

FURUKAWA ELECTRIC GROUP
SUSTAINABILITY BOOK

2023

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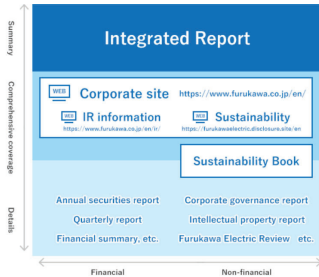
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Editorial Policy

Since fiscal 2020, the Group has been publishing Integrated Reports and Sustainability Books. Integrated Report has concisely stated important financial and non-financial information regarding Furukawa Electric Group with the aim of promoting a better understanding of our medium- to long-term initiatives and measures for the improvement of corporate value. Whereas, Sustainability Book includes non-financial information that is not included in the Integrated Report and is compiled for all stakeholders. The Sustainability Book 2023 includes information on governance, strategies, risk management, and indicators and targets related to sustainability, as well as updated information on human capital. We hope that the Sustainability Book will help you understand the Group's environmental, social, and governance activities.



Guidelines Referenced

- ISO26000
- GRI Standards
- Environmental Reporting Guidelines 2018 issued

Period Covered

Fiscal 2022 (from April 1, 2022 to March 31, 2023)
(note) Includes selected information on past initiatives and activities during fiscal 2023.

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.

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Editing and Publication

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

Company Profile

Company Name	Furukawa Electric Co., Ltd.
President	Hideya Moridaira
Founded	1884
Established	June 25th, 1896
Paid-in Capital (As of March 31, 2023)	¥69,395 million
Net sales (Years ended March 31, 2023)	<ul style="list-style-type: none">• ¥1,066,326 million (Consolidated)• ¥305,835 million (Non-Consolidated)
Number of Employees (As of March 31, 2023)	<ul style="list-style-type: none">• 51,314 (Consolidated)• 4,267 (Non-Consolidated)
Head Office	Tokiwabashi Tower, 2-6-4, Otemachi, Chiyodaku, Tokyo 100-8322, Japan
TEL	+81-3-6281-8500



Top Message

Strengthening the trust with all stakeholders, and continuing the efforts to realize a sustainable society

Since the founding of the Furukawa Electric Group in 1884, the words of our founder, Ichibei Furukawa, who said "Value employees, value customers, value new technology, and contribute to society" have been spun into our DNA, and we are working to realize a sustainable society by solving the social issues through business.

We are promoting ESG management directed at achieving the Furukawa Electric Group Vision 2030 that sets forth the vision of the group we intend to become in 2030. In addition, "Creating businesses that solve social issues", "Developing business activities that consider climate change", "Strengthening human capital and organizational execution abilities" and "Building a governance system to strengthen risk management" have been set forth as the important issues for ESG management, and "Open, Agile, Innovative" and "Building partnerships with various stakeholders" have been designated as the driving force for addressing the important issues.

Going forward, we will continue to develop new technologies, products and services, as well as strengthen and transform the businesses, with the aim of further enhancing the trust and expectations from all stakeholders. Moreover, we will contribute to achieving the SDGs by Vision 2030 and realize a sustainable society.



President

H. Meridaise

Corporate Philosophy Structure

Group 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.

> [Furukawa Electric Group Philosophy \(Revised August 2007\)](#)

Core Value

We have set the values we wish to particularly emphasize and enhance even further, for the achievement of Corporate Philosophy and the sustainable growth of Furukawa Electric Group, as "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.



Furukawa Electric Group CSR Code of Conduct

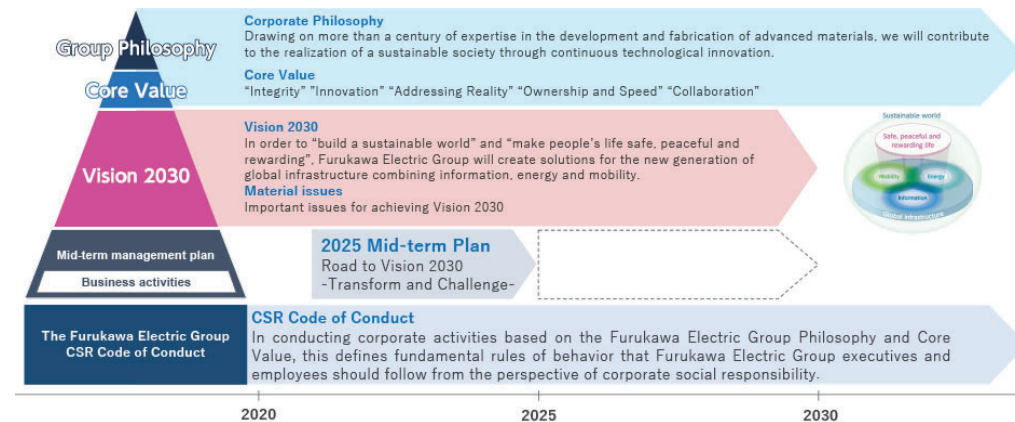
In conducting corporate activities based on the Furukawa Electric Group Philosophy and Core Value, the Furukawa Electric Group CSR Code of Conduct defines fundamental rules of behavior that Furukawa Electric Group executives and employees should follow from the perspective of corporate social responsibility.

The Furukawa Electric Group CSR Code of Conduct (items only) (Revised April 2019)

> Full text of The Furukawa Electric Group CSR Code of Conduct

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

Philosophy Structure of Furukawa Electric Group



Sustainability Policy and Committee

About the Sustainability Policy

The Furukawa Electric Group's philosophy is "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." We have established Vision 2030, the ideal state of the Group in 2030, being conscious of solving social issues indicated by the Sustainable Development Goals (SDGs) adopted by the United Nations. The Group promotes ESG management, which aims sustainable growth of the Group and medium-to long-term improvement in corporate value, in order to achieve Vision 2030.

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 (material issues) 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.



Sustainability Committee

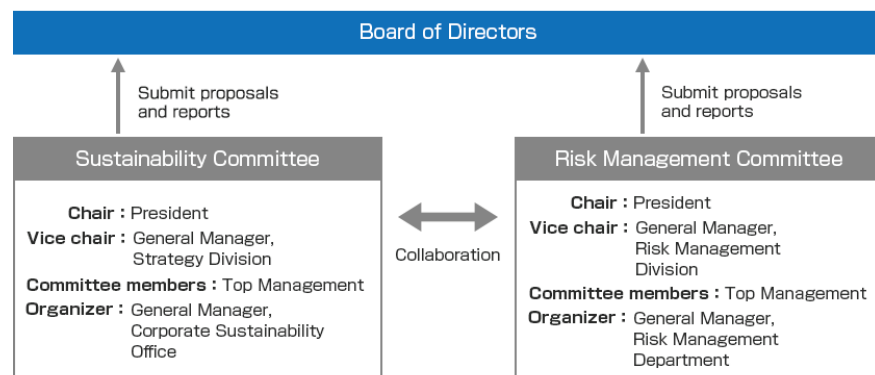
The Sustainability Committee has been established to consolidate discussions on sustainability within the Furukawa Electric Group and further enhance the quality and speed of implementation thereof.

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 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 policy about sustainability
- basic matters and current progress on material issues related to revenue opportunities and risks
- disclosure of basic information related to sustainability
- SDG activities and community/social activities
- other important sustainability issues such as environment, human rights and labor practices, supply chain, governance, etc.

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



The Group has accelerated its ESG management since FY2018 and has expanded discussions on sustainability including climate change and human capital at the management committee and the sustainability committee. These committees also submit proposals and share the progress on sustainability including climate change and human capital with the board of directors every quarter.

