

Furukawa
Electric Group
Sustainability
Book
2022

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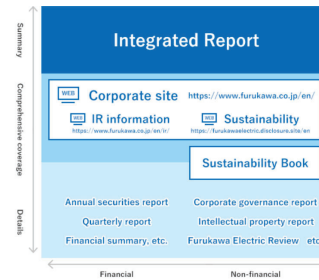


The cover expresses that Furukawa Electric Group runs business activities and social contribution to build a sustainable world and make people's life safe, peaceful and rewarding. Through these activities, we aim to achieve Furukawa Electric Group's Corporate Philosophy which is "contribution to the 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 2021 (from April 1, 2021 to March 31, 2022)

(note) Includes selected information on past initiatives and activities during fiscal 2022.

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 23, 2022

Planned publication of next edition: December 2023

Editing and Publication

Furukawa Electric Co., Ltd

Corporate Sustainability Office, Strategy Division, Furukawa Electric Co., Ltd.

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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, 2022) | ¥69,395 million |
| Net sales (Years ended March 31, 2022) | <ul style="list-style-type: none"> • ¥930,496 million (Consolidated) • ¥292,424 million (Non-Consolidated) |
| Number of Employees (As of March 31, 2022) | <ul style="list-style-type: none"> • 50,867 (Consolidated) • 4,201 (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 138 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

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

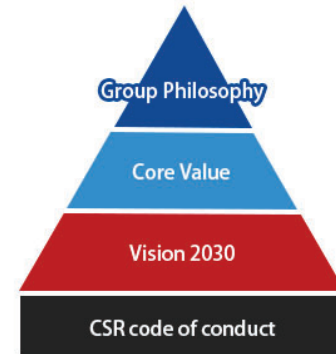
1. [Human rights](#)
2. [Labor practices](#)
3. [Environment](#)
4. [Products and services](#)
5. [International businesses and transactions](#)
6. [Fair competition](#)
7. [Relations with customers, partners, and society](#)
8. [Management and preservation of Company assets](#)
9. [Disclosure of information](#)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

The **Furukawa Electric Group Philosophy** is a clear statement of what we have aimed to become from the time the firm was created to the present and will continue to be the basic to the Group in the future, through Corporate Philosophy and Management Philosophy.

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

The **Furukawa Electric Group Vision 2030** is a visionary outlook of the Group, with the time frame set to 2030, based on our conception of broad aspects of the future society and the Group's Corporate Philosophy.

In conducting corporate activities based on the Furukawa Electric Group Philosophy and Core Value, the **Furukawa Electric Group CSR Code of Conduct** defines fundamental rules of behavior that Furukawa Electric Group executives and employees should follow from the perspective of corporate social responsibility.



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

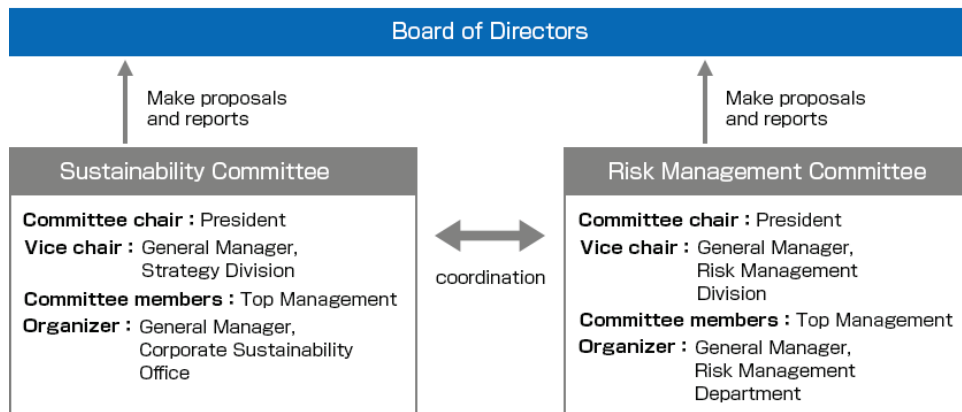
The Sustainability Committee was established to consolidate discussions on sustainability within the Furukawa Electric Group and further enhance the quality and speed of implementation thereof.

The committee is chaired by the President, vice-chaired by the General Manager of the Strategy 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.



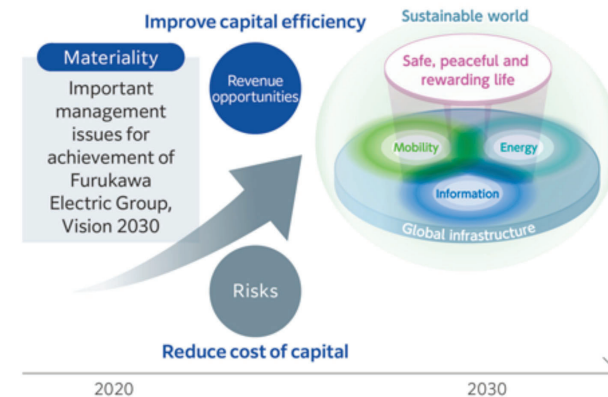
Materiality

Furukawa Electric Group Vision 2030 and Important Management Issues

In order to achieve the "Furukawa Electric Group Vision 2030" (hereinafter, "Vision 2030"), we are promoting ESG management, which aims sustainable growth of the Group and medium- to long-term growth of corporate value. We have defined "materiality" as important management issues that the Group should address in order to achieve Vision 2030, and we defined materiality in terms of both revenue opportunities and risks, in accordance with the process of identifying important management issues. By working on the materiality, we will achieve Vision 2030 and contribute to the achievement of the SDGs.

In fiscal 2022, Furukawa Electric formulated the new four-year Medium-term Management Plan, "Road to Vision 2030 -Transform and Challenge-", which will end in fiscal 2025, in order to realize the goals of Furukawa Electric Group Vision 2030. The 2025 Mid-term Plan defines the vision for 2025 as an intermediate point in the backcast from Vision 2030.

> [Medium-term Management Plan 2022-2025](#)

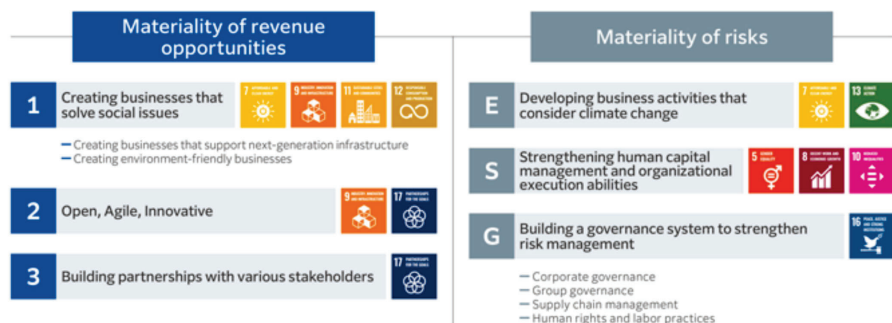




From the perspective of revenue opportunities, in order to help solve various social issues through the business activities of the Group, we found it indispensable to devise a transformation from the conventional "Product-Out" approach to "OutsideIn" approach and identified the "creation of businesses that solve social issues" as materiality. Examples of these include the "creation of businesses that support the next generation infrastructure," which will serve as the foundation of the society anticipated in Vision 2030, and the "creation of environmentally friendly businesses," which contribute to the realization of a decarbonized society and a recycling-based society. We also accelerate the "creation of social issue-solving businesses" through the slogan "Open, Agile, Innovative," which reflects the desire to become a company that actively transforms itself, and the "Building partnerships with various stakeholders," focusing on co-creation with others. We will also work on improving capital efficiency, including cost of capital.

On the other hand, from a risk perspective, in order to achieve sustainable growth, it is essential that companies develop business activities that take into account 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 and reduce the cost of capital 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.

In addition, based on the change of recent business environments and the increase in social requests, "human right and labor practices" was added as the fourth sub-materiality of "building a governance system to strengthen risk management" at FY 2021.

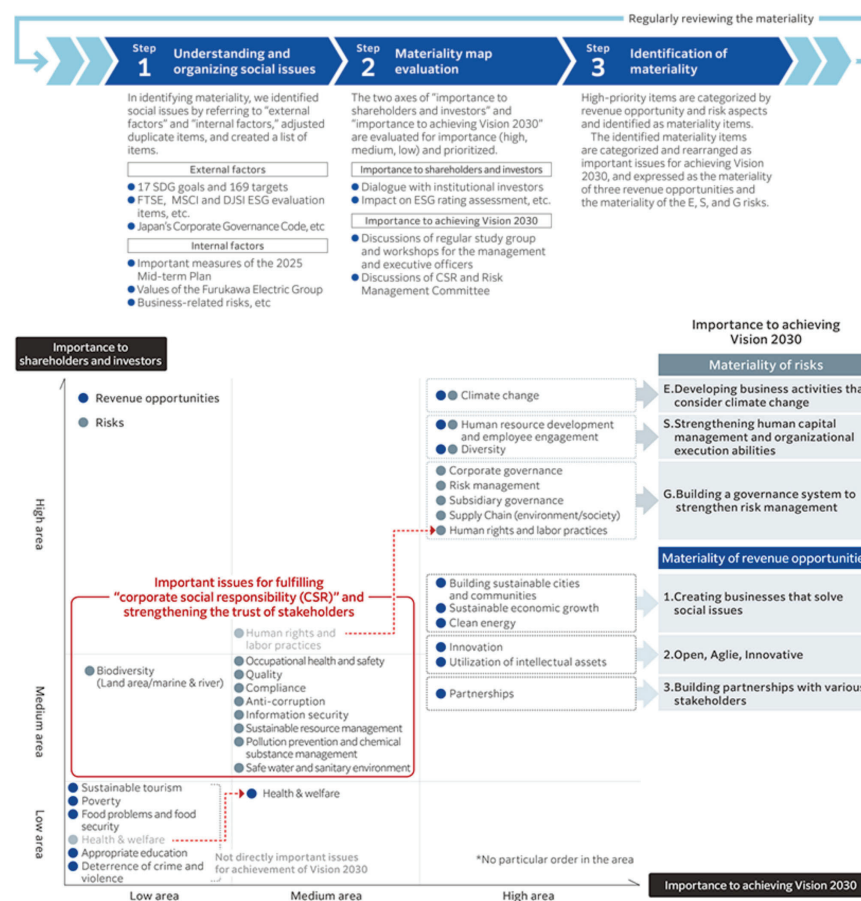


Process of Identifying Important Management Issues

We identified materiality in the following steps 1-3. Regarding reviewing the materiality at FY 2021, Japan's Corporate Governance Code was added to one of the "External factors", and important measures of the 2025 Mid-term Plan and business-related Risks were added to one of the "Internal factors" in Step 1.

Concerning the "importance to achieving Vision 2030" in Step 2, based on the change of recent business environments and the increase in social requests, "human right and labor practices" was moved to high area. We assume "realize longer healthy life expectancy" as one of the social issues we can contribute to, "health & welfare" was also moved to medium area.

Taking consistency with the measures of the 2025 Mid-term Plan, employee satisfaction and intangible assets were revised to "employee engagement" and "intellectual assets", respectively.



*With regard to materiality, we distinguish between important issues for achieving Vision 2030 and important issues for fulfilling corporate social responsibility and strengthening the trust of stakeholders.

Furukawa Electric Group's efforts towards the SDGs

Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) are the successor to the Millennium Development Goals (MDGs) established in 2001, and are international goals for a sustainable and better world by 2030, as stated in the "2030 Agenda for Sustainable Development" adopted unanimously by the member states at the UN Summit in September 2015. It consists of 17 goals and 169 targets, and pledges to "leave no one behind" on the planet.

SDGs and the Furukawa Electric Group Vision 2030

The DNA of the Group is based on the words of the founder Mr. Ichibei Furukawa: "value employees, value customers, value new technology, and contribute to society. We believe this idea will lead to the ESG management and SDGs adopted by the United Nations. With these thoughts of the founder and the SDGs in mind, we have formulated the Furukawa Electric Group Vision 2030 (hereinafter referred to as "Vision 2030"). Vision 2030 is a vision of the Furukawa Electric Group's "ideal state" for the year 2030, the year in which the SDGs will be achieved, based on the assumptions of international and regional social issues that are highly relevant to the Group. The Group will achieve Vision 2030 and contribute to the achievement of the SDGs by addressing the important management issues (materiality) that must be addressed in order to achieve Vision 2030.

> **Important management issues (materiality)**

← The founder's thoughts →

Mr. Ichibei Furukawa, the founder of Furukawa Electric Group, said, based on his wish to "brighten Japan," that "we must

**value employees,
value customers,
value new technology, and
contribute to society.**

Since its foundation in 1884, Furukawa Electric has inherited these words in its DNA and has grown. We are determined to receive and pass on these three valuable things and contribute to society as members of society who forge the future.

← SDGs →

Based on the "Sustainable Development Goals(SDGs)" adopted by the United Nations, the Furukawa Electric Group is committed to helping solve social issues.

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.

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.



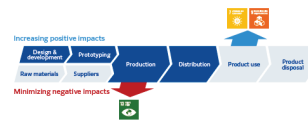
Functional Products - Thermal products

<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.



Working with Local Communities to Achieve SDGs

The Company promotes the following initiatives

- Registration with the Japanese Cabinet Office's "Public-Private Partnership Platform for Local SDGs"
- Registration as the Tochigi Prefecture SDGs Promotion Company
- Registration as the Kanagawa Prefecture SDGs Partner

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

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.

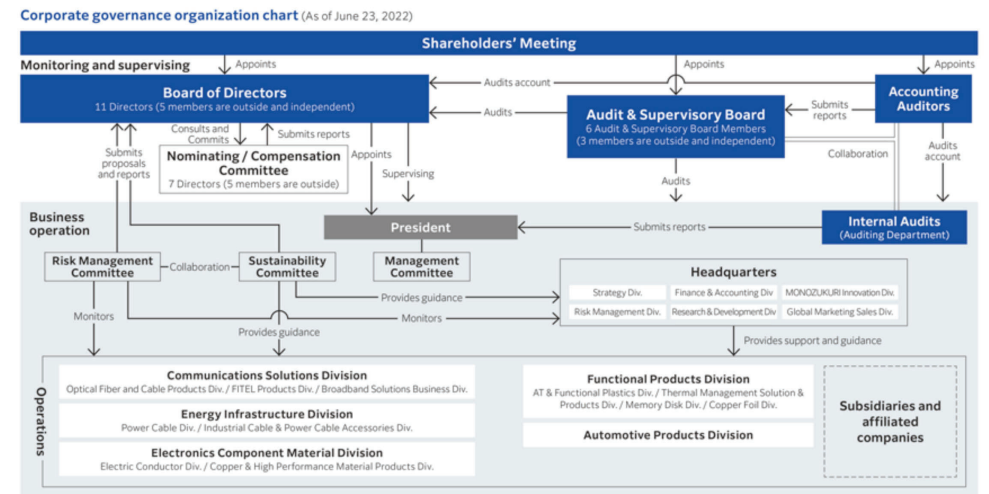
Guidelines on Corporate Governance

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

Overview of Corporate Governance System

We consider that the effectiveness of the audit on the execution of the duties by the Directors is secured, based on the coordination with the accounting auditors and the internal auditing department, while maintaining the institutional independence of the Audit & Supervisory Board Members and of the Audit & Supervisory Board from the Board of Directors. We have therefore adopted the current "Audit & Supervisory Board" type of the corporate governance structure. In addition, we have a "Nominating/Compensation Committee," majority members of which are outside directors to complement oversight function of the Board. This Committee consists of five or more members selected from among the Directors by the Board of Directors, with a majority of the members being Outside Directors. The chair of the Nominating/Compensation Committee is selected from among the Committee members, generally from among Outside Directors.

Corporate Governance Organization Chart





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, Furukawa Electric's Board of Directors consists of 11 Directors, five of whom are Outside Directors (all independent officers). The Board is chaired by the Chairman, who is a non-executive director without the representative right of the Board of Directors. 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.

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](#)".

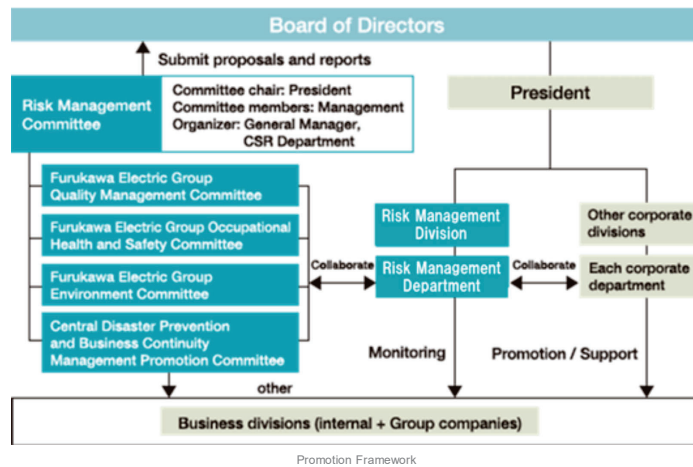


Risk Management

Risk Management Committee

The Furukawa Electric Group has established the Risk Management Committee, chaired by the President, vice-chaired by the General Manager of the Risk Management Division, and consisting of members at the management level, to deliberate, supervise, and promote the Group's risk management, internal control, and compliance issues.

The Risk Management Committee provides a bird's-eye view of risks by assessing risks from the management and operational perspectives, and determines important risks that must be addressed on a company-wide basis and prioritized for action. In addition, we have established special committees to focus on the management of risks that are considered highly important, such as quality control, health and safety (including health and safety), environment, and disaster prevention and business continuity management (BCM). In addition to these systems, when important decisions are made by the Board of Directors, the Management Committee, or through the approval process, etc., the risks anticipated from such matters are clearly stated in documents, etc., and decisions are made based on an awareness of these risks.



Overview of the Risk Management and its Structure

Our Risk Management Committee evaluates risks from the management and operational perspectives to identify important risks that must be addressed on a company-wide basis, and prioritizes countermeasures. In each area, the committee promotes risk management related to business activities through the activities of various specialized committees, such as the Environment, Quality, Safety, and Disaster Prevention.

Examples of Management Perspective Risks

- Business Portfolio
- Human resources and organization
- Climate change (carbon neutral)

Examples of Operational Perspective Risks

- Employee health and safety
- Quality (product defects)
- Creation of new business

> [See "Business-Related Risks" for details.](#)

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 (at Mie Works)

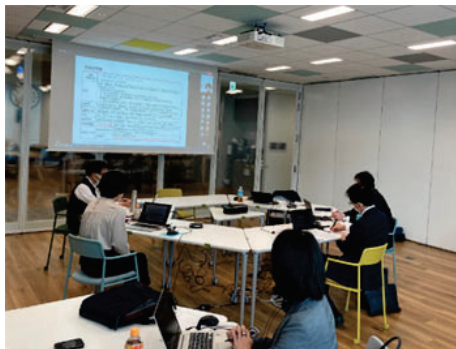
Cooperation Exercise between Head Office (Emergency Response Headquarters) and Business Sites (Affected Areas)

In the event that a business site suffers extensive damage due to a natural disaster, etc., it is necessary to smoothly coordinate with the head office's emergency response headquarters and work as a team to achieve business restoration as quickly as possible. To prepare for such an event, we conduct an annual drill to ensure coordination between the head office (emergency response headquarters) and business sites (affected areas).

In fiscal 2021, we conducted a study on business restoration five days after the occurrence of a disaster, based on the assumption that the Nikko site was damaged by a major earthquake, by remotely connecting the site and the head office in the event of an actual disaster.

The task force in the affected area, the plant, the headquarters emergency task force, and the sales and planning departments participated in the study to examine the procedures for dispatching recovery support teams to the affected area and the production recovery policy, including alternative production of products, to verify the effectiveness of the current process.

We will steadily improve the issues identified in the exercise and promote employee training to further strengthen the resilience of critical business continuity.



FY2021 Head Office - Disaster Area Cooperation Exercise (at the headquarters meeting room)

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

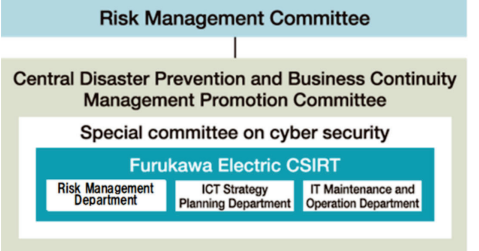
As a technical measure against cyber security risks, which are becoming more sophisticated and serious every year, we introduced an EDR system^{*1} in FY2021, which monitors the behavior of PCs and other terminals and blocks unauthorized external communications, in place of conventional anti-virus software. As an organizational measure, in fiscal 2017 we began the activities of the "Furukawa Electric CSIRT"^{*2} to promptly respond to incidents, large and small, of the Group.

In preparation for a situation in which Group companies and supply chains are targeted and damage expands, we are exploring ways to respond to incidents involving Group companies, and in FY2021 we conducted cyber incident response training in collaboration with the CSIRT organizations of domestic affiliates in the automotive parts business. In the future, we intend to expand the program to Group companies in other business domains, aiming to establish a global cyber security system for the Group.

*1 EDR System: EDR (Endpoint Detection and Response) is an information security product that monitors PCs and other terminals (endpoints) to detect and respond to abnormalities. Unlike conventional antivirus products that prevent virus infection and attacks, EDR is designed to detect viruses and respond quickly after infection, based on the premise that unauthorized access or other attacks will occur.

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

Organizational structure on cyber security



Personal information protection

In preparation for the enforcement of the revised Personal Information Protection Law in April 2022, we informed employees of the revisions at in-house compliance seminars (November 2021) and during Information Security Month (February 2022).

In addition, the Personal Information Protection Law in China went into effect in November 2021, and together with the Legal Department, we alerted our offices in China, provided guidance on how to respond, and took action when personal information is transferred from the local site.

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

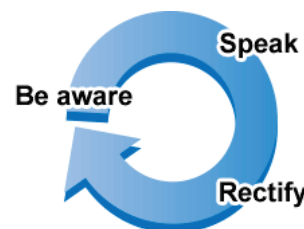
| | FY 2021 | | | FY 2022 |
|--|---|--|-------------|---|
| | Targets | Results | Achievement | Targets |
| Thorough Compliance | Compliance seminar focused on Anti-Bribery and Competition law will be planned at China and South-east Asia area by using the on-line meeting. | Remote compliance training for local staff and expatriates in Malaysia. | 😊 | Conduct e-learning on anti-bribery and competition law, as well as education in Mexico (remote meetings). |
| Advanced risk management for the entire group | PDCA will be achieved by fusing top-down management perspective and bottom-up risk recognition through questionnaires. | Conduct risk assessment from the management perspective and promote the expansion and deepening of risk control activities within the group by integrating bottom-up risk recognition through questionnaires. | 😊 | Prioritize risks and continue to expand and deepen risk control activities. |
| Strengthening cyber security measures | Co-create with group companies and departments under the jurisdiction of our company regarding the implementation of education and training and the response to audits. | Information security education and e-mail response training are conducted annually. Our CSIRT* strengthens the incident response capabilities of the entire group, and conducts exercises with affiliated companies. | 😊 | Conduct education and training, and expand the establishment of incident response organizations in group companies. |

* 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".



