop our business on a sustainable basis and increase our corporate value. Furthermore, we seek to strengthen and enhance our corporate governance, in accordance with the followings:

1. We secure the rights and equal treatment of shareholders;
2. We consider interests of stakeholders including shareholders, and cooperate appropriately with them;
3. We ensure appropriate information disclosure and transparency;
4. Given its fiduciary responsibility and accountability to shareholders, the board of directors carries out effective oversight of management from objective standpoint, respecting the independent directors' role for the oversight;
5. We engage in constructive dialogue with shareholders who have investment policies in accordance with interests of mid- to long-term shareholders.

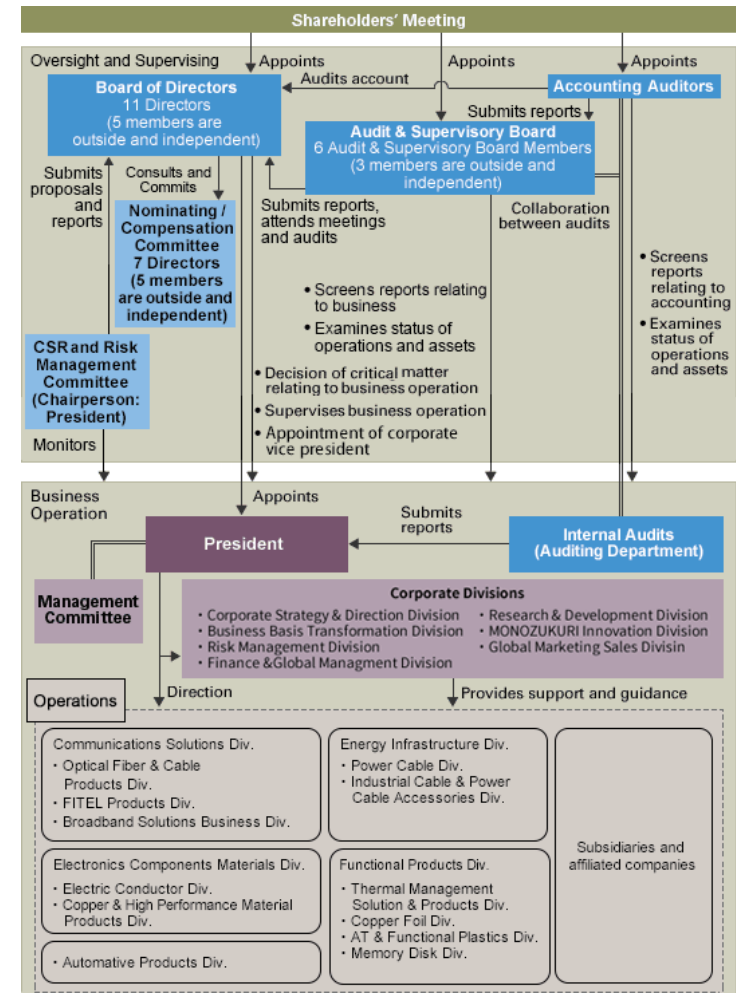
Guidelines on Corporate Governance

Based on "Basic Views on Corporate Governance", we adopted "Guidelines on Corporate Governance" as a policy for enhancing our corporate governance.

2. Overview of Corporate Governance System

We adopt the "Audit and Supervisory Board" type of governance organization under the Japanese Companies Act taking account of the importance of maintaining the independence of the statutory audit function. And we have a "Nominating/Compensation Committee", which consists of majority of committee members and is chaired by outside director to complement oversight function of the board.

Corporate Governance Organization Chart



As of June 24, 2021.

(note) CSR and Risk Management Committee changed its committee name to Risk Management Committee. The Sustainability Committee was also established to consolidate discussions on sustainability within the Furukawa Electric Group and further enhance the quality and speed of implementation thereof.



Oversight and Supervising

Board of Directors

Given its fiduciary responsibility and accountability to shareholders, the board is responsible for promoting sustainable corporate growth and the increase of corporate value over the mid- to long-term and enhancing earnings capability and capital efficiency. The board oversees and determines the matters listed below:

1. Determination of corporate governance-related matters;
2. Establishment and amendment of business strategies and oversight of execution of such strategies and plans by management;
3. Setting capital allocation policy;
4. Appointment and dismissal of executives including representative director and corporate vice president, and determination of the remuneration of them (including delegating these to Nominating/Compensation Committee);
5. Establishment of an internal control system relating to compliance and financial reporting and risk management systems, and oversight of them;
6. Decision on important business matters;
7. Others prescribed by the applicable laws and regulations etc.

At present, the board consists of 11 directors with 5 outside and independent directors in order to enhance transparency in decision-making and strengthen its oversight functions over the management taking outside directors' advice and opinion.

Outside directors have rich management experiences in financial institutions, trading companies or manufacturing companies, and expertise in the field of legal, finance/accounting or industrial governmental policy etc., in addition to the knowledge of our business area. The board respects their views and opinions based on their variety of experiences in making its decision.

Evaluation on the effectiveness of the Board of Directors

We conduct an annual evaluation of the effectiveness of the Board of Directors and publishes a summary of the results.

Nominating/Compensation Committee

We established the Nominating/Compensation Committee, replacing the former Compensation Committee in May 2015.

The committee's aim is to enhance our corporate governance securing the objectivity and transparency as to nominating and compensation for directors etc. The committee consists of 5 or more members, majority of which shall be outside directors, appointed from directors by board resolution. In principle, the chairperson of the committee is selected from among the outside directors by mutual election of the committee members.

At present, the committee consists of 7 members (5 outside directors).

Audit & Supervisory Board

Audit & Supervisory Board and each its member auditor collect information about management under statutory investigation authority and report and express their views to the board meetings and the management from an independent and objective standpoint as a fiduciary to shareholders.

Auditors ensure coordination with internal audit department through regular meetings, and report the policy, plan and result of auditing to the board regularly.

Full-time auditors attend the meetings such as Management Committee which decides major business matters, and they report information obtained from these audit activities to the non-Full-time and outside auditors.

We strengthen our audit function by appointing an assistant staff to the auditors who is dependent of management.

At present, the Audit & Supervisory Board consists of 6 members (3 members are outside and independent).

Business Operation

President is responsible for management of our whole business operation as a chief executive under the board's oversight. Our business consists of 12 business divisions, and General Managers of each division are responsible for leading each business operation including subsidiaries and affiliated companies management.

We also appoint General Managers of Communications Solutions Division, Energy Infrastructure Division, Electronics Component Material Division, Functional Products Division and Automotive products Division in order to supervise closely related business divisions.

In addition, we appoint General Manager of Global Marketing Sales Division that are responsible for our group's sales and marketing entirely, and General Managers of Corporate Divisions that are responsible for planning group strategy and assisting operation.

These officers are members of the Management Committee, which is the highest decision-making body of business operation.

Management Committee, held 3 times a month basically, deliberates and determines major operational matters. Further, their business affairs and operation are quarterly reported to the Committee to foster common understanding of company business among them and integrated business operation as a whole.

These business affairs and operation are also quarterly reported to the board.

3. Reinforcing Internal Control

Furukawa Electric establishes, develops and operates its internal control for the purpose of efficient execution of responsibilities, compliance, risk management, information management and group company management.

For further details, please refer to "[Systems for ensuring compliance of directors' execution of duties with laws, regulations and the Articles of Incorporation and soundness of other operations](#)" (PDF 197MB).

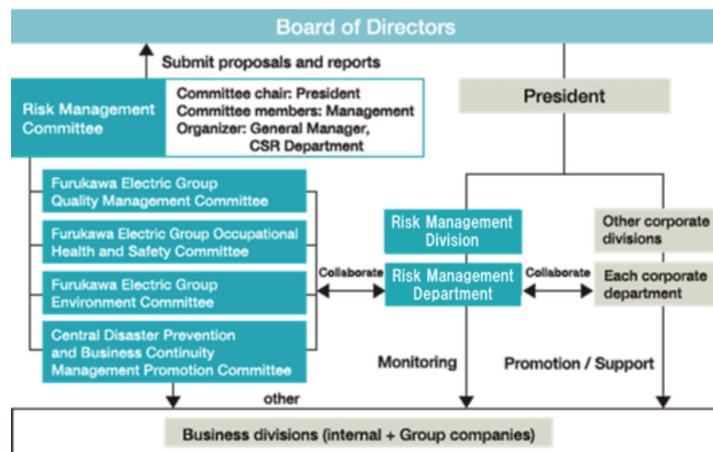


Risk Management

Risk Management Committee

The Furukawa Electric Group has established the Risk Management Committee, which comprises management as members, with the President as chair and the General Manager of the Administration & CSR Department as vice chair. The committee is structured to supervise and promote CSR activities of the Group, including risk management, internal control, compliance, and social contribution. The committee has also established special committees, each of which focuses on managing high-priority risks, such as quality control, occupational health and safety, and the environment.

The Furukawa Electric Group's Risk Management Committee conducts regular risk assessment to determine what risks exist, define important risks that require a companywide response, and prioritize measures to counter these risks. Through specialized committee activities in segment-specific areas—occupational health and safety, quality control, the environment, and disaster prevention and business continuity management—we are enhancing our system to manage risks related to our business activities. In addition to this system, important decision making is conducted by the Board of Directors and the Management Committee or through the approval processing system, after the expected risks based on each case have been clearly presented and acknowledged.



Promotion Framework

Overview of the Risk Management and its Structure

Our Risk Management Committee conducts regular risk assessments to determine what risks exist, define important risks that require a companywide response and prioritize measures to counter these risks. Through specialized committee activities in segment-specific areas—environment, quality, safety, disaster prevention—we are working to manage the risks that relate to our business activities.

Important Companywide Risks

- Compliance
- Large-scale disasters, such as earthquakes
- Affiliated company controls
- Quality control
- Information security

In the event a large-scale disaster occurs or other such risk materializes, Furukawa Electric Group will establish Emergency Response Headquarters, headed by the president, and Site Response Headquarters that defines each department's roles and clarifies them ahead of time. We also conduct regular exercises on preparing initial action manuals, stockpiling necessary supplies, and setting up communication structures and systems to confirm people's safety.

BCM (Business Continuity Management) activities

Furukawa Electric Group, fully aware of its social responsibility, has formulated a Business Continuity Plan (BCP) and will work on Business Continuity Management (BCM) based on the following basic policy in order to minimize damage and continue business activities even in the event of unforeseen risks such as natural disasters and infectious diseases, etc.

Furukawa Electric Group BCM Basic Policy, established in June, 2009

1. Respect for human life
We place the highest priority on ensuring the lives and physical safety of all employees, their families, local society, customers and all other stakeholders.
2. Prevention of the expansion of damage
We will strive to prevent the occurrence of secondary disasters (fire at company facilities, environmental pollution, etc.).
3. Continuity and early restoration of important business
As a socially useful company, we will aim to continue important business as far as possible and even if it is suspended, to restore it at an early date.
4. Local contributions
As a company trusted by society, we will strive to cooperate with local residents and local authorities.
5. Implementation of business continuity management
We will constantly review and improve our business continuity plan, aimed at becoming a company that is trusted by stakeholders and resistant to risk.

Promotion in obtaining ISO certification

In order to strengthen the business continuity activities, we are actively working to obtain ISO22301 certification, the international standard for the business continuity management systems (BCMS). In addition to the already certified "laser diode products business" (Chiba Works) and "copper wire products business" (Mie Works) and "copper and copper alloy products (the original products) business" (Nikko Works) obtained the certification.



FY2019 BCM exercise (Mie Works)

Response to COVID-19 infections

As a countermeasure against the new coronavirus (COVID-19) infectious disease that expanded in February 2020, we have established our new coronavirus response policy and guidelines in accordance with the instructions and policies of the government and Keidanren, and we have established three measures to prevent denseness in the workplace. We thoroughly manage people who are in poor physical condition and strive to maximize the safety and health of employees, their families, and other related people.

In addition, taking the opportunity of promoting remote work, we are promoting various measures aimed at instilling and establishing new work styles for after-corona. As a result, it has led to improvements such as the introduction of an electronic signature system and the penetration of team learning that enhances teamwork between employees.

Information Security

Information security is considered one of the highest priority risks Furukawa Electric Group has to handle. Therefore, we promote various countermeasures through intergroup collaboration by exchanging information among the related divisions, from the perspectives of protecting information systems and intellectual property as well as information management.

Cyber security

As an initiative based on the Ministry of Economy, Trade and Industry's "Cyber Security Management Guidelines" in response to cyber security risks that are becoming more sophisticated and serious year by year, we have started the "Cyber Security Special Subcommittee" that consists of departments that operate mission-critical business systems from the end of 2017. And we have started the activity of "Furukawa Electric CSIRT ^{Note 1)}" that respond promptly when an incident occurs. Through these activities, we respond promptly to large and small incidents of the Group. In preparation for the situation where group companies and supply chains are targeted and the damage spreads, we are looking for ways to respond to incidents including group companies. As a trial, we supported organization of a cyber security system at domestic affiliated companies in the automobile parts business last year. In the future, we will expand to group companies in other business areas and aim to build a group global cyber security system.



Private information protection

Following the revision of the Personal Information Protection Law in June 2020, educational materials reflecting the revised points were made known to employees during "Information Security Month (February 2021)". In addition, as the use of SNS ^{Note 2)} services by individuals and corporate accounts increases, personal information and confidential information are leaked, and the risk of causing so-called "flaming" and damaging the company's credibility is increasing. We have established "SNS Usage Standards" and are working to promote safe use of SNS by providing checklists to prevent information leakage and burning.

(note 1) CSIRT: The abbreviation of "Computer Security Incident Response Team". The team is prepared to cope with the occurrence of cyber incidents.

(note 2) SNS: Abbreviation for Social Networking Service. A service that enables the construction of communication networks (social networks) between individuals on the Internet.

Intellectual Property Risks

The Company aims to stabilize the management by strategically creating the intellectual property rights based on the patent portfolio management that grasps the trends in the other companies, also by decreasing the intellectual property risks.

The intellectual property risks are divided into four categories: "Rights infringement risks", "Counterfeit products risks", "Contract risks" and "Technology leakage risks" and continuously arousing risk responses. For example, against the "Technology leakage risks", the following measures are taken: "Technology concealment of the development site and the production site", "Information maintenance strengthening with the time stamp system", etc.

We also develop the intellectual risk reduction activity in Furukawa Electric group globally, based on the implementation of the systematic training of Furukawa Electric Group in domestically and internationally, the regular issuance of the newsletters introducing efforts to reduce intellectual property risks, by the President awards for excellent inventions and activities, etc.



Challenges and Future Policy

Following our international business development, risks that Furukawa Electric Group faces are becoming more diversified and complicated each year. We particularly recognize that risks inherent in overseas operations—mainly in emerging countries—and risks from the supply chain standpoint are our top priority issues, and we will be strengthening our countermeasures against them.

Especially, we established an emergency response system in the Furukawa Electric Group and has been striving to minimize adverse effects of COVID-19 on the Group. While assessing changes in the environment in the future, we will implement necessary countermeasures in a prompt and flexible manner.

Targets and Results (Risk Management / Internal Controls / Compliance)

😊 : Achieved 😊 : Partially achieved 😞 : Not achieved

FY 2020			FY 2021
Targets	Results	Achievement	Targets
<p>Thorough Compliance including World Trade and Commerce</p> <p>Compliance seminar focused on Anti-Bribery and Competition law will be planned at South-east Asia area by using the on-line meeting.</p>	<p>Conducted compliance training for group company staff twice at remote meetings in Singapore.</p>	😊	<p>Thorough Compliance</p> <p>Compliance seminar focused on Anti-Bribery and Competition law will be planned at China and South-east Asia area by using the on-line meeting.</p>
<p>Conducting a general risk assessment for the entire group</p> <p>Conduct a general risk questionnaire for the group companies, check the results on the Risk Map, and will make the risk reduction PDCA cycle.</p>	<p>Conduct questionnaires, visualize results using risk maps, and implement and report risk management activities by each competent headquarters based on the results.</p>	😊	<p>Advanced risk management for the entire group</p> <p>PDCA will be achieved by fusing top-down management perspective and bottom-up risk recognition through questionnaires.</p>
<p>Strengthening cooperation of cyber security measures</p> <p>Establish the cooperation system among the group companies, their control departments of FEC and CSIRT(Note).</p>	<p>CSIRT promptly responds to incidents such as malware infections within the group and alerts them. At CSIRT, consider what the incident response scheme for the entire group should be.</p>	😊	<p>Strengthening cyber security measures</p> <p>Co-create with affiliated companies and departments under the jurisdiction of our company regarding the implementation of education and training and the response to audits.</p>

(Note) CSIRT: The abbreviation of "Computer Security Incident Response Team".
The team is prepared to cope with the occurrence of cyber incidents.

Compliance

Basic Approach

Furukawa Electric Group regards compliance as "not only observing laws and regulations, but also as acting in accordance with the values and ethics required of the company and its employees as responsible members of society". Each and every employee is encouraged to perform day-to-day compliance activities in line with our three musts for compliance activities: to "be aware", "speak" and "rectify".



1. Be aware

- Is this in line with the philosophy and CSR Code of Conduct?
- Is this an improper practice?
- Does this run counter to society's requirements and expectations?

2. Speak

- Do not neglect it.
- Talk about it openly.
- If still not sure, take it to your boss.

3. Rectify

- As soon as you become aware of it, fix it.
- Always improve.

Training and Raising Awareness among Employees

We conduct a host of training and awareness activities in the aim of instilling compliance awareness among all employees. Our primary shared educational materials are the Furukawa Electric Group CSR Code of Conduct and its corresponding Furukawa Electric Group CSR Compliance Handbook. We distribute this handbook to Furukawa Electric Group employees and take many opportunities to make use of it. We conduct compliance education for employees at every level of the Company, from new recruits to directors. At the same time, we hold theme-based group training and e-learning courses, and conduct groupwide compliance education.

Initiatives in Compliance Months

Furukawa Electric Group has designated October and November as Compliance Months, during which we implement measures aimed at tackling the variety of compliance issues faced by companies across our Group.



Employee Compliance Awareness Surveys

We have biannually continued to implement compliance awareness surveys at Furukawa Electric and affiliates in Japan. Designed to gauge employee awareness and understanding of compliance, these surveys aim to encourage recognition of compliance. Feedback is given on the results of the survey to our Group companies and Furukawa Electric divisions, and the results are used to make proposals for compliance measures at each organization. In fiscal 2018, we conducted compliance awareness survey from a view point of understanding of CSR Code of Conduct.

Internal Reporting System

Furukawa Electric Group has introduced an internal reporting system to earlier detect and correct illegal acts. The Company has in place an internal reporting desk as well as an external reporting desk that makes use of outside third-party institutions (the Furukawa Electric Group Hotline), both of which allow employees to make reports anonymously. An internal reporting secretariat manages the content of such reports stringently, taking ample care to prevent people making such reports from suffering any negative impacts, looking into issues swiftly and taking appropriate action. In fiscal 2016, we newly set up external reporting desks for oversea affiliates. By the end of fiscal 2017, we have set them up in 10 countries and 40 affiliates.

Security Trade Control

Furukawa Electric Group considers security trade control to be one of its most important responsibilities as a company with global business operations. In accordance with the laws and regulations that make up the international framework on security trade control (the export control regime), we have improved and strengthened our management systems for cargoes and technologies that can be converted to weapons or military uses. In exporting products and providing technology, we conduct transaction screenings based on our Security Trade Control Regulations to ensure compliance with relevant legislation and are careful to prevent circumvent to countries of concern.

Anti-Bribery

Furukawa Electric Group formulated the Furukawa Electric Group Anti-Bribery Statement in April 2012. In December, we published the Furukawa Electric Group Anti-Bribery Guide (revised to the second edition in May 2018), and we are promoting activities toward creating a groupwide bribery risk management system.