< Key Discussions on Sustainability within Furukawa Electric Group (FEG) >

Board of Directors	November 2018	Formulated the FEG Vision 2030
	November 2018	Formulated the FEG Vision for Our People; medium-term measures of the HR Dept.
	Nov. 2018–Dec. 2019	Identified important management issues as material issues
	April 2019	Revised the FEG CSR Code of Conduct
	February 2021	Formulated the FEG Environmental Vision 2050
	July 2021–Aug. 2021	Formulated the FEG Basic Policy on Sustainability
	May 2022	Set sustainability indicators and targets; reviewed the material issues
	December 2022	Status and direction of personnel measures in the 2025 Medium-term Plan
	March 2023	Partially revised sustainability targets for FY2025
Management Committee	October 2018	Medium-term measures of the HR Dept.; formulated the FEG Vision for Our People
	Nov. 2018–May 2019	Formulated the FEG Vision 2030
	Nov. 2018–Sept. 2020	Identified important management issues as material issues and disclosed them
	January 2019	Set the Environmental Targets 2030; applied for an SBT (2°C Targets) initiative certification
	April 2019	Revised the FEG CSR Code of Conduct
	January 2020	Signed the United Nations Global Compact; Formulated the FEG Human Rights Policy; Expressed support for the recommendations of TCFD
	Dec. 2020–Feb. 2021	Formulated the FEG Environmental Vision 2050
	July 2021–Aug. 2021	Formulated the FEG Basic Policy on Sustainability
	Nov. 2021–Feb. 2022	Revised the Environmental Targets 2030; applied for an SBT (WB 2°C Targets) initiative certification
	November 2022	Direction of personnel measures based on the concept of human capital management

Management Committee	December 2022	Revised the Environmental Targets 2030; applied for an SBT (1.5°C Targets) initiative certification
	February 2023	Activities to reinforce human capital and organizational execution abilities; disclosed human capital indicators
Sustainability Committee	March 2022	Set sustainability indicators and targets; reviewed the material issues
	September 2022	Established the FEG Responsible Minerals Sourcing Policy
	March 2023	Partially revised sustainability targets for FY2025

Sustainability Strategy

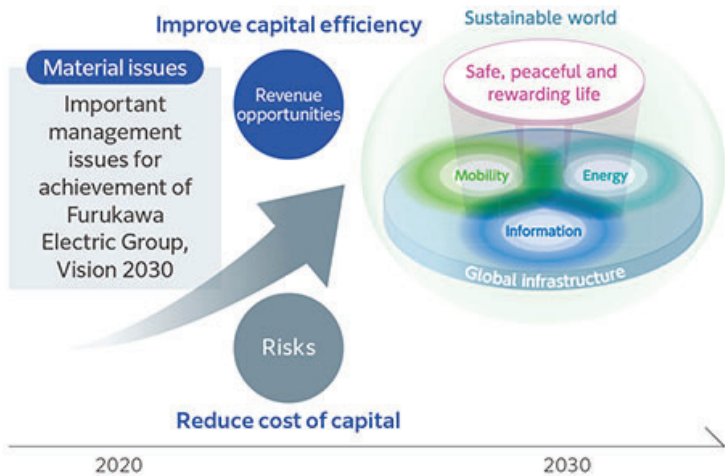
Furukawa Electric Group's ESG Management and Material Issues

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 “material issues” as important management issues that the Group should address in order to achieve Vision 2030, and we defined material issues * in terms of both revenue opportunities and risks, in accordance with the process of identifying important management issues as mentioned below. We aim to achieve Vision 2030 by working on the material issues we have identified, considering that addressing the material issues on revenue opportunities help improve capital efficiency whereas addressing the material issues on risks help reduce the cost of capital. We will also contribute to the achievement of the SDGs, which are closely related to the material issues.

In FY2022, we have formulated a four-year Medium-term Management Plan “Road to Vision 2030: Transformation and Challenge” (hereinafter the “2025 Medium-term Plan”) toward achieving a goal for FY2025, the final year of the 2025 Medium-term Plan. In formulating the plan, we used backcasting to get us to the goal for FY2025, a halfway point to Vision 2030.

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

* In the Group's ESG management, “material issues” are defined as important management issues that the Group must address in order to achieve Vision 2030, and are used as a term with a meaning different from those used in the finance and accounting context, which are issues that may have an impact on business performance, financial position, etc.



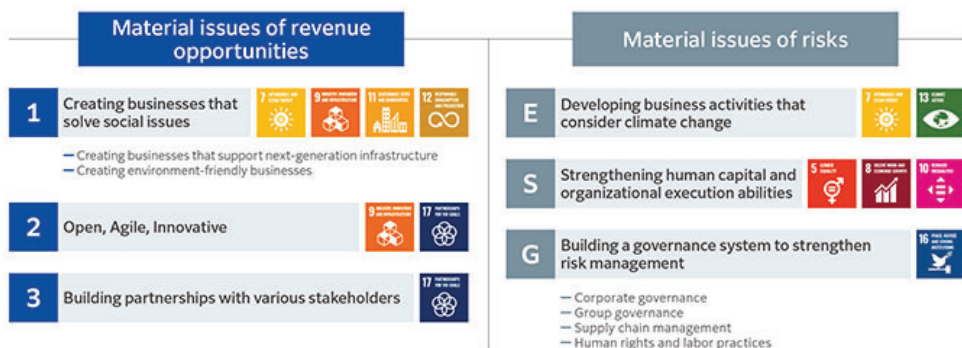


Identifying and Reviewing Material Issues

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 "Outside-In" approach and identified the "creation of businesses that solve social issues" as a material issue. 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 carbon-free society and a recycling-based society. They are set as sub-material issues.

We also promote 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.

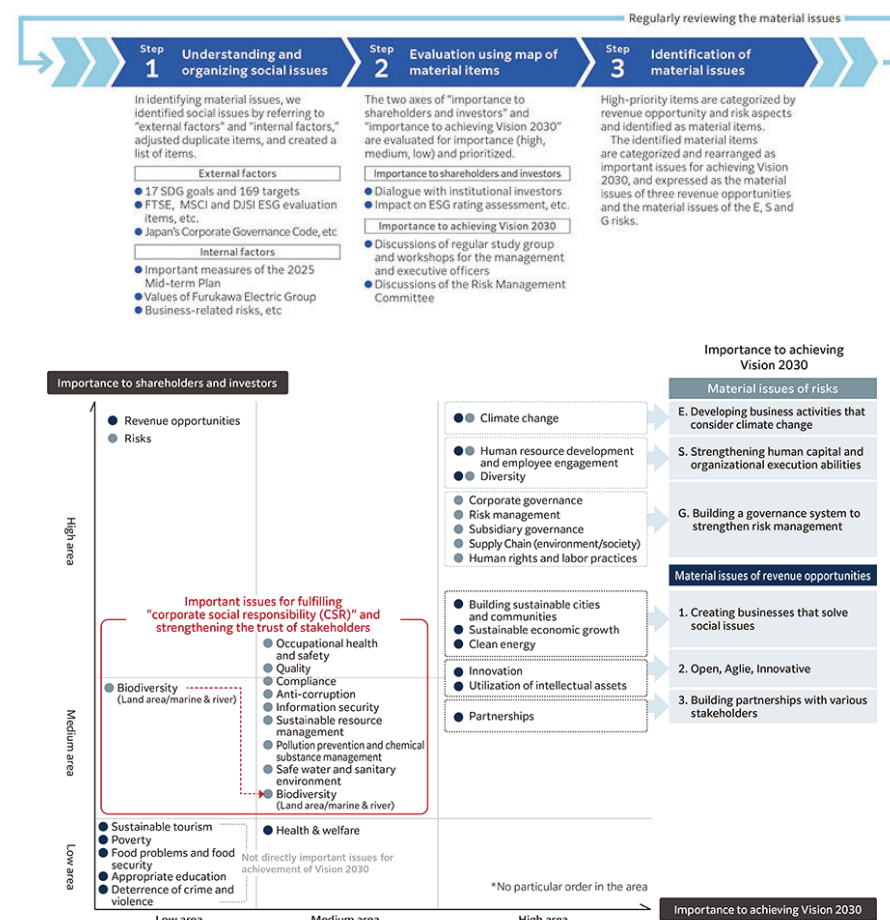
On the other hand, from a risk perspective, in order to achieve sustainable growth, it is essential that companies develop business activities that take into account climate change, and we see this as a material issue for environment (E) risks. In addition, in order to become a company that actively transforms itself, we set the "strengthening of human capital and organizational execution abilities" as a material issue for social (S) risks. As for material issue of governance (G) risks, we focus on "building a governance system for strengthening risk management" including corporate governance, group governance and supply chain management as sub-material issues. We will strengthen the foundation of ESG management and reduce the cost of capital.