Three Musts for Compliance Activities

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

The Group continues to conduct a compliance awareness survey every other year. The purpose of the survey is to ascertain the current status of the organization by investigating how individual executives and employees feel about compliance and organizational culture and to utilize the results for compliance promotion measures within the group. The results of the survey are fed back to participating group companies for use in the formulation of compliance measures at each company. In FY2021, we reviewed the questions from the perspective of "Business and Human Rights" and conducted the awareness survey.

Internal Reporting System

The Group has introduced an internal reporting system for early detection and correction of misconduct. Furukawa Electric has established not only the internal reporting desk but an external reporting desk (Furukawa Electric Group Hotline) using a third-party organization outside the company, both of which allow employees to make reports anonymously. While giving full consideration to ensure that the informant does not suffer any disadvantages, the internal reporting secretariat strictly manages the content of reports, investigates them promptly, and takes appropriate measures. Furthermore, depending on the content of the reports, we have an established system to ensure fairness by seeking opinions from outside experts. We also have introduced an internal reporting desk for overseas group companies, and as of the end of FY2021, 48 companies in 17 countries had introduced it.

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".

> [Targets and Results \(Compliance\)](#)



Human Rights

Basic Approach to Human Rights

Based on the Furukawa Electric Group Philosophy, the Group fully understands that the human rights of all people affected by its business activities must be respected as it develops its global business, and respects human dignity and all internationally recognized human rights. We also promote initiatives to respect human rights in line with the United Nations Guiding Principles on Business and Human Rights, which require companies to "commitment of human rights policies," "implement human rights due diligence," and "establish remedy mechanisms".

Furukawa Electric Group Human Rights Policy

In accordance with the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), and the UN Guiding Principles on Business and Human Rights, the Group established the Furukawa Electric Group Human Rights Policy on January 27, 2020.

> [Furukawa Electric Group Human Rights Policy established](#)

Implementation of Human Rights Due Diligence

In response to changing social demands for human rights, such as forced labor, child labor, and discrimination, as well as growing interest in human rights throughout the supply chain, the Group began efforts to implement human rights due diligence in FY2021.

In FY 2021, 79 of our domestic and overseas group companies were evaluated on human rights by conducting a Self-Assessment Questionnaire (SAQ) based on the Furukawa Electric Group CSR Procurement Guidelines (Third Edition), which is based on the RBA (Responsible Business Alliance) Code of Conduct. The results of the SAQ did not reveal any significant negative human rights impacts, but we plan to take necessary corrective actions and measures based on the results of the separate compliance awareness survey of employees.

In addition, as part of our human rights due diligence, we will provide education to our Group's managers on the potential and actual negative impacts on human rights (human rights risks) that they may be involved in through their corporate activities, starting in FY2022. This initiative has been set as a sustainability indicator as "the percentage of managers receiving education on human rights risks," and we aim to achieve 100% education implementation rate for global managers in FY2025. We will progressively expand this initiative from the domestic group to overseas to prevent and mitigate human rights risks.

As part of our human rights due diligence efforts in the supply chain in FY 2021, the Procurement Department served as the contact point for an SAQ survey based on the CSR Procurement Guidelines, covering 56 of our major Partners*. Although no major risks were identified by now, we are working to ensure that the human rights initiatives of the Group are understood through ongoing communication and dialogue between the procurement department of the Group and its partners. We plan to gradually expand the scope of this activity in the future.

> [Supply Chain Initiatives](#)

* We refer to our supplier as "Partners" who co-create value.

Establishment of Remedy Mechanisms

For employees, the Group has established an internal whistleblower system with an internal contact point and an external contact point using an external third-party organization for reporting negative impacts on human rights. For stakeholders other than employees, in addition to the existing "Inquiries other than product inquirers" window on the website, the Group joins the "Japan Center for Engagement and Remedy on Business and Human Rights" (JaCER), which was established by the CSR Committee of the Japan Electronics and Information Technology Industries Association (JEITA).

> [Inquire about human rights \(Jump to JaCER's Form\)](#)

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.

- Human Rights Due Diligence Subcommittee
- Supply Chain Subcommittee

Targets and Results

Results of Efforts in FY2021 (Human rights)

| Initiatives Target | Contents |
|--------------------|---|
| Employee | <ul style="list-style-type: none"> • The Furukawa Electric Group Safety and Health Committee • Human rights / Safe and health educations according to rank • Exchange of opinions between labor and management • Compliance Month Activities <ul style="list-style-type: none"> Dissemination of General Manager's Message Activities to understand and disseminate the Furukawa Electric Group CSR Code of Conduct Education on harassment and working hour management Education on competition law and bribery, etc. |
| Business partners | <ul style="list-style-type: none"> • Organizing Partners' Meetings • Conducted SAQ surveys (56 companies) and dialogue based on the Furukawa Electric Group CSR Procurement Guidelines • Implementation of CSR questionnaire |

Targets and Results (Human rights)

| Indicator | Result of the FY2021 | Target of FY2022 | Target of FY2022 |
|--|----------------------|--------------------------------------|------------------|
| Percentage of managers trained on human rights risks | - | Start with domestic groups companies | 100% in Global |

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 notice and 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 2021, to prevent the spread of COVID-19, we held the presentation meetings online. And eleven teams were selected from the SBUs (including five 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

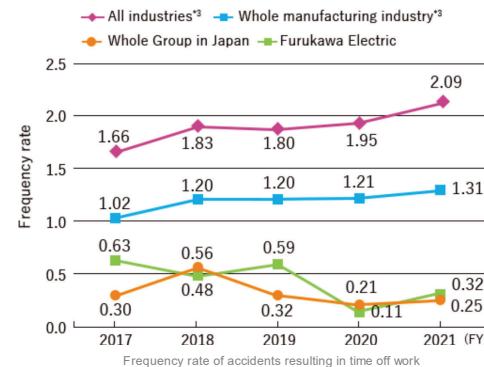
Furukawa Electric's safety officers make site inspections at Furukawa Electric Co., Ltd. and group companies whenever an accident occurs and in accordance with performance in the previous fiscal year. They confirm how appropriate the safety measures are, and check the extent to which these measures have become firmly established. In addition, they exchange opinions with a view to achieving fundamental safety, and work hard to prevent any recurrences. We conducted site inspections of six sites in fiscal 2021. However, to prevent the spread of COVID-19, there were cases when it was not possible to conduct the site inspections. Instead of site inspections, we broadcasted video of the site and held online meetings to exchange opinions.



Site inspections by officers

Work Accident Occurrence Status

In terms of its performance in fiscal 2021, Furukawa Electric recorded three "accidents with lost working days", and failed to meet its target of "zero accidents with lost working days". The frequency rate of accidents resulting in time off work¹ increased to 0.32 in Furukawa Electric only and increased to 0.25 among all Group companies in Japan². We will continue to work on safety and health activities with the aim of achieving zero accidents with lost working days.



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

² The calculation for fiscal 2021 covered full-time employees and temporary staff at Furukawa Electric and 32 Group companies in Japan.

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



Meanwhile, the 2021 accident frequency rate for the whole Group including overseas Group companies was 0.31. 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 2021 | | | FY 2022 |
|---|--|-------------|---|
| Targets | Results | Achievement | Targets |
| Zero "accidents with lost working days" | Three "accidents with lost working days" | 😞 | Zero "accidents with lost working 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. Since fiscal 2016, we have 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

<Stress test taking rates>

| FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------|---------|---------|---------|---------|---------|
| 96.0% | 97.4% | 96.0% | 97.7% | 97.3% | 97.0% |

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 2021, 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. Since fiscal 2020, to improve presenteeism, we have 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 2022, 6 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.



Countermeasures for Infectious Diseases

For overseas business trips and assignments, in accordance with the "Guide to Health Management for Overseas Workers" established by Furukawa Electric Group, the Group conducts medical examinations (before, during, and after the assignment), provides vaccinations (hepatitis A, hepatitis B, tetanus, Japanese encephalitis, rabies, measles, rubella, typhoid, polio, etc.), and publishes a Health Management Handbook for Overseas Workers. The Guide is formulated by the supervising occupational physician and occupational health staff by collecting and analyzing various information from the Ministry of Health, Labour and Welfare, the Ministry of Foreign Affairs, the World Health Organization (WHO), etc. The contents are revised as necessary.

With regard to the COVID-19, we had established an emergency task force, and while assessing the situation in Japan and overseas, we had established and thoroughly disseminated our response policies, guidelines for infection prevention and work, and procedures for dealing with infectious diseases from the perspective of infection prevention and business continuity.

On the other hand, before the COVID-19, the world is currently facing serious global health problems caused by the three major infectious diseases: HIV (AIDS), tuberculosis, and malaria. The increase in the number of infected people and deaths has led to a decline in the labor force, stagnation of economic activities, increased poverty, and orphans. In addition, the disease has even led to social problems such as human rights issues of the infected people. The Group plans and implements various training programs to ensure that employees have the correct knowledge of these issues, and will proactively respond to these global health issues.

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



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 on organizational culture which value people, Furukawa Electric Group will nurture each individual's confidence in the company.

Human Resources Management Goals and Achievements

Targets and achievements in FY2021 (human resources management)

😊 : Achieved 🙄 : Partially achieved 😞 : Not achieved

| | Targets | Results | Achievement |
|--|---|--|-------------|
| Reinforcement of the execution capabilities of individuals and organization | <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 | <ul style="list-style-type: none"> Furukawa Seven was rolled out to the manager tier across the entire group in Japan and put into practice by about 1,300 people. Started to roll out the basic thinking and problem-solving methods to the domestic group companies. | 😊 |
| Reinforcement of Monozukuri capabilities | <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 | <ul style="list-style-type: none"> Start of review of manufacturing improvement training for staff. Resumption of training of new technical personnel of the domestic Group companies. Training of site supervisors of the domestic Group companies. | 😊 |
| Promotion of new ways of working with diverse ways of working including remote working | <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 | <ul style="list-style-type: none"> The new head office, which was relocated in July 2021, introduced an office layout based on the Active Based Working (ABW) concept, which allows employees to choose their own location in the office according to their work and mood, and a free address system. Expanded diversity of working styles for employees, in conjunction with teleworking. In principle, major internal meetings, including management meetings, were held remotely, but face-to-face meetings and hybrid meetings were also incorporated and implemented, depending on the covid-19 infection situation and the purpose of the meeting. | 😊 |

Targets for FY2022 (human resources management)

| | Targets |
|---|--|
| Reinforcement of the execution capabilities of individuals and organization | <ul style="list-style-type: none"> Conducting surveys to measure employee engagement and the execution capabilities of individuals and organization and planning improvement activities (or improvement cycles) |
| Expand and strengthen succession planning | <ul style="list-style-type: none"> Succession plans expanded to key positions in the Group, as well as to general managerial positions |
| Reinforcement of Monozukuri capabilities | <ul style="list-style-type: none"> NF activity diagnostic prepared and deployment schedule determined |

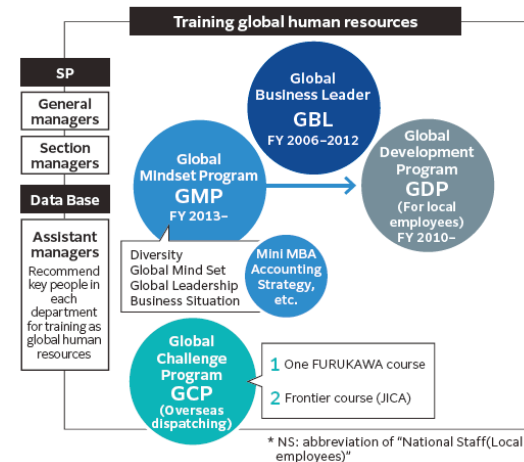
Human Resources Development and Recruitment

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.

Global human resources training system



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 make and operate personnel assignment plans from a company-wide perspective. Also, we 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. Regarding the succession plan, 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, and systematically implements initiatives over a multi-year period.

Efforts for Leadership Transformation: Furukawa Electric's Seven Principles for Leaders (Furukawa Seven)

> [Reforming organizational culture](#)

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 system information \(only available in Japanese\)](#)

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 FY 2020. 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. From the FY 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 recent years, we have been actively recruiting mid-career workers with the ability to make an immediate impact as we aggressively develop our business for the next generation. In addition, we have begun hiring under the "F Return System" for those who have worked for Furukawa Electric in the past. The purpose of this system is to allow those who have chosen to leave the company due to unavoidable circumstances or for career advancement reasons such as changing jobs or studying abroad. We expect their immediate contribution by utilizing the experience they have gained within the company as well as the knowledge and skills they have acquired after leaving the company.

About new graduate recruitment, we share our recruitment know-how within Furukawa Electric Group through information exchange meetings. We also hold Furukawa Electric Group company information sessions to actively promote the appeal of the Furukawa Electric Group to students.

> [Recruitment information \(only available in Japanese\)](#)

Encouraging Employment of People with Disabilities

> [Initiatives Promoting the Employment of People with Disabilities](#)

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.



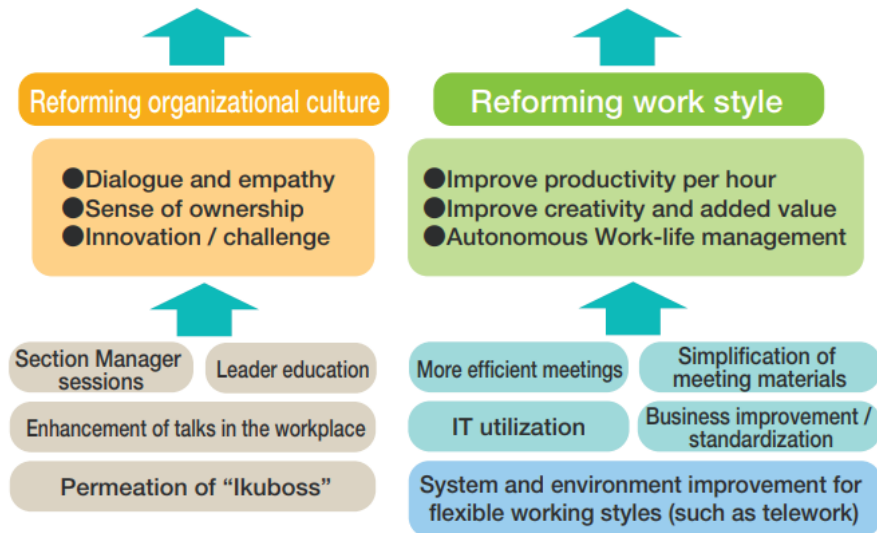
Internship training

Human Resources Management

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".

Sustainable growth of the company & enhancement of individual lifestyles (life)



Voluntary activities of all divisions (department / section unit)

"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.

Voluntary activities of all divisions

Our work style reform activities are based on the voluntary activities of each department.

•HK Award

Each year, we praise good activities that can be helpful to other groups and share the concept within the group.

•Working Style Reform Challenge Month

One month each year is designated as "Working Style Reform Challenge Month," during which we take on the challenge of implementing various initiatives related to work style reform.

•Voluntary departmental activities

Each department sets its annual activity policy and implements the PDCA cycle.

Reforming work style

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. We also have other systems in place to support diverse work styles.

> [In-house systems supporting diverse work styles](#)

An office environment that enables "new ways of working" to be realized

On July 19, 2021 we moved our head office in order to accelerate work style reforms and improve head office functions.

As the rapid advance of telework and other location-independent work styles, we have introduced the concept of a work style in which employees choose their own location in the office according to their work and mood (Activity Based Working: ABW) as a place to realize "new work styles," and the values that the headquarters office should provide are reflected in the layout, assuming 50% work at the office. We will realize a "new way of working" and promote higher value creation through collaboration with diverse people and improved team strength.

> [News release: Head Office to be moved to TOKYO TORCH TOKIWABASHI TOWER ~ \(only available in Japanese\)](#)



Reforming organizational culture

Efforts for Leadership Transformation: Furukawa Electric's Seven Principles for Leaders (Furukawa Seven)

In order to continue generating corporate value in a fast-changing, uncertain environment, a working team can deliver results only when the psychological safety of its members is ensured. For this reason, we have established the Seven Principles for Leaders (Furukawa Seven), which consists of one basic mindset and six action principles for a leader to build a good working team. To put these to work, at the start of every day our officers and executives, and department and section managers declare these principles and act accordingly every day. Our efforts on leadership transformation also include use of behavior retention tools such as mobile apps, and surveys to check practices and organizational health.

1 important mindset and 6 action standards



Topics

Workstyle Reform in view of the post COVID 19 era

A cross-company team has been established to look ahead to the Corona Era, and measures are being implemented to promote and establish a new work style in the post COVID.

> [News release: romoting "work style reform" across the entire company in anticipation of the post-COVID-19 era \(only available in Japanese\)](#)

"IkuBoss" Enterprise Alliance

In June 2017, Furukawa Electric Co., Ltd. joined the "IkuBoss Corporate Alliance" organized sponsored by Specified NPO Fathering Japan (Representative Director: Tetsuya Ando).

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



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 893,193 shares as of the end of March 2022.



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 70 years since fiscal 1952. As of May 2022, we had held these briefings 138 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.



Diversity & Inclusion

Basic Policy, Goals and Achievements

Basic Policy

We raise "Nurture human resources at every level, so that we can become a more diverse and creative organization" as one of the Furukawa Group's management philosophy and this is the basic policy of human resource management.

In addition, under the "Furukawa Electric Group People Vision", we are implementing initiatives such as talent development and work environment improvement with the aim to enable all employees to active role autonomously.

| | |
|---------------------------|--|
| Gender | Considering the impact on discussions and decision-making and keeping in mind the future target for the ratio of women in managerial positions of 30% which is generally said to affect decision-making, we will carry out initiatives to enhance the pipeline from recruitment to the development of core people. |
| Disability | Assuming a possible increase in the legal employment rate, we aim to stably achieve the legal employment rate. |
| Global Talent | We will put the right person in the right position from a global perspective, from the perspective of strengthening management capabilities and needs according to each business strategy. |
| Career Recruitment | With the intention of accelerating the strengthening of expertise and the diversification of perspectives, we will actively promote career recruitment of diverse human resources. |

Goals

| | Goals for FY2025 |
|---------------------------|--|
| Gender | The ratio of women in (1) recruitment of new graduates* ¹ FY2025-40%、FY2030-40% (2) chief positions(candidates for managerial positions) FY2025-15%、FY2030-20% (3) managerial positions FY2025-7%、FY2030-15% |
| Disability | Employment ratio of persons with disabilities: FY2025:2.40%、FY2030:2.65% |
| Global Talent | Identify global post align with the business strategy and set a plan of recruitment and talent development of global talent |
| Career Recruitment | Maintain the ratio of mid-career recruitments to about 30% of newly recruitment* ² |

*1 Career track and general positions

*2 Object group includes management level, career track, and general position employees. New recruitment is defined as new graduates and career hires.

Initiatives policy for achievement of goals (Talent development and Work environment improvement)

In order to strengthen diversity and inclusion, we will take initiatives comprehensively from many aspects such as recruitment, job assignment, training, and environment improvement.

- Recruitment: Strengthen recruitment capabilities to enhance the pool of candidates for managerial positions
- Job assignment and training: Incorporating efforts to improve diversity into succession plans and talent development plans in consideration of business strategic needs
- Improving the company internal environment: Proactively promote HR system development, mindset, and work style reform to accept diverse people and workstyle

| | Recruitment | Job assignment / Talent development | Work environment improvement |
|---------------------------|--|---|--|
| Gender | <ul style="list-style-type: none"> • Strengthen recruitment of new graduates • Enhance mid-career recruitment of women in managerial positions | <ul style="list-style-type: none"> • Expand assigned posts affirmatively • Prioritize plans for development and appointment (medium to long-term talent development for candidates , recruitment, etc.) | <ul style="list-style-type: none"> • Initiatives for make employee comfortable, creative and highly productive working environment and systems (Work style reform, improvement of facilities in the office, etc.) • Initiatives for mindset (Eliminate unconscious bias, etc.) |
| Disability | <ul style="list-style-type: none"> • Strengthen functions of Furukawa New Leaf (special subsidiary) • Expand direct employment by Furukawa Electric | <ul style="list-style-type: none"> • Expand job assignment positively • Enhance business support system | <ul style="list-style-type: none"> • Initiatives for a comfortable working environment and systems (Utilize telework system, improve facilities in the office, etc.) |
| Global Talent | <ul style="list-style-type: none"> • Strengthen recruitment channels • Grasp global talents within the group and utilize | <ul style="list-style-type: none"> • Make a plan of development of global talents align with a business strategy | <ul style="list-style-type: none"> • Set HR management policy in the group and globally |
| Career Recruitment | <ul style="list-style-type: none"> • Diversify recruitment channels and strengthen recruitment functions • Utilize referral recruitment and retiree recruitment • Improve awareness and corporate brand | <ul style="list-style-type: none"> • Make a plan of talent assignment align with a business strategy (Understand the needs of people with highly specialized skill, etc.) • Enhance onboarding program for new recruits | <ul style="list-style-type: none"> • Update to a more flexible HR system |



Goals and Achievements

😊 : Achieved 😊 : Partially achieved 😞 : Not achieved

| | Goals for FY2025 | FY2021 | | FY2022 |
|----------------------|---|--|--------------------------------------|--|
| | | Achievements | | Goals |
| Gender | The ratio of women in (1) recruitment of new graduates ^{*1} : 40% (2) chief positions (candidates for managerial positions): 15% (3) managerial positions: 7% | (1)20% (As of April 1, 2021) (2)11% (3)3.8% (As of March 31, 2022) | 😊 | <ul style="list-style-type: none"> Provide training opportunities for management candidates (Dispatch to cross-industry joint training, etc.) Dispatch of female engineers for career education for junior and senior high school students Hold "Rico-challe" event sponsored by the Cabinet Office Introduce coaching for individual development of female managers Implement dialogues for expansion of assignments and appointments <p>> Click here for details (The Activity to Promote Women's Careers)</p> |
| Disability | Employment ratio of persons with disabilities: 2.40% | 2.32% (As of June 1, 2021) | 😊 (Achieve legal employment rate) | <ul style="list-style-type: none"> Employ people with intellectual disabilities at a specific subsidiary, Furukawa New Leaf New recruitment by Furukawa Electric (3 new recruitments in FY2021) Improve the actual employment rate (2.31% in 2020 → 2.32% in 2021) <ul style="list-style-type: none"> Continue recruitment by Furukawa Electric Expand job assignment positively Hold events such as lectures for the purpose of promoting employee understanding |
| Global Talent | Identify global post align with the business strategy and set a plan of recruitment and talent development of global talent | - | 😊 | <ul style="list-style-type: none"> Implement of global mindset program for global talent development <p>> Click here for details (Human Resources Development and Recruitment)</p> <ul style="list-style-type: none"> Implement of global mindset program for global talent development <p>> Click here for details (Human Resources Development and Recruitment)</p> |

| | Goals for FY2025 | FY2021 | | FY2022 |
|---------------------------|--|-------------------------------|---|---|
| | | Achievements | | Goals |
| Career Recruitment | Maintain the ratio of mid-career recruitments to about 30% of newly recruitment ^{*2} | 36% (As of March 31, 2022) | 😊 | <ul style="list-style-type: none"> Strengthen recruitment strategy align with business strategy Strengthen recruitment channels Initiatives to improve recognition and corporate brand through commercial message, etc. <ul style="list-style-type: none"> Strengthen recruitment channels Implement a public relations strategy to improve recognition and the corporate brand |
| Work style reform | <ul style="list-style-type: none"> Support diverse work styles and work-life balance Expand the system for telework from anywhere Continue program to change mindset for acceptance and utilization of diverse people and work styles | - | 😊 | <ul style="list-style-type: none"> Introduce an office layout based on the concept of ABW^{*3} and a free address system, etc. at the new headquarters, which was relocated in July 2021. Continue to use both telework and working in the office, maintaining the attendance rate at the head office and branch offices at about 30% In principle, major internal meetings will be held remotely, but depending on the purpose, meetings and events will be managed by incorporating face-to-face and hybrid methods. Full-scale introduction of in-company side job system (total of 30 employees engaged in 19 PJs in FY2021) Enhance welfare services related to family care <p>> Click here for details(1) Targets and Achievements (Human Resource Management)</p> <p>> Click here for details(2) Work Style Reform</p> <ul style="list-style-type: none"> Enhance new work styles (Maximize the benefits of remote work, enhance new work style in anticipation of post-corona at the new head office, etc.) Accelerate initiatives for work style reforms to improve productivity Expand in-company side job system Improve child/family care leave system based on the revised Childcare and Family Care Leave Act (Establishment of childcare leave system at birth for daddy, etc.) |

*1 career track and general positions

*2 Object group includes management level, career track, and general position employees. New recruitment is defined as new graduates and career hires.