- > [Furukawa Electric Group Anti-Bribery Statement \(English\)](#)
- > [古河电工集团禁止行受贿基本方针 \(中文\)](#)

Requirements of Furukawa Electric Group Anti-Bribery Statement

1. Do not give, offer, promise, accept or demand, directly or indirectly, anyone a bribe.
2. Ensure that payments to Government Officials are made according to adequate approval procedures and are reviewed appropriately.
3. Are fully aware of, and comply with the applicable anti-bribery laws and the Furukawa policy through training programs and communication of the policy. Employees, agents and Business Partners are furthermore required to declare compliance to applicable anti-bribery laws and the Furukawa Electric Group policy.
4. Engage only with legitimate and transparent Agents and Business Partners, after performing adequate due diligence procedures on the Agent or the Business Partner.
5. Regularly assess Bribery Risks concerning the business of the company.
6. Maintain record keepings and financial controls to enable demonstration of compliance with anti-bribery laws and the Furukawa Electric Group policy.
7. Regularly review and update its policy and controls where necessary to prevent bribery.
8. Promptly report any suspected violations of the applicable anti-bribery laws or the Furukawa Electric Group policy by any of the Group's Employees, Agents or Business Partners, so that any violations or suspected violations are dealt with timely.

Challenges and Future Policy

Regarding the various legal compliance measures we have taken to date, we recognize as a Group that our task is to expand the scope of participation of Group companies. Going forward, we will try to raise compliance awareness by focusing on more effective education content with a Group perspective and enhancing its global implementation system. We will also hold more compliance seminars taking account of local laws, languages and customs, encouraging individual initiative under the slogan "Think and conduct compliance together".



Human Rights

Basic Policy on Human Rights

Under the Furukawa Electric Group Philosophy, the Group understands that the human rights of everyone affected by its globally expanding business activities must be respected. The Group will respect human dignity and all human rights that are recognized internationally.

Furukawa Electric Group Human Rights Policy

In 2015, the United Nations (UN) adopted the Sustainable Development Goals (SDGs). Recently, social conditions and the business environment are changing dramatically. In this environment, companies are increasingly receiving diverse requests from stakeholders related to environmental, social, and governance (ESG) criteria, including respect for human rights. Considering the situation, the Group established the Furukawa Electric Group Human Rights Policy on January 27, 2020, to respect the human rights of all stakeholders affected by its business activities.

> [Furukawa Electric Group Human Rights Policy established on January 27, 2020 \(PDF 402KB\)](#)

Whistleblowing System

In order to address violations of the Furukawa Electric Group CSR Code of Conduct, which includes provisions related to human rights, and concern over potential violations in the Group's business activities, the Group established an internal whistleblower desk and an external whistleblower desk, which uses an outside independent organization. Based on information obtained through the system, the Group takes steps to mitigate any negative effects by following appropriate procedures.

Participating in the UN Global Compact

The 10 principles of the UN Global Compact include principles related to human rights, such as support and respect for the protection of human rights, not being complicit in human rights abuses, elimination of forced and compulsory labor and abolition of child labor. The Group company supports the UN Global Compact and has participated in it since February 2020.

This fiscal year, the Company participates in the human rights subcommittees of Global Compact Network Japan, as below.

- Subcommittees of Human Rights Due Diligence
- Subcommittees of Supply chain

The Group's actions related to human rights

Human rights violations	Target	Actions of Furukawa Electric/Furukawa Electric Group
Inadequacies in Occupational Health and Safety	People in the Group who are involved in safety and health management	<ul style="list-style-type: none"> • Actions promoted by the Furukawa Electric Group Safety and Health Committee • Safety and health activities at each site of the Company and Group companies • Achievement of Occupational Safety and Health Management System (OSHMS) certification • Safety and health education according to rank • Holding presentations about safety and health activities and sharing best practices • Exchanges of views between labor and management
Forced and compulsory labor, Slave labor	All people who work for the Group	<ul style="list-style-type: none"> • Education on the Basic Policy on CSR and CSR Code of Conduct, and making them known to all • Making the whistleblowing system known to all • Education on the human rights policy and making it known to all
	Business partners	<ul style="list-style-type: none"> • Making the CSR Deployment Guidelines for Business Partners known to partners • Partners meetings and dialogues with partners
Child labor	All people who work for the Group	<ul style="list-style-type: none"> • Education on the Basic Policy on CSR and CSR Code of Conduct, and making them known to all • Making the whistleblowing system known to all
	Business partners	<ul style="list-style-type: none"> • Making the CSR Deployment Guidelines for Business Partners known to partners • Partners meetings and dialogues with partners
Discrimination	All people who work for the Group	<ul style="list-style-type: none"> • Education on the Basic Policy on CSR and CSR Code of Conduct, and making them known to all • Education on Furukawa Electric Group People Vision and making it known to all • Education according to rank (newcomer education and training for managers) • Promotion of diversity • Promotion of employment of people with disabilities • E-learning on LGBT issues and the SDGs

Human rights initiatives, including the supply chain

There is growing concern about human rights risks throughout the supply chain, including forced labor, child labor, and discrimination. In response to these changes and growing social demands for human rights, the Group revised the Furukawa Electric Group CSR Code of Conduct in April 2019 and established the Furukawa Electric Group Human Rights Policy in January 2020. At present, we have begun efforts to implement human rights due diligence.

In the future, we will conduct a Self-Assessment Questionnaire (SAQ) survey based on the CSR Procurement Guidelines with Group companies and partners to assess human rights and promote activities to reduce the negative impact of the Group's business activities. In fiscal 2021, we will conduct a survey of 79 domestic and overseas Group companies and 50 major partners, and plan to gradually expand the scope of the survey.

Occupational Health and Safety

Basic Approach to Occupational Health and Safety Management

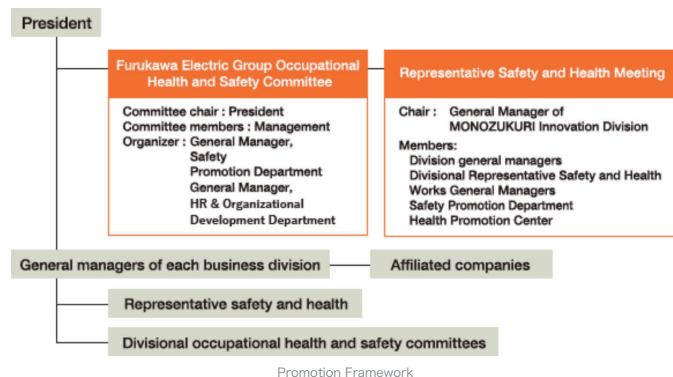
In addition to basic legal compliance, Furukawa Electric Group prioritized initiatives that promote "becoming a safety conscious person" and "realizing fundamental safety." Our basic approach is to aim for zero accidents and zero illness through safety activities focusing on three initiatives, that is, safety management in addition to the abovementioned two initiatives.

Basic Policy on Health and Safety Management

- Endeavor to eradicate accidents by inspections and management in accordance with the Industrial Safety and Health Act.
- Nurture safety conscious persons that can avoid danger by pointing & calling and by complying with rules.
- Realize "fundamental safety" in which people and facilities are separated to eliminate unsafe conditions.
- Raise the quality of safety management by implementing SIDIS cycle based dialogue, empathy and standardization.
- Promote mental and physical health improvement by Furukawa Electric group's health management activities.

Promotion System

Furukawa Electric Group has established the Furukawa Electric Group Occupational Health & Safety Committee (on which the President serves as committee chairman) as the highest body for promoting occupational health and safety at a group level. The committee membership is composed of executives, and carries out deliberation, decision-making and follow-up activities for Furukawa Electric group as a whole in respect to policies and initiatives in health and safety.



Safety and Health Activities Presentation Meetings

We have been holding presentation meetings on Furukawa Electric Group's safety and health activities and awarding the best with commendations. In fiscal 2020, to prevent the spread of COVID-19, we held the presentation meetings online. And eleven teams were selected from the SBUs (including three teams from group companies) to give presentations and receive awards from the president.



Safety and Health Activities Presentation at an online meeting

Site Inspections by Officers

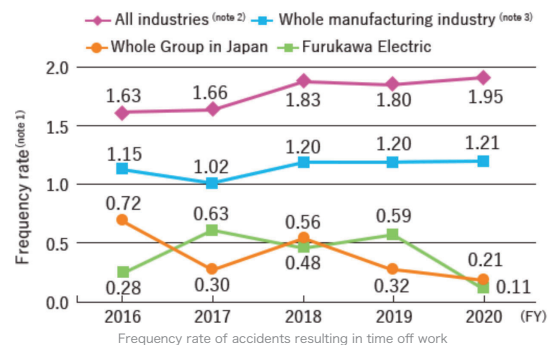
Furukawa Electric's safety officers make site inspections at Furukawa Electric Co., Ltd. and group companies whenever an accident occurs and in accordance with performance in the previous fiscal year. They confirm how appropriate the safety measures are, and check the extent to which these measures have become firmly established. In addition, they exchange opinions with a view to achieving fundamental safety, and work hard to prevent any recurrences. However, to prevent the spread of COVID-19, we only conducted site inspections of two group companies in fiscal 2020. Also, instead of site inspections, we broadcasted video of the site and held online meetings to exchange opinions.



FURUKAWA ELECTRIC CO., LTD.

Work Accident Occurrence Status

In terms of its performance in fiscal 2020, Furukawa Electric recorded one "accidents with working loss days", and failed to meet its target of "zero accidents with working loss days". The frequency rate of accidents resulting in time off work (note 1) decreased to 0.11 in Furukawa Electric only and decreased to 0.21 among all Group companies in Japan (note 2).



(note 1) Frequency rate = (No. of casualties / Total actual work hours) x 1,000,000

(note 2) The calculation for fiscal 2020 covered full-time employees and temporary staff at Furukawa Electric and 33 Group companies in Japan.

(note 3) Data on all industries and the whole manufacturing industry is from Ministry of Health, Labor and Welfare survey results



Meanwhile, the 2020 accident frequency rate for the whole Group including overseas Group companies was 0.55. This included accidents both resulting in and not resulting in time off work.

Please see below for companies included in the calculation.

> [List of all applicable companies : Occupational Health and Safety - Scope of the frequency rate of accidents resulting in time off work](#)

Targets and Results (Accidents)

😊 : Achieved 😊 : Partially achieved 😞 : Not achieved

FY 2020			FY 2021
Targets	Results	Achievement	Targets
Zero "accidents with working loss days"	One "accidents with working loss days"	😞	Zero "accidents with working loss days"

Healthcare for Employees Working Long Hours

In accordance with the Guidelines issued by the Labor Standards Bureau entitled "Measures to be Taken by Employers to Prevent Health Impairment Due to Overwork", we strive to manage the health of employees who work long hours by implementing strict limitations on working hours based on the results of health checkups and by arranging consultations for such workers with industrial physicians.

Mental Health Education

We have been taking steps to safeguard the mental health of our employees since fiscal 2002. We have introduced a counseling system based on an external employee assistance program (EAP) and Company-wide mental health education programs, including line-care, and self-care training. In fiscal 2016, we brought in a system to investigate the stress experienced by our employees following a revision of Japanese law. We also provide the opportunity for employees to consult with a doctor.

<Mental health education programs>

- Listener training
- Stress control training using cognitive behavioral therapy
- Mental health training focusing on work engagement
- Comfortable workplace study meetings

Strengthening Passive Smoking Measures

Since fiscal 2003, the Company has fully embraced efforts to curb the smoking of tobacco and taken steps to prevent exposure to secondhand smoke and promote non-smoking lifestyles. We have achieved the Company-wide goals of no smoking during working hours (FY2017) and no smoking on the premises (FY2020). The smoking rate of male employees decreased from 53.3% in fiscal 2002 to 22.5% in fiscal 2020, an indicator that our initiatives have had a positive impact on the lifestyles and habits of our employees. We will continue to assist smokers as they work to quit smoking.



Non-smoking poster

Initiatives to Improve Health Literacy and Presenteeism

Improvements in the health consciousness of employees are an important part of improving their health. Since fiscal 2018, we have had each employee state their health goals in a short health declaration. In fiscal 2020, to improve presenteeism, we introduced a stiff shoulder and lower back pain prevention app and provided videos that demonstrate stretches to prevent stiff shoulders and lower back pain.

Measures to Prevent Falling Accidents

The falling accident increases with age. Even in the Company, where its members are aging, as the increase of falling accident (including commuting injuries during walking) is a serious concern, the preventive education for the falling accidents and fitness exercises (muscle training) were introduced from fiscal 2016. In addition, in fiscal 2016 the physical function check-ups has been implemented for employees over 50s, and since fiscal 2017, it has been expanded to over 40s.

Certificated as "Health Management Brand" and "Health Management Superior Corporation"

From 2017 to 2021, 5 years in a row, The Company was certified as "Health Management Superior Corporation" which practiced good health management under the METI's health management excellent corporation certification system. In addition the Company was certified as "Health Management Brand 2019" selected by Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange.

In addition, on May 15, 2017, from the managerial viewpoint, "Furukawa Electric Group Health Management Declaration" was enacted, in order to promote "Health Management" which strategically strives for the health management and the health promotion of the employees. In order to "aim to become a creative and full of vitality corporate group by taking advantage of the diverse human resources", we will keep making "a company where everyone works vigorously, keeps growing and is proud" by prioritizing safety and health to everything, promoting various activities mindful of health management throughout the Company.



Human Resources Management Management Policy

Management Policy

The Furukawa Electric Group maintains a basic policy of securing diverse human resources and supporting the growth of people who continue to take on challenges, and believes that strengthening human capital management and organizational execution abilities is the most important challenge (material issue) the group faces for the realization of the Furukawa Electric Group Vision 2030.

Based on the Furukawa Electric Group People Vision, the group strives to share an ideal of human resources within the group, construct a personnel management system based on common guidelines, and take individual measures (i.e., training systems, consultation systems, and compensation and benefit plans) to ensure that diverse human resources are able to work autonomously and successfully.

Furukawa Electric Group Vision for Our People

Furukawa Electric Group Vision for Our People

The people of Furukawa Electric Group are our greatest value.

We recognize that investment in the development of our people will enable sustainable long-term success of our Group.

SUSTAINABLE SUCCESS



Role of the Individual

- Each individual proactively and continuously develop and deliver the best of their skills and competencies through engagement and collaboration.
- As a member of both Furukawa Electric Group and the global community, each individual must work with ethics and integrity in mind, and put their effort towards making the world a better place.

Role of the Leader

- Leaders encourage the engagement of all people while supporting the growth of the individual.
- Leaders facilitate the transformation of the individual's skills and competencies to deliver successful organizational accomplishments.
- Leaders demonstrate behaviors that support a creative and positive organizational culture through teamwork and collaboration.

Principles of Human Resources

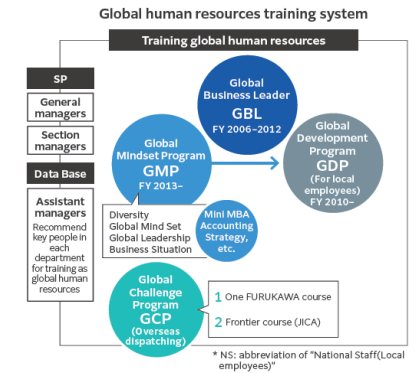
- All human resource policies, procedures and systems will reflect fairness, support diversity and encourage all of our talent to proactively challenge and develop themselves.
- By fostering an organizational culture which value people, Furukawa Electric Group will nurture each individual's confidence in the company.

Human Resources Management Human Resources Development and Recruitment

Human Resources Development

In accordance with "Furukawa Electric Group Vision for Our People", we are training human resources who have rich humanity and strong challenge spirit, for the sake of our group development. The state of our leaders affects corporate culture and reflects in our business results, which is why we give training at each level to develop leadership, and construct relationships between people by "dialogue" among all our employees. We work hard to instill a mind that is interested in people and respects others.

We started our Global Business Leader (GBL) training in 2006 in order to develop personnel who will take on the role of management in the future. Since fiscal 2013 this has been reformed to Global Mindset Program (GMP), with its extra emphasis on global human resource education. We have also operated a Global Development Program (GDP) for overseas local employees since 2010 with the aim of strengthening links within Furukawa Electric Group, the curriculum being partly shared with the GMP. Furthermore, in fiscal 2014 we launched the Global Challenge Program (GCP), which dispatches young employees to foreign countries. We are working to align these various programs to develop human resources who can play a dynamic role on the global stage.



Development of management personnel (succession planning)

Furukawa Electric's management personnel development system ensures that candidate human resources are selected and given opportunities to develop in the following two tiers:

- 1) The manager and pre-manager tier
- 2) The general manager tier for corporate vice president candidates

Selection is based on internal and external assessments.

To help candidates develop, we provide individual internal training programs and personnel transfer plans and promote their participation in external training.

We also prepare succession plans for important positions within Furukawa Electric Group and supervise successor development and preparation. We systematically position human resources in coordination with management personnel development plans.

The Nominating/Compensation Committee, mainly consisting of outside directors, monitors the appropriateness and the operations of the management personnel development system. The committee also discusses the appointments of corporate vice presidents and selects personnel for the CEO succession plan.

Training system (tiered training)

Tiered training begins with introductory training for new employees, which includes training about the Vision and Values of the group, basic rules, and the basic knowledge necessary for business, including business etiquette, communications, and how to manage stress. Higher-level new employee training takes place at the six-month mark. It provides knowledge necessary for business, such as information about marketing and cost accounting. After new employee training, employees acquire the knowledge and skills required for each position as they are promoted (e.g., logical thinking is a part of training for new supervisors, and problem solving is a part of training for new secretaries). We provide employees with training by age as an opportunity for them to think about their career at Furukawa Electric and enable them to develop independently.

Training for managerial positions

We provide the following three types of training when employees are appointed as managers.

- 1) Training about management regulations such as labor, health and safety, risk management, and trade control as well as the required mindset conscious of human rights, the prevention of harassment and understanding diversity.
- 2) Training for thinking about reliable leadership based on their and the organization's values as the head of the front-line organization.
- 3) Training on methods of setting and assessing subordinates' goals and skills relating to providing feedback for personnel development.

The new training for general managers was introduced in the previous fiscal year. It gives them the opportunity to discuss indirect leadership intended to favorably impact the organization through the managers who are the directors' subordinates.

Reinforcement of MONOZUKURI power

Furukawa Electric Group is trying to reinforce MONOZUKURI power as part of its creation of a corporate culture that allows manufacturing site employees and other employees to share goals and execute tasks to realize competitive MONOZUKURI power. In fiscal 2020, the initiative was carried out in the form of smaller-scale training at each plant and e-learning due to the COVID-19 pandemic.

Additionally, we planned and tested e-learning to develop the technical capabilities of the people in charge of production control, who are a kind of MONOZUKURI control center. We will expand the e-learning program to more employees to enhance the MONOZUKURI power of the entire group.

Diversity in Hiring

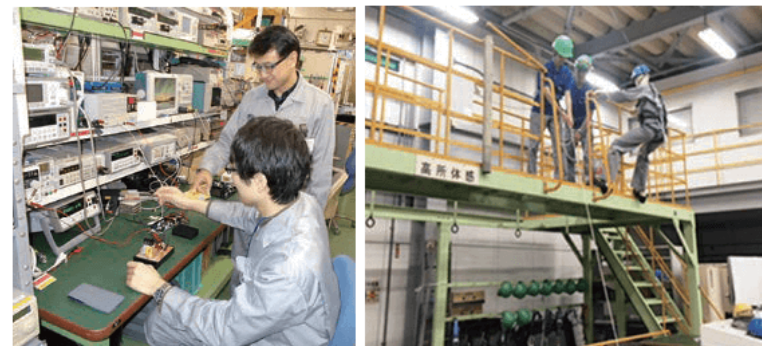
In order to respond to the global development of our business, Furukawa Electric Group has come together to implement a variety of initiatives with the aim of securing human resources. In addition to information exchanges to share know-how on hiring within Furukawa Electric Group, we held Furukawa Electric Group Forum in Tokyo, at which actively appealed our attractiveness to students.

Encouraging Employment of Disabled People

> [Diversity & Inclusion Activities](#)

Internships

Ever since the Japanese government introduced a system of internships in 1997 as part of an industry-academia-government collaboration, in our role as a manufacturer Furukawa Electric has taken on numerous science and engineering interns with the aim of contributing to the fostering of Japanese technicians of the future. We have already taken on more than 200 students across our various workplaces.