Process of Identifying Material Issues

Identification and review of material issues was conducted through a process of Step 1 through Step 3. First, in Step 1, we identified social issues by referring to "external factors" and "internal factors," adjusted duplicate items, and created a list of items (currently organized into 29 items). In Step 2, the two axes of "importance to shareholders and investors" and "importance to achieving Vision 2030" are evaluated for importance (high, medium, low) and prioritized. In Step 3, high-priority items are identified as material issues. The identified material issues are categorized by revenue opportunity and risk aspects and rearranged as important issues for achieving Vision 2030, and expressed as the material issues of three revenue opportunities and the material issues of the E (Environment), S (Social) and G (Governance) risks.

In the FY2023 material issues review, "biodiversity (land area/marine and river)" was re-evaluated as a medium area of "importance to achieving Vision 2030" in response to the increasing social demands for biodiversity and natural capital in recent years.



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

Value Creation Process Directed at Achieving Vision 2030

The Medium-term Management Plan 2022–2025 (the “2025 Medium-term Plan”) is positioned as a milestone toward realizing the Vision 2030. We will surely execute the 2025 Medium-term Plan, which is formulated by the dual approach of backcasting from the Vision 2030 and forward-looking from the present. In the 2025 Medium-term Plan, we defined the ideal state in FY2025 for each identified material issue, formulated measures to realize them, and set sustainability indicators/targets to measure the progress.

Furukawa Electric Group has enhanced capabilities for development and making proposals, without being limited to specific markets and with its four core technologies—metals, polymers, photonics and high-frequency—centered on capabilities to handle materials. Through these capabilities, we have gained the trust of customers.

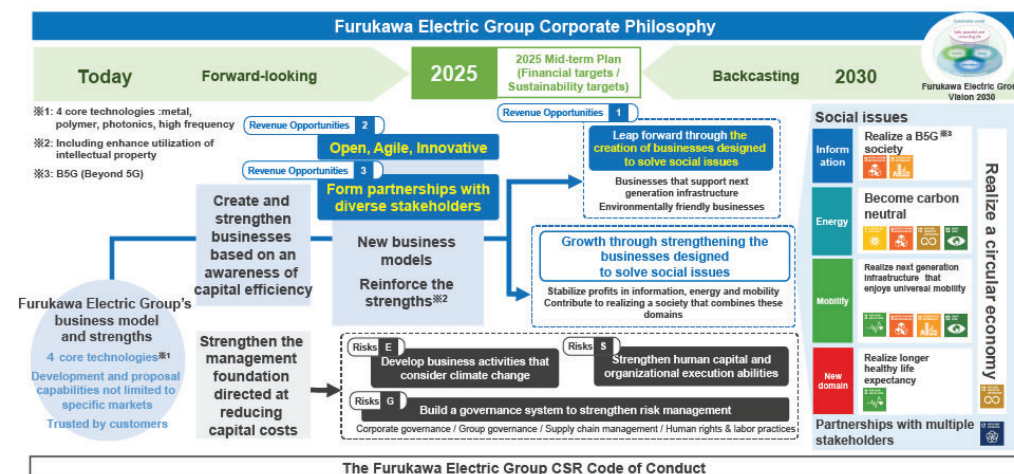
For achieving the financial and sustainability targets set for 2025 Medium-term Plan, and for realizing sustainable growth of the Group and medium- to long-term growth of corporate value, we will strengthen and create businesses mindful of capital efficiency. In addition, we will build a new business model by enhancing our strengths through open innovation and co-creation with our partners, as well as utilization of intellectual property. Toward 2025, we will stabilize earnings in information, energy and mobility sectors, and realize growth through the strengthening of businesses that solve the social issues, whereby contributing to building a society with infrastructure integrating information, energy and mobility. In addition, toward 2030, we realize a leap through the creation of businesses that solve social issues including the “creation of businesses that support the next generation infrastructure,” which would serve as the foundation of the integrated society of Vision 2030, and the “creation of environment-friendly businesses,” which contributes to the realization of carbon neutrality and a circular economy.

As for the strengthening of the existing businesses, we will capture increased demand for optical fibers, etc., and strive for increasing sales of such high-value added products as rollable ribbon cables, for which we have worked on sales expansion. We will also expand the networking system business globally, taking advantage of the strength of the business model developed in Latin America. As for power cable system, we will achieve sales growth by enhancing our production capacity and construction capacity, and establishing a business foundation mainly focusing on submarine and underground cables for ensuring resilience of power networks in Japan and for renewable energy. To address the need for reducing vehicle weight alongside the shift to EV, we will take advantage of the superiority of aluminum wire harnesses, with which new types of vehicles are increasingly equipped, thus expanding the business and improving the profitability. Furthermore, since it is expected that demand for semiconductors will increase in the medium- to long-term, we started the construction of a new plant to begin commercial production of tapes for manufacturing semiconductors in FY2025, and aim at expanding sales by ensuring stable supply as a result of increased production capability and providing sophisticated high-quality products.

As for the creation of new businesses, while communication traffic volume is expected to increase towards a Beyond 5G society, we will take advantage of our capability to develop photonics products with high functionality by using the Company's core technologies, namely, photonics technology and high-frequency technology, along with our broad readiness to the optical communication market, thus contributing to realizing the all-optical network and a society with highly efficient energy. Furthermore, in order to become carbon neutral in 2050, we will advance the development and production of green LP gas which does not rely on fossil resources. We also develop and produce high-temperature superconducting materials for nuclear fusion, which is expected to be a next-generation energy source, thus contributing to the supply of environment-friendly clean electric power.

In order for the Group to realize sustainable growth and increased corporate value over the medium- to long-term, we will strengthen the management foundation directed at reducing capital costs, while particularly recognizing climate change, human capital and organizational execution abilities, and building a governance system as material issues on risks.

In order to conduct business activities taking into account climate change that is mandatory for the transformation to a sustainable company, we will accelerate our efforts to become carbon neutral. In order to strengthen human capital, based on “Furukawa Electric Group Vision for Our People” which is shared beliefs on human capital at both Group and global levels, we will strive to strengthen “human capital and organizational execution abilities.” Specifically, we conducted a survey on human capital/organizational execution abilities, including elements related to employee engagement; and by using it as a monitoring tool, we will strengthen our efforts of human capital management, including the promotion of diversity & inclusion, leadership transformation activities, and measures for hiring, assigning, and developing people who contribute to carrying out management/business strategies. With respect to human rights management, we will proceed in accordance with three requirements in the UN's Guiding Principles on Business and Human Rights. As for “human rights due diligence” among those requirements, we regard employees and suppliers as primary stakeholders, identify presumed human rights issues for each of them, and take measures to solve and/or prevent such issues. Furthermore, in order to realize CSR procurement, including the element of human rights in the supply chain, we will expand the scope of the Self-Assessment Questionnaire (SAQ) based on the Furukawa Electric Group CSR Procurement Guidelines from major supplies of the Company to major suppliers of the Group companies in Japan and abroad in a phased manner.



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

Indicators and Targets

Sustainability Indicators and Targets

In the 2025 Medium-term Plan, we have set sustainability indicators (KPIs) and sustainability targets for FY2025 to realize our ideal state in FY2025 in each material issue. We will strive to enhance corporate value in terms of both revenue opportunities and risks.