*3 ABW = Active Based Working, choose own place in the office according to work and feeling



Diversity & Inclusion

Diversity & Inclusion Promotion

Previous Measures

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.

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

Deepen individual engagement and strategically foster train women

- **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

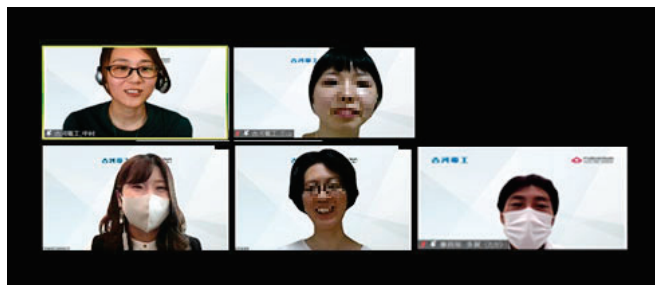
Supporting diverse work styles of employees, aiming for both job satisfaction and ease of work

- **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

Topics

Event to Support Students Challenging Careers in Science and Engineering in 2022 summer

On August 2 and August 19, 2022, we held the "Riko-challe in summer of 2022"^{*1} online for junior high and high school students. The event was designed to let students experience the fun and excitement of science and engineering, and included company presentations, technology introductions, interaction with female technical employees, and virtual office tours. In the questionnaire after the event, we received comments such as "It was good to hear about the choice of humanities and sciences from senior employees," "I was surprised by Furukawa Electric's technology," and "I was able to experience the company as if I were really in the office."



Interaction with female technical employees
(Left and center: senior female employees; right: moderator)



Quiz on our technology
Pens made from our recycled materials distributed as souvenirs



Online office tour to experience the inside of an actual office

*1 We are participating as a supporting organization in the "Riko challenge summer of 2022" promoted by Japan Business Federation in cooperation with the Cabinet Office.

> ["Rico-challe" Official Website](#), [Gender Equality Bureau Cabinet Office](#), [Government of Japan](#)

Dispatch of lecturers for "Lectures by members of the scientific community" for high school students

In July 2022, one of our female technical employees was dispatched as a lecturer to a girls' high school in Kanagawa Prefecture to give a "Science Worker Lecture" to first-year students, who listened intently and took notes as she talked about the work, daily schedule, and career choices of science employees working at companies. The students actively asked questions about employment and other topics.



Venue



Female technical employees on stage

Other

> [Holding Diversity Forums](#)

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

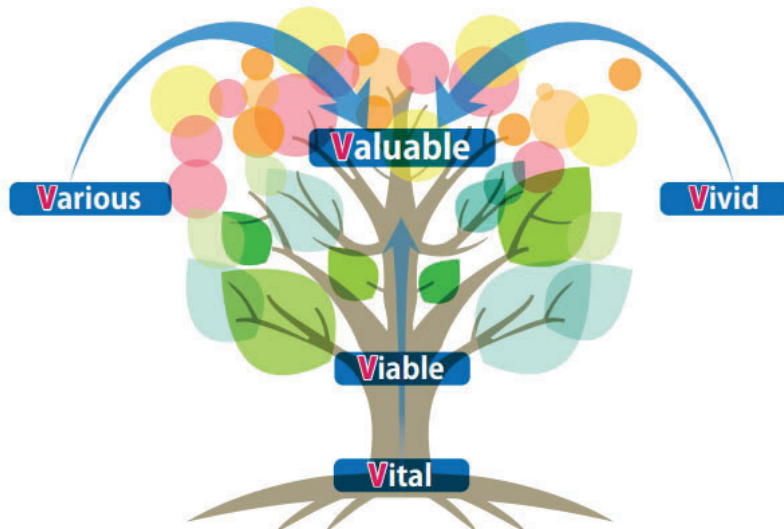
The Activity to Promote Women's Careers

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 !!

Slogan

Challenge to the **Vital** issues
by **Viable** approaches
to realize "**Various**" "**Vivid**" "**Valuable**" Work & Life !



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.

Objectives related to support the success of women in the workplace^{*1}

1. We aim for 7% of females in managerial positions by fiscal 2025.
2. We aim for 15% of females in candidates for managerial positions (equivalent of chiefs) by fiscal 2025.
3. We aim for 40% of females in new graduate recruits^{*2} by fiscal 2025.

^{*1} 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 \(only available in Japanese\)](#)

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

^{*2} The definition of new graduates here is those who are hired for career track and general positions.

Support for "Declaration on Action by A Group of Male Leaders Who will Create a Society in Which Women Shine."

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. (June 13, 2017)

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.

> [News release: Support for "Declaration on Action by A Group of Male Leaders Who will Create a Society in Which Women Shine." \(only available in Japanese\)](#)

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.

> ["Declaration of Action by a Group of Male Leaders for the Realization of a Society in which Women Shine" \(Official website of Gender Equality Cabinet Office, Government of Japan\)](#)

行動宣言

輝く女性の活躍を加速する
男性リーダーの会



External Assessment

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.



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.



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.



Topics

- > [Holding a Diversity Forum](#)

Data

- > [Number of employees](#)
- > [Number of candidates for managerial positions \(equivalent of chiefs\)](#)
- > [Number of employees in managerial positions](#)
- > [Number of new graduate recruits](#)
- > [Employee turnover rate](#)
- > [Number of employees taking maternity/paternity leave](#)

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 52 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.

Employment rate of people with disabilities as of June 1 of each year (%)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|-------------------|---------|---------|---------|---------|---------|---------|
| Furukawa Electric | 2.23 | 2.12 | 2.14 | 2.09 | 2.32 | 2.35 |

- > [Inquiries about Furukawa Electric's Employment of People with Disabilities\(only available in Japanese\)](#)

Introduction to Furukawa New Leaf Co., Ltd.

Company profile

| | |
|----------------|--|
| 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: 33.3 (as of November 1, 2022)
- Average years of service: 9.6 years (as of November 1, 2022)

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

Location

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 their guardians/supporting organizations
3. Promotion of communication 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. **Individual interviews with their guardians**
9. Cooperation with **employment and livelihood support centers to assist people with disabilities**
10. Welcoming visitors (students and teachers) from **special needs 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, we 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 electrical waste. 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

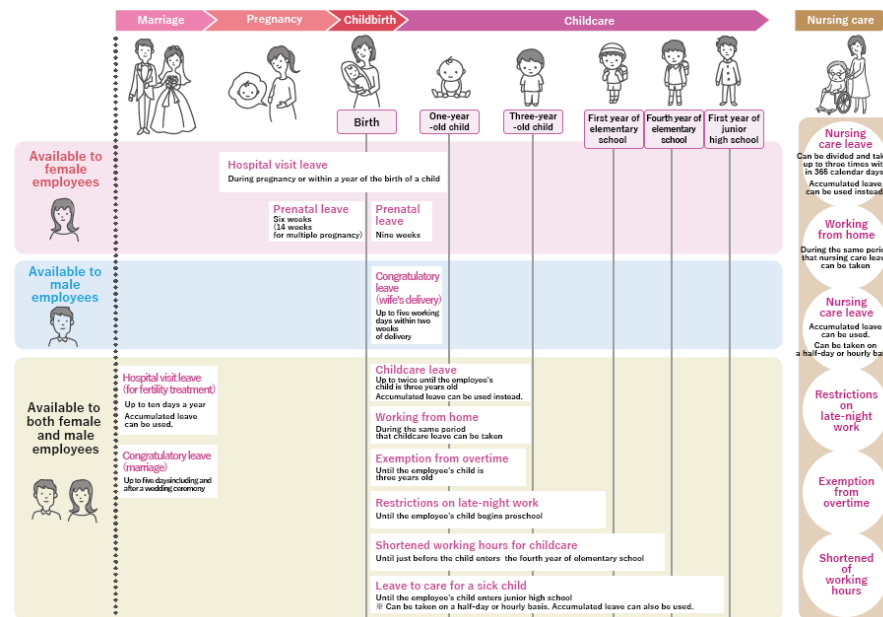


Kinugawa-so, the company-run resort house

Diversity & Inclusion

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.



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



Environmental Policy / Environmental Vision

Environmental Policy

Furukawa Electric Group Basic Environmental Policy

Basic Philosophy

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

Action Guidelines

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

Environmental Policy / Environmental Vision

Environmental Vision

In the "Furukawa Electric Group Environmental Vision 2050", while continuing the measures based on the "Environmental Targets 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



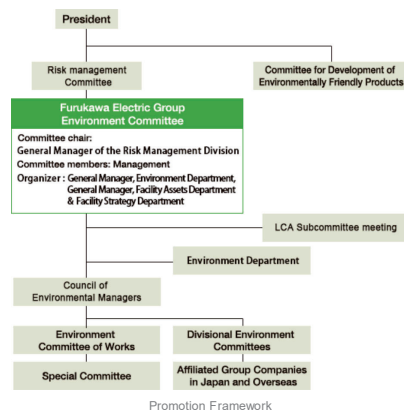
Environmental Management

Environmental Management Organization, Environmental Education, Environmental Awards

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 - Scope of the environmental management](#)

International Standard for Environmental Management (ISO14001)

The Group has been working on activities to achieve environmental targets while establishing an environmental management system at each site.

And, domestic and overseas production sites have acquired the international standard ISO14001 certification.

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



Certificate of Mie Works, Furukawa Electric Co., Ltd.

Environmental Education

Environmental Education System and Environmental Education Programs

For the purpose of achieving "Furukawa Electric Group Environmental Vision 2050" and "Environmental Targets 2030" by understanding the Environmental Basic Philosophy and activating activities in the line with the Action Guidelines, based on the consideration that it is necessary to raise employee awareness and to promote understanding, environmental education is provided for all Furukawa Electric Group employees, from new employees to executive officers, using face-to-face and e-learning.

The ISO14001 internal environmental auditor course for new appointees in FY2021 was held online as a measure to avoid three Cs. At the beginning of the fiscal year, new employee education, training for newly appointed managers, and training for mid-level MONOZUKURI staffs are conducted as hierarchical training.

During environment month in June FY2021, each employee watched environment-related videos and discussed the environment with people around at their home or workplace. Furthermore, a questionnaire survey on the status of efforts in the workplace and in daily life for the environment and awareness of the Environmental Vision 2050, etc., and activities raising environmental awareness were carried out.

| 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 award

Environmental activity award system

In FY2010, the Group started the Environmental Activity Awards with the aim of motivational improvement of employees and organizations working on environmental activities. The award was renamed to the ESG Commendations "Environmental Contribution Award" from the achievement award in FY2018, for the purpose of expanding the scope of the award which was focused on global warming prevention measures to all environmental activities, and aimed to raise awareness of the environment and to improve the level of environmental activities. In FY2021, 1 Outstanding Performance Award, 2 Excellent Performance Awards, and 4 Honorable Mentions were selected. The Outstanding Performance Award was given to Furukawa Industrial Plastics Co., Ltd. in recognition of the "Reduction of environmental footprint by low-carbon material" for a project that contributes to the promotion of resource recycling and the reduction of GHG emissions in the value chain.



Environmental Management

International Standard for Environmental Management (ISO14001)

International Standard for Environmental Management (ISO14001)

The Group has acquired the international standard ISO14001 certification at domestic and overseas production sites.

The percentage of production sites that have acquired ISO14001^{*1} is as follows. (as of July 2022)

Domestic: 100% (all 6 production sites, all 24 domestic consolidated subsidiaries nationwide)

Overseas: 72% (36 out of 70 overseas group companies)

*1 Production sites of the domestic and overseas consolidated companies are covered.

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.^{*2}
- Furukawa Techno Material Co., Ltd.
- Furukawa Electric Industrial Cable Co., Ltd.
- Furukawa Nikko Power Generation Inc.
- Miharu Communications Inc.
- 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.^{*2}
- Furukawa Electric Power Systems Co., Ltd.
- Furukawa Network Solution Corp.^{*2}
- Riken Electric Wire Co., Ltd.
- KANZACC Co., Ltd.
- Foam Kasei Co., Ltd.
- Furukawa Sangyo Kaisha, Ltd.
- Furukawa Precision Engineering Co., Ltd.
- Furukawa Electric Ecotec Co., Ltd.^{*2}
- The Furukawa Battery Co., Ltd.
- Furukawa Magnet Wire Co., Ltd.
- Furukawa Electric Business & Life Support Inc.^{*2}

Overseas group companies

- Chongqing Changhua Automobile Harness Co., Ltd.
- Furukawa Automotive Parts(Vietnam) Inc.
- Furukawa Automotive Systems (Vietnam) Inc.
- Furukawa Electric(Shenzhen) Co., Ltd.
- Furukawa Electric LatAm S.A.
- Furukawa Mexico S.A. de C.V.
- OFS Fitel Deutschland GmbH
- Permintex Furukawa Autoparts Malaysia Sdn. Bhd.
- PT. Furukawa Optical Solutions Indonesia
- Siam Furukawa Co., Ltd.
- Thai Fiber Optics Co., Ltd.
- Wuhan Furukawa Automotive Systems Co.,Ltd.
- Furukawa Auto Parts (Huizhou) Ltd.
- Furukawa Automotive Systems (Thailand) Co., Ltd.
- Furukawa AVC Electronics (Suzhou) Co., Ltd.
- Furukawa Electric Autoparts Philippines, Inc.
- Furukawa FITEL (Thailand) Co., Ltd.
- Furukawa Minda Electric Pvt. Ltd.
- OFS FITEL, LLC
- Polifoam Plastic Processing Co. Ltd.
- PT. Tembaga Mulia Semanan, Tbk
- Suzhou Furukawa Power Optic Cable Co., Ltd.
- Totoku (Zhejiang) Co., Ltd.
- Furukawa Electric Thermal Management Solutions and Products Laguna, Inc.
- Furukawa Automotive Parts (Dongguan) Ltd.
- Furukawa Automotive Systems Lima Philippines, Inc.
- Furukawa Circuit Foil Taiwan Corporation
- 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.
- Trocellen Italia SpA
- PT Furukawa Indomobil Battery Manufacturing

*2 Included in the Furukawa Electric Co., Ltd. business site



Environmental Management

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 most 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 with 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.

We regularly monitor compliance with laws and regulations, and in FY2021 there were no reports of serious violations of laws and regulations (air, water quality, etc.) that would have a social impact.

Please see below for our response to the asbestos problem.

> [Response to Asbestos Concerns](#)

Environmental Targets / Results / Data

Targets and Performances of Environmental Conservation Activities

Environmental Targets 2030

Furukawa Electric Group has set Environmental Targets 2030 and has been making efforts to contribute to a carbon-free society, etc. In order to accelerate our efforts to achieve the ultra-long-term goals of the Environmental Vision 2050, The Group has revised the Environmental Targets 2030 in February 2022.

Environmental Targets 2030

1. Contribute to a carbon-free society
 - (1) Greenhouse gas emissions from business activities (Scope 1 & Scope 2): Reduce by at least 46% compared to FY2017
 - (2) Greenhouse gas emissions in the value chain (Scope 3): Reduce by at least 20% compared to FY2019
2. Contribute to realizing a recycling-based society for water and resources / Contribute to society in harmony with nature
 - (1) Efficient use of water resource
 - Water consumption: Reduce by at least 10% compared to FY2020 (per unit of net sales)
 - (2) Efficient use of metals and plastics
 - New material^{*1} consumption: Reduce by at least 10% compared to FY2020 (per unit of net sales)
 - Single-use plastic^{*2} consumption: Reduce by at least 25% compared to FY2020 (total volume)

The Group obtained SBT^{*3} WB2°C (well-below 2°C) certification from SBTi (Science Based Targets Initiative) for the company's greenhouse gas reduction targets in July 2022.

*1 New material: virgin materials for electrolytic copper, new aluminum ingots, and plastics, etc.

*2 Single-use plastic: disposable plastics used in containers, plastic bags, etc.

*3 SBT: Science Based Target.



Targets and Performances

😊 : Achieved 😊 : Partially achieved 😞 : Not achieved

| Activity | Furukawa Electric Group (Domestic and overseas) | | | | | | |
|---|--|---------------------------|-------------------------------------|-----------------------------|--------------------|-------------------------------------|-----|
| | Base year | Targets for FY2021 | FY2021 results | Evaluation | Targets for FY2022 | 2025 Mid-term targets ^{*4} | |
| Reduction of greenhouse gas emissions (Scope1, 2) ^{*1} | CO ₂ +SF ₆ | FY2017 | 8.9% or more | Reduced 29% | 😊 | 17.7% or more | 28% |
| | CO ₂ | FY2017 | 6.6% or more | Reduced 22% | 😊 | 10.8% or more | — |
| Reduction of greenhouse gas emissions (Scope3) ^{*2} | | FY2019 | 2% or more | Reduced 1% | 😞 | 4% or more | 10% |
| Improvement ratio of renewable energy | | FY2017 | 1.5% or more | Increased 2.9% | 😊 | 3.5% or more | 5% |
| Reduce water withdrawal | | FY2020 | 1% or more | Reduced 9.7% | 😊 | 2% or more | 5% |
| Reduce production energy | | | 1% or more | Reduced 7.6% | 😊 | 2% or more | 5% |
| Reduce transportation energy | | | 1% or more | Reduced 1.5% | 😊 | domestic: 2% or more | 5% |
| Reduce total waste | | | 1% or more | Reduced 2.8% | 😊 | domestic: 2% or more | 5% |
| Environment Business promotion | Improvement sales of environmentally friendly products | - | 62% or more | 61.9% | 😊 | 64% or more | — |
| | Contribution of products to avoided environmental impact | - | 110,000 ton-CO ₂ or more | 137,000 ton-CO ₂ | 😊 | 120,000 ton-CO ₂ or more | — |
| Contamination prevention | Prevention of environmental accidents | Number of accidents | Zero | 0 | 😊 | Zero | — |
| | | Number of small accidents | 3 or less | 0 | 😊 | 3 or less | — |
| CDP ^{*3} SCORE UP (Climate Change) | | - | Score A | A | 😊 | Score A | — |

*1 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

*2 The Group has started calculating downstream emissions of Scope 3 in activities related to the products and the services sold by the Group in principle from FY2020. The base year was changed from FY2017 to FY2019, calculated retroactively back to FY2019.

*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.

*4 In FY2021, Environmental Targets 2030 and 2025 Mid-term Targets were revised.

Activities Targets and Performance in FY2021

Continuing from the previous fiscal year, the total greenhouse gas emissions in FY2021 were significantly reduced by 29.0% compared to FY2017. Though some production sites were affected by COVID-19 measures, as climate change measures, such as energy-saving measures at factories have been consistently promoted and the number of production sites with solar photovoltaic equipment has increased. For purchasing power, among the overseas group companies, Trocellen Italy S.p.A in Europe has taken the lead in switching to electricity derived from renewable energy, also being promoted at production sites in Japan and Southeast Asia. In addition, towards the "Furukawa Electric Group Environmental Vision 2050", to accelerate efforts for greenhouse gas reduction, the Environmental Targets 2030 was revised in February 2022, and the target was reset from 26% reduction to 46% reduction.

Activity Targets in FY2022

To achieve the revised "Environmental Targets 2030" the entire Furukawa Electric group will work on the reduction of greenhouse gas emissions. The long-term greenhouse gas reduction target (Science-based target: SBT) was applied by changing from 2°C to WB2°C and was approved in July 2022. In line with this target, plans to introduce solar photovoltaic equipment will be promoted, in addition to promoting energy-saving activities more than ever before. And purchasing power will be switched to power derived from renewable energy.



Environmental Targets / Results / Data

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 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.

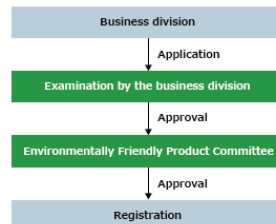
| Category | Content |
|--|--|
| Prevention of global warming (Only available in Japanese) | Products with functions that contribute to the reduction or absorption / fixation of the greenhouse gas (GHG) emissions through the entire life cycles, or products that have reduced the greenhouse gas in their 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 their 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 Products Committee.

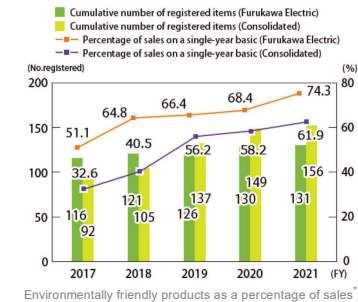
The criteria that products have to meet to be registered as an environmentally friendly product is an overall improvement of environmental performance when compared with existing products based on established evaluation criteria at each stage of the product's lifecycle: the purchase of raw materials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



* In FY2018, 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.

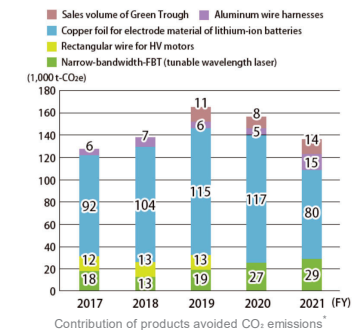
TOPICS "Wrought copper products/superconducting products manufactured with renewable energy"

Efforts to Contribute to the Environmental Impact Reduction by the Products

Utilizing Life Cycle Assessment (LCA), the group is working on visualizing the contribution to the reduction amount of CO₂ emissions generated during the use phase of Furukawa Electric Group products by customers. The contribution to the reduction amount of CO₂ emissions in FY2021 was approximately 137 thousand tons-CO₂/year in a total of the four products shown below, which decreased from the previous year.