Internship training



Human Resources Management

Welfare

About welfare facilities

Furukawa Electric supports the health and lives of its employees by establishing a variety of welfare facilities and systems to create an environment that enable employees to work without anxiety.

Company cafeterias:

We support employees in the maintenance of their health, operating company cafeterias in our plants.

We work to ensure the cafeterias are highly satisfactory and appealing through discussions and reviews of the menus that include exchanges of opinions with the labor union, the health nurse, and the nutritionist.

Company housing and dormitories:

We prepare housing and dormitories owned or leased by the company near our business locations to reduce the expenses borne by and secure housing for our young employees and employees who have needed to move due to a personnel transfer.

Company-owned dormitories include a dining room and a meeting space where employees can mingle and communicate with other employees of different departments outside working hours.

About the pension and retirement allowance system

Furukawa Electric has a point system that awards points based on the annual performance reviews and roles of each employee. The point total is used to calculate the employee's retirement allowance. Employees can choose to receive their retirement allowance as a pension or a lump sum, according to their own lifestyles.

We have introduced the defined contribution pension system as part of the retirement allowance for managerial positions. While defined contributions are basically operated in specified pension products, employees can choose to receive them as a prepaid retirement allowance without being managed by an investment fund.

The employee stock ownership scheme

The Furukawa Employee Shareholding Association system for Furukawa Electric employees aims to support the medium- and long-term asset accumulation of employees who pay in small amounts of money over time.

Since its establishment in 1970, the Furukawa Employee Shareholding Association has showed stable growth, holding 834,883 shares as of the end of March 2021.

Human Resources Management

Labor-management consultation

Improving the Working Environment through Labor-Management Opinion Exchanges

Furukawa Electric maintains the basic position that both labor and management should endeavor to engage in sincere discussions, and therefore we focus on issue resolution and deepening mutual understanding. We hold our Central Management Briefings twice annually for public exchanges of opinion between labor and management. We have conducted such meetings for the 69 years since fiscal 1952. As of May 2021, we had held these briefings 136 times. Representatives from labor and management exchange frank opinions and share information about a broad spectrum of items at these briefings, such as the business environment, management, and topical matters. We also have in place various committees such as the Personnel System Exploratory Committee and the Committee for Studying Shorter Hours that are designed to improve the working environment, which management and labor discuss on a daily basis. These discussions lead to improvements in various systems and strengthen monitoring functions, such as compliance response and the implementation status of other CSR activities.



Human Resources Management

Goals and Achievements

Targets and Results

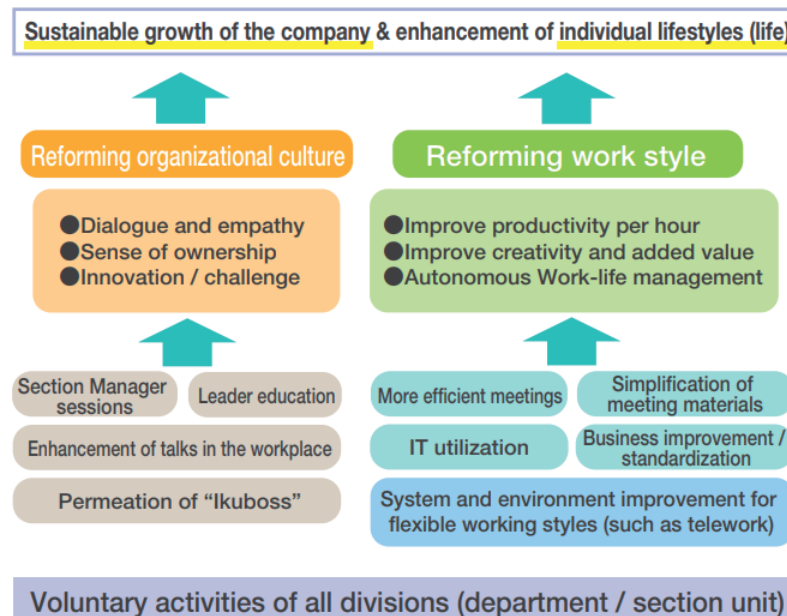
😊 : Achieved 😊 : Partially achieved 😞 : Not achieved

FY 2020			FY 2021
Targets	Results	Achievement	Targets
<p>Strengthening leadership of the general managers and above</p> <ul style="list-style-type: none"> Establishing attitudes and principles of conduct as the group's manager. Expanding leadership of general managers and above to lead the entire Group 	<ul style="list-style-type: none"> Establishing Furukawa Electric's 7 Key Mindsets for Superiors in the Workplace (Furukawa Seven) Expanding the key mindsets to the corporate vice president and general manager tiers across the group, including domestic group companies 	😊	<p>Reinforcement of the execution capabilities of individuals and organization</p> <ul style="list-style-type: none"> Expanding the Furukawa Electric's 7 Key Mindsets for Superiors in the Workplace (Furukawa Seven) to the manager tier across the entire group in Japan Expanding the basic thinking and problem-solving methods for promoting daily tasks to the domestic group companies
<p>Reinforcement of Monozukuri capabilities</p> <ul style="list-style-type: none"> Reviewing the contents of education by rank Continue to strengthen the Monozukuri capabilities of affiliated companies (Japan and overseas) 	<ul style="list-style-type: none"> Organizing the contents of education from a class perspective in addition to a tier perspective Providing training upon request of the domestic group companies 	😊	<p>Reinforcement of Monozukuri capabilities</p> <ul style="list-style-type: none"> Expanding the scope of coverage from skilled workers to staff, reviewing professional training education Continuation of educational support for domestic group companies
<p>Support for diverse ways of working, and work-life balance</p> <ul style="list-style-type: none"> Expansion of telework system Continue education for raising awareness of acceptance of diverse human resources and ways of working 	<ul style="list-style-type: none"> Enabling an on-site working percentage of around 30% at the head office and branch offices by providing teleworking allowances and establishing other systems and rules Trial introduction of the in-house secondary job system (to be realized by the 7 Project) 	😊	<p>Promotion of new ways of working with diverse ways of working including remote working</p> <ul style="list-style-type: none"> Promoting new ways of working that start with the relocation of the head office Online and hybrid education/training and a variety of events

Human Resources Management

Work Style Reform

Our company established a specialized organization for "work style reform" in May 2015 and began related initiatives with the aim of balancing sustainable corporate growth with the enhancement of the individual lifestyles(lives) of our employees. We are promoting a variety of measures from both the perspectives of "reforming work styke", with the objective of improving both productivity and job satisfaction, and "reforming our organizational culture", whose goals are to reinforce the core values of our company Group:"innovation", "ownership and speed", and "collaboration".



.....
"IkuBoss": A boss (manager) who develops him/herself, employees working under his/her jurisdiction, the organization, and society through work and personal life to produce outstanding results.

In-house System for Flexible Working Styles

In January 2017, we introduced a "telework system". By removing restrictions on work locations, this system will enable employees to perform their conventional duties more efficiently and focus on creative work. This is expected to bring about improved productivity per hour and other enhancements to work quality and performance.

Furthermore, allowing work in hourly units at locations perform work at specific times due to personal affairs, has the goal differently from the existing "home work system"(introduced in FY2012) which is intended to support child care and nursing care, as it is usable by anyone meeting certain conditions such as application of the flex-time system.

Topics: "IkuBoss" Enterprise Alliance

Furukawa Electric Co., Ltd. has recently become a member of the "IkuBoss Corporate Alliance" sponsored by Specified NPO Fathering Japan (Representative Director: Tetsuya Ando).



> [News release: Accession to "Iku-Boss" enterprise alliance](#)

Diversity & Inclusion

Diversity & Inclusion Promotion

Basic Approach

Although we have taken continuing actions toward arranging better working conditions for women and promoting employee work-life balance since the 2005 fiscal year, we are also proceeding with a wide range of other measures to accelerate the creation of working environments which can allow our diverse human resources to be fully active. These measures include the establishment of a Diversity Promotion Office in April 2014, activities to enhance the awareness of diversity and inclusion, measures to promote the activity of women, and advancement of autonomous work-life management by employees.

Human Resource Management Policy

The Furukawa Electric Group aims to make use of a diverse range of talented people all over the world to become a corporate group overflowing with creativity and dynamism. Continually developing human resources who are truly capable of embodying our group philosophy is the key principle behind how we manage human resources.

> [Go to Human Resources Management Policy page](#)

Previous Measures

Awareness of diversity and inclusion

Embrace diverse human resources and foster a culture in which each of our strengths can be demonstrated.

- **The transmission from the top management**
 - > [Top Message](#)
- **Consciousness and behavioral change of management layer**
 - implementation of e-learning about D&I, penetration of "IkuBoss" in cooperation with the work Style reform project, etc.
- **Awareness raising for employees**
- **Implementation of human rights education for new officers, new managers and new employees**
- **Publication of company Newsletters**
- **Implementation of Employee Awareness surveys**
- **Holding the event throughout the company**
 - > [Companywide awareness-raising event \(V Challenge Forum\)](#)

Measures to promote women's careers [promotion of management positions, career development support, recruitment enhancement, etc.]

Deepen individual engagement and strategically foster female managers

- **Mentor program**
- **Dispatch of female employees to external programs**
- **Support for individual development of female managerial candidates**
- **Internal and external networking activities of female employees**
- **Introduction of seminars and interview sheets for employees who take childcare leave**

Support diverse human resources and their activities

- **Employment of people with disabilities**
 - > [Initiatives promoting the employment of people with disabilities](#)
- **Employment of elderly people**
- **The activities of global human resources**
- **Initiatives for understanding LGBTQ issues**
 - Provision of e-learning programs promoting all employees' understanding of LGBTQ issues
- **Harassment prevention initiatives**
 - Provision of e-learning programs about the prevention of harassment to all employees

Promoting autonomous work-life management

Support the flexible working style of employees and aim to improve job satisfaction and work styles Promotion of male child-rearing participation (creation of child care brochure)Compatibility between work and nursing care.

- **Support for flexible working styles (promotion of various support systems such as telework, etc)**
- **Promotion of the involvement of fathers in childcare**
 - Creating a childcare handbook for male employees and holding round-table meetings about fathers' involvement in childcare
- **Support for balancing work and childcare**
 - Holding seminars for employees taking childcare leave, and the introduction of an interview form
 - Holding seminars for employees who return to work after childcare leave, and the introduction of interviews before and after maternity/paternity/childcare leave
- **Support for balancing work and nursing care**
 - Holding seminars on nursing care

Topic: Lecturer sent to a seminar for high school students taught by people working in science.

In July 2021, we sent a female engineer to a seminar taught by people working in science held for first year students at a girls' prefectural high school in Kanagawa.

The students enthusiastically listened to the lecturer who talked about her job as an employee in charge of scientific work, her daily schedule, and the reasons that she chose her job. In a questionnaire about the seminar, one student commented that the seminar led her to deeply think about what she wanted to do in the future.



> [Topics: Holding a Diversity Forum](#)

Initiatives of Group Companies

This is a message video from the Furukawa Electric Group's Furukawa Electric LATAM S.A., which promotes the advancement of women.



> [Furukawa Electric LATAM S.A. Productions Video \(YouTube\)](#)

Diversity & Inclusion

Initiatives Promoting the Employment of People with Disabilities

Through the employment of people with disabilities, we promote diversity and inclusion.

Furukawa Electric established special subsidiary Furukawa New Leaf in fiscal 2004 to create an environment where more people with disabilities are able to work in a better setting, provide a place for them in society so that they are able secure stability and peace of mind, and develop independent workers who follow rules and actively participate in society. The subsidiary employs 43 people with disabilities at three locations. They engage in cleaning and electric wire disassembly. Furukawa New Leaf is proactively contributing to the community, focusing on recruitment and training and increasing the number of jobs it provides by introducing new businesses.

Introduction to Furukawa New Leaf

Company outline

Company name	Furukawa New Leaf Co., Ltd.
Capital	10 million yen (fully owned subsidiary of Furukawa Electric Co., Ltd.)
Established	May 26, 2004
Business	Consigned cleaning of plant premises, dormitories and other activities
Representative	Shigeru Endo, President & Representative Director

Employees with disabilities

- Average age of employees: 33.4 (as of November 30, 2020)
- Average years of service: 9.9 years (as of November 30, 2020)

For inquiries about job opportunities at Furukawa New Leaf, call any of the branch offices.

Plants

Hiratsuka Branch Office

Address	5-1-9 Higashiyawata, Hiratsuka-shi, Kanagawa 254-0016 (within Furukawa Electric's Hiratsuka Plant)
TEL	0463-24-8001
FAX	0463-24-8002

Chiba Branch Office

Address	6 Yawata-kaigan-dori, Ichihara-shi, Chiba 290-8555 (within Furukawa Electric's Chiba Plant)
TEL	0436-42-1826
FAX	0436-42-1840

Mie Branch Office

Address	20-16 Nobono-cho, Kameyama-shi, Mie 519-0292 (within Furukawa Electric's Mie Plant)
TEL/FAX	0595-85-2659



We prioritize safety and health with the goal of completely preventing accidents and disease.



We move around by bicycle when working at large sites.

Daily efforts

1. Considerations for **safety** and **health**
2. Cooperative sharing of **medical check-up results** with guardians/supporting organizations
3. Promotion of speaking with employees to detect changes
4. Understanding the changes experienced by individual employees through meetings in morning, during the day and at the end of the day, and **daily work reports**, and acting promptly to ensure employee safety and health
5. Evaluation and follow-up activities for basic actions and fundamental work using a **skill map**
6. **Setting individual goals** and reflecting on results
7. Introduction of **performance review meetings**
8. **Interviews with individual guardians**
9. Cooperation with **employment and livelihood support centers to assist persons with disabilities**
10. Welcoming visitors (students and teachers) from **schools for students with disabilities and special schools** nearby to contribute to the community
11. Participation in **the Abilympics, the vocational skills competition for people with disabilities**



An employee participating in the Abilympics

Business description

- Cleaning plants, dormitories for single employees, and for affiliates of the Furukawa Electric Group
- Cleaning full body safety harnesses
- Electric wire disassembly and document shredding
- Other



Cleaning under Japanese plum trees in the business office site



Cleaning windows at the office

Comments from a senior employee and an instructor

Comment from the senior

I joined Furukawa New Leaf on April 1, 2019. As a cleaner, you have to learn many things and use different tools for the different places that are cleaned. Although it is a hard job, I am very happy after cleaning. I would like to be capable of doing more to please people. I can buy books about trains, my favorite, with my wage and talk to the employees more senior than I. It is very nice.



Comment from the instructor

- The employees ride bicycles to worksites while ensuring they are safe within the plants, where there are many trucks and forklifts. You are not allowed to go to a worksite if you do not observe traffic rules and other regulations. Safety comes first.
- The photo shows employees who are sorting fruit. They remove foreign matter so that only good quality fruit is delivered to customers. Customers will complain if there is any foreign matter in their shipments. This is why employees work carefully in the sorting process.



Benefit package

- The company-run resort house, contracted resort houses around Japan, and company cafeterias
- A variety of events such as a friendly bowling competition and a party on the last working day of the year



Company cafeteria in the Chiba Plant



Company cafeteria in the Mie Plant



Friendly bowling competition



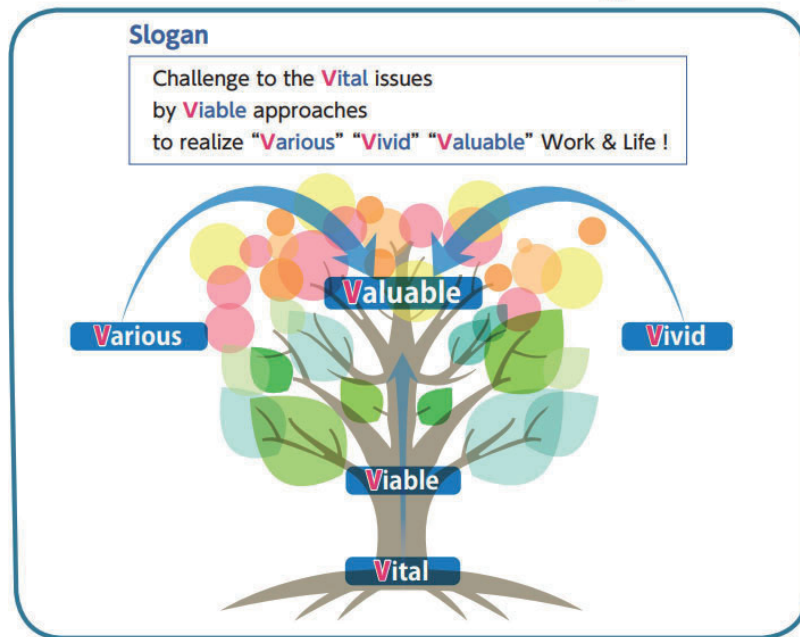
Kinugawa-so, the company-run resort house

Diversity & Inclusion

The Activity to Promote Women's Careers

In September 2014, we launched our activities, "Furukawa "V" Challenge!!", to promote women's careers and we have adopted a comprehensive approach to implementing initiatives.

Furukawa "V" Challenge !!



Responding to the Act on Promotion of Women's Participation and Advancement in the Workplace

In April 2016, we acquired Level Three(the highest level) of the "L-Mark", which is an accreditation for outstanding companies in the implementation of initiatives related to the promotion of women's careers.

In fiscal 2018, we will develop and promote new targets and action plans.



Objectives related to support the success of women in the workplace

1. We aim for 7% of females in managerial positions by fiscal 2025.
2. We aim for 15% of females in chief positions by fiscal 2025.
3. We aim for 40% of females in university graduates recruits by fiscal 2025.

(Note) A summary of our company's initiatives is available on the Ministry of Health, Labour and Welfare's "Enterprise database promoting women's success"

> ["Enterprise database promoting women's success" by Ministry of Health, Labour and welfare](#) (Japanese)

Action Plan period: April 1, 2014-March 31, 2026

Support for "Declaration on Action by A Group of Male Leaders Who will Create a Society in Which Women Shine."
- Enhance women's motivation and maximize their abilities Enhance women's motivation and maximize their abilities -

June 13, 2017

Keiichi Kobayashi, President of Furukawa Electric Co., Ltd., has endorsed the "Declaration on Action by a Group of Male Leaders Who Will Create a Society in which Women Shine", an initiative backed by the Cabinet Office of Japan. Based on the items indicated in this declaration, which consist of "Taking action and sending messages ourselves", "Disrupting the status quo", and "Developing networking", our company will take action in coordination with the "IkuBoss Corporate Alliance", which we became a member of on June 7 of this year, to raise the motivation of women and make it possible for them to utilize their abilities maximally.

About the "Declaration on Action by a Group of Male Leaders Who Will Create a Society in which Women Shine"

Utilizing the opportunities provided by the "Kick Off Meeting for Supporting Women to Shine" held at the office of the Prime Minister on March 28, 2014, movements conducted by leaders in various fields to support women who will and do shine with outstanding ability have been spreading.

As part of these movements, a "Declaration on Action by a Group of Male Leaders Who Will Create a Society in which Women Shine" has been coordinated, made up of male leaders from companies working to actively promote the success of women.