	Material issue	Sustainability indicator		Scope	Result	Target (Reference value)		
					FY 2022	FY 2022	FY 2023	FY 2025
Revenue opportunity	Creating businesses that solve the social issues	Sales ratio of environmentally friendly products		Group	65.0%	64%	66%	70%
	Open, Agile, Innovative/ Building partnerships with various stakeholders	R&D expense growth rate for new businesses (compared to FY2021)		Group	116%	115%	125%	125%
		Implementation rate of IP landscaping for strengthening the businesses and themes for creating new businesses		Group	40%	30%	45%	100% ^{*1}
Risk	Developing business activities that consider climate change	GHG emissions reduction rate (Scope 1, 2)	(Compared to FY2017)	Group	-36.8%	-17.7%	-21.2%	(-42%) ^{*2}
			(Compared to FY2021)		—	—	—	-18.7% ^{*3}
		Ratio of renewable energy use to total consumption		Group	20.2%	11.5%	12.0%	30% ^{*3}
	Strengthening human capital and organizational execution abilities	Employee engagement scores		Furukawa Electric	65	Start measuring	65 ^{*4}	75 ^{*4}
		Ratio of female managers		Furukawa Electric	4.8%	4.5%	5%	7%
		Ratio of mid-career hires in total new hires ^{*5}		Furukawa Electric	45.7%	30% ^{*6}	30% ^{*6}	30% ^{*6}
	Building a governance system to strengthen risk management	Ratio of follow-up on risk management activities for all risk domains		Group	100%	93%	100%	100%
		Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers		Group	Global 34%	Global 20%	Global 40%	Global 100%
		Implementation rate of human rights training for managerial positions		Group	Global 100%	Start Measuring in Japan	Global 100% ^{*7}	Global 100% ^{*7}

*1 This means that all projects have been implemented with respect to the business enhancement and new business creation themes set as of 2022.

*2 Base year was updated to FY2021 upon the revision of Environmental Targets 2030; the reduction target value when applied to the former base year of FY2017 is also shown for reference.

*3 Target value for FY2025 was updated upon the revision of Environmental Targets 2030.

*4 Target value for FY2025 was newly set in FY2022.

*5 New hires represent new graduates and mid-career hires, covering management, career-track, and clerical positions.

*6 This means that about 30% will be maintained in each fiscal year.

*7 This means that 100% globally for each fiscal year will be continued.

Initiatives regarding ESG Management and Sustainability until Now

In order to achieve Vision 2030, we are promoting ESG management, which aims sustainable growth of the Group and medium- to long-term growth of corporate value. We are carrying "strengthening the foundation of ESG management" as a part of priority measures of the Medium-term Management Plan "Road to Vision 2030: Transformation and Challenges"

ESG management in general

Fiscal year	Values	Basic policy and promotion framework
~2014	<ul style="list-style-type: none"> Formulated the Furukawa Electric Group (FEG) Philosophy (2007) Revised the FEG CSR Code of Conduct (2011)^{*1} 	<ul style="list-style-type: none"> Revised the FEG CSR Basic Policy (2011)
2015	<ul style="list-style-type: none"> Formulated the Core Value 	
2019	<ul style="list-style-type: none"> Formulated the FEG Vision 2030 Revised the FEG CSR Code of Conduct 	<ul style="list-style-type: none"> Established the Corporate Sustainability Office
2020		<ul style="list-style-type: none"> Signed the United Nations Global Compact
2021		<ul style="list-style-type: none"> Formulated the FEG Basic Policy on Sustainability Established the FEG Sustainability Committee

*1 Combined the FEG Action Guidelines (formulated in 2004) with the CSR Code of Conduct



Governance

Fiscal year	Basic policy and separation of supervision and execution	Corporate governance	Risk management and supply chain
~2014	<ul style="list-style-type: none"> Introduced the executive officers system (2003) 		<ul style="list-style-type: none"> Established the CSR Department (2007) Established the CSR and Risk Management Committee (2007) Formulated the Furukawa Electric CSR Deployment Guidelines for Business Partners (2010) Established the Administration & CSR Division (2013)
2015	<ul style="list-style-type: none"> Established the Guidelines on Corporate Governance Established the Independence Standards for the Outside Officers 	<ul style="list-style-type: none"> Started the evaluation of the effectiveness of the Board of Directors from 2015, and the summary of the result was published every year 	
2016	<ul style="list-style-type: none"> The Chairman became the Director without the representative right of the Board of Directors^{*2} 	<ul style="list-style-type: none"> Increased the number of the Outside Directors to five as at present An outside director became the chair of the Nominating/Compensation Committee Revised the directors' compensation scheme^{*3} 	
2017		<ul style="list-style-type: none"> As a process to evaluate the effectiveness of the Board of Directors, the Chairman conducted the interviews every year. 	
2019		<ul style="list-style-type: none"> Strengthened the independency of Outside Directors A female Outside Director was appointed. Partially revised the directors' compensation scheme^{*4} 	<ul style="list-style-type: none"> Formulated the FEG Human Rights Policy
2020		<ul style="list-style-type: none"> A female outside Audit & Supervisory Board member was appointed. 	<ul style="list-style-type: none"> Revised the FEG CSR Procurement Guideline 3rd edition
2021		<ul style="list-style-type: none"> Reduced the number of the In-house Directors by 1 	<ul style="list-style-type: none"> Established the Risk Management Division and the Risk Management Department Renamed from the CSR and Risk Management Committee to the Risk Management Committee
2022			<ul style="list-style-type: none"> Established the FEG Responsible Minerals Sourcing Policy

^{*2} Aimed for supervising execution by the management, including the President, from a non-executive position

^{*3} Consisted of the basic remuneration, short-term performance-linked remuneration, and medium- to long-term performance-linked remuneration

^{*4} Aimed at strengthening incentives

Social

Fiscal year	Basic policy and promotion framework	Human resource development and organizational execution abilities	Diversity & Inclusion
~2014	<ul style="list-style-type: none"> Established the Diversity Promotion Section (2014) 	<ul style="list-style-type: none"> Started the global human resources training (2006-) 	<ul style="list-style-type: none"> Appointed two non-Japanese corporate vice presidents(CVPs) (2013)
2015	<ul style="list-style-type: none"> Established the Work Style Reform Project Team 		<ul style="list-style-type: none"> Appointed a female-Japanese corporate vice president(CVP)
2016			<ul style="list-style-type: none"> Increased the number of the non-Japanese CVPs to four
2018	<ul style="list-style-type: none"> Formulated the FEG Vision for Our People 		<ul style="list-style-type: none"> Formulated the target for FY2025 regarding women's empowerment
2019	<ul style="list-style-type: none"> Reorganized the Organization & Work Style Reform Team 		<ul style="list-style-type: none"> Structured the non-Japanese CVPs to three
2020		<ul style="list-style-type: none"> Started the activities to transform leaderships "Furukawa Seven" 	
2021	<ul style="list-style-type: none"> Established the HR & Organizational Development Department 		<ul style="list-style-type: none"> Structured the female Japanese CVP to two
2022		<ul style="list-style-type: none"> Started "Furukawa E-Survey", a survey on human capital and organizational execution capabilities 	<ul style="list-style-type: none"> Structured the non-Japanese CVPs to 2 people at present Structured the female-Japanese CVP to one at present

Environment

Fiscal year	Basic policy and promotion framework	Climate change and information disclosure
~2014	<ul style="list-style-type: none"> Formulated the FEG Basic Environmental Policy (2008) Established the FEG Environment Committee (2013) 	
2018	<ul style="list-style-type: none"> Set the environmental targets 2030 	<ul style="list-style-type: none"> Acquired an SBT(2°C Targets) initiative certification
2019		<ul style="list-style-type: none"> Expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
2020	<ul style="list-style-type: none"> Formulated the FEG Environmental Vision 2050 	
2021	<ul style="list-style-type: none"> Established the Environment Department Revised the environmental targets 2030 	
2022	<ul style="list-style-type: none"> Revised the environmental targets 2030 	<ul style="list-style-type: none"> Acquired an SBT(well-below 2°C Targets) initiative certification
2023		<ul style="list-style-type: none"> Acquired an SBT(1.5°C Targets) initiative certification

Furukawa Electric Group's efforts towards the SDGs

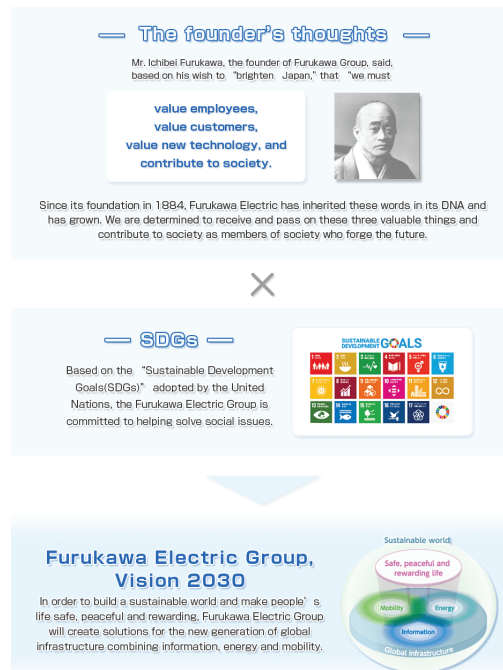
Sustainable Development Goals (SDGs)

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 "Vision 2030"). Vision 2030 shows the ideal state of the Group in 2030 when the SDGs are achieved, considering that we aim to solve international and regional social issues associated with the Group. The Group will achieve Vision 2030 and contribute to the achievement of the SDGs by addressing the important management issues (material issues) that must be addressed in order to achieve Vision 2030.