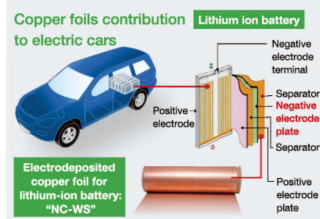
- Direct contribution to the reduction of CO₂ emissions by downsizing/energy saving of semiconductor lasers in the field of optical communication.
- In the automotive field, indirect contribution to the reduction of CO₂ emissions, both by the copper foil for lithium batteries which is necessary for the EV shift of automobiles, and by aluminum harnesses which contribute to weight reduction.
- Indirect contribution to the reduction of CO₂ emissions by recycled resin trough Green Trough adopted for power cable burial work in the fields of railways, roads, and renewable energy.

We will continue to work on the expansion of environmentally friendly products creating a social infrastructure combining information, energy, and mobility, and expand our work on such as visualization of CO₂ emissions from products.



* The rectangular winding wire will be excluded from FY2020 due to business transfer.

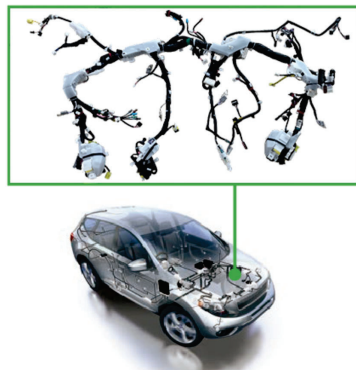
Reduction of CO₂ emissions using copper foil for lithium-ion batteries in electric vehicles.



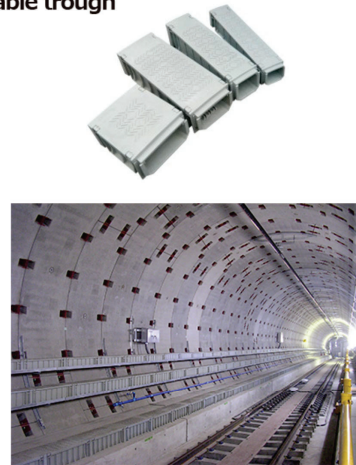
Reduction of CO₂ emissions by the narrow beam linewidth and high power compact Integrated Tunable Laser Assembly (ITLA).



Reduction of CO₂ emissions by aluminum harnesses for automobiles.



Reduction of CO₂ emissions by Recycled cable trough



Environmental Targets / Results / Data

Material Flow

Environmental Impact of the Furukawa Electric Group in FY2021

We tallied data for Furukawa Electric 32 domestic group companies, and 59 overseas group companies - a total of 91 companies.

Please see below for a list of all applicable companies.

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

INPUT

| Category | Domestic | Overseas | Unit |
|---|----------|----------|--------------------|
| Raw materials | | | |
| Copper | 128.6 | 113.7 | 1000t |
| Aluminum | 14.5 | 14.4 | 1000t |
| Iron | 5.6 | 12.5 | 1000t |
| Other metals | 5.4 | 0.53 | 1000t |
| Glass | - | 2.4 | 1000t |
| Plastic | 27.5 | 48.8 | 1000t |
| Energy | | | |
| | 7,035 | 7,398 | TJ |
| Electricity (purchased electricity) | 482 | 661 | GWh |
| Electricity (Renewable energy use by contract out of purchased electricity) | 2 | 34 | GWh |
| Electricity (hydroelectric electricity) | 95 | - | GWh |
| Electricity (solar electricity) | 1,718 | 1,955 | MWh |
| City gas | 16,439 | 4,545 | 1000m ³ |
| Natural gas | 414 | 13,814 | 1000m ³ |
| LPG | 10.0 | 0.4 | 1000t |
| Heavy fuel oil A, Kerosene, Light oil | 3,449 | 333 | kt |
| Water | | | |
| | 9,543 | 2,673 | 1000m ³ |
| Surface water | 6,588 | 67 | 1000m ³ |
| Groundwater | 2,392 | 40 | 1000m ³ |
| Tap water | 564 | 2,560 | 1000m ³ |
| Chemical substances | | | |
| Volume handled ¹ | 47.2 | - | 1000t |
| Packaging² | | | |
| Cardboard, Wood, Paper | 1.7 | 8.9 | 1000t |
| Plastic | 0.02 | 4.81 | 1000t |

OUTPUT

| Category | Domestic | Overseas | Unit |
|-------------------------------------|----------|----------|-----------------------|
| Waste³ | | | |
| Total waste generated ⁴ | 24.7 | 16.7 | 1000t |
| Final waste disposal | 0.3 | 11.5 | 1000t |
| Recycling amount | 23.3 | 5.2 | 1000t |
| Atmospheric emissions | | | |
| CO ₂ | 281 | 352 | 1000t-CO ₂ |
| SF ₆ | 7 | - | 1000t-CO ₂ |
| SO _x | 2 | - | t |
| NO _x | 61 | - | t |
| Soot | 13 | - | t |
| Chemical substances | | | |
| Volume emitted | 62 | - | t |
| Volume transferred | 326 | - | t |
| Wastewater | | | |
| | 9,404 | 1,968 | 1000m ³ |
| Wastewater Public waterways | 8,595 | 714 | 1000m ³ |
| Rivers | 7,721 | 348 | 1000m ³ |
| Sea | 837 | 0 | 1000m ³ |
| Other | 37 | 365 | 1000m ³ |
| Sewer | 809 | 1,254 | 1000m ³ |
| BOD | 30 | - | t |
| COD | 37 | - | t |
| SS | 48 | - | t |
| Volume of water recycled and reused | 1,100 | 59 | 1000m ³ |

Furukawa Electric 32 domestic group companies and 59 overseas group companies

¹ PRTR-listed substances
² Cardboard, wood, paper, and plastic used in product shipping
³ Including valuable resources (Japan)
⁴ Emissions off-site



Environmental Targets / Results / Data

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 21 Japanese group companies.

In FY2021, environmental conservation costs totaled 2.68 billion yen in expenses and 1.32 billion yen in environment-related investments. Compared with the previous year, expenses increased by 110 million yen and investments increased by 200 million yen.

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

Environmental Targets / Results / Data

Third-Party Verification Report

The Group works on the improvement of the reliability of environmental data through third-party verification. Data on greenhouse gas emissions (Scope 1,2,3), energy consumption, water usage amount and discharged amount in FY2021 were verified by the third-party. (July 2022)

> [Greenhouse Gas Emissions \(Scope 1,2,3\)](#)

> [Energy Consumption](#)

> [Water Usage and Discharge](#)



Contribution to a Carbon-Free Society

Climate Change

Basic Concept of Climate Change

Furukawa Electric Group has formulated the Furukawa Electric Group Environmental Vision 2050, which looks ahead to the year 2050, and has been working to reduce greenhouse gases throughout the value chain as a contribution to a carbon-free society. In particular, we have been working to reduce greenhouse gas emissions (Scope 1 and 2) in our business activities, use renewable energy, save energy at our plants, and reduce CO₂ emissions in our logistics. To avoid the effects of climate change, we have also taken appropriate preventive measures against physical risks, such as heavy rainfall. In order to accelerate our efforts to reduce greenhouse gas emissions toward carbon neutrality, which is the goal of our Environmental Vision 2050, we revised our Environmental Targets 2030 in February 2022, setting stricter and more ambitious reduction targets than before. We will continue our efforts to further reduce greenhouse gas emissions.

> [Environmental Vision 2050](#)

> [Environmental Targets 2030](#)

Targets and Performances

As targets for FY2021, Furukawa Electric Group worked to reduce greenhouse gas emissions, increase the ratio of renewable energy, and reduce unit energy consumption. Targets and performances for FY2021 are shown in "Targets and Performances of Environmental Conservation Activities".

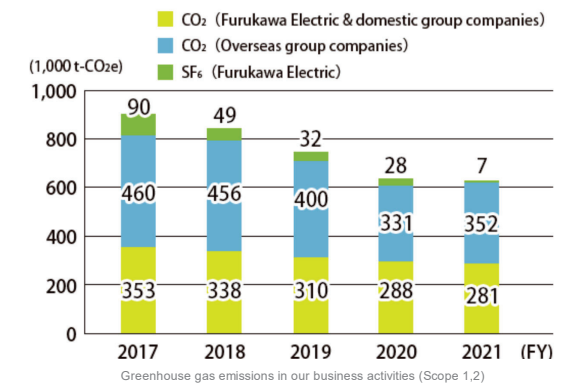
> [Targets and Performances of Environmental Conservation Activities](#)

Initiatives

Reduction of Greenhouse Gas Emissions

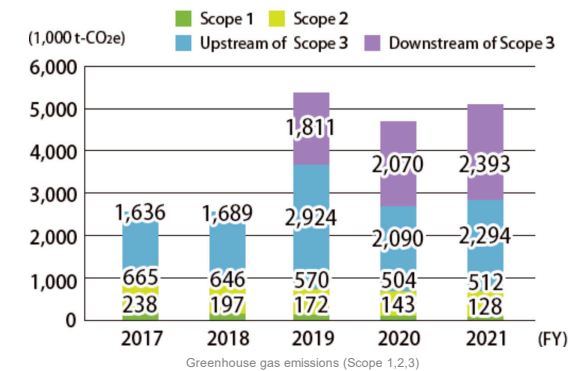
The greenhouse gas emissions of Furukawa Electric Group are mainly energy originated CO₂ emissions and the sulfur hexafluoride emissions.

In FY2021, the CO₂ emissions of the group companies in Japan totaled 281,000 tons-CO₂e, which was 20.4% decrease from FY2017. CO₂ emissions of the overseas group companies totaled 352,000 tons-CO₂e, which was decrease of 23.6% from FY2017. In addition, sulfur hexafluoride emissions of FY2021 were reduced significantly compared to FY2017, due to the improvement of test facilities etc., and total greenhouse gas emissions were reduced by 264,000 tons compared to FY2017.



*1 For the overseas CO₂ emission factor, purchased electricity uses published emission factors or International Energy Agency (IEA) data, and the other energy uses domestic CO₂ emission factors.

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



* In Scope 3, categories 1-8 are upstream, and categories 9-15 are downstream. Up to FY2018, downstream of Scope 3 is not calculated. The upstream of Scope 3 has been calculated and the latest emission factors have been used since FY2019.

Use of the Renewable Energy

Usage of hydroelectric power and solar power:

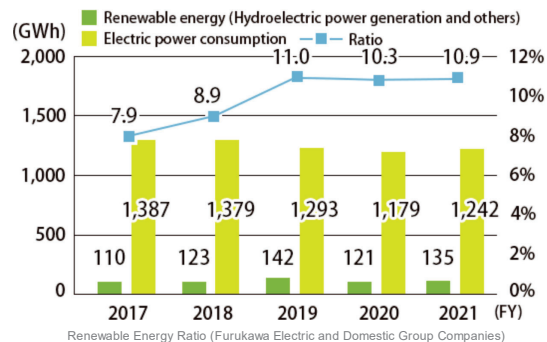
The subsidiary of the Company Furukawa Nikko Power Generation Inc. owns four power plants and supplies electricity generated by hydroelectric power. It covers 100% of the electricity for Nikko Works, and copper strip products are produced using hydroelectric power. In addition, solar power systems are installed for utilization in Copper Foil Div., Mie Works, domestic Group companies Totoku Electric Co., Ltd., Furukawa Automotive Systems Inc., and production sites at overseas Group companies in Mexico, China, and India. We will continuously move ahead on the installation of the solar power system.

Introduction of electricity derived from renewable energy:

At overseas group companies, electricity derived from renewable energy is used at production sites in Germany, Italy, Hungary, and the Philippines. Also in Japan, from April 2021, at Hiratsuka Works, from April 2022 onwards at domestic production sites in Copper Foil Div., Chiba Works, and Mie Works have partially started introducing electricity derived from renewable energy.

In FY2021, the share of renewable energy was 17.1% for the domestic group companies and 10.9% combined with the overseas group companies. Although the ratio of renewable energy was decreased temporarily due to an update in the generators and waterways of the hydroelectric power generation facilities owned by Furukawa Nikko Power Generation Inc., we will continue to work on increasing the share of renewable energy usage by implementing reliable maintenance through FY2022.

> TOPICS "Wrought copper products/superconducting products manufactured with renewable energy"



Solar power panels installed by Furukawa Automotive Systems Inc. headquarters (started operation in January 2022)



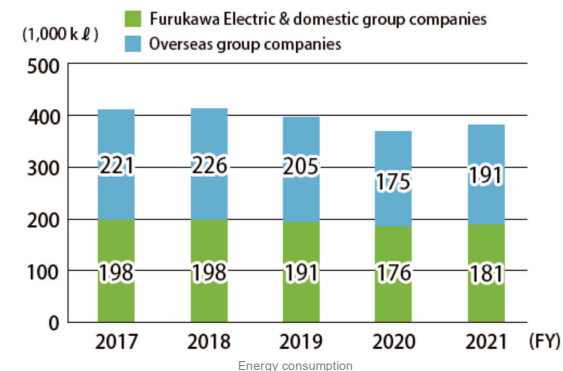
Solar power panels installed by TOTOKU Electric Co., Ltd. (started operation in January 2021)



Hydroelectric power generation by Furukawa Nikko Power Generation Inc.

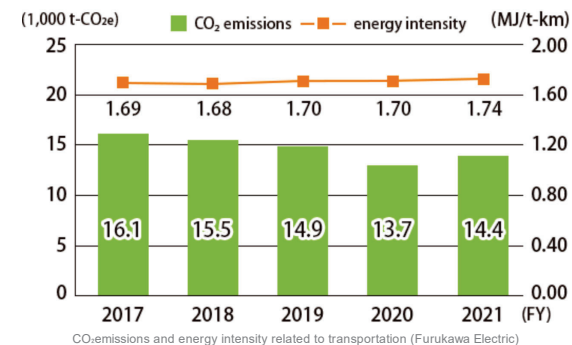
Energy Conservation at Factories

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. In FY2021, we worked on the utilization of recovered waste heat, reduction of power consumption during non-operation, and updating transformers and refrigerators.



Reduction of CO₂ Emissions in Logistics

In FY2021, the domestic group's freight transport volume was 190 million ton-kilometers. Furukawa Electric accounted for 121 million ton-kilometers of the total, increased 2.9% from FY2020, and CO₂ emissions increased 5.1% to 14,400 tons-CO₂. Freight energy intensity increased 2.4% from FY2020. We will continue to promote modal shifts, improve loading ratios, and promote joint distribution.





Internal Carbon Pricing

From FY2019, estimation on Internal Carbon Pricing (ICP: Shadow Price) has started. By visualizing the prices for each division, preparation to avoid climate change risks toward decarbonization was promoted.

For example, a division that cannot meet its reduction target will have a negative ICP and will incur a hypothetical valuation loss. Conversely, when achieved, the ICP will be positive and a hypothetical valuation will be gained. Based on the results of quarterly evaluations and posting effects, the renewable energy introduction plan will be promoted for divisions that cannot reach the targets.

Measures Against the Physical Risks of Climate Change

Furukawa Electric Group takes appropriate management and preventive measures against physical risks related to climate change (heavy rain, heavy snow, etc.). The following is an introduction to the initiatives of the Hiratsuka and Nikko Works.

| Work | Target | Measures |
|-----------|----------------|--|
| Hiratsuka | heavy rain | <ul style="list-style-type: none"> • Development of stormwater reservoirs • Regular cleaning of drainage systems and installation of bypasses to increase drainage capacity • Waterproofing of factory roofs to prevent flooding in the factory |
| Nikko | heavy snowfall | <ul style="list-style-type: none"> • Reinforcement work to prevent damage to factory buildings • Installation of snow-melting equipment such as electric heaters to prevent snow accumulation on factory roofs |

External Collaboration

Participation in Initiatives

Furukawa Electric Group participates in the following initiatives to realize a carbon-free society.

- Task Force on Climate related Financial Disclosure (TCFD)
- Japan Climate Initiative (JCI)
- COOL CHOICE, an initiative by the Ministry of the Environment to reduce greenhouse gas emissions
- Challenge Zero, an initiative by Keidanren for a decarbonized society

> [Participation in Initiatives](#)

Collaboration with Industry Associations

Furukawa Electric and some of our domestic group companies belong to two industry associations, the Japan Electric Wire & Cable Makers' Association and the Japan Copper Brass Association. As the executive company of the two associations, we are involved in the formulation of their carbon neutrality action plans and ensure that policies and strategies are consistent with those of the industry associations and our own. In addition, we are working, as a leading company, to the measures each of industry associations hold to reduce greenhouse gas emissions. In the unlikely event of a conflict in our positions, we coordinate with each other to ensure consistency in our policies.

Consistency with Japanese Government Policy

In order to accelerate our efforts to reduce greenhouse gas emissions to achieve our Environmental Vision 2050, We have revised our Environmental Target 2030. This content is also in line with the Plan for Global Warming Countermeasures, a comprehensive plan for the implementation of Japan's emissions reduction goal for the year 2030, presented by the Japanese government in October 2021.

- > [Japanese Government's Plan for Global Warming Countermeasures](#)
- > [Furukawa Electric Group's Environmental Targets 2030](#)

Information Disclosure, External Evaluation and Certification

Furukawa Electric Group answers questionnaires from the CDP group of institutional investors, responding to the CDP Climate Change questionnaire since FY2008. In order to support customers making use of CDP supply chain programs, we participated in explanatory meetings and attended webinars. We will continue to expand the scope of environmental data we disclose and enhance our reliability. We also collaborate with The Japanese Electric Wire & Cable Makers' Association and the Japan Copper and Brass Association. The Group has received the following external evaluations and certifications.

- CDP
- SBT
- Zero-Emissions Challenge Company of the Ministry of Economy, Trade and Industry

> [External Evaluation and Certification](#)

Data

- > [Greenhouse Gas Emissions Throughout the Value Chain \(Scope 1,2,3\)](#)
- > [Greenhouse Gas Emissions \(Scope 1\)](#)
- > [Greenhouse Gas Emissions \(Scope 1,2\)](#)
- > [CO₂ Emission and Energy Intensity Related to Transportation](#)
- > [Greenhouse Gas Emissions Per Unit of Sales](#)
- > [Third-Party Verification of Greenhouse Gas Emissions Data](#)
- > [Energy Consumption](#)
- > [Third-Party Verification of Energy Consumption Data](#)
- > [Renewable Energy Ratio](#)

Contribution to a Carbon-Free Society

Information Disclosure Based on the TCFD Recommendations

We have endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations since January 2020, recognizing that climate-related risks and opportunities are our materiality issues. We are also a member of the TCFD Consortium, which was established as a forum for companies and financial institutions that endorsed the TCFD recommendations to work together to promote effective corporate disclosure and to discuss how to link disclosed information to appropriate investment decisions by financial institutions and others.

At the same time, we also participated in the "Climaterelated risks and opportunities scenario analysis support program in line with the TCFD," implemented by the Ministry of the Environment.

We will continue to utilize the TCFD to strengthen our relationship of trust with our stakeholders in order to achieve carbon neutral society. The TCFD was established in December 2015 by the Financial Stability Board (FSB) at the request of the G20 to examine how climate-related information should be disclosed and addressed by financial institutions, and released its final report in June 2017. It recommends that companies and others disclose the following items related to climate-related risks and opportunities



| | | |
|----------------------------|---|---|
| Governance | Disclose the organization's governance around climate-related risks and opportunities. | <p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climaterelated risks and opportunities.</p> |
| Strategy | Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material. | <p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climaterelated scenarios, including a 2°C or lower scenario.</p> |
| Risk Management | Disclose how the organization identifies, assesses, and manages climate-related risks. | <p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organization's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p> |
| Metrics and Targets | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | <p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p> |

Governance (progress beyond FY2020 being underlined)

Disclose the organization's governance around climate-related risks and opportunities.

- a) Disclose the organization's governance around climate-related risks and opportunities.
 b) Describe management's role in assessing and managing climaterelated risks and opportunities.

- Recognizing that climate-related risks and opportunities are important management issues (materiality), the Board of Directors and the Management Committee conducted the following discussions related to climate change. The Board of Directors also reports and shares quarterly progress related to climate change.

| | | |
|--|---|---|
| <ul style="list-style-type: none"> Board of Directors | <p>Nov. 2018 – April 2019 <u>Feb. 2021</u></p> | <p>Formulated Furukawa Electric Group Vision 2030 and reviewed the Group's Core Value. <u>Formulated Furukawa Electric Group Environmental Vision 2050.</u></p> |
| <ul style="list-style-type: none"> Management Committee | <p>Oct. 2018 – April 2019 Jan. 2019 Jan. 2020 <u>Dec. 2020 – Feb. 2021</u> <u>Nov. 2021 – Feb. 2022</u></p> | <p>Formulated Furukawa Electric Group Vision 2030 and reviewed the Core Value. Applied for SBT certification and formulated the Environmental Goal 2030. Endorsed the TCFD's recommendations and signed the UN Global Compact. <u>Formulated Furukawa Electric Group Environmental Vision 2050.</u> <u>Formulated Environmental Goal 2030 and applied for SBT certification</u></p> |

Strategy (progress beyond FY2020 being underlined)

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

- a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
 b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
 c) Describe the resilience of the organization's strategy, taking into consideration different climaterelated scenarios, including a 2°C or lower scenario.