Homepage for the "Declaration on Action by a Group of Male Leaders Who Will Create a Society in which Women Shine"

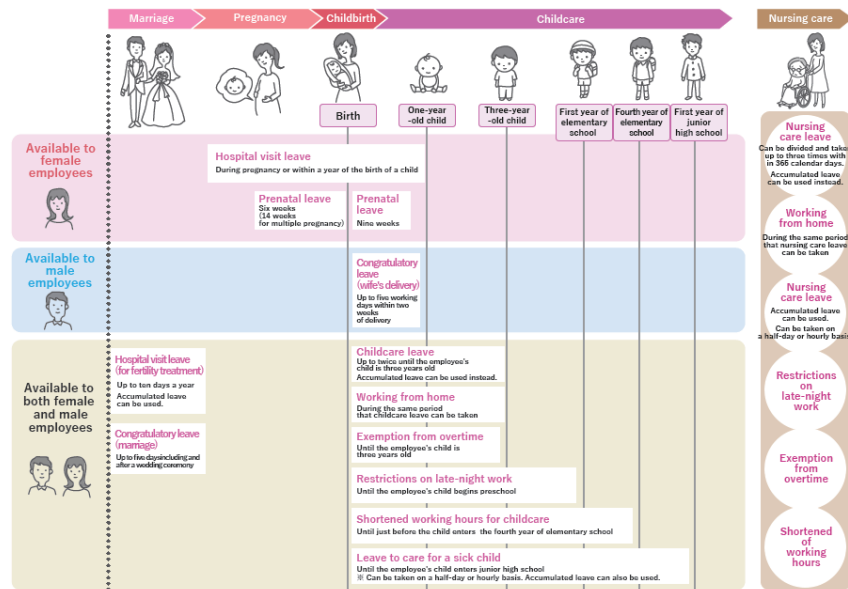
> ["Declaration on Action by a Group of Male Leaders Who Will Create a Society in which Women Shine"\(Gender Equality Bureau Cabinet Office\)](#)



Diversity & Inclusion

In-Company System for Flexible Working Styles

We set up a system for various life events such as pregnancy, childbirth, childcare, and nursing care, a variety of leave systems, Flextime system and telework, and aim to improve the work-life balance of employees.



Birthday leave	In-house system that birthday becomes holiday
Accumulated leave	Up to ten days of annual paid leave can be accumulated, for up to five years.
Consecutive leave	Employees are able to take three consecutive holidays once a year and five consecutive holidays every five years so that they can enjoy well planned holidays and refresh their mind and body.
Refresh leave	Employees in their 25th year of employment are able to take from 14 through 31 consecutive leave days per year.
Volunteer leave	Employees are able to take vacations up to 10 days for disaster support etc.
Flex-time system	We adopt flexible working hours system which enables employees to work efficiently according to the business demand.
Telework	Usable by anyone meeting certain conditions such as application of the flex-time system.
Hourly annual leave system	Employees can take annual leave on an hourly basis for up to five of their annual leave days every year.

Environmental Policy and Purpose

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 impactcausing 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 Vision

In the "Furukawa Electric Group Environmental Vision 2050", while continuing the measures based on the "Environmental Goal 2030", "Creation of Environmentally Friendly Business" and "Creation of Environmentally Friendly Business", which are important management issues (materiality) of the "Furukawa Electric Group Vision 2030"

We will strengthen the development of business activities that take climate change into consideration.



Environmental Vision 2050

Through the provision of environmentally friendly products and services and recycling-based production activities, contribute to the realization of a sustainable society throughout the value chain

- **Contribute to realizing a carbon-free society**

Aim to reduce greenhouse gas emissions throughout the value chain
(Greenhouse gas emissions from business activities (Scope 1 & 2): Challenge target of zero emissions in 2050)

- **Contribute to realizing a recycling-based society for water & resources**

Minimize water usage, and promote the use of recycled materials, including waste plastic, throughout the value chain

- **Contribute to society in harmony with nature**

Minimize the impact on ecosystems through value chain management that includes raw materials

Scope 1: Direct emissions from the company's plants and offices

Scope 2: Indirect emissions from the electrical power and heat paid by the company



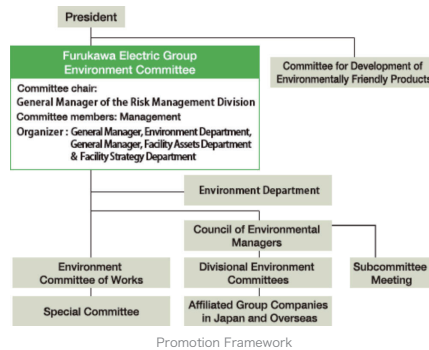
Environmental Management

Environmental Management

Environmental Management Organization

Furukawa Electric Group promotes environmental activities based on the basic environmental philosophy. The supreme advisory body in charge of the environment who is called the "Furukawa Electric Group Environmental Committee" is promoting the environmental management. The Corporate Vice President, who is also General Manager of the Risk Management Division, serves as the chairperson, and the committee consists of the General Managers from each business division and each corporate division responsible for management. The progress is reported quarterly to the Board of Directors level.

In order to ensure that the environmental management can be implemented smoothly, the environmental issues are specifically examined cross-departmentally in the "Council of Environmental Managers" which is consisting of the environmental manager of each business division and corporate division.



Environmental management international standard (ISO 14001)

Each Group site has developed an environmental management system that is ISO 14001 compliant and promotes environmental activities. We have achieved ISO 14001 certification.

> [Our works, domestic group companies, overseas group companies that have acquired ISO14001](#)



Furukawa Electric Co., Ltd. Mie Works Certificate

Environmental Education

Environmental Education System and Environmental Education Programs

Furukawa Electric Group conducts environmental education to raise the environmental awareness of employees and to share the necessary knowledge for our environmental activities.

In fiscal 2020, the ISO 14001 internal environmental auditor training course for newly appointed personnel was held online as a social distancing measure, with 21 employees participating. At the beginning of the fiscal year, we carry out training for each level of the hierarchy, including new employee training, training for newly appointed managers, and Monozukuri staff training for mid-level staff.

During Environment Month in June 2020, each employee watched environment-related videos, discussed the environment with family and co-workers, and carried out activities to raise awareness of promotion of environmental initiatives based on what they could contribute themselves.

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					
Consolidated environmental management seminars	Control of chemical substances contained in products					
	Seminars by experts on priority issues					

Environmental education programs

Environmental activity award system

Furukawa Electric Group started the Environmental Activity Awards in fiscal 2010. In fiscal 2018, the name was changed to the ESG Commendations "Environmental Contribution Award", aiming to raise environmental awareness and improve the standard of our environmental activities.

In fiscal 2020, one excellence award and three effort awards were awarded through a screening committee. The excellence award was given to FALP*, an overseas group member under the Automotive Products Division, in recognition of "energy conservation activities and introduction of renewable energy" for a project that contributes to reduced power consumption and CO₂ emissions.

*FALP: Furukawa Automotive Systems Lima Philippines, Inc.



Environmental Accounting

Furukawa Electric Group has introduced environmental accounting to quantitatively grasp the costs and effects of environmental conservation activities, and is striving for efficient and effective environmental activities. Our calculations are based on "Environmental Accounting Guidelines 2005", published by the Ministry of the Environment, and these cover Furukawa Electric and 20 Japan group companies.

In fiscal 2020, environmental conservation costs totaled 2.57 billion yen in expenses and 1.12 billion yen in environment-related investments. Compared with the previous year, expenses decreased by 280 million yen and investments decreased by 250 million yen.

> [List of all applicable companies : Environmental Management - Scope of the environmental accounting](#)

Environmental Management

Material Flow

Environmental Impact of the Furukawa Electric Group in Fiscal 2020

We tallied data for Furukawa Electric 31 domestic group companies, and 58 overseas group companies—a total of 89 companies.

Please see below for a list of all applicable companies.

> [List of all applicable companies : Environmental Management - Scope of the environmental management](#)

INPUT				OUTPUT			
Category	Domestic	Overseas	Unit	Category	Domestic	Overseas	Unit
Raw materials				Waste (note 3)			
Copper	124.0	119.3	1000t	Total waste generated (note 4)	24.3	17.5	1000t
Aluminum	8.1	12.5	1000t	Final waste disposal	0.4	12.0	1000t
Iron	4.1	9.0	1000t	Recycling amount	22.7	7.1	1000t
Other metals	4.4	0.04	1000t	Atmospheric emissions			
Glass	—	2.5	1000t	CO ₂	288	331	1000t-CO ₂
Plastic	32.9	48.1	1000t	SF ₆	28	—	1000t-CO ₂
Energy				SOx	2	—	t
Electricity (purchased electricity)	6,850	6,793	TJ	NOx	61	—	t
Electricity (hydroelectric electricity)	470	608	GWh	Soot	12	—	t
Electricity (solar electricity)	92	—	GWh	Chemical substances			
City gas	700	2,008	MWh	Volume emitted	53	—	t
Natural gas	16,551	4,527	1000m ³	Volume transferred	214	—	t
LPG	0	12,617	1000m ³	Wastewater			
Heavy fuel oil A + Kerosene + Light oil	9.2	0.4	1000t	Wastewater	9,439	1,850	1000m ³
Water				Wastewater Public waterways	8,803	711	1000m ³
Surface water	9,602	2,197	1000m ³	Rivers	7,869	330	1000m ³
Groundwater	6,644	53	1000m ³	Sea	906	0	1000m ³
Tap water	2,381	42	1000m ³	Other	28	381	1000m ³
Chemical substances				Sewer	636	1,139	1000m ³
Volume handled (note 1)	47.5	—	1000t	BOD	28	—	t
Packaging (note 2)				COD	37	—	t
Cardboard + Wood + Paper	0.26	12.6	1000t	SS	46	—	t
Plastic	0.26	5.93	1000t	Volume of water recycled and reused	1,100	59	1000m ³



(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



Environmental Management

Targets and Performance of Environmental Conservation Activities

Environmental Targets 2030

1. Contribution to the decarbonized society: Aiming for zero emissions over the long term.
 - I. The greenhouse gas emissions in the business activities: Reduce absolute scope 1 and 2 GHG emissions 26% by FY2030 from a FY2017 base year.
 - II. The greenhouse gas emissions in the value chain: Reduce absolute scope 3 GHG emissions 20% by FY2030 from a FY2017 base year.
2. Contribution to the sound material-cycle society: Promote of the recycled materials usages aiming at the sound material-cycle society.
3. Contribution to the circular & ecological sphere society: Minimize the impact on the ecological system through the provision of the environmental activities and products / services.

In fiscal 2018, Furukawa Electric Group has set the Environmental Targets 2030 and applied for SBT^(note) and got certified in fiscal 2019.

(note) SBT: Science Based Target.

Targets and Performance (Environment)

😊 : Achieved 😐 : Partially achieved 😞 : Not achieved

Activity		Furukawa Electric Group (Domestic and overseas)							
		Targets for FY 2020	FY 2020 results	Evaluation	Targets for FY 2021	Medium-term target for FY 2025			
Environmental impact reduction	Reduction of greenhouse gas emissions (Scope 1 & 2) ^(note 1)	CO ₂ +SF ₆	6.7% or more	Reduced 28.3%	😊	Base year 2017年	8.9% or more	17%	
		CO ₂	5.0% or more	Reduced 23.8%	😊		6.6% or more	—	
	Improvement ratio of renewable energy	1% or more	Increased 2.3%	😊	1.5% or more		3%		
	Base year 2017年	Reduction of greenhouse gas emissions (Scope 3) ^(note 2)		Start of reduction scenario	Scenario development:done	😊		2% or more	—
		Reduce water withdrawal	3% or more	Increased 8.1%	😞	Base year 2020	1% or more	5%	
		Reduce production energy	3% or more	Reduced 1.0%	😞		1% or more	5%	
		Reduce transportation energy	3% or more	Reduced 2.1%	😞		domestic : 1% or more	5%	
Reduce total waste		3% or more	Increased 1.2%	😞	domestic : 1% or more		5%		
Environment Business promotion	Improvement sales of environmentally friendly products	60% or more	58.2%	😞		62% or more	—		
	Contribution of products to avoided environmental impact	100,000 ton-CO ₂ or more	157,000 ton-CO ₂ or more	😊		110,000 ton-CO ₂ or more	—		
Contamination prevention	Prevention of environmental accidents	Number of accidents	Zero	0	😊		Zero	—	
		Number of small accidents	3 or less	1	😊		3 or less	—	
CDP ^(note 3) SCORE UP (Climate Change)			Score B or higher	A	😊		Score A	—	

(notes 1, 2) Scopes 1, 2, and 3

Scope 1: Direct emissions from works resulting from the use of fossil fuels, etc.

Scope 2: Indirect emissions resulting from the use of electricity, steam, and heat supplied from outside of works

Scope 3: Other indirect emissions, such as purchased products and services, business trip, commuting, and upstream transportation

(note 3) CDP: An organization through which institutional investors cooperate to run projects that require companies to disclose their strategies on climate change and specific greenhouse gas emissions.

Activities Targets and Performance in Fiscal 2020

The total amount of greenhouse gas emissions in fiscal 2020 was 28.3% lower than in fiscal 2017, due in part to the impact of economic stagnation. As a measure against climate change, we are promoting energy conservation at our plants, installing solar power generation systems, and switching purchased electricity to renewable energy. Furthermore, we established the new "Furukawa Electric Group Vision 2050", an environmental vision looking ahead to 2050, in order to take measures aimed at the awareness of ultra-long-term issues and their resolution from 2030 on.

Activity Targets in Fiscal 2021

The entire group will work to achieve the environmental targets for 2030. In terms of climate change measures, we will promote energy conservation activities, promote plans to introduce solar power generation, and switch purchased electricity to renewable energy, in line with long-term greenhouse gas reduction targets (SBT).



Environmental Management

International standards of the environmental management (ISO14001)

International standards of the environmental management (ISO14001)

International standards of the environmental management, ISO 14001 are acquired at 6 works, which have the production function, of Furukawa Electric and 25 domestic group companies. ISO14001 is also acquired at 32 overseas group companies. (As of July 2021)

Furukawa Electric Co., Ltd.

- Chiba Works
- Mie Works
- Nikko Works
- Yokohama Works
- Hiratsuka Works
- Copper Foil Division

Domestic group companies

- NTEC Ltd.
- Shoden Seiwa Co., Ltd.
- Furukawa Automotive Systems Inc.
- Furukawa Communication and Broadcasting Co., Ltd. (note)
- Furukawa Techno Material Co., Ltd.
- Furukawa Electric Industrial Cable Co., Ltd.
- Furukawa Nikko Power Generation Inc.
- Furukawa Magnet Wire Co., Ltd.
- Furukawa Electric Business & Life Support Inc. (note)
- Okano Electric Wire Co., Ltd.
- TOTOKU Electric Co., Ltd.
- Furukawa FITEL Optical Device Co., Ltd.
- Furukawa Industrial Plastics Co., Ltd.
- Furukawa Electric Advanced Engineering Co., Ltd. (note)
- Furukawa Electric Power Systems Co., Ltd.
- Furukawa Network Solution Corp. (note)
- Miharu Communications Inc.
- KANZACC Co., Ltd.
- Foam Kasei Co., Ltd.
- Furukawa Sangyo Kaisha, Ltd.
- Furukawa Precision Engineering Co., Ltd.
- Furukawa Electric Ecotec Co., Ltd. (note)
- The Furukawa Battery Co., Ltd.
- Furukawa Logistics Corp.
- Riken Electric Wire Co., Ltd.

Overseas group companies

- Chongqing Changhua Automobile Harness Co., Ltd.
- Furukawa Automotive Parts(Vietnam) Inc.
- Furukawa Automotive Systems (Vietnam) Inc.
- Furukawa Electric Autoparts Philippines, Inc.
- Furukawa FITEL (Thailand) Co., Ltd.
- Furukawa Minda Electric Pvt. Ltd.
- OFS FITEL, LLC
- POLIFOAM MUANYAGFELDOLGOZO KFT
- PT. Tembaga Mulia Semanan, Tbk
- Suzhou Furukawa Power Optic Cable Co., Ltd.
- Totoku (Zhejiang) Co., Ltd.
- Furukawa Auto Parts (Huizhou) Ltd.
- Furukawa Automotive Systems (Thailand) Co., Ltd.
- Furukawa AVC Electronics (Suzhou) Co., Ltd.
- Furukawa Electric Copper Foil Taiwan Co., Ltd.
- Furukawa FITEL Optical Products(Shanghai) Co., LTD.
- Furukawa Precision (Thailand) Co., Ltd.
- OFS RUS Fiber Optic Cable Company
- PT. Furukawa Automotive Systems Indonesia
- Shenyang Furukawa Cable Co., Ltd.
- Taiwan Furukawa Magnet Wire Co., Ltd.
- Wuhan Furukawa Automotive Systems Co.,Ltd.
- Furukawa Automotive Parts (Dongguan) Ltd.
- Furukawa Automotive Systems Lima Philippines, Inc.
- Furukawa Circuit Foil Taiwan Corporation
- Furukawa Electric LatAm S.A.
- Furukawa Mexico S.A. de C.V.
- OFS Fitel Deutschland GmbH Ltd.
- Permintex Furukawa Autoparts Malaysia Sdn. Bhd.
- PT. Furukawa Optical Solutions Indonesia
- Siam Furukawa Co., Ltd.
- Thai Fiber Optics Co., Ltd.

(note)Included in the Furukawa Electric Co., Ltd. business site



Environmentally Friendly Products

Environmentally Friendly Products and the e-Friendly Accreditation System

The Group defines environmentally friendly products as products (and services) that contribute to reducing environmental impact or have positive effect on the environment throughout the entire product lifecycle.

For the products compatible with the environmentally friendly products, the environmental mark "e-Friendly" is displayed on the exterior and the catalogues to encourage their adoption.



Categories of Environmentally Friendly Products

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

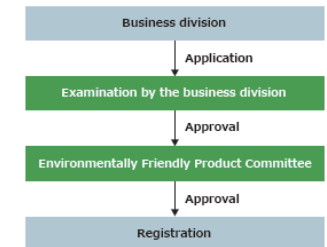
Category	Content
Prevention of global warming (Only available in Japanese)	Products with functions that contribute to the reduction or absorption / fixation of the greenhouse gas (GHG) emissions through the entire life cycle, or products that have reduced the greenhouse gas in its manufacturing processes.
Zero emission (Only available in Japanese)	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, products that have reduced waste volume in any one of all manufacturing processes.
Elimination of materials that have an impact on the environment (Only available in Japanese)	The products that meet one of the followings. 1. Products that do not use the ozone-depleting substances in all its fabrication processes. 2. Products that contain environmentally hazardous substances less than the regulation stated value. 3. Products that do not generate the environmentally hazardous substances exceeding the regulation stated values on using or disposing.
Resource savings (Only available in Japanese)	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.

From Application to Registration: The Registration of Environmentally Friendly Products

To register products as environmentally friendly, products must go through an application and examination process in their business division and then be examined by the Environmentally Friendly Product Committee.

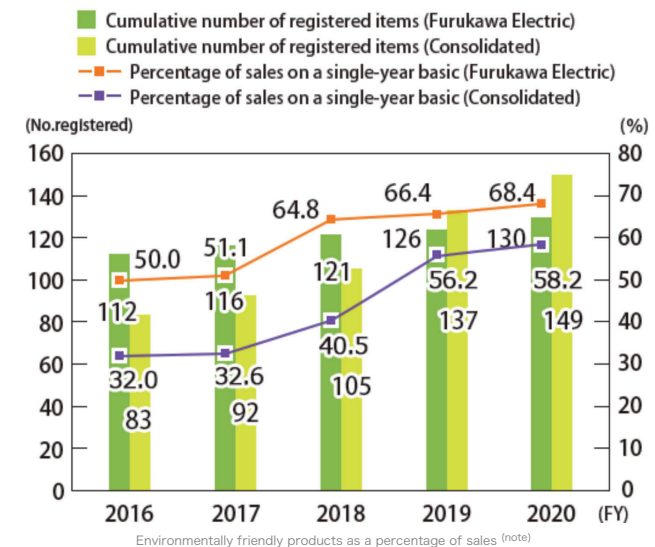
The criteria that products have to meet to be registered as an environmentally friendly product is an overall improvement of environmental performance when compared with existing products based on established evaluation criteria at each stage of the product's lifecycle: the purchase of raw materials and parts, production, use, distribution and disposal.

The flow of environmentally friendly product certification



Expanding Environmentally Friendly Products

In order to increase the ratio of the environmentally friendly products in all the products of Furukawa Electric Group, we set targets based on percentage of sales, and confirm our progress and success on this basis.