> Important management issues (material issues)

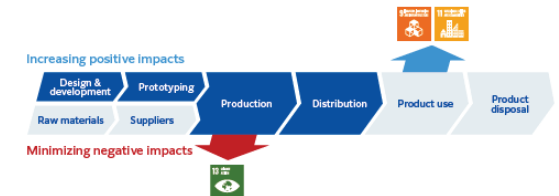


Consideration of SDGs Priority Issues Based on Value Chain Mapping

We proceed and identify what SDGs we should focus on to deal with. In order to do that, we examine which part our current major products contribute to the 17 goals and 169 targets of the SDGs using the value chain mapping of the SDG Compass. Here are some examples of the results of identification with significant impacts or distinctive characteristics.

〈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 technology and the further increase in communication traffic caused by the COVID-19 crisis.



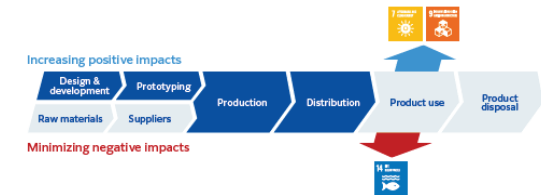
〈Minimizing negative impacts〉

As we recognize that reducing greenhouse gas (GHG) emissions in the manufacturing process is an important issue, we promote 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.



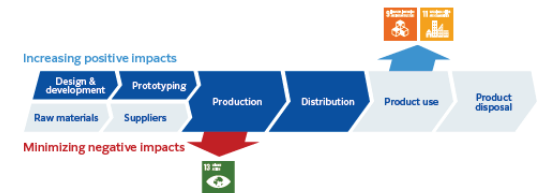
〈Minimizing negative impacts〉

In the process of laying submarine cables, we take 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 promote an improvement in the ratio of renewable energy use, in addition to energy saving at manufacturing plants.

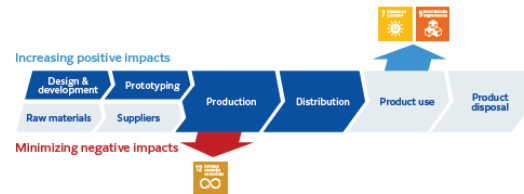
Electronics Component Materials - Oxygen-free copper wire

《Increasing positive impacts》

Oxygen-free copper wire is used in drive motors for electric 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 increase the percentage of recycled copper and make effective use of natural resources.



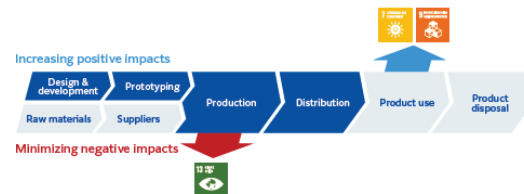
Functional Products - Thermal products

《Increasing positive impacts》

Thermal products with high-performance heat dissipation and cooling mechanisms improve the efficiency of energy consumption and reduce running costs at data centers. This is one of the applications of these products and the positive impact in terms of power consumption has attracted worldwide attention. They also contribute to high-speed and high-capacity communication.

《Minimizing negative impacts》

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



Working with Local Communities to Achieve SDGs

Furukawa Electric 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
- Registration as the Mie Prefecture SDGs Partner

Activities to Advance Employees' Understanding of SDGs

We believe it is important for all employees to work together and to work on material issues to achieve Vision 2030 and SDGs. The first step to achieving that goal is to understand SDGs. The second step is to make each employee aware of the connection between their daily work and SDGs. The third step is to put our heads together and share ideas for how to solve social issues. To advance these processes, we offer employee training every month such as distribution of e-learning programs and articles about SDGs on the intranet.

Related videos





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.

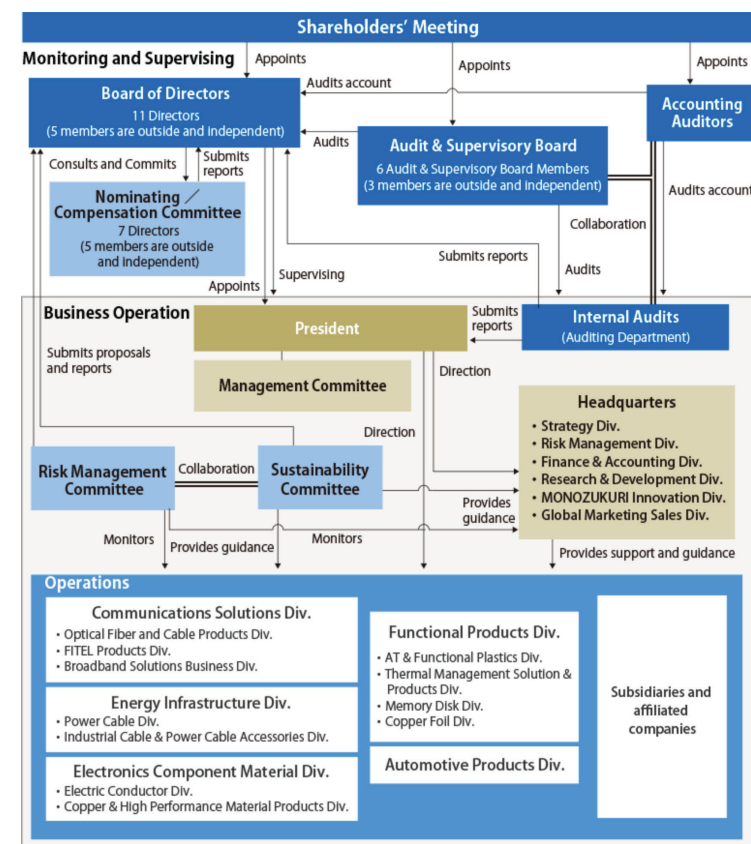
Guidelines on Corporate Governance

Based on "Basic Views on Corporate Governance", we adopted "[Guidelines on Corporate Governance](#)" (hereinafter referred to as "the Guidelines") as a policy for enhancing our corporate governance.

Overview of Corporate Governance System

We adopted the current corporate governance system (in the organizational form of Company with the Audit & Supervisory Board), believing that the effectiveness of auditing Directors' execution of duties is secured by institutionally maintaining the independence of the Audit & Supervisory Board and its Members from the Board of Directors, while ensuring their cooperation with Accounting Auditors and Auditing Department. Furthermore, to complement the supervisory function of the Board of Directors, the Company established Nominating/Compensation Committee. The Committee consists of at least five members (where Outside Directors comprises a majority) who are chosen among Directors by resolution of the Board of Directors; and the Committee Chair is, in principle, selected from Outside Directors by the Committee members.

Corporate Governance Organization Chart




Monitoring and Supervising

Board of Directors

Given its fiduciary responsibility and accountability to shareholders, the Board of Directors 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 of Directors 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;
3. Determination of capital allocation policy-related matters;
4. Appointment and dismissal of the Management team members (including identification of the skills set necessary for Board of Directors as a whole), and determination of their remuneration (including delegation of such roles 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.