- Scenario Analysis
 - Climate-related risks (transition risks, physical risks) and opportunities are identified by business area and categorized for each time horizon (short, medium, and long term).
 - In FY2019, we participated in the Scenario Analysis Support Project for Climate-related risks and opportunities in line with the TCFD, conducted by the Ministry of the Environment. We identified climate-related risks and opportunities and conducted scenario analysis for our key infrastructure businesses (fiber optic cables of the Communications Solutions Business and power cables of the Energy Infrastructure Business). In fiscal 2020, we identified climaterelated risks and opportunities and conducted a scenario analysis for our key automotive products business.
 - Climate-related scenarios are 2°C and 4°C scenarios. We set 2030 as the time axis for consideration, which is the target year of Furukawa Electric Group Vision 2030 and of achieving the SDGs. However, 2050 was set for physical risks.
 - Regarding the procurement of materials for the supply chain, the scenarios for the fiber optic cables and power cables business conducted in fiscal 2019 covered copper only (glass and plastic materials were excluded). The analysis for automotive products conducted in fiscal 2020 covered copper, aluminum, and plastics.



| Target manufacturing items | Optical fiber cables | Power cables | Automotive products | |
|----------------------------------|--|--|---|---|
| Production base | Global production bases (Asia, North/Central America, EMEA) | Japan, China | Global production bases (Asia, North/Central America) | |
| Materials used | Glass material (fiber optics) Plastic (cable coating materials) Copper (metal communication cables) | Copper (conductive material) Plastic (cable coating materials) | Copper (wires, terminals) Aluminum (wires) Plastic (harness coating materials) | |
| Supply chain | Covers copper only. Not include glass materials or plastics | | Covers copper, aluminum and plastics | |
| Climate-related scenarios | 2°C scenario, 4°C scenario | | | |
| Target time period | by 2030 (for physical risk, by 2050) | | | |
| Opportunities | Increased revenue from accelerating development of 5G/B5G along with the proliferation of smart cities and the surge of communications traffic | Increased revenue from demand growth for submarine cables and the enhanced core transmission network along with the spread of renewable energy | Increased revenue from increased demand for products along with automotive electrification and weight reduction | |
| | Carbon tax avoidance by adopting renewable energy | Carbon tax avoidance by adopting renewable energy | Carbon tax avoidance by adopting renewable energy | |
| Risks | Transition risks | Carbon tax on GHG emissions | Carbon tax on GHG emissions | Carbon tax on GHG emissions |
| | | Increased in renewable energy procurement costs | Increased in renewable energy procurement costs | Increased in renewable energy procurement costs |
| | | Increase in procurement costs due to carbon tax on copper (not yet considered for glass materials and plastics) | Increase in procurement costs due to carbon tax on copper (not yet considered for plastics) | Increase in procurement costs due to carbon tax on materials (copper, aluminum, and plastics) |
| | Physical risks | Operation suspension caused by drought | No impact | Operation suspension caused by weather disaster |

• Measures against Physical Risks Related to Climate Change

The Group takes appropriate management and preventive measures against physical risks related to climate change (heavy rain, heavy snowfall, etc.). The following are examples of measures taken at Hiratsuka and Nikko Works.

| | Works | Risk | Main measures against risks |
|-------------------|-----------|----------------|---|
| Furukawa Electric | Hiratsuka | heavy rain | <ul style="list-style-type: none"> Installation of rainwater reservoirs Regular cleaning of drainage system and installation of bypass pipes to increase drainage capacity Implemented waterproofing work on the factory roof to prevent flooding in the factory |
| | Nikko | heavy snowfall | <ul style="list-style-type: none"> Planned reinforcement work to prevent damage to factory buildings Installed snow-melting equipment such as electric heaters to prevent snow accumulation on factory roofs |

• Future measures

In fiscal 2020, we expanded the scope of scenario analysis to the automotive product business, but a task remains in that the risks and opportunities that we have quantified are limited. We are now aware of the need to deepen the analysis of each scenario and integrate them. In order to achieve Furukawa Electric Group Vision 2030 and Furukawa Electric Group Environmental Vision 2050, we will continue to work on business impact assessment and response measures, and disclose information to strengthen our relationship of trust with our stakeholders.

Risk Management (progress beyond FY2020 being underlined)

Disclose how the organization identifies, assesses, and manages climate-related risks.

a) Describe the organization's processes for identifying and assessing climate-related risks.

b) Describe the organization's processes for managing climate-related risks.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

- The Company's overall risk management is supervised and promoted by the Risk Management Committee (Chair: President; Vice Chair: General Manager of the Risk Management Division). The Committee meets every six months to discuss issues such as risk management, internal control, and compliance. Subcommittees are established for each risk of high importance, such as environmental risk.



We have added climate change as a risk item to the "Business-Related Risks" in fiscal 2020, in order to show our recognition that climate change is a risk that could affect the Group's performance, stock price and financial situation.

In FY2021, risk items are classified into "management strategy risk" and "operational risk," with "climate change (carbon neutrality)" and "impact of natural disasters, infectious diseases, etc." recognized as management strategy risks. In addition, some of the risks and major initiatives reflect the results of scenario analysis.



| Classification | Risk Item | Description of Risks | Major Initiatives |
|--------------------------|--|---|--|
| Management strategy risk | Climate change (Carbon neutrality) | <ul style="list-style-type: none"> Transition risks include increased manufacturing and material procurement costs due to carbon taxes caused by greenhouse gas emission targets and policies in each country Exclusion from supply chains, products, services, and labor markets due to inadequate climate action Suspension of factory operations due to unrecognized flood and drought risks caused by climate change | <ul style="list-style-type: none"> Established the "Environmental Vision 2050", set a challenge goal of zero greenhouse gas emission and the "Environmental Goal 2030" raised and reestablished Endorsed the Climate-related Financial Disclosure Task Force (TCFD) recommendations and conducted scenario analysis In addition to the use of hydroelectric power generation in the Nikko area, install photovoltaic power generation in Japan and abroad and convert purchased electricity to renewable energy sources Identification of flood and drought risks due to climate change and formulation of countermeasures |
| | Impact of natural disasters, infectious diseases, etc. | <ul style="list-style-type: none"> Plant shutdowns due to building damage or flooding caused by large typhoons that occur due to extreme weather conditions Disruption of supply chains of suppliers and suppliers due to large-scale earthquakes, tsunamis, fires, infectious disease outbreaks, etc. | <ul style="list-style-type: none"> Promoting Business Continuity Management (BCM) with ISO 22301 Develop and brush up business continuity plan and ensure employee safety through safety confirmation system Establish data centers in facilities that are earthquake resistant and provide a stable communications environment Multiplexing of supply chains |

For details, please refer to "[Business-Related Risks](#)" on our website.

- Climate-related risks are considered as the priority issue for environmental risk, and are of direct concern to general managers of each business division and divisional representatives, who are members of a special committee, Furukawa Electric Group Environmental Committee (Chair: General Manager of the Risk Management Division; Vice Chair: General Manager of the MONOZUKURI Innovation Division). The Committee meets every three months, examines climate-related risks, and reports and proposes on the monitoring status of climate-related risks and environmental issues to the Management Committee and the Board of Directors.
- In fiscal 2020, we discussed the formulation of Furukawa Electric Group Environmental Vision 2050, including the 2050 Challenge goal, and made a proposal to the Management Council and the Board of Directors.
- In FY2021, we are discussing raising the 2030 environmental target for reducing greenhouse gas emissions (Scope 1 and 2) to a level that is consistent with our aim to become carbon neutral in 2050.

For risks related to natural disasters, another special committee, the Central Disaster Prevention and BCM Promotion Committee (Chair: General Manager of the Risk Management Division; Vice Chairmen: General Manager of the Business Base Innovation Division and General Manager of the Monozukuri Innovation Division), is held regularly every three months to establish Business Continuity Management (BCM), identify business continuity risks, including natural disasters, and promote and manage the identification process.

Metrics and Targets (progress beyond FY2020 being underlined)

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

- Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
- Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

In fiscal 2020, we set the target of zero by 2050.

In FY2021, we revised our Environmental Goal 2030 and raised our greenhouse gas reduction target. As a result, we obtained SBT WB2°C (well-below 2°C) certification in July 2022.

| Metrics | Units | Results | | | | |
|-------------------------------|-------------------------|---------|--------|--------|--------|--------|
| | | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| GHG emissions (Scope 1 and 2) | 1000t-CO ₂ e | 903 | 843 | 742 | 648 | 640 |
| Renewable energy ratio | % | 7.9 | 8.9 | 11.0 | 10.3 | 10.9 |
| GHG emissions (Scope 3) | 1000t-CO ₂ e | 1,636 | 1,689 | 4,736 | 4,160 | 4,687 |

| Metrics | Units | Targets | | | Challenge goal |
|-------------------------------|-------------------------|-----------------------|--------|--------|----------------|
| | | FY2022 | FY2025 | FY2030 | |
| GHG emissions (Scope 1 and 2) | 1000t-CO ₂ e | FY2017 as a base year | | | Zero |
| | | -17.7% | -28.3% | -46% | |
| Renewable energy ratio | % | 11.5% | 13% | - | - |
| GHG emissions (Scope 3) | 1000t-CO ₂ e | FY2019 as a base year | | | - |
| | | -4% | -10% | -20% | |

- Internal carbon pricing(ICP)
 - Estimation of internal carbon pricing began in fiscal 2019. By making carbon prices visible for each business unit, we encourage preparation for avoiding climate change risks with the ultimate goal of decarbonizing. For example, a business unit that fails to meet its reduction target will have a negative ICP, resulting in a hypothetical valuation loss. Conversely, if the division achieves the target, the ICP will be positive and a virtual valuation gain will be generated. The quarterly evaluation and posting effects will promote plans to introduce renewable energy for those divisions that have not met their targets.
- Disclosure of environmental information and improvement of external evaluation
 - We have responded to the CDP questionnaire regarding CDP climate change since fiscal 2008 and CDP water security since fiscal 2013. We obtained A rating in CDP climate change and B rating in CDP water security in fiscal 2020.
 - In cooperation with customers who utilize the CDP Supply Chain Program, we will participate in explanatory meetings and workshops, and in order to maintain and improve the CDP score, we will continue to expand the scope of disclosure of environmental information and increase reliability. We successfully obtained an A rating in the CDP Supplier Engagement Assessment for fiscal 2021 for the third consecutive year, thanks to collaboration with interested parties.
 - With regard to Scope 3, we began disclosing GHG emissions by category in fiscal 2020.

Our Group Scope 1, 2, 3 Greenhouse Gas Emissions Results (1000t-CO₂e)

| | | | | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | |
|------------------------------|--------------------------|--|--|--------|--------|--------|--------|--------|-------|
| | | CO ₂ | | 148 | 148 | 139 | 115 | 121 | |
| | | SF ₆ | | 90 | 49 | 32 | 28 | 7 | |
| Scope 1 | | | | 238 | 197 | 172 | 143 | 128 | |
| Scope 2 | | | | 665 | 646 | 570 | 504 | 512 | |
| Scope 1+2 | | | | 903 | 843 | 742 | 648 | 640 | |
| Upstream | Category 1 | Purchased goods and services | | | | 2,493 | 1,656 | 1,809 | |
| | Category 2 | Capital goods | | | | 187 | 158 | 134 | |
| | Category 3 | Fuel- and energy-related activities (not included in Scope.1 or Scope.2) | | | | 112 | 94 | 101 | |
| | Category 4 ^{*1} | Upstream transportation and distribution | | | | 73 | 126 | 190 | |
| | Category 5 | Waste generated in operations | | | | 22 | 21 | 22 | |
| | Category 6 | Business travel | | | | 7 | 6 | 7 | |
| | Category 7 | Employee commuting | | | | 23 | 23 | 24 | |
| | Category 8 | Upstream leased assets | | | | 7 | 6 | 7 | |
| | Downstream | Category 9 ^{*1} | Downstream transportation and distribution | | | | 11 | 9 | 10 |
| | | Category 10 | Processing of sold products | | | | - | - | - |
| | | Category 11 ^{*2} | Use of sold products | | | | 1,720 | 1,980 | 2,303 |
| | | Category 12 ^{*2} | End-of-life treatment of sold products | | | | 50 | 51 | 48 |
| | | Category 13 | Downstream leased assets | | | | 2 | 3 | 4 |
| | | Category 14 | Franchises | | | | - | - | - |
| | | Category 15 ^{*1} | Investments | | | | 28 | 28 | 28 |
| Scope 3 ^{*1 *2 *3} | | | | 1,636 | 1,689 | 4,736 | 4,160 | 4,687 | |
| Scope 1+2+3 ^{*1 *2} | | | | 2,539 | 2,532 | 5,477 | 4,808 | 5,326 | |

*1 In FY2022, categories 4, 9, and 15 were recalculated retroactively to FY 2019 due to a partial revision of the calculation methodology following the SBT WB2°C review.

*2 In FY2020, we began working on the calculation of Scope 3 categories 11 and 12, retroactively back to FY 2019, and in FY2021 we underwent third-party verification.

*3 For FY2017 and FY2018, calculations are made for categories 1-9, 13 and disclosed as Scope 3 totals and overall totals (Scope 1,2,3).

Contribution to a Water / Resource Recycling Society

Waste Reduction, Effective Use of Resources

Basic Concept of Efficient Use of Resources

Furukawa Electric Group has incorporated the promotion of resource conservation and recycling into the "Basic Environmental Policy" and has been working to reduce waste, minimize the use of resources, and recycle. As for waste reduction, the Group began activities to reduce the amount of non-recyclable waste in FY 1993. Since FY2001, we have been promoting zero emission activities. As of FY2014, we have been promoting activities to reduce the total amount of waste generated, including valuable resources.

In 2021, new work was started to deal with plastic issues, including the issue of plastics in the seas and oceans. In March 2021, the "Furukawa Electric Group Environmental Vision 2050" was formulated to promote the use of recycled materials and minimize the impact on ecosystems throughout the value chain. In February 2022, the "Environmental Targets 2030" was revised and reduction targets for the usage amounts of plastic new materials and single-use plastic were set.

We will continue to work on more efficient use of resources in order to contribute to realizing a recycling-based society for resources.

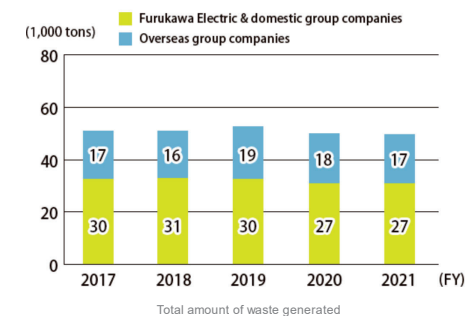
> [Basic Environmental Policy](#)

Targets and Achievements

Waste Reduction

Targets and achievements for FY2021 are shown in "Targets and Performances of Environmental Conservation Activities". In FY2021, the basic unit of waste reduction per net sales for Japan group companies decreased by 2.6% compared to FY2020. 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.

> [Targets and Performances of Environmental Conservation Activities \(Environmental Targets 2030\)](#)



Recycling of Plastic Resources

In February 2022, the "Environmental Targets 2030" was revised and targets for "understanding and reducing the amount of packaging plastic (single-use plastic)" and "understanding and improving the recycled plastic usage" were set. In FY2022, we are working to understand the usage amount.

**Initiatives****Recycling of Electric Wires and Optical Cables at FETEC**

Furukawa Electric Ecotech Co., Ltd. (FETEC), one of our group companies, is in the business of recycling waste electric wires and optical cables by separating them into metal and plastic. FETEC has an established system for collecting waste electric wires, and almost 100% of metals such as copper, which is a conductive material, are recycled. The coating material is also recycled from recycled plastic back into the wire coating. In addition, FETEC is developing technologies to improve the accuracy of material separation and pursuing application technologies to expand the effective use of recycled products, and is continuing to take on the challenge of reducing the waste of wires and cables to as close to "zero" as possible.

> [Recycling of Electric Wires and Optical Cables at FETEC\(only available in Japanese\)](#)

Research and Development of Recycling Technology at Furukawa Electric

Since 1990, Furukawa Electric has actively worked to use recycled materials including cable waste and plastic packaging and containers. In 2019, The Company developed a single-process technology for upcycling difficult-to-recycle disposable plastic products and wastepaper into reinforced plastic. Cellulose fibre, the main component of paper, and plastic typically do not blend well, but when utilising Furukawa Electric's Advanced Paper Fibre Upcycling (APFU) technology to break down the paper into loose cellulose fibers while blending it with plastic, it is possible to upcycle these materials into plastic with about twice the strength as the original plastic. With the aim of expanding the use of this technology, we are partnering with government agencies in Japan and abroad, as well as the plastic and recycling industries. For example, The company is participating in WIPO GREEN, a platform for technology exchange related to environmental conservation operated by the World Intellectual Property Organization (WIPO) of the United Nations, and has registered this technology. By promoting technology exchange through the use of intellectual property, we will contribute to the spread of environment-related technologies.

> [Building a Solution to the Plastic Waste Problem with a unique recycling technology.](#)

Recycling of Copper (Furukawa Electric)

The Company is working on recycling copper which is the main raw material. Recovering copper from used wires and cables collected by the Group companies, Copper Foil Div. manufactures copper foils by using 100% recycled copper.

External Collaboration

The Group has been participating in the following initiatives for resource conservation.

- Japan Clean Ocean Material Alliance (CLOMA)
- WIPO GREEN

> [Participation in Initiatives](#)

Data

> [Raw Materials Data](#)

> [Total Waste Generation Data](#)

> [Recycled Resource Volume Data](#)

> [Final Disposal Volume Data](#)

> [Hazardous Waste Generation](#)

> [Data on Environmental Conservation Costs Related to Pollution, Waste, and Resource use](#)



Contribution to a Water / Resource Recycling Society

Effective Use of Water Resources

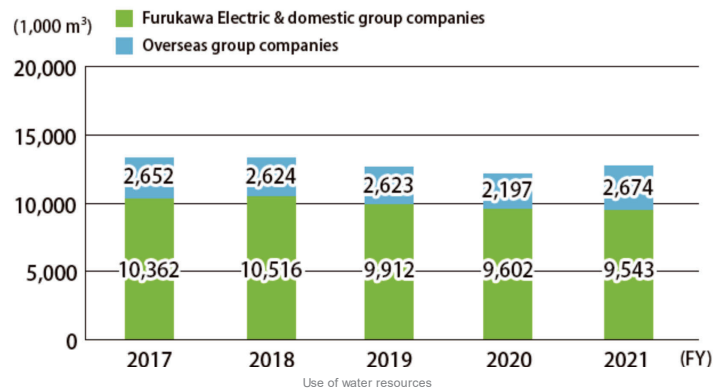
Basic Concept of Efficient Use of Water Resources

Furukawa Electric Group engages in the efficient use of water resources in order to contribute to the sound material-cycle society. The entire group is working on reducing water consumption, recycling, and reusing water. In addition, the Group makes efforts to control and understand the amount of water consumption and discharge at each works. The Group will continue its efforts to further reduce water consumption in the future.

Targets and Achievements

Targets and achievements for FY2021 are shown in "Targets and Performance of Environmental Conservation Activities". While the total amount of water resources used increased in FY2021, the intensity of water consumption decreased. The intensity of water consumption per unit of production was 1,31m³/100 million yen, an decrease of 9.7% from FY2020. We will continue to promote the effective use of water resources necessary for production processes and to manage water quality and discharge amount by working on regular checks for water leakage, water-saving, and recycled water usage. In February 2022, the "Environmental Targets 2030" was revised and a target for improvement of water usage per sales unit by 10% or more compared to FY2020.

> [Targets and Performance of Environmental Conservation Activities \(Environmental Targets 2030\)](#)



Initiatives

Formulation of Water Management Plan

The Group has established water management plans at the total Group level and at each business company level, and has been engaged in reduction of water consumption. As of July 2022, 42 companies (46%) of the 91 Furukawa Group companies had established water management plans.

Initiatives to Reduce Water Consumption at the FAS Headquarters

The cooling towers in the plant required periodical chemical cleaning to remove precipitated components in the circulating water, and a lot of water was required for its cleaning process. Therefore, a purification system was installed to prevent precipitation, and the process was improved to require no chemical cleaning. As a result, the Company could reduce waste, reduce water consumption (50% reduction in running costs), and save energy by improving cooling efficiency.

Identification of Water Risk Areas and Water Stressed Areas

The Group has identified water risk areas (flood-hazard area) and water stressed areas (water supply shortages areas) for its major works in Furukawa Electric Group by utilizing municipal hazard maps and World Resources Institute (WRI) AQUEDUCT. As a result, two works have been identified as water risk areas: Hiratsuka Works and TMS in Indonesia. The Group conducts annual risk assessments, including those for water resources, and incorporates them into the BCM plan chart for improvement. In addition, no water stressed areas were identified. The Group will continuously conduct surveys, and if water stressed areas are identified, the Group will communicate with the local governments and other stakeholders in the area in order to implement countermeasures.

Furthermore, Costs associated with water-related risks (capital investment, etc.) were 152 million yen in FY 2021.

Data

- > [Water Withdrawal Data](#)
- > [Water Discharge Data](#)
- > [Water Recycling and Reuse Volume Data](#)
- > [Third-Party Verification of Water Withdrawal and Discharge Data](#)



Contribution to a Society that Coexists with Nature

Chemical Substance Management

Basic Concept of Chemical Substance Management

Furukawa Electric Group has incorporated the reduction of environmentally hazardous substances into its Basic Environmental Policy, and has been working to reduce emissions of hazardous chemical substances in manufacturing processes and to properly manage chemical substances. The Group has also been working on environment-friendly procurement and management of chemical substances contained in products in compliance with related laws and regulations. We will continue to work to further reduce our environmental impact.

> [Basic Environmental Policy](#)

Targets and Achievements

As a domestic Group activity target for FY2021, we worked to reduce emissions of volatile organic compounds (VOC). In FY2021, emissions by Japan group companies decreased by 7.3% 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.

> [VOC Emissions Data](#)

Initiatives

Appropriate Management of Chemical Substances in Manufacturing Processes

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^{*1}, we are working to ascertain the amounts of substances handled, transferred, and released.

Management of Chemical Substances Contained in Products

Response to Customer Requests

Furukawa Electric Group has participated in JAMP^{*2} since 2009, and is implementing group-wide environmental inspections based on the latest information from the JAMP chemSHERPA^{*3} 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 FY2021, we conducted product environmental inspections of 223 substances that are candidates for approval up to the 26th 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^{*4}. 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.

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

*2 JAMP: Joint Article Management Promotion-consortium

*3 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.

*4 The Group has established "Green Procurement Guideline", which indicates that the Group will preferentially and continuously procure environment-friendly products that lead to biodiversity conservation, forest conservation, and resource conservation.

> [Green Procurement Guideline](#)

Data

> [Emissions of volatile organic compounds \(VOC\)](#)

> [NOx and SOx emissions](#)

> [PRTR substances list](#)

Contribution to a Society that Coexists with Nature

Biodiversity Conservation

Basic Concept of Biodiversity Conservation

Furukawa Electric Group has incorporated its efforts to conserve biodiversity into "Basic Environmental Policy". The Group has established comprehensive guidelines for the Furukawa Electric Group's biodiversity conservation efforts. The Group will carry out its activities based on these guidelines. As beneficial initiatives for the ecosystem, the Group will conserve rare plants and animals and procure based on Green Procurement Guideline*. In addition, the Group will conduct single-use plastic reduction activities and community cleanup activities as initiatives to reduce the harmful effects to ecosystem.

* The Group has established "Green Procurement Guideline", which indicates that the Group will preferentially and continuously procure environment-friendly products that lead to biodiversity conservation, forest conservation, and resource conservation.

> [Green Procurement Guideline](#) 

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

Initiatives

Cultivation of the Endangered Plant and Community Cleanup Activities at Yokohama, Chiba, Hiratsuka, and Shiga Works

The Group company Furukawa Research Inc. launched activities in FY2015 to cultivate the class II endangered species^{*1} of the flower "Pulsatilla Cerna" within the grounds of Yokohama Works in Furukawa Electric, as a part of our efforts to contribute to the local society. In FY2016, the cultivation activity also took place at Hiratsuka Works and Chiba Works by separating the roots of the existing plant and blooming beautifully through the activities of cultivating teams. Harvested seeds were distributed to each site of Furukawa Automotive Systems Inc. to expand the conservation activity of "Pulsatilla Cerna".

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"^{*2} program, earning the highest rating of three stars.

*1 "Class II endangered species" refers to species with an increased risk of extinction.

*2 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.



Yokohama Works



Chiba Works



Hiratsuka Works



Furukawa Automotive Systems Inc. (Shiga)



Furukawa Automotive Systems Inc. (Shiga)



Work on the Plastic Issues

While the usage of plastics just keeps expanding for their high workability and physical properties, we are facing issues such as plastics in the seas and oceans, constraints on resources/disposals, and climate change. Under the "Environmental Vision 2050", the Group is working on cable recycling business, R&D for recycling technology, and environmentally friendly design (usage of recycled plastic raw materials, facilitating disassembly and sorting, etc.). In addition, as stated in the "Environmental Targets 2030", the entire group will work to reduce the usage amount of plastic new materials and single-use plastics.