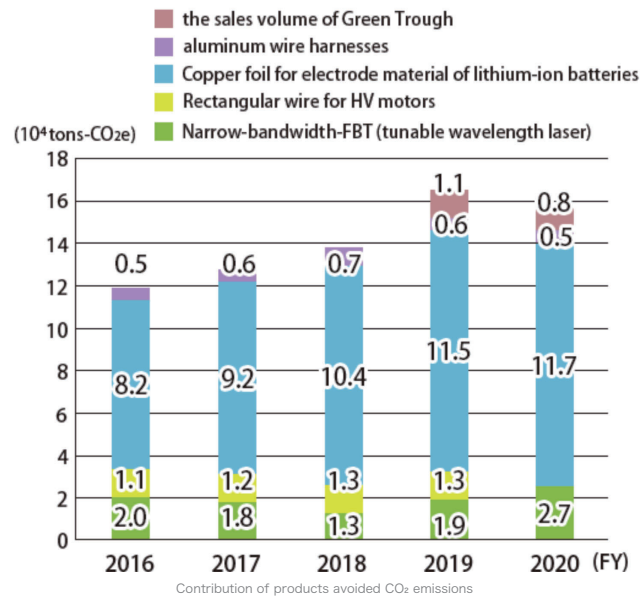
(note) In fiscal 2018, the rule for the environmentally friendly products was revised (The products that reduced the greenhouse gas (GHG) in the manufacturing process, etc.) and was reflected in the aggregate calculation.

Efforts to Contribute to the Environmental Impact Reduction by the Products

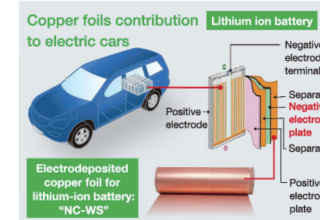
We are using life-cycle assessments (LCA) to visualize the reduction of CO₂ emissions generated during the use phase of Furukawa Electric Group products by customers based on the results of calculations made when visualizing the CO₂ emissions of our core products.

In terms of the Furukawa Electric Group's core products, reductions for semiconductor lasers for optical communications are calculated based on number of units sold, while reductions for copper foil, rectangular magnet wire, and aluminum harnesses for the automotive sector are calculated based on the number of new vehicles equipped with these products sold in the market in Japan. In fiscal 2020, rectangular magnet wire (EV/HV drive motors) was excluded from this product group due to transfer of business. After including Green Trough®, a recyclable resin trough product used in the fields of railways, roads, and renewable energy, total emissions stood at approximately 157,000 tons-CO₂/year, a slight decrease compared to the previous year.

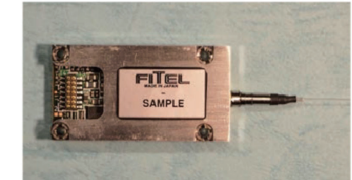
Looking forward, we will continue to monitor trends in global markets, expand sales and broaden the range of product lines/types that contribute to the creation of a social infrastructure that integrates information, energy, and mobility, and widen our efforts to address global ecological issues through our products.



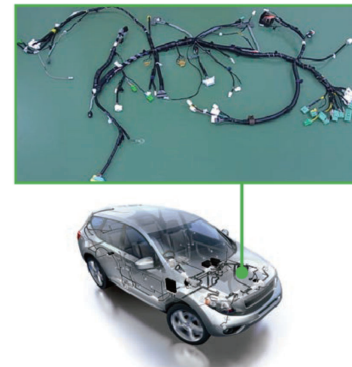
Reduction of CO₂ emissions using copper foil for lithium-ion batteries in electric vehicles.



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



Reduction of CO₂ emissions by aluminum harnesses for automobiles.



Reduction of CO₂ emissions by Recycled cable trough



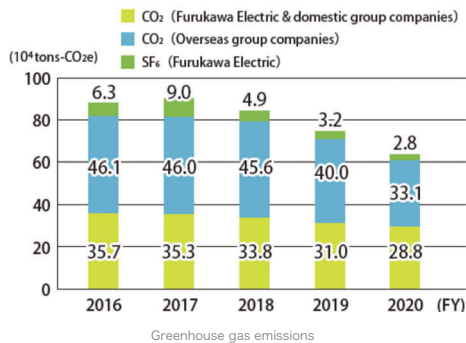
Climate Change

Efforts to Reduce Greenhouse Gas Emissions

The greenhouse gas emissions of Furukawa Electric Group are mainly energy originated CO₂ emissions and the sulfur hexafluoride emissions.

In fiscal 2020, the CO₂ emissions of the Japan group companies totaled 288,000 tons-CO₂e, an 18.3% decrease from fiscal 2017. CO₂ emissions of the overseas group companies totaled 331,000 tons-CO₂e, a decrease of 26.5% from fiscal 2017. In addition, sulfur hexafluoride emissions were reduced compared to fiscal 2017 through progress made in the establishment of test facilities etc., and total greenhouse gas emissions were reduced by 249,000 tons compared to fiscal 2017.

Furukawa Electric Group has established "Furukawa Electric Group Environmental Vision 2050" for 2050, aiming to contribute to a decarbonized society by reducing greenhouse gases along the entire value chain and promoting the use of renewable energy such as hydroelectric power and solar power throughout the group, both in Japan and overseas. Solar power generation facilities have been installed at Furukawa Electric's Copper Foil Division and Mie Works, at the Japan group company Totoku Electric Co., Ltd., and at overseas group companies including manufacturing bases in Mexico, China, and India. Additionally, we also use electricity generated by geothermal power at our manufacturing bases in the Philippines. In April 2021, the Hiratsuka Works began using green power generated by hydroelectric power plants. Furukawa Electric will reduce CO₂ emissions during the manufacturing process of our products and contribute to the reduction of greenhouse gases throughout the value chain.



(note1) 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 domestic CO₂ emission coefficient is used for non-purchased electricity.

(note2) Emissions of greenhouse gases other than CO₂ are converted to CO₂ equivalent emissions using Global Warming Potential (GWP).



Solar power panels installed by Mie Works (started operation in April 2021)

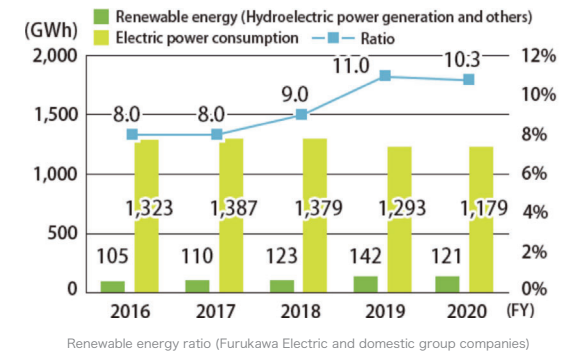


Solar power panels installed by TOTOKU Electric Co., Ltd. (started operation in January 2021)

Use of the Renewable Energy

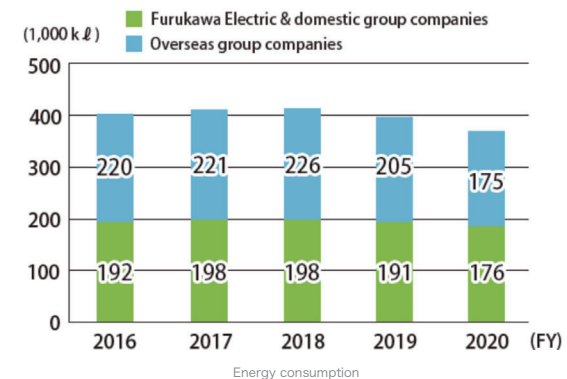
Furukawa Electric Group member Furukawa Nikko Power Generation Inc. owns four power plants and supplies hydroelectric power. This provides 100% of the electricity consumed by the Nikko Works, which uses hydroelectric power to produce copper strip products.

In fiscal 2020, renewable energy accounted for 16.5% of the Japan group's consumption and 10.3% of the overseas group's consumption. The renewable energy ratio in fiscal 2020 declined primarily due to the renewal of power generators and waterways started in January 2021. We will continue our efforts to increase the ratio of renewable energy use by implementing proper conservation measures through fiscal 2022.



Efforts on Energy Saving in Factories

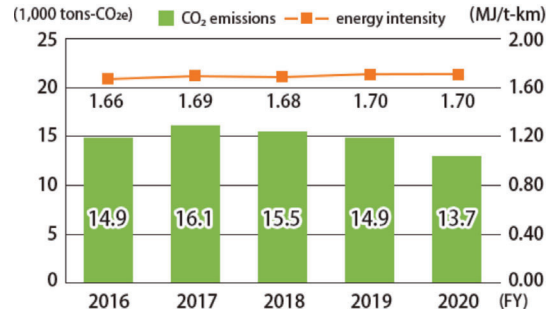
Furukawa Electric Group's energy usage rate was about 20% for fuel and about 80% for electricity. In particular, we achieved energy saving in the manufacturing process with high energy usage ratio. We replaced conventional equipment with more efficient production process and higher efficiency equipment. We implemented measures such as heat insulation of the high temperature section of equipment considering energy balance. Also, the factory building LED lighting is proceeding in accordance with the schedule.





Initiatives in Logistics

In fiscal 2020, the Japan group's freight transport volume was 187 million ton-kilometers. Furukawa Electric accounted for 118 million ton-kilometers of the total, down 15.6% from fiscal 2017, and CO₂ emissions fell 15% to 13,700 tons-CO₂. Freight energy intensity increased 0.5% from fiscal 2017. We will continue to promote modal shifts, improve loading ratios, and promote joint distribution.



CO₂emissions and energy intensity related to transportation (Furukawa Electric)

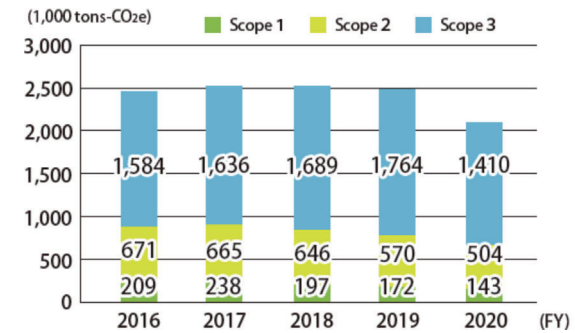
Internal Carbon Pricing

Internal Carbon Pricing In fiscal 2019, we began estimating internal carbon pricing. By making the prices in each business division visible, we are preparing for decarbonization and working to avoid climate change risks.

Measures to Disclose Environmental Information

Furukawa Electric Group answers questionnaires from the CDP group of institutional investors, responding to the CDP Climate Change questionnaire since fiscal 2008 and the CDP Water questionnaire since fiscal 2013. In fiscal 2020, we received a CDP Climate Change rating of A, and a CDP Water rating of B.

In order to support customers making use of CDP supply chain programs, we will participate in explanatory meetings and workshops, and to maintain and improve our CDP score, we will continue to expand the scope of environmental data we release and enhance our reliability. In fiscal 2020, we received a score of A in the CDP Supplier Engagement Rating for two consecutive years, thanks to the cooperative efforts of all relevant parties. We also participate in the Ministry of the Environment's Environmental Reporting Platform Development Pilot Project and collaborate with The Japanese Electric Wire & Cable Makers' Association and the Japan Copper and Brass Association.



Greenhouse gas emissions of CDP disclosure (10³ tons-CO₂e/year)

In the third-party verification of greenhouse gas emissions in fiscal 2020, compared to fiscal 2017 (the base year), we carried out verification of Scope 1 sulfur hexafluoride emissions and Categories 1-3, 6, and 7 of Scope 3 emissions to report on the fiscal 2020 results. All energy and some water resources have also been verified.

- > [Third Party Verification Statement "GHG Report 2021"](#)
- > [Third Party Verification Statement "Energy Consumption Report 2021"](#)
- > [Third Party Verification Statement "Water Data Report 2021"](#)

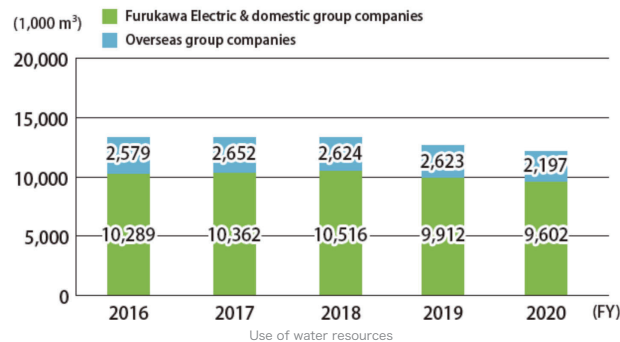
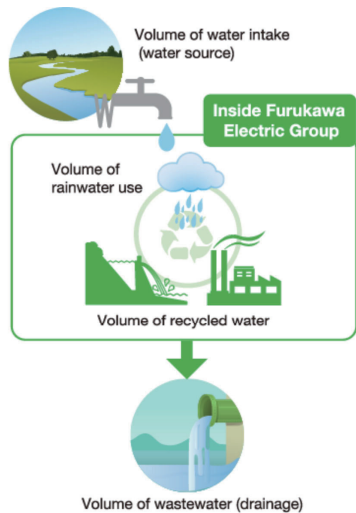
Water Resources

Effective Utilization of Water

As of fiscal 2013, Furukawa Electric Group has added efficient use of water to its environmental activities and works to identify the amounts of water used and wastewater produced at each base. Since fiscal 2015, we have been working to reduce the intensity of water consumption per net sales. While the total amount of water resources used decreased in fiscal 2020, the intensity of water consumption increased. The intensity of water consumption per unit of production was 1,450m³ /100 million yen, an increase of 8.1% from fiscal 2017. While we will continue to use the water resources necessary for production processes, etc., we will also continue our efforts to conserve and recycle water, and manage water quality and wastewater volume.

The CDP Water assessment used the World Resources Institute (WRI) Aqueduct tools to identify water risks at major bases within Furukawa Electric Group, and two bases at risk (Hiratsuka Works and Indonesia) were identified.

We will conduct a risk assessment that includes water resources each year and incorporate the results into BCM plans to make improvements.



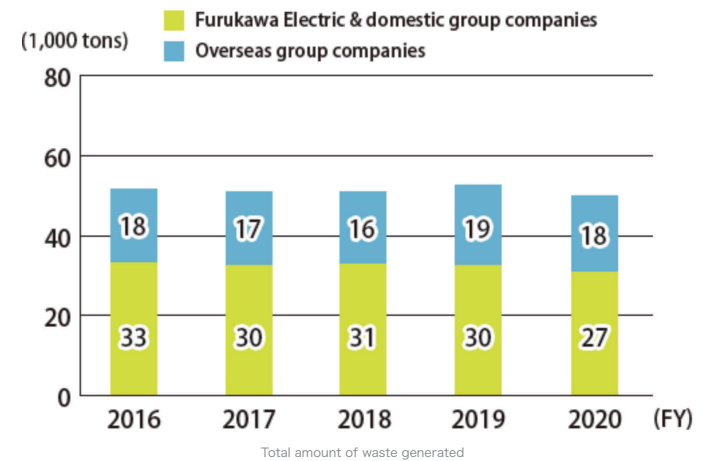
Reducing Waste

Initiatives in the Waste Reduction

Furukawa Electric Group began activities to reduce the amount of non-recyclable waste in fiscal 1993. Since fiscal 2001, we have been promoting zero emission activities. As of fiscal 2014, we have been promoting activities to reduce the total amount of waste generated, including valuable resources.

In fiscal 2020, the intensity per net sales for Japan group companies increased by 1.2% compared to fiscal 2017. We are working to reduce the generation of waste in the production process, such as by introducing waste liquid treatment facilities to reduce waste liquid.

We will continue to work on the efficient use and recycling of raw materials and other resources with the aim of sustainable resource recycling.





Chemical Substance Management

Green Activities

Response to Customer Requests

Furukawa Electric Group has participated in JAMP ^(note 1) since 2009, and is implementing group-wide environmental inspections based on the latest information from the JAMP chemSHERPA ^(note 2) management target substance list, which concerns 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 has established a system for managing chemical substances contained in products at its major bases and group companies, and is strengthening environmental product regulations, identifying environmental risks that must be reduced, and implementing measures according to the significance of the risks. Regarding compliance with the EU REACH environmental product regulations In fiscal 2020, we conducted product environmental inspections of 211 substances that are candidates for approval up to the 24th SVHC list of the EU REACH product environmental laws and regulations.

Green Procurement Activities

With regards to procurement of raw materials, components, and intermediate products used in Furukawa Electric Group products, we confirm that suppliers have established management systems for chemical substances contained in products and evaluate how these systems are being operated, based on business division Green Procurement Guidelines. We also confirm the survey data of chemical products contained in products based on updated information regarding product environmental laws and regulations in order to purchase appropriate products.

Chemical Substance Management Activities

Furukawa Electric Group is working to reduce emissions of hazardous chemical substances, and in particular is voluntarily reducing emissions of volatile organic compounds (VOC), which are thought to be one of the causes of photochemical smog.

In fiscal 2020, emissions by Japan group companies decreased by 11.4% from the previous year. We will continue to take action to suppress emissions in our production processes and other activities, as well as reduce the use of target substances.

Appropriate Management of Chemical Substances

We confirm the handling precautions and applicable laws and regulations for chemical substances used in Furukawa Electric Group manufacturing processes using GHS labels and SDS (safety data sheets), and manage these substances accordingly. Additionally, in accordance with the PRTR Law ^(note 2), we are working to ascertain the amounts of substances handled, transferred, and released.

(note1) JAMP: Joint Article Management Promotion-consortium

(note2) PRTR Law: Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management.

(note3) chemSHERPA stands for "chemical information SHaring and Exchange under Reporting PArtnership in supply chain". This is a joint communication scheme currently operated by JAMP that communicates information on chemical substances contained in products throughout the supply chain, from upstream companies to downstream companies.

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. Currently, the processing is sequentially carried out according to the plan of Japan Environmental Storage & Safety Corporation, and the processing has been completed at some of our business sites. 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.

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 (air, water quality, etc.).

Please see below for our response to the asbestos problem.

> [Response to Asbestos Concerns](#)

Biodiversity Conservation

Biodiversity Conservation Initiatives

Furukawa Electric Group includes biodiversity conservation measures in its Basic Environment Policy. Throughout our activities, we are applying Furukawa Electric Group's comprehensive guidelines in relation to initiatives aimed at protecting biodiversity.

We have registered with the JBIB ^(note 1) (Japan Business Initiative for Biodiversity) to further develop our understanding of biodiversity. Additionally, the group company Furukawa Research Inc. launched activities in fiscal 2015 to cultivate the class II endangered species ^(note 2) of flower **Pulsatilla cernua** within the grounds of Furukawa Electric Co. Ltd.'s Yokohama Works, as part of our efforts to contribute to local society. From fiscal 2016, cultivation activities have also been taking place at Hiratsuka Works and Chiba Works, growing new plants cultivated from the roots of existing plants. In fiscal 2020, we began to share plant roots with group company Furukawa Automotive Systems to further expand cultivation of **Pulsatilla cernua**. Based in Shiga Prefecture, Furukawa Automotive Systems received recognition for its cultivation of the class II endangered species **Pulsatilla cernua** and cleaning activities in the local community conducted through its ISO 14001-based environmental management systems in the "Shiga Biodiversity Initiatives Certification 2020" ^(note 3) program, earning the highest rating of three stars.

(note 1) JBIB: Japan Business Initiative for Biodiversity. Established in 2008, this is a group of companies that are actively working to conserve biodiversity.

(note 2) "Class II endangered species" refers to species with an increased risk of extinction.

(note 3) In 2015, Shiga Prefecture established the Biodiversity Shiga Strategy, which is based on the philosophy of "utilizing the inherent strength of nature and protecting life across generations". Since 2018, the Shiga Biodiversity Initiatives Certification program has been used to evaluate the efforts of businesses to conserve biodiversity.

Cultivation activity of Pulsatilla cernua

Yokohama Works



Chiba Works



Hiratsuka Works



Furukawa Automotive Systems Inc. (Headquarters / Shiga)



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



Supply Chain

Basic approach to procurement

We contribute to create the social infrastructure combining information, energy, and mobility through the relationship and co-creation with our partners. In order to realize a truly affluent and sustainable society, we have been conducting fair and sincere procurement activities to take the consideration about the safety and environment, under the Furukawa Electric Group Procurement Policy.