For further details, please refer to "Board of Directors" of Chapter 3, Section 2 of the Guidelines ([Guidelines on Corporate Governance](#) ). At present, the Board of Directors consists of 11 Directors, 5 of whom are Outside Directors (all of them are registered at the Tokyo Stock Exchange as independent officers). The Board of Directors is chaired by non-executive Chairperson of the Board who does not have representative rights. The Audit & Supervisory Board consists of 6 Members, 3 of whom are Outside Members (all of them are registered at the Tokyo Stock Exchange as independent officers). The Outside Officers of the Company have extensive experience in financial institutions, trading companies, and business corporations or expert knowledge and experience in such areas as laws, finance/accounting, and industrial policies, etc. The Board of Directors, in making decisions, respects Outside Directors' opinions and suggestions from diverse viewpoints based on their experience.

Effectiveness of the Board of Directors

Our Company has conducted the effectiveness of the Board of Directors every year and we disclose the overview.

[Overview of Evaluation Results on the Effectiveness of the Board of Directors](#) 

Nominating/Compensation Committee

We established the Nominating/Compensation Committee, which has functions of both Nomination Committee and Remuneration Committee. The Committee has deliberations on the nomination of Directors and other officers and their remuneration, etc., aiming at ensuring the objectivity and transparency concerning such matters, and strengthening corporate governance. The Committee consists of at least 5 members (the majority being Outside Directors) appointed by resolution of the Board of Directors; and the Committee Chairperson is chosen, basically among Outside Directors, by the Committee members. As of the submission date of this Report, the Committee has 7 members; namely, Osamu Tsukamoto (Outside Director), Takashi Tsukamoto (Outside Director/Committee Chair), Yoshiro Miyokawa (Outside Director), Yukiko Yabu (Outside Director), Tamotsu Saito (Outside Director), Mitsuyoshi Shibata (Director/Chairperson of the Board), and Keiichi Kobayashi (Representative Director & President).

For further details, please refer to "Nominating/Compensation Committee" of Chapter 3, Section 3 of the Guidelines ([Guidelines on Corporate Governance](#) ).

Audit & Supervisory Board


The 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).


For further details, please refer to "Audit & Supervisory Board Members and Audit & Supervisory Board" of Chapter 3, Section 4 of the Guidelines ([Guidelines on Corporate Governance](#) ).

Business Operation

Our business consists of 12 operating divisions; and business divisions were established for directing and overseeing multiple operating divisions which are closely related to each other. As for our business execution, under the control of President being the chief executive, operations are directed by General Managers of such business divisions as Communications Solutions Division, Energy Infrastructure Division, Electronics Component Material Division, Functional Products Division and Automotive Products Division. In addition, we have divisions to perform such head office functions as developing and implementing our business strategies/management plans, establishing and maintaining corporate governance, risk management, and other management systems, and conducting marketing and sales activities; and General Managers of respective divisions lead such functions. These General Managers, in the capacity of executive officers, serve as members of the Management Committee, which is the highest decision-making body of business execution. The Management Committee deliberates and determines major operational matters. Furthermore, the Committee members report the status of business execution on a quarterly basis to ensure effective communications among the executive officers, thus achieving integrated business execution. Furthermore, the status of business execution is reported to the Board of Directors on a quarterly basis.

Reinforcing Internal Control

We establish, develop and operate 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". 

Corporate Governance Report

> [Corporate Governance Report](#) 

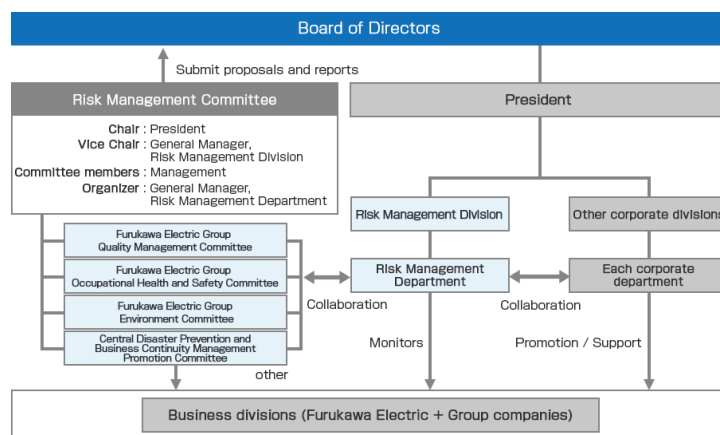


Risk Management

Risk Management System

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 composed of members from the management level. This committee deliberates on issues related to the Group's risk management, internal controls, and compliance, and has adopted a system for supervision and promotion.

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, environment, and disaster prevention and business continuity management (BCM). We are working to strengthen our risk management system related to business activities. 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.



Promotion system chart

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 control
- Effects of disasters, infectious diseases, etc

> See "Business-Related Risks" for details.

In the event of a crisis such as a large-scale disaster, 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 as necessary. We have prepared an initial response manual, stockpiled necessary supplies, and established a system for communication and safety confirmation, and conduct periodic drills.

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 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 secondary disasters (fire at company facilities, environmental pollution, etc.).
3. Continuation 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, we aim for early restoration.
4. Contribution to local communities
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, aiming at becoming a company that is trusted by stakeholders and resilient 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). So far our "laser diode products business" (Chiba Works), "copper wire products business" (Mie Works), and "copper and copper alloy products (the original products) business" (Nikko Works), have acquired the certification.



BCM exercise

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 events, we conduct an annual drill to ensure coordination between the head office (emergency response headquarters) and business sites (affected areas).

In fiscal 2022, based on the assumption that a fire occurred at the Hiratsuka Plant, we conducted an exercise on the post-disaster information disclosure process by connecting the site and the head office remotely.

The task force in the affected area, the plant, the headquarters emergency task force, and the sales and planning departments participated in the exercise to examine the contents and timings of information required by various stakeholders, including customers, partners, shareholders, and investors, 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.



FY2022 cooperation exercise between head office and disaster area
(at the headquarters meeting room)

Information Security

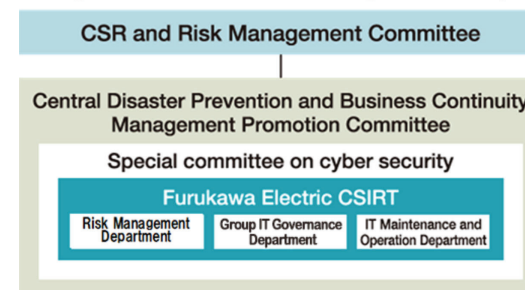
Information security is considered one of the highest priority risks Furukawa Electric Group has to handle. Therefore, all related divisions are working together to address it from the perspectives of information systems, intellectual property protection, and information management.

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. In FY2022 we conducted cyber incident response training in collaboration with the CSIRT organizations of several domestic affiliates. In the future, we intend to expand the training to other major group companies, aiming to establish a global cyber security system for the Group.

Organizational structure on cyber security



^{*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 may occur.

^{*2} CSIRT: The abbreviation of "Computer Security Incident Response Team". The team is prepared to cope quickly with cyber incidents, investigating the cause, identifying the extent of effects, and eradicating the incidents.

Personal information protection

Prior to 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 information security awareness month (February 2022).

In addition, the Personal Information Protection Law in China went into effect in November 2021. We alerted our offices in China, provided guidance on how to respond, and took action when personal information is transferred from the local site. In February 2023, the Measures for Cross-border Standard Contracts on personal information were announced officially. After the enforcement of the law, compliance requirements for domestic and overseas companies regarding the transfer of personal information will increase, and we are taking measures to meet these requirements.

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 reducing 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 we continuously remind our employees to respond to risks. 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 through implementation of the systematic training, the regular publication of the newsletters introducing efforts to reduce those risks, and recognition of the President award 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 as well as addressing geopolitical risks and economic security, and we will strengthen our countermeasures against them.

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)

	FY 2022		FY 2023
	Targets	Results	Targets
Thorough Compliance	Implement e-learning on Anti-Bribery and Competition law, and conduct training online in Mexico.	We conducted e-learning for the Group and our domestic and overseas affiliates. We held compliance education remotely for local staff and expatriates in Mexico.	Conduct seminars on Anti-Bribery and Competition law, and conduct education in Taiwan.
Advanced risk management for the entire group	Prioritize risks and continuously expand and deepen risk control activities.	We created a system of evaluating risk control activities in order to continuously expand and deepen the activities.	Establish evaluation of risk control activities and identify issues for improvement of the system.
Strengthening cyber security measures	Conduct education and training, and expand establishment of incident response organizations in group companies.	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 cyber incidents.