> [Specific activities are introduced on the pages "Waste Reduction, Resource Use Minimization, and Recycling".](#)



Initiatives by the Group company



2021: Implementing tree-planting activities (Furukawa Electric (Shenzhen) Co., Ltd.)



Continuous participation in Furukawa Forest tree-planting activity by Tochigi Furukawa Kai. (Furukawa Precision Engineering Co., Ltd.)



2020: Monitoring and controlling of treated water waste discharge parameters to ensure the natural state of rivers. (Furukawa Electric LatAm S.A.)



2021: Implementation of environmental beautification activities by participating in events in Ichihara City. (SBS Furukawa Logistics Corp.)



2021: Implementation of cleanup activities around the ferry terminal (event in Kitakyushu City). (SBS Furukawa Logistics Corp.)



2021: Implementation of environmental beautification activities around Lake Biwa. (Furukawa Automotive Systems Inc.)



2021: Recycling aluminum bottles and caps. (Furukawa Automotive Systems (Thailand) Co., Ltd.)



2021: Reduction of plastic bag use frequency in the employee cafeteria and reduction of Styrofoam use by changing food packaging materials. (Siam Furukawa Co., Ltd.)

Other activities (FY2021)

- Continuous implementation of cleanup activities and green conservation activities around factories, coasts, rivers, parks, etc. (Mie Works, Furukawa Electric, Furukawa Automotive Systems Inc., Furukawa Techno Material Co., Ltd., Furukawa Nikko Power Generation Inc., Okano Cable Co., Ltd., Furukawa Automotive Systems Mexico S.A. De C.V.)
- Continuous implementation of donations to the German nature and Biodiversity Conservation Union. (Trocellen GmbH)
- Reduction of industrial waste by selling polypropylene plastic cases and pallets (recycling at the buyer). (Mie Works, Furukawa Electric)
- Promotion of aluminum/steel can recycle by abolishing disposal and vending machine sales of PET bottles within the site. (Furukawa UACJ Memory Disk Co., Ltd)
- Separation of waste plastic and PET bottle caps. (Furukawa Electric, Furukawa Electric Advanced Engineering Co., Ltd, Myojyodenki Co., Ltd., Ibaraki Okano Kiden Co., Ltd.)

External Collaboration

The Group has been participating in the following initiatives for biodiversity conservation.

- Japan Business Initiative for Biodiversity (JBIB)
- Keidanren Initiative for Biodiversity Conservation
- Japan Clean Ocean Material Alliance (CLOMA)

> [Participation in Initiatives](#)



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.

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

Procurement Guidelines

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](#)

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. Request to the Partners
2. Furukawa Electric Group Green Procurement (Imperative)
3. Operation of the Green Procurement Guideline

> [Green Procurement Guideline](#)

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](#)

> [合作伙伴质量保证指南](#)



Initiatives

Promoting CSR Procurement activities

Furukawa Electric Group has established "CSR Procurement Guideline" for our partners and promotes ESG procurement activities that take into consideration "Environment" and "Social". At the end of FY2020, we published the CSR Procurement Guideline (3rd Edition), to which we added the latest social requirement items with reference to the RBA Code of Conduct and JEITA Guidelines.

We ask new suppliers for agreement to comply with our CSR Procurement Guideline as a prerequisite for starting business with us.

Based on our CSR Procurement Guideline, we work together with existing partners to ensure "strict compliance with laws and regulations and fair trade," "consideration for human rights, safety, and the environment," "reduction of environmental impact," and "non-use of conflict minerals" in our procurement activities. We also hold an annual Partners Meeting to directly explain our CSR procurement guidelines and our environmental and social policies, targets, and initiatives to our partners, and to provide ongoing encouragement to them.

As a risk survey for existing partners, we have started not only the conventional questionnaire but also a self-assessment questionnaire (SAQ) for major partners in accordance with the contents of the CSR Procurement Guideline since FY2021. In the event that a partner falls under any of the survey items that we have identified as high-risk, we will reconfirm the situation through interviews and other means, and encourage the partner to correct the situation as necessary. In the future, we will expand the scope of SAQ partners and further promote CSR procurement activities throughout Furukawa Electric Group.

> [CSR Procurement Guideline 3rd edition](#)

Partners' Meetings and Partner Evaluation and Recognition System

We carry out partner evaluations for partners (80% of materials and equipment purchase amount) selected based on purchase amount and importance. At the annual Partners Meeting, we explain our CSR Procurement Activities directly to our partners in order to deepen their understanding of our company. In FY2021, an online meeting was held in June in consideration of the COVID-19 virus situation, with 57 major partners participating. In addition to the "Excellent Partner Awards," "Group Global Partner Awards," "Best Performance Awards," and "SDGs Awards," we also present "Special Awards" to partners who have made special contributions to our business activities, recognizing their multifaceted efforts. 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 continued the activities of Procurement Logistics in fiscal 2021, by selecting the best way 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 addition, as an environmental partner engagement, we started GHG (Green House Gas) emission survey for a part of our partners.

For the partner evaluation in FY2021, we expanded the scope to 248 partners in consideration of more importance and provided feedback to them. Furthermore, we requested ongoing cooperation from business partners on business continuity and stable supply initiatives.

Responsible Mineral Sourcing Activities

The Group has up to now clearly stated its approach to "responsible mineral sourcing" in the CSR Procurement Guidelines and has made it known to Group companies and business partners. In September 2022, we established the Furukawa Electric Group Responsible Mineral Sourcing Policy in response to recent changes in social trends and increasing social demands regarding mineral sourcing.

Furukawa Electric Group Responsible Minerals Sourcing Policy (Established on September 12, 2022)

Furukawa Electric Group shall not procure tantalum, tin, tungsten, gold, and other minerals associated with human rights violations, environmental degradation, corruption, conflicts, and other incidents in conflict-affected and high-risk areas. We will work to correct any concerns about risks that arise in our supply chain and engage in responsible minerals sourcing throughout the entire supply chain.

Based on the above policy, we will continue to investigate the use of target metals in major products of our company and group companies and actively promote procurement from smelters certified under the Conflict-Free Smelter Program of the Responsible Minerals Initiative (RMI).

Cooperation with External Organizations

In addition to our own efforts to prevent or mitigate the adverse effects of mining minerals in conflict or high-risk areas, we are a member of the Japan Electronics and Information Technology Industries Association (JEITA) Responsible Minerals Procurement Study Group, and are working to resolve global conflict minerals issues and improve supply chain conflict minerals research activities through industry collaboration.

Value chain BCM (Business Continuity Management)

Furukawa Electric conducts regular questionnaire surveys on its main partners about their BCM measures. In fiscal 2021, 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.

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 2021, 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.



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 Procurement Guideline for Business Partners. We will also seek to deepen BCM (Business Continuity Management) 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 2021 | | | FY 2022 |
|--|---|-------------|--|
| Targets | Results | Achievement | Targets |
| <ul style="list-style-type: none"> Conducting assessments for partners and the enhancement of CSR procurement surveys | <ul style="list-style-type: none"> We assessed 248 key partners. To prevent the spread of infectious diseases, the partners Meeting was held online and we explained an outline of the company and our procurement policy. We started the GHG emission survey for a part of our partners. | 😊 | <ul style="list-style-type: none"> Conducting assessments for partners and the enhancement of CSR procurement surveys and other surveys |
| <ul style="list-style-type: none"> Continue to inform partners of the "CSR Procurement Guidelines" and conducting the self-assessment questionnaire (SAQ) for key partners | <ul style="list-style-type: none"> We have begun to conduct the self-assessment questionnaire (SAQ) for key partners based on the contents of the CSR Procurement Guidelines. | | <ul style="list-style-type: none"> Continue to fully inform all of our partners of the "CSR Procurement Guidelines" and conducting the SAQ for key partners and expand for more key partners. |
| <ul style="list-style-type: none"> Based on the results of the BCP questionnaire, considering measures to strengthen the value chain, such as having multiple procurement partners. | <ul style="list-style-type: none"> Considering and implement to increase the number of procurement bases (and sometimes recommended to hold inventory) for important products | | <ul style="list-style-type: none"> Based on the results of the BCP questionnaire, considering measures to strengthen the value chain, such as having multiple procurement partners. |
| <ul style="list-style-type: none"> Conflict minerals survey (data update survey) | <ul style="list-style-type: none"> The conflict materials surveys (data update surveys) was done. | | <ul style="list-style-type: none"> Conflict minerals survey (data update survey) |
| <ul style="list-style-type: none"> Promoting of the strategic "Purchasing process" activities considering the value chain. | <ul style="list-style-type: none"> Number of the partners reducing CO₂ through procurement logistics ; 25 companies in FY 2021 | | <ul style="list-style-type: none"> Promoting of the strategic "Purchasing process" activities considering 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.

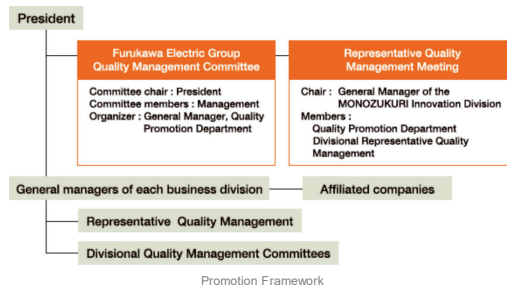
Going forward, we will continue endeavoring to further enhance "MONOZUKURI ability" throughout Furukawa Electric Group by achieving the quality expected by customers, based on a policy of Group-focused management.

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 compliance

Quality compliance observance is a prerequisite for business, and it is important to have strong leadership from the top, the establishment and implementation of a mechanism to thoroughly eliminate quality irregularities, and an effective check function.

We are implementing a thorough awareness of compliance under the guidance of top management, establishing a mechanism for developing customer requirements and quality expected by customers, and conducting periodic inspections to ensure that there are no deviations from official standards or customer requirements. For some of these important processes, we have established common guidelines within the group, and each business unit and each company carries out activities in accordance with these guidelines.

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 ability in this activities.

At the end of the fiscal year, the report meeting was held, where all business divisions listened to each other's activity reports, gained insights, and made suggestions to each other on how to improve 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 2021, we continued and implemented training sessions to acquire basic concepts and improve leadership skills, expanding the number of organizations covered and promoting the penetration of this concept through practice. In addition, we have begun to expand the scope to include the necessary meetings for collaboration with partners.

The process followings 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

| FY2021 | | | FY2022 |
|---|--|---|--|
| Targets | Results | Achievement | Targets |
| Strengthening of fundamental Quality Power Reduce "failure costs" by 10% from fiscal 2020 | 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, Improvement effect did not appear in some segments. |  | Committed to achieving the quality expected by customers! Reduce "failure costs" by 10% from fiscal 2021 |

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

The Group presents the "ESG Awards" every year to recognize the outstanding social contribution and environmental preservation activities and to stimulate activities within the Group. The ESG Awards are divided into two categories: "the Social Contribution Award" for social contribution activities and "the Environmental Contribution Award"^{*)} for environmental conservation activities, and are given to the Group companies in Japan and overseas. For FY2021, One Outstanding Performance Award, two Excellent Performance Awards, and one Honorable Mention were selected by the judging panel for the "Social Contribution Award".

Outstanding Performance Award

Furukawa Electric LatAm S.A. (FEL)

Support for 13 refugees from Venezuela, Haiti, and other countries to assist with immigration to Brazil and employment for two years

Excellent Performance Award

Furukawa Automotive Systems (Thailand) Co., Ltd. (FAST)

Educating local residents on vegetable cultivation methods using the company's own scrap wood, donating storage cabinets to elementary schools, repairing playgrounds, etc.

MYOJYODENKI Co., Ltd.

Volunteer activities at elderly care facilities, including making handmade gifts and holding Christmas events.

Honorable Mention

Hiratsuka Branch Office, SBS Furukawa Logistics Corp.

Donated the Bell Marks collected by all employees in the branch to a nearby junior high school (used to purchase vacuum cleaners, blackboards, etc. for the junior high school)

Activities in Each Community

The Group has been involved in various social contribution activities in each community.

Developing the next generation



Work experience learning program for elementary and junior high school students in Yokohama since 2017 (Yokohama Works, Furukawa Electric)



Accepting junior high and high school students visit to the office to meet with employees and tour the business office since 2019 (Head Office, Furukawa Electric)



Donation of computers to local children in 2020 (TFU^{*)})



Since 2014, cooperation to "Training Program in the Private Sector for School Teachers" sponsored by Japan Institute for Social and Economic Affairs; in 2021, the program was held online (Head Office, Furukawa Electric)



In 2020, donated storage shelves to children at a nearby elementary school, teaching them how to make storage shelves from scrap wood while building them together (FAST^{*)})



Repair playground equipment for local children in 2021 (FAST^{*)})



Donation of educational materials to nearby schools in 2021 (FALP^{*)})



13 lectures on the experience of craftsmen and the importance of diligence at lectures for youth in 2021 (FESZ^{*)})

Other Activities (FY2021)

- Accepting factory tours (Hiratsuka Works and Mie Works, Furukawa Electric)
- Accepting Internships (Furukawa Electric, FAST^{*)}, FASM^{*)})
- Visited 4 high schools to give classes (career guidance) (Mie Works, Furukawa Electric)
- Accepting work training from special needs schools (Ibaraki Okano Kiden Co.,Ltd.)
- Introducing courses of study on plastics to various schools with the aim of stimulating students' interest in technical careers. (Trocellen GmbH)
- Cooperation for robotics classes to educate local school children on robot assembly and programming (FEL^{*)})
- Supporting the activities of "Japan Student Services Organization" and "Ashinaga Foundation" (Furukawa Elecom Co., Ltd.)
- Bitter melon seedlings were installed at a nursery school to help children grow plants (Okano Electric Wire Co., Ltd.)

*The official names of companies by the abbreviations are listed together on p. 57.

* > [Details of the ESG Award for Environmental Contribution](#)

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. (Furukawa Electric)

Other activities (FY2021)

- Baseball and soccer fields on the premises are open to the public as venues for various tournaments (Mie Works, Furukawa Electric)
- Donated sports equipment to local schools (FAST^{*})
- Product donations to the Archery Associations (Polifoam, Trocellen)
- Sports activities including martial arts, dance, soccer, and football with 54 local children (FEL^{*})
- Hosted a fishing tournament with invited local residents at the Company's reservoir where rainbow trout has been released (Furukawa Nikko Power Generation Inc.)
- Sponsoring local festivals (Miharu Communications Inc.)
- Mexican traditional culture "Dia de Muertos" event held (FASM^{*})
- Sponsoring "Tak Bat Devo Event," a traditional Buddhist festival in Thailand (FAST^{*})

Living in harmony with the natural environment and local communities



Held a traditional Nikko Waraku Odori dance event since 1914 (Furukawa Electric).
(Canceled in 2021 due to the spread of new coronavirus infection)



Since 2010, participating in events in Amagasaki City, learning about global warming and implementing "Uchimizu," an energy-saving way to stay cool. (SBS Furukawa Logistics Corp.)



In 2021, donate proceeds from recycling aluminum bottle caps to a local environmental office for use in the production of prosthetic legs for people with disabilities. (FAST^{*})



In 2021, donated 1,500 blankets to schools, temples, and shortage areas in Thailand (SFC^{*})



Volunteer activities at elderly care facilities since 2019, holding online Christmas events in 2021. (MYOJYODENKI Co.,Ltd.)



In 2021, career development support to stabilize income and livelihoods of local women, people with disabilities and their caregivers. (FAST^{*})



Donation to the needy in Phu Thinh Village, Tambinh District, Vinh Long Province in 2021. (FAVV^{*})



Donated Covid-19 vaccine to the public people in 2021 (SFC^{*})



Cleanup activities around the head office (Chiyoda-ku, Tokyo) since 2019 (MYOJYODENKI Co.,Ltd.)



In 2021, create a video on how to grow vegetables using waste trays to teach for the local residents (FAST^{*})



In 2021, donation of separating trash cans for recycling and groceries to local street sweepers (FEAP^{*})



In 2021, donated rice to the Thailand Association for the Blind for distribution to the blind in the Thailand (SFC^{*})



In 2021, provide waste aluminum cans to facilities for the people with disabilities in Nikko City to support employment (can cleaning work, etc.) and generate the income. (the Furukawa Battery Co.,Ltd.)



Donation of wound dressings to the local foundations and the health volunteer organizations in 2021 (FAST^{*})



In 2021, accepting refugees from several countries and supporting their immigration and employment (FEL^{*})



Stone chairs were presented to local temples in 2021. (SFC^{*})

*The official names of companies by the abbreviations are listed together on p. 57.

**Other Activities (FY2021)**

- Conduct activities for community safety such as firefighting, traffic safety, disaster prevention, etc. (Mie Works and Kyushu branch, Furukawa Electric, Furukawa Automotive Systems Inc., Furukawa Elecom Co., Ltd.)
- Blood donation activities (Mie Works, Furukawa Electric, Furukawa Automotive Systems Inc., Okano Electric Wire Co., Ltd., FAST^{*})
- Support for educating the local community on how to prevent Covid-19 and other diseases (FAST^{*})
- Donations to the Corona Vaccine Fund, and supporting polio vaccination activities through the recycling of plastic bottles (FAVV^{*}, FAPV^{*}, SBS Furukawa Logistics Corp.)
- Fund-raising activities (Mie Works, Furukawa Electric, Okano Electric Wire Co., Trocellen GmbH)
- Donations to local governments and social welfare corporations (Furukawa Battery Sales, TFE^{*})
- Donation of food, beverages, and other supplies to fire departments, nursing homes, municipalities, medical institutions, orphanages, needy families, children, disaster victims, etc. (Furukawa Electric Business & Life Support Inc., FEL^{*}, FASM^{*}, FAVV^{*}, FAST^{*})
- Sponsorship of local high school publications (Furukawa Nikko Power Generation inc.)
- Provided Muslim calendars to the Thai Islamic Center Foundation for distribution in Thailand (SFC^{*})
- Participated in Mie Prefecture's Global Warming Prevention Event and turned off lights at night (Mie Works, Furukawa Electric)
- Deployment of lighting equipment and provision of in-house clean power to local shrines during the year-end and New Year's holidays (Furukawa Nikko Power Generation inc.)
- > Local Biodiversity Conservation Activities

*TFU: Thai Furukawa Unicomm Engineering Co., Ltd.

TFE: Taiwan Furukawa Electric Co., Ltd.

FAST: Furukawa Automotive Systems (Thailand) Co.,Ltd.

FALP: Furukawa Automotive Systems Lima Philippines,Inc.

FAVV: Furukawa Automotive Systems Vinh Long Vietnam Inc.

FEAP: Furukawa Electric Autoparts Philippines Inc.

FEL: Furukawa Electric LatAm S.A.

FESZ: Furukawa Electric (Shenzhen) Co., Ltd.

SFC: Siam Furukawa Co.,Ltd.

FASM: Furukawa Automotive Systems Mexico S.A. De C.V.

FTL: FURUKAWA ELECTRIC THERMAL MANAGEMENT SOLUTIONS & PRODUCTS LAGUNA, INC.



ESG Data

Environment revised in August 2022

Environmental conservation costs(Unit: million yen)

Furukawa Electric

| Category | Key activity and the outcome | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|--|--------------|--------------|--------------|--------------|--------------|
| Business area costs | Installation and maintenance of equipment for exhaust and wastewater treatment, energy saving, recycling, solar power generation, etc., waste disposal, various types of recycling, soil contamination surveys, etc. | 1,191 | 1,180 | 1,145 | 1,144 | 1,238 |
| Upstream/ downstream costs | Packaging with eco-friendly materials, collection and reuse of cable drums, etc. | 152 | 175 | 175 | 156 | 142 |
| Administration costs | Environmental management system operation (operation of committees, audits, etc.), measurement and monitoring of environmental impact, and environmental education, etc. | 354 | 331 | 329 | 340 | 312 |
| Research and development costs | Research and development for environmental conservation, such as energy savings and alternatives to hazardous substances. | 171 | 286 | 281 | 260 | 222 |
| Social activity costs | Tree planting, local community cleaning activities, donations, etc. | 2 | 2 | 2 | 0 | 1 |
| Environmental remediation costs | Environmental impact assessments, cleanup of polluted soil, etc. | 1 | 3 | 1 | 0 | 0 |
| Total | | 1,871 | 1,977 | 1,933 | 1,900 | 1,914 |

Domestic group companies

| Category | Key activity and the outcome | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|--|------------|------------|------------|------------|------------|
| Business area costs | Installation and maintenance of equipment for exhaust and wastewater treatment, energy saving, recycling, solar power generation, etc., waste disposal, various types of recycling, soil contamination surveys, etc. | 492 | 476 | 535 | 348 | 455 |
| Upstream/ downstream costs | Packaging with eco-friendly materials, collection and reuse of cable drums, etc. | 245 | 210 | 211 | 145 | 126 |
| Administration costs | Environmental management system operation (operation of committees, audits, etc.), measurement and monitoring of environmental impact, and environmental education, etc. | 138 | 136 | 128 | 80 | 107 |
| Research and development costs | Research and development for environmental conservation, such as energy savings and alternatives to hazardous substances. | 62 | 60 | 46 | 97 | 78 |
| Social activity costs | Tree planting, local community cleaning activities, donations, etc. | 5 | 4 | 3 | 1 | 1 |
| Environmental remediation costs | Environmental impact assessments, cleanup of polluted soil, etc. | 8 | 0 | 0 | 0 | 1 |
| Total | | 950 | 886 | 924 | 673 | 768 |

Furukawa Electric + Domestic group companies

| Category | Key activity and the outcome | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|--|--------------|--------------|--------------|--------------|--------------|
| Business area costs | Installation and maintenance of equipment for exhaust and wastewater treatment, energy saving, recycling, solar power generation, etc., waste disposal, various types of recycling, soil contamination surveys, etc. | 1,683 | 1,656 | 1,681 | 1,493 | 1,693 |
| Upstream/ downstream costs | Packaging with eco-friendly materials, collection and reuse of cable drums, etc. | 397 | 385 | 386 | 301 | 268 |
| Administration costs | Environmental management system operation (operation of committees, audits, etc.), measurement and monitoring of environmental impact, and environmental education, etc. | 492 | 467 | 457 | 420 | 419 |
| Research and development costs | Research and development for environmental conservation, such as energy savings and alternatives to hazardous substances. | 233 | 346 | 327 | 358 | 300 |
| Social activity costs | Tree planting, local community cleaning activities, donations, etc. | 7 | 6 | 5 | 1 | 2 |
| Environmental remediation costs | Environmental impact assessments, cleanup of polluted soil, etc. | 9 | 3 | 1 | 0 | 1 |
| Total | | 2,821 | 2,863 | 2,857 | 2,573 | 2,682 |

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 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-----------------------------------|-------------|-------------|------------|--------------|-------------|
| Revenue from recycling | 296 | 159 | 248 | 244 | 170 |
| Reduction in waste disposal costs | -54 | -117 | -150 | 24 | 132 |
| Reduction in energy costs | -925 | -531 | 64 | 1,057 | -958 |
| Reduction in water purchase costs | 4 | 3 | 8 | 23 | 6 |
| Total | -680 | -252 | 171 | 1,348 | -650 |