Furukawa Electric Group Procurement Policy

1. Fairness and Integrity

We are open to any and all business partners in accordance with the principle of free competition and we all act with fairness and integrity.

2. Compliance with Laws and Regulations and CSR Procurement

Toward the realization of a sustainable society, we conduct our procurement activities considering environment preservation and safe operation in comply with all applicable laws and regulations and we do fulfill our Corporate Social Responsibility.

3. Partnership

We always value relationships of mutual trust with our business partners to create new values by collaboration. We pursue to optimize our procurement conditions from the viewpoint of quality, cost, delivery, technological capabilities and CSR activities.

(note) In the Group, we call our business suppliers as the "Partners" to collaborate the value creation.

Procurement

CSR Procurement Guideline

Here shows the basic idea of deployment in CSR procurement in Furukawa Electric Group Business partners.

- | | |
|-------------------------------|-------------------------|
| 1. Labor | 2. Health and Safety |
| 3. Environment | 4. Ethics |
| 5. Product Quality and Safety | 6. Information Security |
| 7. Business Continuity Plans | 8. Management Systems |
| 9. Contribution to Society | |

> [CSR Procurement Guideline 3rd edition \(PDF 171KB\)](#)

Green Procurement Guideline

Here shows the Green Procurement Guideline to procure environment-friendly products preferentially and continuously from our business partners who are active in the environmental conservation activities.

1. Introduction
2. Scope of Application
3. Term Definition
4. Request to the Partners
5. Furukawa Electric Group Green Procurement (Imperative)
6. Operation of the Green Procurement Guideline

> [Green Procurement Guideline \(PDF 175KB\)](#)

Quality Assurance Guideline

Here shows the Quality Assurance guidelines established for understanding of the stance of Furukawa Electric Group.

1. Requirements with Respect to Quality Assurance
2. Securing Resources
3. Ordering Process
4. Design, Development and Change Processes
5. Purchase Process
6. Manufacturing Process
7. Audits and Management of Nonconforming Products by Partners

> [Quality Assurance Guidelines for Partners \(PDF 255KB\)](#)

> [合作伙伴质量保证指南 \(PDF 312KB\)](#)



Conducting Training on Subcontracting Transactions

In order to forge sound relationships with business partners through fair transactions that comply with rules and regulations, Furukawa Electric Group provides training for employees on subcontracting transactions. In fiscal 2020, the employee education which incorporates e-learning were conducted, and we aimed to make thoroughly known the contents of the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and management practice of mold.

Partners Meeting and Partners Evaluation Scheme

We carry out partner evaluations for partners (80% of materials and equipment purchase amount) selected based on purchase amount and importance. The fiscal 2020 partners meeting was cancelled in consideration of the COVID-19 pandemic. This year, we established the SDGs Award for the evaluation of proactive SDG-related efforts in addition to the existing Excellent Partner Awards, Group Global Partner Awards, Best Effort Partner Award and Best Performance Award. We also evaluate main business partners on the basis of quality, technology, price, delivery system, degree of social contribution and credit condition, and then, we provide feedback on our findings, in partners meeting. In addition, we discuss the results of our evaluations with them to more closely align our awareness of procurement activities. As part of that, we accelerated the activities of Procurement Logistics in fiscal 2020. By selecting the best means of the transportation within the value chain, such as the effective use of the returning vehicles, we are continuing to deal with the cost reductions, CO₂ reductions during procurements, and "the risks of the soaring logistics costs and becoming difficult to transport".

In fiscal 2020, we evaluated 198 business partners and provided feedback to them. Furthermore, we requested ongoing cooperation from business partners on business continuity and stable supply initiatives.

Promoting CSR in procurement activities

We are promoting the CSR procurement activities in mindful of the "Environment" and the "Social" issues. Based on our CSR Deployment Guideline for Business Partners, Existing partner and we are working together to engage in procurement activities with "full legal compliance and fair trading practices", "consideration for human rights, safety and the environment", "reduction of an environmental impact" and "elimination of conflict minerals"^(note). We are also continually providing encouragement at partners meeting by explaining the state of our efforts to our business partners, asking for their cooperation with our activities, and so on. We encourage new partners to comply with the CSR Promotion Guidelines at the start of transactions with us. Furukawa Electric Group CSR Procurement Guideline 3rd edition We published the CSR Procurement Guidelines (third edition) at the end of fiscal 2020 with reference to the RBA Code of Conduct, the JEITA guidelines and other materials, and fully informed all of our partners of the guidelines. We will effectively use the CSR Procurement Guidelines (third edition) which include additional provisions regarding the current requirements of society when carrying out initiatives.

Value chain BCM (Business Continuity Management)

Furukawa Electric conducts regular questionnaire surveys on its main partners about their BCM measures. In fiscal 2020, we held questionnaire surveys for main partners and placed the results we received from our business partners onto a database. In this way, we have become able to quickly identify which partners are mostly likely to be affected during a natural disaster.

Conflict Minerals ^(note)

Regarding the action associated with the conflict minerals, we have established the group policy as a part of compliance activities of RBA (Responsible Business Alliance) Code of Conduct, in the "Responsible Mineral Procurement Initiatives" and making efforts to inform the group companies and the business partners.

In fiscal 2020, we continued the surveys on the usage status of the conflict minerals for the main products of Furukawa Electric and the group companies. At the same time, we are actively promoting the procurement from the smelters certified by the RBA conflict-free smelter program.

Going forward, in addition to requesting the cooperation of group companies and our business partners in the responsible sourcing of minerals, we will work with the Japan Electronics and Information Industries Association (JEITA), an industry organization, on initiatives targeting the responsible sourcing of minerals.

(note) Defined as minerals (tantalum, tin, gold, tungsten or their derivatives) that originate in or near the Democratic Republic of the Congo that may help to finance armed conflict.

Challenges and Future Policy

We want to fully grasp the state of our CSR activities along the value chain by regularly asking our partners to complete a questionnaire on their understanding of our CSR Deployment Guideline for Business Partners. We will also seek to deepen BCM by giving encouragement to partners based on the results of our BCM questionnaire and manufacturing site survey, with the aim of improving crisis response levels along the entire value chain. Internally, we have held exercise and seminars on the handling of BCM in order to raise our awareness. In addition, we are implementing the work style reform through the RPA (Robotic Process Automation) and also making efforts to reduce internal risks through the standardization and duplication of the procurement operations.



Targets and Results (Procurement)

😊 : Achieved 😊 : Partially achieved 😞 : Not achieved

FY 2020			FY 2021
Targets	Results	Achievement	Targets
Performance of the partners evaluation and the enhancement of CSR procurement questionnaire surveys			Promotion of procurement activities that fulfill social responsibility to solve the SDGs
Ongoing implementation of the partner assessment system and utilization of feedback discussions	<ul style="list-style-type: none"> We evaluated 198 key partners. To prevent infection, the Partners Meeting was canceled, and feedback on evaluation results and an outline of the company and explanations of its procurement policy were provided through individual meetings with each partner. 		<ul style="list-style-type: none"> Continue partner evaluation system
Continue to inform partners about the "CSR Deployment Guidelines"	<ul style="list-style-type: none"> We published the CSR Procurement Guidelines (third edition) with reference to the RBA Code of Conduct and other materials and fully informed all people concerned. 	😊	<ul style="list-style-type: none"> Continue to fully inform all of our partners of our CSR Procurement Guidelines. Perform SAQ for key partners.
Examination and implementation of measures to strengthen the value chain by utilizing BCM questionnaire surveys and site surveys results	<ul style="list-style-type: none"> Reviewed and increased the number of supply points (and sometimes recommended to hold inventory) for important products 		<ul style="list-style-type: none"> Discuss measures to reinforce the value chain based on the results of the BCP questionnaire, such as having multiple procurement partners.
Carry out conflict minerals survey (data update survey)	<ul style="list-style-type: none"> A conflict materials surveys (data update surveys) was done 		<ul style="list-style-type: none"> Conflict minerals survey (data update survey)
Promotion of the strategic "Purchasing process" activities in consideration of the value chain.	<ul style="list-style-type: none"> CO₂ reductions during procurements Number of partners 24 companies in 2019 ⇒ 25 companies in 2020 		<ul style="list-style-type: none"> Promotion of the strategic "Purchasing process" activities in consideration of the value chain.



Quality

Basic Approach

Each of the Company's divisions has acquired ISO 9001 certification. We have been contributing to the society by introducing the processes of ISO9001, and constantly striving to improve quality by standardizing operations in order to provide good products and services from the customers' prospects.

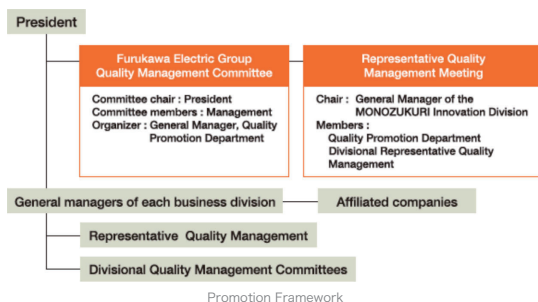
Going forward, we will continue endeavoring to further enhance "MONOZUKURI ability" throughout Furukawa Electric Group by achieving the quality expected by customers, based on a policy of Group-focused management.

Quality Management Policy

At every stage of our operations, from research and development to manufacturing, sales, customer service and management, in all sections and all hierarchies, we always strive to adhere to a PDCA management cycle based on actual facts, maintain and improve our products, customer services and the quality of our operations and put our management policies into practice.

Organizations for Improving Quality

Furukawa Electric has established Furukawa Electric Group Quality Management Committee, which is chaired by the president, as the topmost body for promoting quality management at Furukawa Electric Group level. Directed by this committee, Divisional Quality Management Committees led by divisional heads promote ongoing efforts to maintain or improve the quality of our products, customer services and operations.



Quality Enhancement Project

For the purpose of improving the manufacturing ability, obtaining the technically valuable knowledge and reducing the failure cost, we select the important issues in all business divisions and proceed the effort to solve the issues. We also aim to develop human resources with high issues-solving power in this activities.

At the end of the fiscal year, the report meeting on online was held to listen to each activity reports and to conduct mutual study on how to proceed with problem solving.

Risk Free Design (RFD) Project

In order to achieve the quality expected by customers, it is important to identify problems at the design and development stage and to take appropriate measures before starting the production.

In this project, we are working to improve the ability in identifying problems and in solving it by the designing and developing engineers, also improving the process for its effective implementation.

In fiscal year of 2020, we continued to hold the training sessions to improve our ability to promote this concept and expanded divisions to learn this methods. Furthermore, we strived to deepen this concept using methods which they learned at training sessions.

The process following this concept is shown in the "Guidelines" regarding the design and development that the Group has independently established. In accordance with these guidelines, each business division is promoting the standardization that is appropriate for each business and continue to improve finding problems after using this guidelines.

Issues and the future policy

In light of the recent quality irregularities in Japan's manufacturing industry, Furukawa Electric Group will continue to strengthen "quality compliance" and "quality governance" by setting "guidelines" which prescribed what shall be followed and improving their ability of auditors in quality management system.

And, in order to achieve the quality expected by customers, two projects will be continuing.

The Quality Enhancement Project does not simply address quality improvement themes on a superficial level. The project determines the root causes of problems to improve technology in our fields of business and continues to cultivate human resources who excel at solving problems.

The Risk-Free Design (RFD) project continues to promote training that empowers employees to identify potential problems and issues in the market, and conduct MIZENBOUSHI (resolve and prevent problems) at the design and development process mainly, before customers use the product. The RFD project is also working on the introduction of new systems to prevent problems.

Targets and Results (Quality)

😊 : Achieved 😊 : Partially achieved 😞 : Not achieved

FY 2020			FY 2021
Targets	Results	Achievement	Targets
Strengthening of fundamental Quality Power Reduce "failure costs" by 10% from fiscal 2019	We have strived to conduct mutual study on how to proceed with problem solving and its activities and expand and deepen the activities of the RFD Project	😊	Committed to achieving the quality expected by customers! Reduce "failure costs" by 10% from fiscal 2020



Local Community Contribution, Social Contribution

Basic Policy

Furukawa Electric Group has continued to conduct social contribution activities that are rooted in the local community. Going forward, we will strengthen these actions further along the three dimensions of nurturing future generations, promoting sport and culture, and living in harmony with the natural environment and local communities.

Furukawa Electric Group Basic Policy on Social Contribution Activities (Revised March, 2011)

Furukawa Electric Group will continuously undertake social contribution activities focusing on nurturing future generations, promoting sport and culture, and living in harmony with the natural environment and local communities, in addition to its business-related activities, in order to maintain and strengthen community ties built over centuries and create a better tomorrow for future generations.

ESG awards Social Contribution Award

Furukawa Electric has established the "ESG Awards", which commends the outstanding social contribution activities and the environmental conservation activities of the group companies, and award them every year. We are working to expand and enhance social contribution activities within the Group, targeting the social contribution activities of our Group companies and our bases in Japan and overseas.

Outstanding Performance Award

OFS Fitel LLC

Requests to local employment opportunities groups for people with disabilities and safety reviews to the groups

Furukawa Electric Co., Ltd.

Free evacuation mats for areas affected by torrential rain in southern Kyushu
Excellent Award

Excellent Award

OFS Fitel LLC

In the early stages of corona expansion, masks, face shields, etc. were manufactured with a 3D printer and donated to facilities for the elderly

Furukawa Electric Power Systems Co., Ltd. (FEPS)

Providing work guidance to outsourced facilities for people with disabilities to achieve stable sharing, cost reduction, and increase in purchasing volume

Activities in different regions

The Group conducts a variety of social contribution activities in different regions.

		Activities in different regions					
		Cultivation of the next generation	Encouragement of sports and culture	Harmony with nature and communities	Support and cooperation	Evaluation and opinions of outside organizations, external commendations	Other social contribution activities
Furukawa Electric Co., Ltd. Locations and Divisions	Chiba	●	●	●	●	●	
	Nikko		●	●	●		●
	Hiratsuka	●	●	●	●		●
	Mie	●	●	●	●	●	
	Yokohama	●			●		
	Tokyo	●			●	●	●
	Copper foi		●	●			
Domestic subsidiaries and affiliates	Furukawa Elecom Co., Ltd. (ELECOM)		●	●	●		
	Furukawa Magnet Wire Co., Ltd.		●	●	●		
	Yokohama Drum Manufacturing Co., Ltd.			●			●
	Furukawa Nikko Power Generation Inc.		●	●			
	Furukawa UACJ Memory Disk Co., Ltd.				●		
	Foam Kasei Co., Ltd.		●				
	Furukawa Research Inc.	●			●	●	
	Myojodenki Co., Ltd.		●	●	●		
	Furukawa Electric Advanced Engineering Co., Ltd.						
	TOTOKU Electric Co., Ltd.	●	●	●	●	●	
	Furukawa Electric Power Systems Co., Ltd. (FEPS)	●		●	●		
	Miharu Communications Inc.		●		●	●	●
	The Furukawa Battery Co., Ltd. (Iwaki)	●			●		
	The Furukawa Battery Co., Ltd. (Imaichi)	●	●	●	●		
	Furukawa Communication and Broadcasting Co., Ltd.		●	●	●		
	Furukawa Precision Engineering Co., Ltd.		●	●	●	●	●
Okano Cable Co., Ltd.			●	●			
Kyusyu Network Cable Co., Ltd.				●			
Ibaragi Okano Cable Co., Ltd.	●			●		●	
Okano Electronics Co., Ltd.	●	●	●	●	●	●	

		Activities in different regions					Other social contribution activities
		Cultivation of the next generation	Encouragement of sports and culture	Harmony with nature and communities	Support and cooperation	Evaluation and opinions of outside organizations, external commendations	
Overseas subsidiaries and affiliates	KANZACC		●	●	●		●
	Furukawa Fitel Optical Device CO.,LTD			●			
	Furukawa Logistics Corp.			●	●		
	FESZ			●			
	FFT			●	●		●
	Tianjin Jinhe Electric Engineering Co., Ltd. (TJHE)			●			
	FAPV	●			●	●	
	TFOC	●					
	FASW	●	●	●	●		●
	Trocellen (Germany)	●	●		●		
	Trocellen (Italy)	●			●		●
	Trocellen (Hungary)	●	●	●	●		
	TSEA		●		●		
	FTC						
	FETI	●	●	●	●	●	●
	TFU	●	●	●	●	●	●
	FAST	●	●	●	●	●	●
	FALP	●		●	●	●	
	FEL	●	●	●	●	●	●
	AFI	●		●	●	●	●
FURMEX	●	●	●	●	●		
SFPOC	●	●	●	●	●		
FCFT		●	●	●			
FECT		●	●	●			
TMS			●	●	●	●	
FME	●	●	●	●		●	
PFAM			●	●			
FPT	●			●	●		

Promoting sport and culture



The Company is an official partner of the professional soccer team JEF United Ichihara Chiba.



The Company supports the activities of the professional ice hockey team H.C. Tochigi Nikko Icebucks.



The Company donated the former Shigenobu Okuma House and the former Munemitsu Mutsu House, which the Company maintained and managed as reception facilities in Meiji Memorial Oiso House and Garden, to the national government in fiscal 2018.

Living in harmony with the natural environment and local communities

The Group has conducted a variety of social contribution activities that contribute to coexistence with local communities, including the following.



Held a Nikko Waraku Odori dance event (Furukawa Electric). (Canceled in 2020 due to the spread of new coronavirus infection)



Supported the "Let's create recycled artwork" workshop for neighborhood elementary school students (Furukawa Electric Power Systems).



Providing sanitary facilities to schools (Furukawa Minda Electric Private LTD.)



Distribute face masks and hand sanitizers to the local community (Permintex Furukawa Autoparts Malaysia Sdn.Bhd.)

Nurturing future generations

The Group has conducted the following activities to nurture the future generation.



The Company's Yokohama Works has provided work experience tours for elementary school and junior high school students since 2017.



In order to cultivate human resources who are responsible for the future, the Company provided workplace experience to and accepted company visits from first-year students at prefectural high schools in Ibaraki at the head office.



The Company donated computers for local children. (Thai Furukawa Unicomm Engineering Co., Ltd.)



Christmas support for district kindergartens (Trocellen)

Biodiversity Conservation (Harmony with nature)

The Group has made various biodiversity initiatives in each region.



Participated in Furukawa-no-mori tree planting organized by the Tochigi Furukawa Association (Furukawa Precision Metal Industrial).



Monitoring and control of treated wastewater discharge parameters to ensure the natural state of the river (Furukawa Electric LatAm S.A.)



In fiscal 2020, we conducted the activities of biodiversity conservation listed below.