Compliance

Basic Approach

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



1. Be aware

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

2. Speak

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

3. Rectify

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

Training and Raising Awareness among Employees

We conduct a host of training and awareness activities in the aim of instilling compliance awareness among all employees. Our primary shared educational materials are the Furukawa Electric Group CSR Code of Conduct and its corresponding Furukawa Electric Group CSR Compliance Handbook. We distribute this handbook to all 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.

Compliance Awareness Surveys

Furukawa Electric 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.



Whistleblowing System

Furukawa Electric Group has introduced a whistleblowing system for early detection and correction of misconduct. Furukawa Electric has established not only the whistleblowing desk but an external whistleblowing 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 whistleblowing office 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 a whistleblowing desk for overseas group companies, and as of the end of FY2022, 45 companies in 17 countries had introduced it. The number of whistleblowing in the Group was 103 in FY2022, of which approximately half were related to human resources and labor relations. Only a limited number of them turned out to be true as pointed out. However, all of them, including parts of them turned out to be true, have been corrected through the implementation of preventive measures. The Group recognizes the whistleblowing system functions well based on the fact that there was a certain number of whistleblowing.

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.

Tax Compliance Policy

We, Furukawa Electric Group, acknowledge that "tax compliance" is of utmost importance for our group and shareholders. In addition, we understand that the taxes we pay play an important role in the economic and societal development of the receiving countries and tax jurisdictions.

Therefore, Furukawa Electric Group recognizes that the payment of taxes in compliance to the laws and regulations of each country and jurisdiction is a natural obligation and a method for contributing to society.

"Tax compliance" is also in accordance with Furukawa Electric Group's CSR Code of Conduct which states that we regard 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."

Thus, we are committed to abide by local and international tax laws, build a trusting relationship with the local tax authorities, and undertake in creating an international tax framework centering on transfer pricing in addition to giving careful attention to the following:

1. We don't address tax avoidance through adopting organizational structures that do not coincide with actual business purposes and operations.
2. We need to recognize all the transactions are made based on a business purposes and operations, make decisions in consideration of social demands behind even in the case that there are tax benefits, and decide such transactions will not be made if there are no coinciding business purposes and operations.

With the premise that the above tax compliance rules are being observed, Furukawa Electric Group will endeavor to minimize tax risks, apply tax benefits such as tax deductions performing regular checks of tax positions in relevant countries and tax jurisdictions, and reduce unnecessary tax costs in order to maximize shareholder value.

Challenges and Future Policy

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

Human Rights

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

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](#)

System

The Group's Sustainability Committee deliberates on sustainability issues, including human rights initiatives, and makes proposals and reports to the Board of Directors. The committee is chaired by the President, vice-chaired by the General Manager of the Strategy Division, and composed of members of top management. The Corporate Sustainability Office serves as the secretariat, and the committee generally meets twice a year.

> [Sustainability Policy/Committee](#)

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. The Group has designated employees and partners* as the priority stakeholders for human rights due diligence.

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

Initiatives for minimizing the negative impacts on human rights for employees

Through the compliance awareness survey conducted in FY2021, we investigated human rights risks. Based on the survey results, we identified the issue as "harassment" and are implementing remedial measures.

In FY2022, some of the heads of each division and group company held dialogues with the Human Rights WG Secretariat to promote improvements and measures on the identified issues. In addition, with the intention of encouraging employees to learn and be aware of the issues identified, some messages from division heads and company presidents and educational measures were being developed. We plan to verify the improvements through another compliance awareness survey in FY2023.

We also provide education and training within the Group. In FY2022, we implemented e-learning courses on "Discrimination and Harassment" during the annual Compliance Month to ensure that respect for human rights is firmly established among all employees and the organization. All managers of group companies in domestic and overseas were targeted, and global implementation rate was 100%. We plan to continue the e-learning on an ongoing basis.

Initiatives for minimizing the negative impacts on human rights for business partners

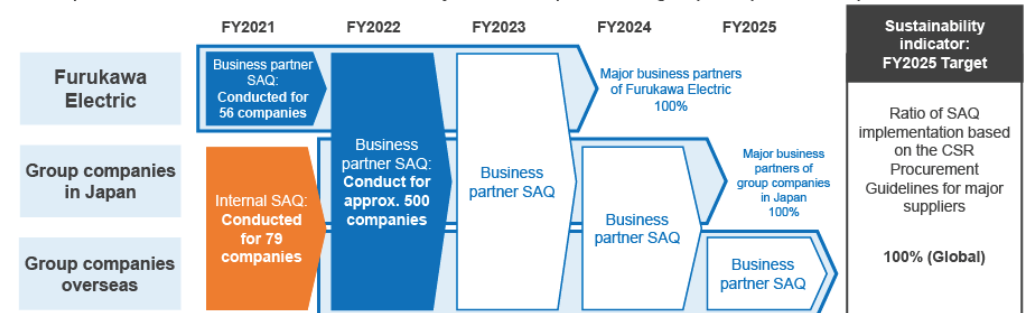
The Group evaluates the human rights risks at business partners (suppliers) of the Group through the Self-Assessment Questionnaires (SAQ) based on the Furukawa Electric Group CSR Procurement Guidelines (Third Edition), which is based on the RBA (Responsible Business Alliance) Ver. 7 Code of Conduct.

In FY2021, the company conducted SAQ for 56 of our major partners, starting with 79 domestic and overseas group companies that are also our partners. In FY2022, we expanded the scope of the survey to include approximately 500 of the Group's partners. As the result, no major risks to human rights have been identified at this time, but we will continue to communicate with our partners on an ongoing basis to ensure that their understanding of the Group's human rights efforts is enhanced. Furthermore, we plan to gradually expand the scope of this activity, aiming to achieve a global SAQ implementation rate of 100% by FY2025.

Evaluate the human rights risks at the business partners of Furukawa Electric Group through self-assessment questionnaires (SAQ) based on the Furukawa Electric Group CSR Procurement Guidelines (3rd Edition) set forth in accordance with RBA Ver.7

Framework for expanding the scope of the subject business partners

- Phased implementation and expansion to the major business partners.
- Expand from a non-consolidated basis to major business partners of group companies in Japan and overseas



We have set "responsible minerals sourcing" as the issue and are implementing initiatives in response to recent changes in social trends and increasing social demands for minerals sourcing. In September 2022, we established the Furukawa Electric Group Responsible Mineral Sourcing Policy. Going forward, we plan to strengthen the Group's internal structure for minerals sourcing.

> [Supply Chain Initiatives](#)

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). We will respond with objectivity and transparency so that we can move closer to a grievance mechanism that guarantees the effectiveness required by the Guiding Principles on Business and Human Rights.

> [Internal Reporting System for Compliance](#)

> [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 2020.

In FY2022, the Company participates in the human rights subcommittees of Global Compact Network Japan, as below.

- Human Rights Due Diligence Subcommittee
- Supply Chain Subcommittee

Dialogue with Stakeholders

Each fiscal year, the Group holds dialogues with several investors, and in FY 2022, the Group held direct dialogues with institutional investors. Through these dialogues, we have received valuable feedbacks on the status of the Group's ESG management initiatives, such as climate change countermeasures and governance, as well as on issues and expectations related to human rights, such as human rights due diligence and supply chain management. We also engage in dialogues with our labor union at the biannual "Central Management Briefing" and on a daily basis to resolve various issues such as labor practices.

We will reflect the learnings from these dialogues in future measures to further enhance engagement with stakeholders.