Domestic group companies

| Details of benefits | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-----------------------------------|------------|------------|------------|--------------|-------------|
| Revenue from recycling | 284 | 334 | 239 | 244 | 361 |
| Reduction in waste disposal costs | -69 | -55 | -46 | 33 | 14 |
| Reduction in energy costs | 274 | -80 | 77 | 1,072 | -654 |
| Reduction in water purchase costs | 39 | -16 | -32 | 63 | -11 |
| Total | 528 | 183 | 237 | 1,412 | -290 |

Furukawa Electric + Domestic group companies

| Details of benefits | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-----------------------------------|-------------|------------|------------|--------------|-------------|
| Revenue from recycling | 580 | 493 | 487 | 488 | 531 |
| Reduction in waste disposal costs | -123 | 62 | -196 | 57 | 146 |
| Reduction in energy costs | -651 | -611 | 141 | 2,129 | -1,613 |
| Reduction in water purchase costs | 43 | -13 | -24 | 86 | -4 |
| Total | -152 | -69 | 408 | 2,760 | -940 |



Environmental conservation benefits

Furukawa Electric

| Environmental impact | Unit | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------------------------|---------|---------|---------|---------|---------|
| Volume of industrial waste disposal processed* | tons | 115 | 336 | 369 | 532 | 539 |
| Energy consumption (crude oil equivalent) | 1,000 kt | 137 | 139 | 139 | 129 | 129 |
| Water consumption | 1,000 tons | 8,175 | 8,427 | 7,987 | 7,871 | 7,873 |
| Emissions of volatile organic chemical compounds | tons | 210 | 203 | 236 | 236 | 223 |
| CO ₂ emissions | 1,000 t-CO ₂ e | 229 | 226 | 213 | 197 | 185 |
| SO _x emissions | tons | 1 | 1 | 4 | 3 | 2 |
| NO _x emissions | tons | 32 | 56 | 47 | 73 | 66 |
| Soot emissions | tons | 3 | 12 | 3 | 1 | 3 |

Domestic group companies

| Environmental impact | Unit | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------------------------|---------|---------|---------|---------|---------|
| Volume of industrial waste disposal processed* | tons | 1,170 | 1,943 | 1,106 | 1,006 | 864 |
| Energy consumption (crude oil equivalent) | 1,000 kt | 61 | 58 | 52 | 47 | 53 |
| Water consumption | 1,000 tons | 2,187 | 2,088 | 1,878 | 1,507 | 1,295 |
| Emissions of volatile organic chemical compounds | tons | 120 | 115 | 120 | 79 | 68 |
| CO ₂ emissions | 1,000 t-CO ₂ e | 123 | 112 | 97 | 90 | 95 |
| SO _x emissions | tons | 0 | 0 | 0 | 0 | 1 |
| NO _x emissions | tons | 22 | 20 | 20 | 20 | 5 |
| Soot emissions | tons | 1 | 0 | 0 | 0 | 4 |

Furukawa Electric + Domestic group companies

| Environmental impact | Unit | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------------------------|---------|---------|---------|---------|---------|
| Volume of industrial waste disposal processed* | tons | 1,285 | 2,279 | 1,474 | 1,538 | 1,404 |
| Energy consumption (crude oil equivalent) | 1,000 kt | 198 | 197 | 191 | 176 | 181 |
| Water consumption | 1,000 tons | 10,362 | 10,515 | 9,865 | 9,378 | 9,168 |
| Emissions of volatile organic chemical compounds | tons | 330 | 318 | 356 | 315 | 292 |
| CO ₂ emissions | 1,000 t-CO ₂ e | 352 | 338 | 310 | 287 | 281 |
| SO _x emissions | tons | 1 | 1 | 4 | 3 | 3 |
| NO _x emissions | tons | 54 | 76 | 67 | 93 | 71 |
| Soot emissions | tons | 4 | 12 | 3 | 2 | 7 |

* Excluding recycled wastes

Investment and research costs (Unit: million yen)

Furukawa Electric

| Investment and research costs | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|---------|
| Total investment | 11,919 | 14,775 | 18,736 | 14,195 | 14,352 |
| Of which, environment-related investment | 1,055 | 571 | 1,139 | 985 | 976 |
| Total research costs | 8,780 | 9,367 | 10,455 | 9,779 | 10,077 |

Domestic group companies

| Investment and research costs | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|---------|
| Total investment | 4,873 | 6,231 | 7,004 | 8,325 | 7,075 |
| Of which, environment-related investment | 390 | 332 | 234 | 137 | 345 |
| Total research costs | 2,245 | 2,371 | 1,974 | 1,799 | 2,816 |

Furukawa Electric + Domestic group companies

| Investment and research costs | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|---------|
| Total investment | 16,792 | 21,006 | 25,740 | 22,520 | 21,427 |
| Of which, environment-related investment | 1,445 | 903 | 1,374 | 1,122 | 1,321 |
| Total research costs | 11,025 | 11,738 | 12,429 | 11,578 | 12,893 |

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

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|----------------------------------|---|---------|---------|---------|---------|---------|
| Furukawa Electric | Cumulative number of registered items | 116 | 121 | 126 | 130 | 131 |
| | Percentage of sales on a one-year basis | 51.1 | 64.8 | 66.4 | 68.4 | 74.3 |
| Furukawa Electric (consolidated) | Cumulative number of registered items | 92 | 105 | 137 | 149 | 156 |
| | Percentage of sales on a one-year basis | 32.6 | 40.5 | 56.2 | 58.2 | 61.9 |

* 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.

Greenhouse gas emissions throughout the value chain (Unit: 1,000 t-CO₂e)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | |
|--|----------------------------|--|--------------|--------------|--------------|--------------|-------|
| Furukawa Electric Group | Scope1 | 238 | 197 | 172 | 143 | 128 | |
| | Scope2 | 665 | 646 | 570 | 504 | 512 | |
| | Scope3 ^{*1 *2 *3} | 1,636 | 1,689 | 4,736 | 4,160 | 4,687 | |
| | Upstream | Category 1: Purchased goods and services | | | 2,493 | 1,656 | 1,809 |
| | | Category 2: Capital goods | | | 187 | 158 | 134 |
| | | Category 3: Fuel- and energy-related activities | | | 112 | 94 | 101 |
| | | Category 4: Upstream transportation and distribution ^{*1} | | | 73 | 126 | 190 |
| | | Category 5: Waste generated in operations | | | 22 | 21 | 22 |
| | | Category 6: Business travel | | | 7 | 6 | 7 |
| | | Category 7: Employee commuting | | | 23 | 23 | 24 |
| | | Category 8: Upstream leased assets | | | 7 | 6 | 7 |
| | Downstream | Category 9: Downstream transportation and distribution ^{*1} | | | 11 | 9 | 10 |
| | | Category 10: Processing of sold products | | | - | - | - |
| | | Category 11: Use of sold products ^{*2} | | | 1,720 | 1,980 | 2,303 |
| | | Category 12: End-of-life treatment of sold products ^{*2} | | | 50 | 51 | 48 |
| Category 13: Downstream leased assets | | | | 2 | 3 | 4 | |
| Category 14: Franchises | | | | - | - | - | |
| Category 15: Investments ^{*1} | | | | 28 | 28 | 28 | |
| Total | | 2,539 | 2,532 | 5,477 | 4,808 | 5,326 | |

*1 Categories 4, 9, and 15 were recalculated retroactively to FY2019 due to the partial re-evaluation of the calculation method following the SBT WB2 °C review in FY2022.

*2 From FY2020, calculations for Scope 3 categories 11 and 12 have been performed, and the calculations have been performed retroactively to FY2019, in addition, the third party verification was conducted in FY2021.

*3 For FY2017 and 2018, calculations were performed for Categories 1 to 9 and 13, and are disclosed as the total value of Scope 3 and the total value of the whole (Scope 1,2,3).

Greenhouse gas emissions Scope1 (Unit: 1,000 t-CO₂e)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-----------------|---------|---------|---------|---------|---------|
| CO ₂ | 148 | 148 | 139 | 115 | 121 |
| SF ₆ | 90 | 49 | 32 | 28 | 7 |

* Greenhouse gases other than CO₂ and SF₆ are not listed because they are far below the unit of 1,000 tons.

Greenhouse gas emissions Scope1, 2 (Unit: 1,000 t-CO₂e)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|------------|------------|------------|------------|------------|
| CO ₂ (Furukawa Electric + domestic group companies) | 353 | 338 | 310 | 288 | 281 |
| CO ₂ (Overseas Group Companies) | 460 | 456 | 400 | 331 | 352 |
| SF ₆ (Furukawa Electric) | 90 | 49 | 32 | 28 | 7 |
| Total of Scope 1 and 2 | 903 | 843 | 742 | 648 | 640 |

Greenhouse gas emissions per unit of sales (Unit: t-CO₂e/million yen)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|--------------|--------------|--------------|--------------|--------------|
| Furukawa Electric + domestic group companies | 0.702 | 0.678 | 0.660 | 0.660 | 0.621 |
| Overseas Group Companies | 0.991 | 0.924 | 0.897 | 0.883 | 0.735 |
| Furukawa Electric Group | 0.933 | 0.850 | 0.811 | 0.798 | 0.687 |

CO₂ emission and Energy intensity related to transportation

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|---|---------|---------|---------|---------|---------|
| Furukawa Electric | CO ₂ emissions (1,000 t-CO ₂ e) | 16.1 | 15.5 | 14.9 | 13.7 | 14.4 |
| | Energy intensity (MJ/t-km) | 1.69 | 1.68 | 1.70 | 1.70 | 1.74 |

Energy consumption (Unit: 1,000 kL)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|------------|------------|------------|------------|------------|
| Furukawa Electric + domestic group companies | 198 | 198 | 191 | 176 | 181 |
| Overseas Group Companies | 221 | 226 | 205 | 175 | 191 |
| Total | 419 | 424 | 396 | 351 | 372 |



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

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|---------|---------|---------|---------|---------|
| Renewable energy ratio (Hydroelectric power generations and others) | 110 | 109 | 113 | 94 | 99 |
| Electric power consumption | 644 | 643 | 613 | 569 | 579 |
| Renewable energy ratio (%) | 17.1 | 17.0 | 18.5 | 16.5 | 17.1 |

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

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|---------|---------|---------|---------|---------|
| Renewable energy ratio (Hydroelectric power generations and others) | 110 | 123 | 142 | 121 | 135 |
| Electric power consumption | 1,387 | 1,379 | 1,293 | 1,179 | 1,242 |
| Renewable energy ratio (%) | 7.9 | 8.9 | 11.0 | 10.3 | 10.9 |

Water withdrawal (Unit: 1,000 m³)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|---------------|---------------|---------------|---------------|---------------|
| Fresh surface water, including rainwater, water from wetland, rivers, and lakes | 6,550 | 6,806 | 6,560 | 6,696 | 6,655 |
| Brackish surface water/Seawater | 0 | 0 | 0 | 0 | 0 |
| Groundwater - renewable | 3,544 | 3,511 | 3,005 | 2,423 | 2,432 |
| Groundwater - non-renewable | 0 | 0 | 0 | 0 | 0 |
| Produced/Entrained water | 0 | 0 | 0 | 0 | 0 |
| Municipal potable water | 2,920 | 3,025 | 2,969 | 2,680 | 3,130 |
| External wastewater | 0 | 0 | 0 | 0 | 0 |
| Used quarry water collected in the quarry | 0 | 0 | 0 | 0 | 0 |
| Total | 13,014 | 13,342 | 12,534 | 11,799 | 12,217 |

Water discharge (Unit: 1,000 m³)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Ocean | 949 | 934 | 821 | 710 | 654 |
| Surface Water | 8,222 | 8,209 | 7,753 | 7,399 | 7,487 |
| Subsurface | 0 | 0 | 0 | 0 | 0 |
| Sewerage (Off-site water treatment) | 2,038 | 2,113 | 2,084 | 2,047 | 2,131 |
| Beneficial / other use | 0 | 0 | 0 | 0 | 0 |
| Total | 11,209 | 11,256 | 10,658 | 10,156 | 10,272 |

Water recycling and reuse volume (Unit: 1,000 m³)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|---------|
| Furukawa Electric + domestic group companies | 1,113 | 1,113 | 1,111 | 1,100 | 1,100 |
| Overseas Group Companies | 37 | 54 | 58 | 59 | 52 |

Raw materials (Unit: 1,000 tons)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|--------------|---------|---------|---------|---------|---------|
| Furukawa Electric + domestic group companies | Copper | 177.8 | 145.6 | 135.2 | 124.0 | 128.6 |
| | Aluminum | 6.7 | 7.6 | 13.7 | 8.1 | 14.5 |
| | Steel | 2.2 | 2.6 | 2.9 | 4.1 | 5.6 |
| | Other metals | 5.3 | 5.9 | 7.1 | 4.4 | 5.4 |
| | Glass | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Plastics | 33.2 | 33.7 | 34.1 | 32.9 | 27.5 |
| Overseas Group Companies | Copper | 180.4 | 188.5 | 161.5 | 119.3 | 113.7 |
| | Aluminum | 39.3 | 56.9 | 32.9 | 12.5 | 14.4 |
| | Steel | 9.7 | 9.4 | 9.6 | 9.0 | 12.5 |
| | Other metals | 0.9 | 0.8 | 0.6 | 0.04 | 0.53 |
| | Glass | 3.8 | 3.6 | 3.4 | 2.5 | 2.4 |
| | Plastics | 41.7 | 54.1 | 52.2 | 48.1 | 48.8 |

Total waste generation (Unit: 1,000 tons)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|-----------|-----------|-----------|-----------|-----------|
| Furukawa Electric + domestic group companies | 30 | 31 | 30 | 27 | 27 |
| Overseas Group Companies | 17 | 16 | 19 | 18 | 17 |
| Total | 47 | 47 | 49 | 45 | 43 |

* Total amount of waste generated in Japan includes valuable resources

Recycled resource volume (Unit: 1,000 tons)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|---------|
| Furukawa Electric + domestic group companies | 26.8 | 26.1 | 26.6 | 22.7 | 23.3 |
| Overseas Group Companies | 5.2 | 5.3 | 6.1 | 7.1 | 5.2 |



Final disposal volume (Unit: 1,000 tons)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|---------|
| Furukawa Electric + domestic group companies | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 |
| Overseas Group Companies | 12.0 | 11.0 | 12.8 | 12.0 | 11.5 |

Hazardous waste generation (Unit: tons)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------|---------|---------|---------|---------|---------|
| Furukawa Electric Group | 6,053 | 6,455 | 6,427 | 5,112 | 5,745 |

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

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--------------------------|------------|------------|------------|------------|------------|
| Furukawa Electric | 210 | 203 | 236 | 236 | 223 |
| Domestic group companies | 120 | 115 | 120 | 79 | 68 |
| Total | 330 | 318 | 356 | 315 | 292 |

NOx and SOx emissions (Unit: tons)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|-----|---------|---------|---------|---------|---------|
| Furukawa Electric + domestic group companies | NOx | 55 | 76 | 60 | 61 | 61 |
| | SOx | 1 | 2 | 2 | 2 | 2 |

PRTR substances list (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 | 4.8 | 0.0 | 0.5 | 4.3 |
| 31 | Antimony and its compounds | 375 | 0.2 | 52.6 | 322.5 |
| 53 | Ethylbenzene | 98.9 | 0.4 | 32.5 | 66.1 |
| 71 | Ferric chlorides | 17.5 | 0.0 | 0.0 | 17.5 |
| 75 | Cadmium and its compounds | 88.8 | 0.0 | 15.8 | 72.9 |
| 80 | Xylene | 171.4 | 1.4 | 38.8 | 131.1 |
| 82 | Silver and its water-soluble compounds | 2.3 | 0.0 | 0.9 | 1.4 |
| 86 | Cresol | 222.5 | 0.3 | 45.5 | 176.8 |
| 87 | Chromium and trivalent chromium compounds | 11.1 | 0.0 | 0.0 | 11.1 |
| 88 | Hexavalent chromium compounds | 6.4 | 0.0 | 5.1 | 1.4 |
| 132 | Cobalt and its compounds | 4.1 | 0.0 | 0.6 | 3.6 |
| 144 | Inorganic cyanide compounds (Excluding complex salt and cyanate) | 2.5 | 0.3 | 0.7 | 1.5 |
| 213 | N,N-dimethylacetamide | 379.1 | 0.1 | 0.0 | 379.0 |
| 272 | Copper salts (water-soluble) | 5,024.1 | 0.1 | 22.7 | 5,001.3 |
| 296 | 1,2,4-trimethylbenzene | 11.5 | 0.1 | 0.0 | 11.4 |
| 300 | Toluene | 194.1 | 53.4 | 48.2 | 92.5 |
| 304 | Lead | 9,235.8 | 0.2 | 0.3 | 9,235.3 |
| 305 | Lead compounds | 30,560.5 | 0.2 | 4.8 | 30,555.5 |
| 308 | Nickel | 389.1 | 0.0 | 2.9 | 386.2 |
| 309 | Nickel compounds | 92.8 | 0.0 | 19.1 | 73.6 |
| 332 | Arsenic and its inorganic compounds | 13.3 | 0.0 | 0.0 | 13.3 |
| 333 | Hydrazine | 5.2 | 0.0 | 0.0 | 5.2 |
| 349 | Phenol | 173.1 | 0.3 | 31.8 | 141.1 |
| 355 | Bis (2-ethylhexyl) phthalate | 94.9 | 0.0 | 0.0 | 94.9 |
| 374 | Hydrogen fluoride and its water-soluble compounds | 18.5 | 0.0 | 2.0 | 16.4 |
| 384 | N-propyl bromide | 4.4 | 4.4 | 0.0 | 0.0 |
| .0405 | Boron and its compounds | 12.9 | 0.4 | 0.7 | 11.7 |
| 412 | Manganese and its compounds | 10.8 | 0.0 | 0.0 | 10.8 |
| 413 | Phthalic anhydride | 4.0 | 0.0 | 0.0 | 4.0 |
| 438 | Methylnaphthalene | 14.9 | 0.0 | 0.0 | 14.9 |
| Total | | 47,244.6 | 61.7 | 325.6 | 46,857.3 |

* 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 2022

Number of employees

| | | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|-------------------------|------------------|--------------|--------------|--------------|--------------|---------|
| Furukawa Electric | Male | Number of people | 3,350 | 3,465 | 3,548 | 3,599 | 3,798 |
| | | Percentage (%) | 91 | 91 | 90 | 88 | 88 |
| | Female | Number of people | 335 | 351 | 377 | 485 | 505 |
| | | Percentage (%) | 9 | 9 | 10 | 12 | 12 |
| Total | Number of people | 3,685 | 3,816 | 3,925 | 4,084 | 4,303 | |

Number of candidates for managerial positions (equivalent of chiefs)

| | | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|-------------------------|------------------|------------|------------|------------|------------|---------|
| Furukawa Electric | Male | Number of people | 479 | 471 | 458 | 467 | 463 |
| | | Percentage (%) | 93 | 93 | 91 | 90 | 89 |
| | Female | Number of people | 36 | 36 | 44 | 53 | 59 |
| | | Percentage (%) | 7.0 | 7.1 | 8.8 | 10 | 11 |
| Total | Number of people | 515 | 507 | 502 | 520 | 522 | |

Number of employees in managerial positions

| | | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|-------------------------|------------------|------------|------------|------------|-------------|---------|
| Furukawa Electric | Male | Number of people | 905 | 929 | 908 | 931 | 1013 |
| | | Percentage (%) | 97 | 97 | 97 | 97 | 96 |
| | Female | Number of people | 31 | 31 | 32 | 33 | 40 |
| | | Percentage (%) | 3 | 3 | 3 | 3 | 4 |
| Total | Number of people | 936 | 960 | 940 | 964 | 1053 | |

Percentage of non-regular employees* (unit: %)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--|---------|---------|---------|---------|---------|
| Furukawa Electric | | 3.38 | 4.04 | 4.30 | 4.59 | 3.69 |

* Including rehiring, part-timers and fixed-term employees

Percentage of employees with disabilities (Unit: %)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--|---------|---------|---------|---------|---------|
| Furukawa Electric | | 2.23 | 2.12 | 2.14 | 2.09 | 2.32 |

* As of June 1 of each year

Percentage of labor union membership (Unit: %)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--------|-------------|-------------|-------------|-------------|-------------|
| Furukawa Electric | Male | 98.5 | 97.4 | 97.6 | 99.0 | 99.3 |
| | Female | 98.3 | 99.4 | 99.3 | 97.0 | 97.0 |
| Total | | 98.5 | 99.1 | 99.1 | 99.0 | 98.9 |

* Including those exempted as defined in the collective agreement

Number of new graduate recruits (Unit: People)

| | | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|------------------------------------|-------------------|-----------|------------|------------|------------|------------|
| Furukawa Electric | Career track and general positions | Male | 61 | 73 | 80 | 86 | 95 |
| | | Female | 31 | 31 | 31 | 33 | 24 |
| | | Total | 92 | 104 | 111 | 119 | 119 |
| | Manufacturing worker | Foreign nationals | 1 | 0 | 0 | 0 | 0 |
| | | Male | 15 | 46 | 49 | 53 | 52 |
| | | Female | 0 | 0 | 1 | 2 | 1 |
| Total | 15 | 46 | 50 | 55 | 53 | | |

Male/female percentage of new graduate recruits* (Unit: %)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--------|---------|---------|---------|---------|---------|
| Furukawa Electric | Male | 66 | 70 | 72 | 72 | 80 |
| | Female | 34 | 30 | 28 | 28 | 20 |

* Subjects are career-track and general positions.

Percentage of mid-career recruitments in new recruitments* (Unit: %)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|---------------------------------|---------|---------|---------|---------|---------|
| Furukawa Electric | Including manufacturing workers | 49 | 39 | 34 | 27 | 30 |
| | Excluding manufacturing workers | 19 | 18 | 26 | 23 | 36 |

* New recruitments refer to new graduates and mid-career recruitments.

Employee turnover rate (Unit: %)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--------|-------------|-------------|-------------|-------------|-------------|
| Furukawa Electric | Male | 1.02 | 1.17 | 1.80 | 1.60 | 2.57 |
| | Female | 0.86 | 1.62 | 0.83 | 1.50 | 4.81 |
| Total | | 1.01 | 1.21 | 1.71 | 1.60 | 2.84 |

*1 The calculation method is changed after FY2021:

Number of employees who retired during the fiscal year (A) ÷ Number of employees enrolled during the fiscal year.
(Before FY 2020: (A) ÷ number of employees on the first day of the fiscal year.)

*2 The data of FY2021 includes the impact of increasing job turnover rate due to increase the number of users of the Job change Assistance Program prior to the abolition of it following the raising of the retirement age.