		Nurturing future generations								
		Conservation of forest resources such as tree planting in consideration of the local ecosystem	Conservation of rivers and marine resources in consideration of the local ecosystem	Restoring the loss of the ecosystem due to laying work and factory construction in the neighborhood or another place	Cooperation with other companies / organizations and external organizations such as NPOs	Request for consideration of biodiversity from suppliers	Survey of biodiversity conservation status of suppliers	Explanation of the company's biodiversity conservation policy to suppliers	Other activities to consider the ecosystem	Customer requirements for biodiversity
Furukawa Electric Co., Ltd. Locations and Divisions	Chiba	●				●	●	●		
	Hiratsuka	●		●						
	Mie	●	●				●			
	Yokohama									
	Copper foil				●					
Domestic subsidiaries and affiliates	Yokohama Drum Manufacturing Co.,Ltd.								●	
	Furukawa Research Inc.	●							●	
	Furukawa Electric Advanced Engineering Co., Ltd.	●								
	TOTOKU Electric Co., Ltd.		●							
	Furukawa Communication and Broadcasting Co., Ltd.	●		●						
	Furukawa Precision Engineering Co.,Ltd.	●			●				●	
	Okano Cable Co., Ltd.	●	●		●					
	Ibaragi Okano Cable Co., Ltd.	●				●	●	●	●	●
	Okano Electronics Co., Ltd.								●	
	Furukawa Fitel Optical Device CO.,LTD		●							
Overseas subsidiaries and affiliates	TFOC	●				●		●	●	
	FASW					●	●	●	●	●
	Trocellen (Germany)	●								
	Trocellen (Italy)					●				
	Trocellen (Hungary)									●
	FTC						●			
	FEL	●	●	●	●	●		●	●	
	TMS	●								
	FME	●	●				●	●		●
FPT				●						



ESG Data

Environment revised at August 2021

Environmental conservation costs(Unit: million yen)

Furukawa Electric

Category	Key activity and the outcome	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Business area costs	Pollution prevention (air pollution, etc) energy conservation, waste disposal, etc.	1,133	1,191	1,180	1,145	1,144
Upstream/ downstream costs	Recovery of packaging, drums, etc.	163	152	175	175	156
Administration costs	Environmental management system auditing, environmental impact monitoring, etc.	332	354	331	329	340
Research and development costs	Development of environmentally friendly products, research into alternatives for harmful substances	278	171	286	281	260
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	2	2	2	2	0
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	1	1	3	1	0
Total		1,909	1,871	1,977	1,933	1,900

Domestic group companies

Category	Key activity and the outcome	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Business area costs	Pollution prevention (air pollution, etc) energy conservation, waste disposal, etc.	510	492	476	535	348
Upstream/ downstream costs	Recovery of packaging, drums, etc.	243	245	210	211	145
Administration costs	Environmental management system auditing, environmental impact monitoring, etc.	117	138	136	128	80
Research and development costs	Development of environmentally friendly products, research into alternatives for harmful substances	93	62	60	46	97
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	5	5	4	3	1
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	4	8	0	0	0
Total		972	950	886	924	673

Furukawa Electric + Domestic group companies

Category	Key activity and the outcome	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Business area costs	Pollution prevention (air pollution, etc) energy conservation, waste disposal, etc.	1,643	1,683	1,656	1,681	1,493
Upstream/ downstream costs	Recovery of packaging, drums, etc.	406	397	385	386	301
Administration costs	Environmental management system auditing, environmental impact monitoring, etc.	449	492	467	457	420
Research and development costs	Development of environmentally friendly products, research into alternatives for harmful substances	371	233	346	327	358
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	7	7	6	5	1
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	5	9	3	1	0
Total		2,881	2,821	2,863	2,857	2,573

Economic benefits associated with environmental conservation activities (Unit: million yen) Reduction amount compared to previous year, Minus figures indicate an increase

Furukawa Electric

Details of benefits	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue from recycling	474	296	159	248	244
Reduction in waste disposal costs	-4	-54	-117	-150	24
Reduction in energy costs ^(note)	1,089	-925	-531	64	1,057
Reduction in water purchase costs	18	4	3	8	23
Total	1,577	-680	-252	171	1,348

Domestic group companies

Details of benefits	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue from recycling	213	284	334	239	244
Reduction in waste disposal costs	9	-69	-55	-46	33
Reduction in energy costs	420	274	-80	77	1,072
Reduction in water purchase costs	-9	39	-16	-32	63
Total	633	528	183	237	1,412

Furukawa Electric + Domestic group companies

Details of benefits	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue from recycling	687	580	493	487	488
Reduction in waste disposal costs	5	-123	62	-196	57
Reduction in energy costs	1,509	-651	-611	141	2,129
Reduction in water purchase costs	9	43	-13	-24	86
Total	2,210	-152	-69	408	2,674

(note) It was affected by the partial transfer of the business of VISCAS Co., Ltd. in October 2016 and the impact of energy price increases since 2016.

Environmental conservation benefits

Furukawa Electric

Environmental impact	Unit	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Volume of industrial waste disposal processed ^(note 1)	tons	351	115	336	369	532
Energy consumption (crude oil equivalent)	1,000 k ℓ	128	137	139	139	129
Water consumption ^(note 2)	1,000 tons	8,304	8,175	8,427	8,987	7,871
Emissions of volatile organic chemical compounds	tons	196	210	203	236	236
CO ₂ emissions	1,000 tons-CO ₂	217	229	226	213	197
SO _x emissions	tons	14	1	1	4	3
NO _x emissions	tons	45	32	56	47	73
Soot emissions	tons	5	3	12	3	1



Domestic group companies

Environmental impact	Unit	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Volume of industrial waste disposal processed ^(note1)	tons	1,444	1,170	1,943	1,106	1,106
Energy consumption (crude oil equivalent)	1,000 kℓ	64	61	58	52	47
Water consumption ^(note2)	1,000 tons	1,985	2,187	2,088	1,878	1,507
Emissions of volatile organic chemical compounds	tons	108	120	115	120	79
CO ₂ emissions	1,000 tons-CO ₂	140	123	112	97	90
SO _x emissions	tons	1	0	0	0	0
NO _x emissions	tons	10	22	20	20	20
Soot emissions	tons	2	1	0	0	0

Furukawa Electric + Domestic group companies

Environmental impact	Unit	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Volume of industrial waste disposal processed ^(note1)	tons	1,795	1,285	2,279	1,474	1,538
Energy consumption (crude oil equivalent)	1,000 kℓ	192	198	197	191	176
Water consumption ^(note2)	1,000 tons	10,289	10,362	10,516	9,865	9,378
Emissions of volatile organic chemical compounds	tons	304	330	318	356	315
CO ₂ emissions	1,000 tons-CO ₂	357	352	338	310	287
SO _x emissions	tons	15	1	2	4	3
NO _x emissions	tons	55	54	76	67	93
Soot emissions	tons	7	4	12	3	2

(note 1) Excluding recycled wastes

(note 2) From FY2015, the method of counting water usage was reviewed.

Investment and research costs (Unit: million yen)

Furukawa Electric

Investment and research costs	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total investment	8,490	11,919	14,775	18,736	14,195
Of which, environment-related investment	658	1,055	571	1,139	985
Total research costs	7,507	8,780	9,367	10,455	9,799

Domestic group companies

Investment and research costs	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total investment	3,403	4,873	6,231	7,004	8,325
Of which, environment-related investment	338	390	332	234	137
Total research costs	1,967	2,245	2,371	1,974	1,799

Furukawa Electric + Domestic group companies

Investment and research costs	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total investment	11,893	16,792	21,006	25,740	22,520
Of which, environment-related investment	996	1,445	903	1,374	1,122
Total research costs	9,474	11,025	11,738	12,429	11,578

Environmentally-friendly products Cumulative number of registered items and percentage of sales

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	Cumulative number of registered items	112	116	121	126	130
	Percentage of sales on a one-year basis	50.0	51.1	64.8	66.4	68.4
Furukawa Electric (consolidated)	Cumulative number of registered items	83	92	105	137	149
	Percentage of sales on a one-year basis	32.0	32.6	40.5	56.2	58.2

(note) In fiscal 2018, the rule for the environmentally friendly products was revised (The products that reduced the greenhouse gas (GHG) in the manufacturing process, etc.) and was reflected in the aggregate calculation.

Use of water resources (Unit: 1,000 m³)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric+domestic group companies	10,289	10,362	10,516	9,912	9,602
Overseas Group Companies	2,579	2,652	2,624	2,623	2,197
Total	12,868	13,014	13,140	12,535	11,799

Amount of wastewater discharged (Unit: 1,000 m³)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + domestic group companies	9,095	9,494	9,272	8,591	8,305
Public water area	8,491	8,754	8,630	7,978	7,793
Rivers	7,684	7,789	7,678	7,138	7,069
Oceans	787	949	934	821	710
Other	20	17	17	19	14
Sewerage	604	740	642	613	512
Overseas Group Companies	1,913	1,715	1,983	1,871	1,850
Public water area	379	417	513	729	711
Rivers	105	108	110	350	330
Oceans	0	0	0	0	0
Other	274	309	403	378	381
Sewerage	1,534	1,298	1,470	1,142	1,139

Amount of water recycled and reused (Unit: 1,000 m³)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + domestic group companies	1,118	1,113	1,113	1,111	1,100
Overseas Group Companies	31,703	37,121	53,837	57,775	58,768



Raw materials (Unit: 1,000 Tons)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + domestic group companies	Copper	168.5	177.8	145.6	135.2	124.0
	Aluminum	7.0	6.7	7.6	13.7	8.1
	Steel	2.5	2.2	2.6	2.9	4.1
	Other metals	4.8	5.3	5.9	7.1	4.4
	Glass	0.0	0.0	0.0	0.0	0.0
	Plastics	32.7	33.2	33.7	34.1	32.9
Overseas Group Companies	Copper	167.6	180.4	188.5	161.5	119.3
	Aluminum	30.0	39.3	56.9	32.9	12.5
	Steel	11.4	9.7	9.4	9.6	9.0
	Other metals	1.1	0.9	0.8	0.6	0.04
	Glass	3.4	3.8	3.6	3.4	2.5
	Plastics	40.5	41.7	54.1	52.2	48.1

Greenhouse gas emissions (Unit: x10⁴ tons CO₂e)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
CO ₂ (Furukawa Electric + domestic group companies)	35.7	35.3	33.8	31.0	28.8
CO ₂ (Overseas Group Companies)	46.1	46.0	45.6	40.0	33.1
SF ₆ (Furukawa Electric) (note)	6.3	9.0	4.9	3.2	2.8
Total	88.1	90.3	84.3	74.2	64.8

(note) According to a partial transfer of the business of VISCAS Corporation in October 2016, SF₆ (sulfur hexafluoride) emissions were added on this values.

Renewable energy ratio (Furukawa Electric + domestic group companies) (Unit: GWh)

	FY 2016	FY 2016	FY 2018	FY 2019	FY 2020
Renewable energy ratio (Hydroelectric power generations and others)	105	110	109	113	94
Electric power consumption	619	644	643	613	569
Renewable energy ratio (%)	17.0	17.1	17.0	18.5	16.5

Renewable energy ratio (Furukawa Electric + domestic group companies + overseas group companies) (Unit: GWh)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Renewable energy ratio (Hydroelectric power generations and others)	105	110	123	142	121
Electric power consumption	1323	1387	1379	1293	1179
Renewable energy ratio (%)	7.9	7.9	8.9	11.0	10.3

Amount of final disposal (Unit: 1,000 Tons)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + domestic group companies	0.3	0.4	0.4	0.4	0.4
Overseas Group Companies	9.2	12.0	11.0	12.8	12.0

Amount of recycled resources (Unit: 1,000 Tons)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + domestic group companies	30.5	26.8	26.1	26.6	22.7
Overseas Group Companies	5.2	5.2	5.3	6.1	7.1

Total amount of waste generated (Unit: 1,000 Tons)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + domestic group companies	33	30	31	30	27
Overseas Group Companies	18	17	16	19	18
Total	51	47	47	49	45

(note) Total amount of waste generated in Japan includes valuable resources

NOx and SOx emissions (Unit: Tons)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + domestic group companies	NOx	55	55	76	60	61
	SOx	15	1	2	2	2

Emissions of volatile organic compounds (VOC) (Unit: Tons)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	196	210	203	236	236
Domestic group companies	108	120	115	120	79
Total	304	330	318	356	315

Greenhouse gas emissions disclosed to CDP (1,000 tons of CO₂ e/ year)

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric Group	Scope1 (note1)	155	209	238	197	172	143
	Scope2	676	671	665	646	570	504
	Scope3 (note2)	1,649	1,584	1,636	1,689	1,764	1,410 (note3)
	Category 1 : Purchased goods and services						999
	Category 2 : Capital goods						140
	Category 3 : Fuel- and energy-related activities						94
	Category 4 : Upstream transportation and distribution						118
	Category 5 : Waste generated in operations						21
	Category 6 : Business travel						6
	Category 7 : Employee commuting						23
	Category 8 : Upstream leased assets						6
	Category 9 : Downstream transportation and distribution *Consolidated into Category 4						-
	Category 10 : Processing of sold products						-
	Category 11 : Use of sold products (note3)						1,940
Category 12 : End-of-life treatment of sold products (note3)						61	
Category 13 : Downstream leased assets						3	
Total		2,480	2,464	2,539	2,532	2,506	2,058 (note3)

(note1) According to a partial transfer of the business of VISCAS Corporation in October 2016, SF₆ (sulfur hexafluoride) emissions were added on this values.

(note2) Reviewed retrospectively to FY2017 based on FY2019 third-party verification.

(note3) From FY2020, we have started calculating categories 11 and 12 of Scope 3. In FY2020, categories 11 and 12 are not included in the total value of Scope 3 and the total value of Scope 1, 2, and 3 so that they can be compared with the previous Scope 3.

Energy consumption (Unit: 1,000 kℓ)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + domestic group companies		192	198	198	191	176
Overseas Group Companies		220	221	226	205	175
Total		412	419	424	396	351

CO₂ emission and energy intensity related to transportation

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	CO ₂ emissions (1,000 tons-CO ₂ e)	14.9	16.1	15.5	14.9	13.7
	Energy intensity (MJ/t-km)	1.66	1.69	1.68	1.70	1.70

GHG emissions per unit of sales (ton-CO₂ / 1 million yen)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + domestic group companies	0.793	0.702	0.678	0.660	0.660
Overseas Group Companies	1.173	0.991	0.924	0.897	0.883

List of PRTR compatible materials (Furukawa Electric and Domestic group companies) (Unit: Tons)

Substance No.	Substance	Volume handled	Volume released	Volume transferred	Volume contained in products/ disappeared by combustion
1	Zinc and its compounds	4.1	0.0	0.4	3.7
31	Antimony and its compounds	362.9	0.2	15.4	347.3
53	Ethylbenzene	73.2	0.4	19.0	53.8
71	Ferric chlorides	32.2	0.0	0.0	32.2
75	Cadmium and its compounds	85.8	0.0	22.8	63.0
80	Xylene	88.9	2.2	23.6	63.2
82	Silver and its water-soluble compounds	2.1	0.0	0.8	1.4
86	Cresol	212.8	0.2	27.7	184.9
87	Chromium and trivalent chromium compounds	8.8	0.0	0.0	8.8
88	Hexavalent chromium compounds	5.1	0.0	4.0	1.1
132	Cobalt and its compounds	3.5	0.0	0.3	3.2
144	Inorganic cyanide compounds (Excluding complex salt and cyanate)	2.2	0.5	0.7	1.1
213	N,N-dimethylacetamide	330.2	0.1	0.1	329.9
255	Decabromodiphenyl ether	60.6	0.0	0.1	60.5
272	Copper salts (water-soluble)	4,408.3	0.1	15.9	4,392.3
296	1,2,4-trimethylbenzene	9.4	0.1	0.0	9.3
300	Toluene	159.7	46.3	34.2	79.2
304	Lead	8,876.7	0.1	0.4	8,876.2
305	Lead compounds	31,946.9	0.1	5.1	31,941.7
308	Nickel	348.8	0.0	5.3	343.5
309	Nickel compounds	83.2	0.0	16.1	67.1
332	Arsenic and its inorganic compounds	13.5	0.0	0.0	13.5
333	Hydrazine	6.8	0.0	0.0	6.8
349	Phenol	150.1	0.2	19.5	130.4
355	Bis (2-ethylhexyl) phthalate	105.0	0.0	0.0	105.0
374	Hydrogen fluoride and its water-soluble compounds	19.5	0.0	2.1	17.4
384	N-propyl bromide	1.5	1.5	0.0	0.0
405	Boron and its compounds	14.0	0.5	0.6	12.9
412	Manganese and its compounds	8.4	0.0	0.0	8.4
413	Phthalic anhydride	6.4	0.0	0.0	6.4
438	Methylnaphthalene	22.0	0.0	0.0	22.0
Total		47,452.8	52.6	214.0	47,186.2

(note) This list is target for substances with a transaction volume of 1 tons or more (0.5 tons or more for Class 1 Designated Chemical Substances) for the entire Group.



Social revised at August 2021

Employee turnover rate by gender (Unit: %)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Male	1.16	1.02	1.17	1.80	1.60
Female	1.79	0.86	1.62	0.83	1.50
Total	1.22	1.01	1.21	1.71	1.60

Number of new graduate recruits by gender (Unit: People)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Clerical and technical staff	Male	45	61	73	80	86	94
	Female	15	31	31	31	33	21
	Total	60	92	104	111	119	115
	Foreign nationals	0	1	0	0	0	0
Manufacturing worker	Male	0	15	46	49	53	52
	Female	0	0	0	1	2	1
	Total	0	15	46	50	55	53

Ratio of mid-career hires to new hires (overall) (Unit: %)

	2016年度	2017年度	2018年度	2019年度	2020年度
Ratio of mid-career hires to new hires (overall)	-	-	38	33	27

Ratio of labor union membership (Unit: %)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Male	99.7	98.5	97.4	97.6	99.0
Female	97.8	98.3	99.4	99.3	97.0
Total	99.5	98.5	99.1	99.1	99.0

Overtime work hours per person (Unit: Hours per month)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Direct work	24.86	27.97	27.19	26.04	20.10
Indirect work	19.66	19.25	19.33	20.95	22.95
Total	22.47	23.50	23.17	23.18	21.19

Regular annual leave (Unit: Days)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Days carried over per person (A)	22.6	20.8	18.3	21.5	20.7
Days granted per person (B)	24.1	24.3	24.0	23.9	23.8
Days acquired per person (C)	13.9	14.7	15.2	15.4	13.1
Acquisition rate (C+B) (%)	57.7	60.3	63.2	64.4	55.2

People taking volunteer leave (Number of employees)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Male	2	0	0	1	0
Female	0	0	0	0	0
Total	2	0	0	1	0

People taking refresh leave (Number of employees)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Male	125	152	178	161	124
Female	16	15	25	17	26
Total	141	167	203	178	150

(note) "Refresh leave" is a system that allows employees with 25 years of continuous service to take 14 or more days of leave.

People taking maternity/paternity leave (Number of employees)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Male	7	27	21	25	31
Ratio of employees returning to work (%)	100	100	100	100	100
Female	28	12	10	10	12
Ratio of employees returning to work (%)	100	100	100	90	100
Total	35	39	31	35	43
Ratio of employees returning to work (%)	100	100	100	97	100

People taking nursing care leave (Number of employees)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Male	0	0	0	1	0
Ratio of employees returning to work (%)	-	-	-	100	-
Female	0	0	0	1	0
Ratio of employees returning to work (%)	-	-	-	100	-
Total	0	0	0	2	0
Ratio of employees returning to work (%)	-	-	-	100	-

Ratio of non-regular employees (unit: %) ((1): re-employed, part timers, term-limited employees) / ((1) + Regular employees)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	2.77	3.38	4.04	4.30	7.40

Ratio of employees subject to HR evaluation (Unit: %)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	Target control system	42	42	41	39	54
	Absolute and relative evaluations based on ranking	100	100	100	100	100



Training costs per employee (Unit: 1,000 yen)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	–	109	114	72	72

(note) Calculated from FY2017

Number of male and female employees

			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	Male	Number of people	3,338	3,350	3,465	3,548	3,599
		Percentage (%)	91	91	91	90	88
	Female	Number of people	313	335	351	377	485
		Percentage (%)	9	9	9	10	12

Number and percentage of managers by gender

			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	Male	Number of people	911	905	929	908	931
		Percentage (%)	97	97	97	97	97
	Female	Number of people	26	31	31	32	33
		Percentage (%)	3	3	3	3	3

(note) Key employees or higher

Employment rate of disabled persons (Unit: %)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Real employment rate	2.31	2.23	2.12	2.14	2.09

Ratio of the Works certified by OSHMS (Unit: %)

	FY 2016	FY 2017	FY 2018	FY 2019	FY2020
Furukawa Electric	83	83	83	83	80

(note) Works having production departments

Occupational Health and Safety training

Number of employees receiving safety training (Total number of people per year)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	979	1,001	1,345	1,890	1,490

Number of employees receiving health training

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	Total number of people	2,073	3,707	7,109	6,271	7,391
	Total time (Unit: Hour)	2,451	3,111	3,584	2,929	2,803

Frequency rate of accidents resulting in time off work

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	0.28	0.63	0.48	0.59	0.11
Domestic group companies	0.72	0.30	0.56	0.32	0.21

(note) Frequency rate = (No. of casualties / Total actual work hours) x 1,000,000

Number of deaths among regular employees

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	0	0	0	0	0

(note) Personal injury and disease not included

Number of deaths among non-regular employees

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	0	0	0	0	0

(note) Contractors not included

Number of employees receiving GENBA-RYOKU reinforcement training (Unit: People)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	215	184	305	302	71
Domestic group companies	265	121	101	95	12
Total	480	305	406	397	83

Number of complaints regarding products and services

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	0.89	0.79	0.63	0.58	0.41

(note) Ratio in the case where FY2015 results are taken as 1.00

Number of suppliers who conducted monitoring (environmental and social aspects) (Unit: Companies)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	Number of evaluated suppliers (Main Suppliers)	196	199	213	199	198
	Number of suppliers attended at the Partners Meeting	57	55	57	59	– (note)
	Number of suppliers tried CO ₂ reduction by Procurement logistics	4	7	20	24	25

(note) From the perspective of preventing new coronavirus infections, we have canceled the Partners Meeting.