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

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Furukawa Electric | Direct work | 27.97 | 27.19 | 26.04 | 20.10 | 27.78 |
| | Indirect work | 19.25 | 19.33 | 20.95 | 22.95 | 23.87 |
| Total | | 23.50 | 23.17 | 23.18 | 21.19 | 25.21 |

Use of regular annual leave (Unit: Days)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-----------------------------------|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Furukawa Electric | Days carried over per person (A) | 20.8 | 18.3 | 21.5 | 20.7 | 21.2 |
| | Days granted per person (B) | 24.3 | 24.0 | 23.9 | 23.8 | 23.7 |
| | Days acquired per person (C) | 14.7 | 15.2 | 15.4 | 13.1 | 14.0 |
| Acquisition rate (C+B) (%) | | 60.3 | 63.2 | 64.4 | 55.2 | 59.1 |

Number of employees taking maternity/paternity leave (Unit: people)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|--|------------|------------|-----------|------------|-----------|
| Furukawa Electric | Male | 27 | 21 | 25 | 31 | 40 |
| | Ratio of employees returning to work (%) | 100 | 100 | 100 | 100 | 100 |
| | Female | 12 | 10 | 10 | 12 | 27 |
| | Ratio of employees returning to work (%) | 100 | 100 | 90 | 100 | 96 |
| Total | | 39 | 31 | 35 | 43 | 67 |
| Ratio of employees returning to work (%) | | 100 | 100 | 97 | 100 | 99 |

* The scope of data was changed from FY2021. The number of employees who took at least one day of childcare leave during the fiscal year (including those who continued to take childcare leave from the previous fiscal year). Previously, it was the number of employees who newly took childcare leave during the fiscal year (not including those who continued to take childcare leave from the previous fiscal year).

Number of employees taking nursing care leave (Unit: people)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|--|----------|----------|------------|----------|------------|
| Furukawa Electric | Male | 0 | 0 | 1 | 0 | 3 |
| | Ratio of employees returning to work (%) | — | — | 100 | — | 100 |
| | Female | 0 | 0 | 1 | 0 | 0 |
| | Ratio of employees returning to work (%) | — | — | 100 | — | — |
| Total | | 0 | 0 | 2 | 0 | 3 |
| Ratio of employees returning to work (%) | | — | — | 100 | — | 100 |

* Number of employees who took at least one day of nursing care leave (including those who continued to take leave from the previous year).

Number of employees taking volunteer leave (Unit: people)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--------|----------|----------|----------|----------|----------|
| Furukawa Electric | Male | 0 | 0 | 1 | 0 | 0 |
| | Female | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 1 | 0 | 0 |

Number of employees taking refreshment leave (Unit: people)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|--------|------------|------------|------------|------------|------------|
| Furukawa Electric | Male | 152 | 178 | 161 | 124 | 124 |
| | Female | 15 | 25 | 17 | 26 | 11 |
| Total | | 167 | 203 | 178 | 150 | 135 |
| Employees who have reached 25 years of service | | 255 | 190 | 179 | 119 | 98 |

* "Refreshment leave" is a system that allows employees with 25 years of continuous work to take 14 or more days of leave. (Available for taking within 2 years)

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

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--|---------|---------|---------|---------|---------|
| Furukawa Electric | Target control system | 42 | 41 | 39 | 54 | 66 |
| | Absolute and relative evaluations based on ranking | 100 | 100 | 100 | 100 | 100 |

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

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--|---------|---------|---------|---------|---------|
| Furukawa Electric | | 109 | 114 | 72 | 72 | 71 |

* Calculated from FY2017

Number of employees education by positions (Units: People)

| Lecture | Target | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------------|--|---------|---------|---------|-----------------|---------|
| Executive training | Newly appointed officers (full-time, part-time) ^{*1} | 18 | 6 | 9 | 6 | 7 |
| Training for section managers | New section managers and managers ^{*2 *3} | 79 | 69 | 93 | 88 | 63 |
| Training for key employees | Newly appointed managers and full-time employees ^{*2} | 49 | 53 | 65 | 0 ^{*4} | 85 |
| New employee training | New employees ^{*2 *3} | 92 | 104 | 109 | 108 | 119 |

*1 Furukawa Electric

*2 Furukawa Electric and employees dispatched to other companies

*3 Human rights education included in the lecture

*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: People)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|---|--------------|---|--------------|----------------|---------------|
| Furukawa Electric + Japan group companies | Number of participants to seminars in Japan | 246 | 541 | 654 | 709 | 833 |
| Overseas Group Companies | Number of participants to seminars overseas | 38 (Jakarta) | 128 (Philippines, Tianjin, Shenzhen and Shanghai) | 44 (Vietnam) | 12 (Singapore) | 29 (Malaysia) |

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

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|------------------------|---------|---------|---------|---------|---------|
| Furukawa Electric + Domestic group companies | Subcontract Act | 627 | 532 | 557 | 1,176 | 1,103 |
| | Security trade control | 853 | 1,125 | 997 | 1,255 | 779 |

Number of employees receiving safety training(Units: People)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--|---------|---------|---------|---------|---------|
| Furukawa Electric | | 1,001 | 1,345 | 1,890 | 1,490 | 1,484 |

Number of employees receiving health training(Units: People)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|-------------------------|---------|---------|---------|---------|---------|
| Furukawa Electric | Total number of people | 3,707 | 7,109 | 6,271 | 7,391 | 6,626 |
| | Total time (Unit: Hour) | 3,111 | 3,584 | 2,929 | 2,803 | 1,944 |

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

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--------------------------|--|------------|------------|------------|-----------|------------|
| Furukawa Electric | | 184 | 305 | 302 | 71 | 76 |
| Domestic group companies | | 121 | 101 | 95 | 12 | 131 |
| Total | | 305 | 406 | 397 | 83 | 207 |

* GENBA-RYOKU reinforcement training is a training program for technical employees and consists of a curriculum focusing on the "six key missions (safety, environment, quality, cost, production, and facilities)," "human skills," and "technical skills".

Percentage of the Works certified by OSHMS^{*1} (Unit: %)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--|---------|---------|---------|---------|------------------|
| Furukawa Electric | | 83 | 83 | 83 | 80 | 60 ^{*2} |

*1 OSHMS; Occupational Safety and Health Management System

*2 The target is business sites with manufacturing divisions. In FY2021, the number of sites decreased by one due to the certification switchover.

Frequency rate of accidents resulting in time off work

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--------------------------|--|---------|---------|---------|---------|---------|
| Furukawa Electric | | 0.63 | 0.48 | 0.59 | 0.11 | 0.32 |
| Domestic group companies | | 0.30 | 0.56 | 0.32 | 0.21 | 0.25 |

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

Number of deaths among regular employees

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--|---------|---------|---------|---------|---------|
| Furukawa Electric | | 0 | 0 | 0 | 0 | 0 |

* Personal injury and disease not included

Number of deaths among non-regular employees

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--|---------|---------|---------|---------|---------|
| Furukawa Electric | | 0 | 0 | 0 | 0 | 0 |

* Contractors not included

Ratio of complaints regarding products and services*

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--|---------|---------|---------|---------|---------|
| Furukawa Electric | | 0.79 | 0.63 | 0.58 | 0.41 | 0.38 |

* Ratio in the case where FY2015 results are taken as 1.00

Number of suppliers working together for environmental and social aspects (Unit: Companies)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|--|---------|---------|---------|---------|---------|
| Furukawa Electric | Number of evaluated suppliers (Main Suppliers) | 199 | 213 | 199 | 198 | 248 |
| | Number of suppliers attended at the Partners Meeting | 55 | 57 | 59 | —* | 57 |
| | Number of suppliers tried CO ₂ reduction by Procurement logistics | 7 | 20 | 24 | 25 | 25 |

* From the perspective of preventing new coronavirus infections, we have canceled the Partners Meeting.


Governance revised at August 2022

Number of directors (Units: Person)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY2022 |
|-------------------|-----------------------|---------|---------|---------|---------|---------|--------|
| Furukawa Electric | Directors | 12 | 12 | 12 | 12 | 11 | 11 |
| | Outside directors | 5 | 5 | 5 | 5 | 5 | 5 |
| | Independent directors | 3 | 3 | 5 | 5 | 5 | 5 |
| | Female directors | 0 | 0 | 1 | 1 | 1 | 1 |

* As of the end of each year, however, as of June 23th, for fiscal 2022

Number of Audit & Supervisory Board members (Units: Person)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY2022 |
|-------------------|-----------------------------------|---------|---------|---------|---------|---------|--------|
| Furukawa Electric | Audit & Supervisory Board members | 6 | 6 | 6 | 6 | 6 | 6 |
| | Outside members | 3 | 3 | 3 | 3 | 3 | 3 |
| | Independent members | 3 | 3 | 3 | 3 | 3 | 3 |
| | Female members | 0 | 0 | 0 | 1 | 1 | 1 |

* As of the end of each year, however, as of June 23th for fiscal 2022.

Number of Executive officers (Units: Person)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY2022 |
|-------------------|----------------------------|---------|---------|---------|---------|---------|--------|
| Furukawa Electric | Executive officers | 25 | 26 | 25 | 27 | 27 | 25 |
| | Female executive officers | 1 | 1 | 1 | 1 | 2 | 1 |
| | Foreign executive officers | 4 | 4 | 3 | 3 | 3 | 2 |

* As of April 1st of each year

Number of Senior Fellows (Units: Person)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY2022 |
|-------------------|----------------|---------|---------|---------|---------|---------|--------|
| Furukawa Electric | Senior Fellows | 2 | 2 | 2 | 1 | 1 | 3 |

* As of April 1st of each year

Others Revised August 2022

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

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Sales by region | Japan | 510,663 | 521,281 | 495,658 | 435,195 | 461,450 |
| | China | 96,911 | 94,006 | 75,059 | 82,777 | 100,457 |
| | Asia (except Japan,China) | 193,059 | 213,260 | 183,033 | 141,029 | 190,877 |
| | North and Central America | 84,746 | 72,677 | 78,302 | 78,179 | 91,716 |
| | South America,Europe and others | 81,952 | 90,364 | 82,386 | 74,418 | 85,994 |
| Consolidated sales | | 967,333 | 991,590 | 914,439 | 811,600 | 930,496 |
| Overseas sales | | 456,669 | 470,309 | 418,781 | 376,403 | 469,046 |
| Overseas sales ratio (%) | | 47.2 | 47.4 | 45.8 | 46.4 | 50.4 |

* Sales are classified into countries or regions based on the location of customers

Number of patent rights (Unit: patents)

| | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------|------------------|--------------|--------------|--------------|--------------|--------------|
| Furukawa Electric | Domestic patents | 4,644 | 4,605 | 4,523 | 4,388 | 4,423 |
| | Overseas patents | 2,507 | 2,712 | 2,910 | 2,976 | 3,160 |
| Total | | 7,151 | 7,317 | 7,433 | 7,367 | 7,583 |

* The number of domestic and overseas patents held by Furukawa Electric includes the results of regularly reviewing owned patents.

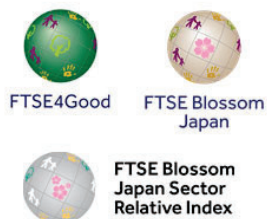
External Evaluation and Certification

SRI Index・ESG Index

FTSE4Good Index Series/FTSE Blossom Japan Index

Furukawa Electric Group has been selected as a constituent of the FTSE4Good Index Series and the FTSE Blossom Japan Index for three continuous years. (As of June 2021) Additionally, the Group was selected as a component of the FTSE Blossom Japan Sector Relative Index. (As of April 2022)

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 and FTSE Blossom Japan Sector Relative Index, which have 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 and FTSE Blossom Japan Sector Relative Index are an ESG index used by the Government Pension Investment Fund (GPIF). It is one of the leading indices for ESG investment. The FTSE Blossom Japan Sector Relative Index is characterized by its climate change initiatives as well as its ESG evaluation.



| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|-----------------|------|-----------------|
| FTSE4Good Index Series | | | ● First time | ● | ● |
| FTSE Blossom Japan Index | | | ● First time | ● | ● |
| FTSE Blossom Japan Sector Relative Index | - | - | - | - | ● First time |

MSCI Japan Empowering Women Index (WIN)

Furukawa Electric Group has been selected as a constituent of the MSCI Japan Empowering Women Index (WIN) for four continuous years. (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).

2022 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 | 2022 |
|---|------|------|------|------|------|
| MSCI Japan Empowering Women Index (WIN) | | ● | ● | ● | ● |

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 March 2022)
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 | 2022 |
|--------------------------------|------|------|------|------|------|
| S&P/JPX Carbon Efficient Index | ● | ● | ● | ● | ● |

SOMPO Sustainability Index

Furukawa Electric is selected as a constituent of the SOMPO Sustainability Index of SOMPO Asset Management Co., Ltd. (As of June 2022)



ESG evaluation, certification

CDP

Furukawa Electric Group has been selected for the CDP's A List for climate change for the second year in a row, earning the highest rating in the CDP's evaluation of corporate activities in response to climate change.

The Group has also been selected as the A-list company for the third consecutive year in CDP's evaluation of supplier engagement. (As of February 2022)

We have 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 | 2021 |
|----------------|------|------|------|------|------|
| Climate change | C | B- | B | A | A |
| Water security | B | B- | B | B | B |
| Supply chain | B- | A- | A | A | A |

SBT (Science Based Targets)

Furukawa Electric Group obtained SBT WB2°C (well-below 2°C) certification from SBTi (Science Based Targets Initiative) for the company's greenhouse gas reduction targets in July 2022.

> [Please see the press release here.](#)



"Zero-Emissions Challenge Company" of the Ministry of Economy, Trade and Industry

Furukawa Electric has been selected by the Ministry of Economy, Trade and Industry (METI) as a "Zero-Emissions Challenge Company" as a company that boldly challenges innovation for the realization of a decarbonized society. The announcement was made at the TCFD Summit 2020 held on October 9, 2020.



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.



| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------|-----------------|------|------|------|------|
| 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.



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.



Diversity & Inclusion "D&I Award 2021"

Furukawa Electric has received the "Best Workplace" Accreditation, which is the highest certification rank, in the D&I Award 2021, which recognizes companies that lead Diversity and Inclusion (D&I) in Japan.



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.



| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------|------|-----------------|------|------|------|
| 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.



| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|
| Health & Productivity Management Organization, White 500 | ○ | ○ | ○ | ● | ● |

* ● : Health & Productivity Management Organization

* ○ : White 500 (Top 500 of Health & Productivity Management Organization)

Clarivate Top 100 Global Innovators

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).



| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------------|------|------|------|------|------|
| Clarivate Top 100 Global Innovators | ● | ● | ● | ● | |

Toyo Keizai 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. 2022 CSR Ranking (16th) Report)



| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------|------|------|------|------|------|
| Toyo Keizai CSR Ranking | 185 | 159 | 165 | 138 | 146 |

NIKKEI SDGs management, Smart Work management survey

The Company was received "4.0 stars" in the 4th NIKKEI SDGs management survey. And, the Company was rated at "A++" in SDGs Strategy and Economic Value, "S" in Social Value, "S" in Environmental Value, and "S" in Governance.



The Company was received "3.5 stars" in the 6th 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.



Awards

The following is a summary of awards and recognitions from local governments, academic societies, customers, etc. from FY2021. The following links are available only in Japanese.

| | |
|-------------------|--|
| April 15, 2021 | > Shiga Prefecture's Highest Level of 3 Stars Certification of Biodiversity Initiatives for the First Time |
| April 20, 2021 | > World's First Demonstration Test of 4-Optical Fiber Cable was Selected as One of "The 100 Best Chiba Industrial Technologies" to be handed down to the next generation |
| April 22, 2021 | > "Narrow linewidth Tunable Laser based on DFB laser array for Digital Coherent Transmission" was Received the 13th Industry Award for Excellent Product of the Laser Society of Japan |
| April 26, 2021 | > A Certificate of Appreciation from Nippon Telegraph and Telephone Corporation for Contribution to IEEE Milestone Recognition |
| June 25, 2021 | > The Technology Award from the Adhesion Society of Japan for "Establishment of Reliability Technology for Optical Fiber Coating" |
| August 5, 2021 | > Journal of Japan Laser Processing Best Author Award for 2020 |
| November 5, 2021 | > 55th Paper Award from the Japan Institute of Copper |
| December 6, 2021 | > Mie Plant Received "Work-Life Balance Promotion Award" from Kameyama City |
| December 24, 2021 | > Yokohama Plant Recognized as "Yokohama City 3R Activity Excellent Business Office" |
| June 10, 2022 | > 2021 IEICE Achievement Award for the Development and Commercialization of Narrow-linewidth Tunable Light Source for Digital Coherent Communication |
| June 24, 2022 | > A Furukawa Electric employee received "The Achievement Award" from the Adhesion Society of Japan |
| July 28, 2022 | > Furukawa Electric Power Systems Receives Kanagawa Labor Bureau Director's Award of Excellence |



Participation in Initiatives

Participation in Initiatives

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.

> [Efforts for the SDGs](#)



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.



GX League Basic Concept

Furukawa Electric has endorsed the "GX (Green Transformation) League Basic Concept" announced by the Ministry of Economy, Trade and Industry (METI) of Japan in April 2022. GX refers to the transformation of the entire economic and social system to become carbon neutral as quickly as possible. The GX League was established as a forum where a group of companies actively engaged in GX, government, universities, public research institutions, financial institutions, and others can come together to discuss GX and put it into practice to create new markets. The "GX League Basic Concept" provides basic guidelines for discussing the detailed design of the implementation of the "GX League" and demonstrating the initiatives to be taken in FY2022. The Group has formulated "Furukawa Electric Group Environmental Vision 2050" and is promoting efforts to contribute to a decarbonized society.



Japan Clean Ocean Material Alliance

Furukawa Electric has been a member of the Japan Clean Ocean Material Alliance (CLOMA), which is a platform that helps a wide variety of cross-sectoral stakeholders to collaborate and accelerate innovation to overcome the marine plastic waste issue. The Group has engaged in the recycling of plastic waste to reduce resource use, to protect ecosystems by preventing environmental pollution, and to solve climate change by reducing greenhouse gas emissions.

> [Plastic Recycling Technologies](#)





WIPO GREEN

Furukawa Electric has participated as a partner company in WIPO GREEN, a platform for technology exchange on environmental conservation operated by the World Intellectual Property Organization (WIPO) of the United Nations. The plastic recycling technology that the Company has registered with WIPO GREEN will contribute to waste reduction. By promoting technology exchange through the use of intellectual property, the Company will contribute to the spread of environment-related technologies.



> [News Release](#)

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.



Partnerships with Local Communities to Achieve SDGs

The Company promotes the following initiatives

- Registration with the Japanese Cabinet Office's "Public-Private Partnership Platform for Local SDGs"
- Registration as the Tochigi Prefecture SDGs Promotion Company
- Registration as the Kanagawa Prefecture SDGs Partner

Main participating organizations and Roles

Corporate members of Keidanren (Japan Business Federation) (As of June 15, 2022)

Chairman of the Japan Copper and Brass Association (As of May 26, 2022)

Director of the Japanese Electric Wire & Cable Makers' Association (As of July 20, 2021)

Reference data

Occupational Health and Safety - Scope of the frequency rate of accidents resulting in time off work (FY2021, as of March 31, 2022)

| 32 Domestic group companies | | |
|--|---|--|
| NTEC Ltd. | Okano Electric Wire 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. |
| Furukawa Logistics Corp. | Furukawa Magnet Wire Co., Ltd. | Furukawa UACJ Memory Disk Co., Ltd. |
| Furukawa Electric Business & Life Support Inc. | Miharu Communications Inc. | Myojodenki Co., Ltd. |
| Yokohama Drum Manufacturing Co., Ltd. | Riken Electric Wire Co., Ltd. | |

Environmental Management - Scope of the environmental management (FY2021, as of March 31, 2022)

| 31 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. |
| Essex Furukawa Magnet Wire Japan Co., Ltd. | | |



59 Overseas group companies

| | |
|--|--|
| Shenyang Furukawa Cable Co., Ltd. | Suzhou Furukawa Power Optic Cable Co., Ltd. |
| P.T. Tembaga Mulia Semanan Tbk. | Furukawa Electric LatAm S.A. |
| Furukawa Industrial Optoelectronica Ltda. | Furukawa Industrial S.A. Sucursal Argentina |
| Furukawa Industrial Colombia SAS | OFS Fitel, LLC |
| OFS FITEL Deutschland GmbH | OFS Fitel Denmark Aps |
| Furukawa Electric Morocco SARL | JIANGSU OFS HENGTONG OPTICAL TECHNOLOGY CO., LTD. |
| OFS RUS Fiber Optic Cable Company | Thai Fiber Optics Co., Ltd. |
| P. T. Furukawa Optical Solutions Indonesia | Furukawa FITEL (Thailand) Co., Ltd. |
| Furukawa FITEL Optical Products (Shanghai) Co., Ltd. | Thai Furukawa Unicomm Engineering Co., Ltd. |
| Trocellen GmbH | Polifoam Plastic Processing Co., Ltd. |
| HT Italia Holding S.r.l. | Trocellen Italy S.p.A. |
| Trocellen S.E.A. Sdn Bhd | Taiwan Furukawa Magnet Wire Co., Ltd. |
| Furukawa AVC Electronics (Suzhou) Co., Ltd. | FURUKAWA ELECTRIC THERMAL MANAGEMENT SOLUTIONS AND PRODUCTS LAGUNA, INC. |
| Taiwan Furukawa Electric Co., Ltd. | Furukawa Automotive Systems (Thailand) Co., Ltd. |
| Furukawa Wiring Systems Mexico, S.A. de C.V. | P.T. Furukawa Automotive Systems Indonesia |
| Furukawa Electric (Shenzhen) Co., Ltd. | Furukawa Automotive Systems Vietnam Inc. |
| Furukawa Electric Autoparts Philippines Inc. | Permintex Furukawa Autoparts Malaysia Sdn. Bhd. |
| Furukawa Electric Autoparts Central Europe, s.r.o | Furukawa Automotive Parts (Vietnam) Inc. |
| Furukawa Automotive Parts (Dong Guan) Ltd. | Furukawa Auto Parts (Huizhou) Co. Ltd. |
| Furukawa Mexico S.A. De C.V. | American Furukawa, Inc. |
| Tianjin Jinhe Electric Engineering Co., Ltd. | Furukawa Automotive Systems Lima Philippines, Inc. |
| Wuhan Furukawa Automotive Systems Co., Ltd. | Chongqing Changhua Automobile Harness Co., Ltd. |
| Furukawa Automotive Systems Mexico S.A. de C.V. | Furukawa Minda Electric Pvt. Ltd. |
| Furukawa Automotive Systems Vinh Long Việt Nam | Furukawa Precision (Thailand) Co., Ltd. |
| Furukawa Electric Copper Foil Taiwan Co., Ltd. | Furukawa Circuit Foil Taiwan Corporation |
| Siam Furukawa Co., Ltd. | PT. FURUKAWA INDOMOBIL BATTERY MANUFACTURING |
| Furukawa Electric Institute of Technology Ltd. | SuperPower Inc. |
| Furukawa Electric Europe Ltd. | Furukawa Electric Singapore Pte. Ltd. |
| Furukawa Shanghai, Ltd. | Furukawa (Thailand) Co., Ltd. |
| Furukawa Electric Hong Kong Ltd. | |

Environmental Management - Scope of the environmental accounting (FY2021, as of March 31, 2022)

21 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. | Furukawa Electric Ecotec Co., Ltd. |

FURUKAWA ELECTRIC CO., LTD.

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