Education by hierarchy (Units: Person)

Lecture	Target	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Executive training	Newly appointed officers (full-time, part-time) (note 1)	23	18	6	9	6
Training for section managers	New section managers and managers (note 2) (note 3)	52	79	69	93	88
Training for key employees	Newly appointed managers and full-time employees (note 2)	42	49	53	65	60 (note 4)
New employee training	New employees (note 2) (note 3)	57	92	104	109	108

(note 1) Furukawa Electric

(note 2) Furukawa Electric and employees dispatched to other companies

(note 3) Human rights education included in the lecture

(note 4) It will be postponed for one year to review the training, and will be held all at once in 2021.

Number of employees trained in competition law compliance and bribery regulations (Units: Person)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + Japan group companies	Number of participants to seminars in Japan	306	246	541	654	709
Overseas Group Companies	Number of participants to seminars overseas	40 (Bangkok)	38 (Jakarta)	128 (Philippines, Tianjin, Shenzhen and Shanghai)	44 (Vietnam)	12 (Singapore)

Number of employees trained in the Subcontract Act and security trade control (Units: Person)

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric + Japan group companies	Subcontract Act	505	670	627	532	557	1,176
	Security trade control	594	671	853	1,125	997	1,255

Governance revised at August 2021

Number of directors (Units: Person)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Furukawa Electric	Directors	12	12	12	12	12	11
	Outside directors	5	5	5	5	5	5
	Independent directors	3	3	3	5	5	5
	Female directors	0	0	0	1	1	1

(note) As of the end of the fiscal year, however, as of June 24, 2021 in fiscal 2021

Others Revised August 2021

Sales by region and overseas sales ratio (Unit: million yen)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Sales by region	Japan	453,317	510,663	521,281	495,658	435,195
	China	82,039	96,911	94,006	75,059	82,777
	Asia (except Japan, China)	155,983	193,059	213,260	183,033	141,029
	North and Central America	82,302	84,746	72,677	78,302	78,179
	South America, Europe and others	69,701	81,952	90,364	82,386	74,418
Consolidated sales		843,344	967,333	991,590	914,439	811,600
Overseas sales		390,027	456,669	470,309	418,781	376,403
Overseas sales ratio (%)		46.2	47.2	47.4	45.8	46.4

(note) Sales are classified into countries or regions based on the location of customers

Number of patent rights (Unit: patents)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	Domestic patents	4,619	4,644	4,605	4,523	4,388
	Overseas patents	2,289	2,507	2,712	2,910	2,976
Total		6,908	7,151	7,317	7,433	7,367

External Evaluation

SRI Index • ESG Index

Environmental, Social and Governance Practices

FTSE4Good Index Series/FTSE Blossom Japan Index

Furukawa Electric was selected as a constituent of the FTSE4Good Index Series and the FTSE Blossom Japan Index (As of June 2021)

The FTSE4Good Index Series is a stock index consisting of stocks demonstrating strong ESG (Environmental, Social and Governance) practices as defined by FTSE Russell. The FTSE Blossom Japan Index, which has also been developed by FTSE Russell, reflects the performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices. The FTSE Blossom Japan Index is an ESG index used by the Government Pension Investment Fund (GPIF). It is one of the leading indices for ESG investment.



	2018	2019	2020	2021
FTSE4Good Index Series			● First time	●
FTSE Blossom Japan Index			● First time	●

Social (Empowerment of Women)

MSCI Japan Empowering Women Index (WIN)

Furukawa Electric is selected as a constituent of the MSCI Japan Empowering Women Index (WIN). (As of June 2021)

The index of MSCI focuses on the S (social) in ESG and is an ESG index composed of Japanese stocks demonstrating good gender diversity practices. It is selected as an index for ESG investment by the Government Pension Investment Fund (GPIF).

**2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

THE INCLUSION OF Furukawa Electric Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Furukawa Electric Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

	2018	2019	2020	2021
MSCI Japan Empowering Women Index (WIN)		●	●	●

Environmental (GHG Reduction)

S&P/JPX Carbon Efficient Index

Furukawa Electric is selected as a constituent of the S&P/JPX Carbon Efficient Index. The Company's decile classification in the capital goods category, which is in the mid impact group, is 8. The carbon disclosure status is "Disclosed." (As of April 2021)

The index of the S&P Dow Jones Indices focuses on the E (environmental) in ESG. It is selected as an index for ESG investment by the Government Pension Investment Fund (GPIF).



	2018	2019	2020	2021
S&P/JPX Carbon Efficient Index	●	●	●	●

Environmental, Social and Governance Practices

SOMPO Sustainability Index

Furukawa Electric is selected as a constituent of the SOMPO Sustainability Index of SOMPO Asset Management Co., Ltd. (As of June 2021)



ESG evaluation, certification

Environment (climate change, Media Surveywater security and supply chain)

CDP

Furukawa Electric has responded to the CDP questionnaire about climate change since fiscal 2008 and has responded to the questionnaire about water security since fiscal 2013. Below are the respective assessments of CDP Climate Change, Water Security surveys and CDP Supplier Engagement Rating (SER).



	2017	2018	2019	2020
Climate change	C	B-	B	A
Water security	B	B-	B	B
Supply chain	B-	A-	A	A

※ We have been responding to the climate change survey since 2008 and responding to the water security survey since 2013..

Environmental (GHG Reduction)

SBT (Science Based Targets)

In fiscal 2018, Furukawa Electric Group has set the Environmental Targets 2030 and applied for SBT(note) and got certified in fiscal 2019.

> [Please see the press release here. \(Only Available in Japanese\)](#)



Social (Empowerment of Women)

The Nadeshiko Brand of the Ministry of Economy, Trade and Industry

In 2018 and 2020, Furukawa Electric was selected as a Nadeshiko Brand in non-ferrous metal as an excellent listed company in terms of the empowerment of women. The Nadeshiko Brand has been created jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to show excellent listed companies in terms of the empowerment of women as companies appealing to investors that emphasize an increase in corporate value over the medium to long terms.



	2017	2018	2019	2020	2021
The Nadeshiko		● First time		●	

Certified as an Excellent Eruboshi Company under the Female Participation Promotion Act

Furukawa Electric has developed a plan of action for general employers under the Act on the Promotion of Female Participation and Career Advancement in the Workplace, which came into force in April 2016 and has achieved Eruboshi (L star; L stands for lady, labor and laudable) third stage (highest rating) certification as an excellent company in terms of the empowerment of women.



Social (Cultivation of the Next Generation)

Kurumin Certification from the Ministry of Health, Labour and Welfare Achieved as a Company Cultivating the Next Generation

Furukawa Electric has achieved Kurumin certification three times (2007, 2010 and 2015) under the Act on Advancement of Measures to Support Raising Next-Generation Children. As a certified employer, the Company is actively supporting child rearing.



Social (Health Management)

Health Management Brand of the Ministry of Economy, Trade and Industry

Furukawa Electric was selected as a Health Management Brand in the non-ferrous metal industry for the first time in 2019 as a listed company that strategically promotes employees' health management in relation to the management of the company. The Health Management Brand is created jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to showcase excellent listed companies in terms of health management that are appealing to investors that emphasize an increase in corporate value in the medium to long term.



	2017	2018	2019	2020	2021
Health Management			● First time		

Health & Productivity Management Organization of the Ministry of Economy, Trade and Industry

Furukawa Electric was certified by the Ministry of Economy, Trade and Industry as one of the Health & Productivity Management Organizations.



	2017	2018	2019	2020	2021
Health & Productivity Management Organization, White 500	○	○	○	●/○	●

※ ● Health & Productivity Management Organization

※ ○ White 500

Other (Intellectual Property)

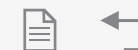
Clarivate Top 100 Global Innovators 2021

Furukawa Electric was included in the list of Clarivate Top 100 Global Innovators 2021 selected by Clarivate Analytics. The Company was listed for the fourth consecutive period out of six total listings (2014, 2015, 2017, 2018-2019, 2020 and 2021).



	2014	2015	2016	2017	2018-19	2020	2021
Clarivate Top 100 Global Innovators	● First time	●		●	●	●	●

> [Furukawa Electric Awarded "Top 100 Global Innovators 2018-19" - Selected in the Top 100 Global Innovative Companies and Research Organizations in Strategic Intellectual Property Activities -](#)



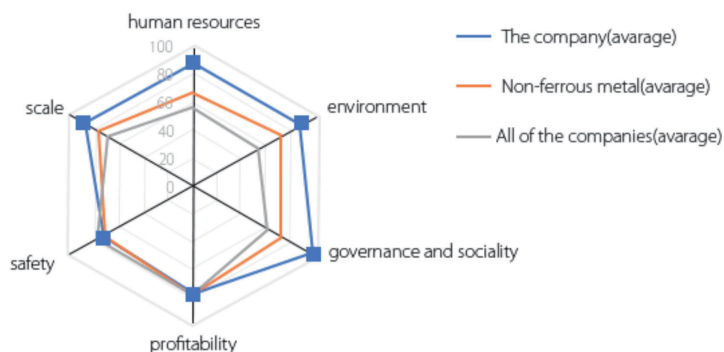
Media Survey

Toyo Keizai CSR Ranking

2021 CSR Ranking

Toyo Keizai CSR Ranking is based on the evaluation of CSR and financial performance in terms of the use of human resources, the environment, governance and sociality, profitability, safety and scale.

(Source: Toyo Keizai Inc. 2021 CSR Ranking (16th) Report)



	2015	2016	2017	2018	2019	2020
Toyo Keizai CSR Ranking	222	160	185	159	165	138

NIKKEI management survey

3th NIKKEI SDGs management survey

The Company was received "3.5 stars" in the 3th NIKKEI SDGs management survey. And, the Company was rated at "A++" in SDGs Strategy and Economic Value, "A+" in Social Value, "S" in Environmental Value, and "S" in Governance.



5th NIKKEI Smart Work management survey

The Company was received "3.5 stars" in the 5th NIKKEI Smart Work management survey. And, the Company was rated at "A++" in Human Resources Utilization, "A++" in Innovation Capability, and "A" in Market Development Capability.



Participation in Initiatives

Participation in Initiatives

Environment, Social, Governance

United Nations Global Compact

Furukawa Electric has been involved the United Nations Global Compact since February 24, 2020. The Group believes that respecting and fulfilling the ten principles of the United Nations Global Compact will lead to the strengthening of the management base in order to continue sustainable growth as a global company.



The Sustainable Development Goals (SDGs)

"Furukawa Electric Group Vision 2030" was formulated to provide clarity for the group's business domains based on the "Sustainable Development Goals (SDGs)".

The Sustainable Development Goals (SDGs), set in 2015 by the United Nations Summit and intended to be achieved by the year 2030, are a collection of 17 global goals and 169 targets.



Environment

Task Force on Climate related Financial Disclosure TCFD

Furukawa Electric has agreed with the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) on January, 2020. At the same time, Furukawa Electric has been involved the TCFD Consortium.

> [News Release](#)



The Ministry of the Environment "COOL CHOICE"

Furukawa Electric supports COOL CHOICE, an initiative of the Ministry of the Environment to encourage wise choices to mitigate global warming, including buying products, using services and choosing lifestyles that contribute to a carbon-free society, to achieve the target of a 26% reduction in greenhouse gas emissions in fiscal 2030 from fiscal 2017.



Social

National Federation of UNESCO Associations in Japan

Furukawa Electric is a supporting member of the National Federation of UNESCO Associations in Japan, which works in Japan and overseas primarily in the field of education.



Main participating organizations

Corporate members of Keidanren (Japan Business Federation) (As of 1 June 2021)

Chairman of the Japan Copper and Brass Association (As of 26 May 2021)

Director of the Japanese Electric Wire & Cable Makers' Association (As of 4 June 2021)

Councilor of the National Federation of UNESCO Associations in Japan (As of 12 June 2021)

Reference data

Occupational Health and Safety Scope of the frequency rate of accidents resulting in time off work (FY2020, as of March 2021)

34 Domestic group companies		
NTEC Ltd.	Okano Electric Wire Co., Ltd.	Okumura Metals Co., Ltd.
KANZACC Co., Ltd.	Shoden Seiwa Co., Ltd.	TOTOKU Electric Co., Ltd.
Foam Kasei Co., Ltd.	Furukawa Automotive Systems Inc.	Furukawa S and D Co., Ltd.
Furukawa Elecom Co., Ltd.	Furukawa Sangyo Kaisha, Ltd.	Furukawa Communication and Broadcasting Co., Ltd.
Furukawa Industrial Plastics Co., Ltd.	Furukawa Precision Engineering Co., Ltd.	Furukawa Techno Material Co., Ltd.
Furukawa Research Inc.	Furukawa Electric Advanced Engineering Co., Ltd.	Furukawa Electric Ecotec Co., Ltd.
Furukawa Electric Industrial Cable Co., Ltd.	Furukawa Electric Power Systems Co., Ltd.	The Furukawa Battery Co., Ltd.
Furukawa Nikko Power Generation Inc.	Furukawa New Leaf Co., Ltd.	Furukawa Network Solution Corp.
Furukawa FITEL Optical Device Co., Ltd.	The Furukawa Finance and Business Support Co., Ltd.	Furukawa Logistics Corp.
Furukawa Magnet Wire Co., Ltd.	Furukawa UACJ Memory Disk Co., Ltd.	Furukawa Life Service Inc.
Miharu Communications Inc.	Myojodenki Co., Ltd.	Yokohama Drum Manufacturing Co., Ltd.
Riken Electric Wire Co., Ltd.		

Environmental Management Scope of the environmental management (FY2020, as of March 2021)

30 Domestic group companies		
NTEC Ltd.	Okano Electric Wire Co., Ltd.	KANZACC Co., Ltd.
Shoden Seiwa Co., Ltd.	TOTOKU Electric Co., Ltd.	FITEC Corp.
Furukawa Automotive Systems Inc.	Furukawa Sangyo Kaisha, Ltd.	Furukawa Communication and Broadcasting Co., Ltd.
Furukawa Industrial Plastics Co., Ltd.	Furukawa Precision Engineering Co., Ltd.	Furukawa Techno Material Co., Ltd.
Furukawa Electric Advanced Engineering Co., Ltd.	Furukawa Electric Ecotec Co., Ltd.	Furukawa Electric Industrial Cable Co., Ltd.
Furukawa Electric Power Systems Co., Ltd.	The Furukawa Battery Co., Ltd.	Furukawa Logistics Corp.
Furukawa Magnet Wire Co., Ltd.	The Furukawa Finance and Business Support Co., Ltd.	Miharu Communications Inc.
Riken Electric Wire Co., Ltd.	Furukawa Network Solution Corp.	Furukawa New Leaf Co., Ltd.
Furukawa Research Inc.	Foam Kasei Co., Ltd.	Furukawa Nikko Power Generation Inc.
Furukawa Elecom Co., Ltd.	Myojodenki Co., Ltd.	Furukawa FITEL Optical Device Co., Ltd.



58 Overseas group companies

American Furukawa, Inc.	Chongqing Changhua Automobile Harness Co., Ltd.
FE Magnet Wire (Malaysia) Sdn. Bhd.	Furukawa (Thailand) Co., Ltd.
Furukawa Auto Parts (Huizhou) Co., Ltd.	Furukawa Automotive Parts (Dongguan) Ltd.
Furukawa Automotive Parts (Vietnam) Inc.	Furukawa Automotive Systems (Thailand) Co., Ltd.
Furukawa Automotive Systems Lima Philippines, Inc.	Furukawa Automotive Systems Mexico S.A. de C.V.
Furukawa Automotive Systems Vietnam Inc.	Furukawa AVC Electronics (Suzhou) Co., Ltd.
Furukawa Cabos e Acessorios Ltda.	Furukawa Circuit Foil Taiwan Corporation
Furukawa Electric (Shenzhen) Co., Ltd.	Furukawa Electric Autoparts Central Europe s.r.o.
Furukawa Electric Autoparts Philippines Inc.	Furukawa Electric Copper Foil Taiwan Co., Ltd.
Furukawa Electric Europe Ltd.	Furukawa Electric Hong Kong Ltd.
Furukawa Electric Institute of Technology Ltd.	Furukawa Electric LatAm S.A.
Furukawa Electric Morocco SARL	Furukawa Electric Singapore Pte. Ltd.
Furukawa FITEL (Thailand) Co., Ltd.	Furukawa FITEL Optical Products (Shanghai) Co., Ltd.
Furukawa Industrial S.A. Sucursal Argentina	Furukawa Metal (Thailand) Public Co., Ltd.
Furukawa Mexico S.A. De C.V.	Furukawa Minda Electric Pvt. Ltd.
Furukawa Precision (Thailand) Co., Ltd.	Furukawa Shanghai, Ltd.
Furukawa Wiring Systems Mexico S.A. de C.V.	HT Italia Holding S.r.l.
Jiangsu OFS Hengtong Optical Technology Co., Ltd.	OFS Fitel Denmark Aps
OFS FITEL Deutschland GmbH	OFS Fitel, LLC
OFS RUS Fiber Optic Cable Company	P.T. Furukawa Automotive Systems Indonesia
P.T. Furukawa Optical Solutions Indonesia	P.T. Tembaga Mulia Semanan, Tbk.
Permintex Furukawa Autoparts Malaysia Sdn.Bhd.	POLIFOAM MUANYAGFELDOLGOZO KFT
Shenyang Furukawa Cable Co., Ltd.	Siam Furukawa Co., Ltd.
SuperPower Inc.	Suzhou Furukawa Power Optic Cable Co., Ltd.
Taiwan Furukawa Electric Co., Ltd.	Taiwan Furukawa Magnet Wire Co., Ltd.
Thai Fiber Optics Co., Ltd.	Thai Furukawa Unicomm Engineering Co., Ltd.
Tianjin Jinhe Electric Engineering Co., Ltd.	Trocellen GmbH
Trocellen Italy S.p.A.	Trocellen S.E.A. Sdn. Bhd.
Wuhan Furukawa Automotive Systems Co., Ltd.	Xin Furukawa Metal (Wuxi) Co., Ltd.

Environmental Management Scope of the environmental accounting (FY2020, as of March 2021)

20 Domestic group companies

Okano Electric Wire Co., Ltd.	KANZACC Co., Ltd.	Shoden Seiwa Co., Ltd.
TOTOKU Electric Co., Ltd.	Furukawa Automotive Systems Inc.	Furukawa Sangyo Kaisha, Ltd.
Furukawa Communication and Broadcasting Co., Ltd.	Furukawa Industrial Plastics Co., Ltd.	Furukawa Precision Engineering Co., Ltd.
Furukawa Techno Material Co., Ltd.	Furukawa Electric Advanced Engineering Co., Ltd.	Furukawa Electric Industrial Cable Co., Ltd.
Furukawa Electric Power Systems Co., Ltd.	The Furukawa Battery Co., Ltd.	Furukawa Magnet Wire Co., Ltd.
Miharu Communications Inc.	Riken Electric Wire Co., Ltd.	Foam Kasei Co., Ltd.
Furukawa FITEL Optical Device Co., Ltd.	NTEC Ltd.	

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<https://www.furukawa.co.jp/en/>