Targets and Results

Results of Efforts in FY2022

Initiatives Target	Envisioned issues	Contents on human rights in general, including specific issues
Employee	Harassment	<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 • Messaging by general managers of divisions and company presidents and educational measures, with the intention of encouraging employees to learn and become aware of the issues identified • "Discrimination and Harassment" E-learning, focusing on managers within the Group
Business partners	Responsible minerals sourcing	<ul style="list-style-type: none"> • Organizing Partners' Meetings • Conducted SAQ surveys (about 500 companies) and dialogue based on the Furukawa Electric Group CSR Procurement Guidelines • Implementation of CSR questionnaire • Establishment of the Furukawa Electric Group Responsible Minerals Sourcing Policy

Indicators and Targets

Indicator	Result for FY2022	Target for FY2022	Target for FY2025
Percentage of managers trained on human rights risks*	100% in Global	Start in Domestic Group Companies	Maintain 100% in Global
Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers*	34% in Global	20% in Global	100% in Global

* > [Sustainability indicator](#)

Policy and Initiatives on Children's Rights

The Group supports the Convention on the Rights of the Child and the Rights of the Children's Rights and Business Principles and respects the rights of children. In addition, the Company is a sustaining member of "National Federation of UNESCO Associations in Japan". In accordance with the Furukawa Electric Group Basic Policy on Social Contribution Activities, the Group is engaged in social contribution activities and other activities to realize children's rights, with a focus on fostering the next generation. To promote children's right to education, we provide educational support for local schools on a global basis.

> [Local Community Contribution, Social Contribution](#)

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.

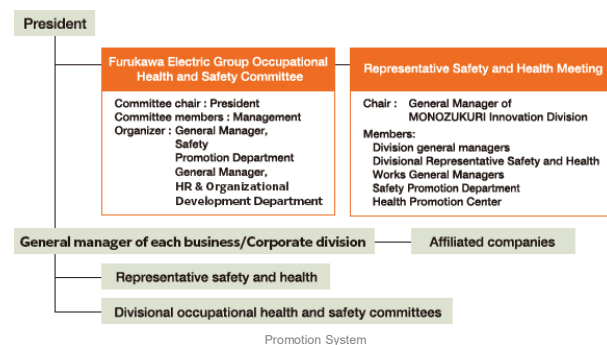
Basic Policy on Health and Safety Management

- 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 practicing "pointing and calling", and complying with rules.
- Realize "fundamental safety" by keeping people away from dangerous machinery and equipment to eliminate unsafe conditions.
- Raise the quality of safety management by carrying on dialogue, showing empathy, and promoting standardization through implementing SIDIS* cycle.
- Promote mental and physical health by accelerating Furukawa Electric Group's health management activities.

* SIDIS cycle: Stare & Imitate, Dialogue, Improve, Standardization, coined term by Keiichi Kobayashi, the former president. It refers to safety activities in particular to imitate the working posture and eyes of workers to identify sources of danger and dangerous behavior, discuss them with workers, clarify their causes, and take essential measures. This is called SIDIS cycle.

Promotion System

Furukawa Electric Group has established the Furukawa Electric Group Occupational Health & Safety Committee, chaired by the president, 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 on policies and initiatives in health and safety for the entire Furukawa Electric group.



Safety and Health Activities Presentation Meetings

We hold presentation meetings on Furukawa Electric Group's safety and health activities and awarding the best with commendations. In fiscal 2022, 11 teams were selected from the SBUs (including 5 teams from group companies) to give presentations and receive awards from the president.



Safety and Health Activities Presentation

Site Inspections by Officers

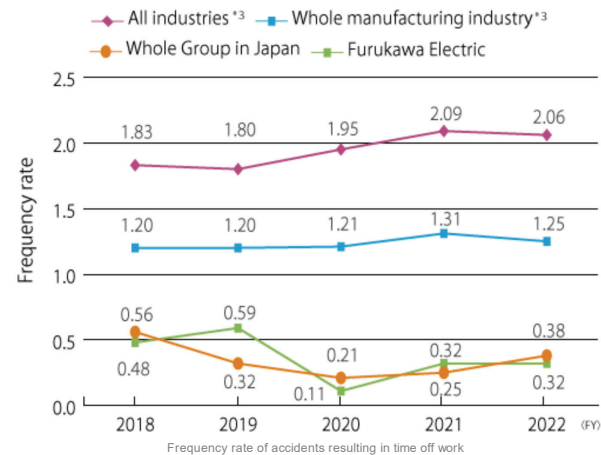
Furukawa Electric's safety officers make site inspections at Furukawa Electric Co., Ltd. and group companies whenever an accident occurs depending on the safety performance in the previous fiscal year. They confirm how appropriate the safety measures are and what extent the measures have become established. In addition, they exchange opinions on how to promote fundamental safety in order to prevent any recurrences. They conducted site inspections of 4 sites in fiscal 2022. However, in cases where it was not possible to visit the site to prevent the spread of the new coronavirus, they watched streamings of the sites and held online meetings to exchange opinions.



Site inspections by officers

The Status of Work Related Accidents

Furukawa Electric's safety performance in fiscal 2022 was 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 work^{*1} was 0.32 in Furukawa Electric, the same as last year, and increased to 0.38 among all Group companies in Japan^{*2}. We will continue to work on safety and health activities with the aim of achieving zero accidents with lost working days.



^{*1} Frequency rate = (Number of casualties / Total actual work hours) x 1,000,000

^{*2} The calculation for fiscal 2022 covered full-time and temporary employees at a total of 29 companies consisting of Furukawa Electric and 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 accident frequency rate in fiscal 2022 for the whole Group including overseas Group companies was 0.44. 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)

FY 2022		FY 2023
Target	Result	Target
Zero accidents with lost working days	Three accidents with lost working days	Zero accidents with lost working days

Health and Productivity Management

Furukawa Electric Group Health and Productivity Management Declaration

From the managerial viewpoint, "Furukawa Electric Group Health and Productivity Management Declaration" was established, in order to promote "Health and Productivity Management" which strategically strives for the Health and Productivity Management and the health promotion of the employees. We assist our employees in raising their health consciousness and actively engaging in their own health promotion.

Furukawa Electric Group Health and Productivity Management Declaration

The Furukawa Electric Group recognizes that the "promotion of employees' mental and physical health" is an important management issue, and we will further advance the activities that we have been working on as part of our safety and health management.

In order to "Nurture human resources at every level, so that we can become a more diverse and creative organization" as stated in the Management Philosophy, it is important for employees to be able to face their work in good physical and mental conditions as the basis of their work style. For this reason, the Group will "become a corporate group we can be proud of, where everyone can work with enthusiasm and continue to grow" by prioritizing safety and health over everything, promoting various activities of Health and Productivity Management throughout the Group.

We will also strengthen our work style reform and cooperation with the health insurance program of our health insurance society. Through these initiatives, we will work even more actively to support the health promotion of our employees and to take measures to raise health consciousness.



President

H. Moridaise

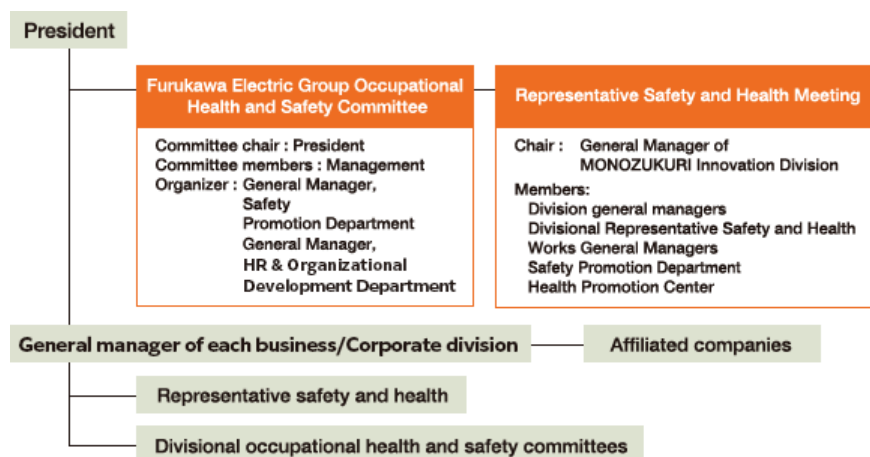


Health and Productivity Management

Health and Productivity Management Promotion System

Safety and Health Promotion System

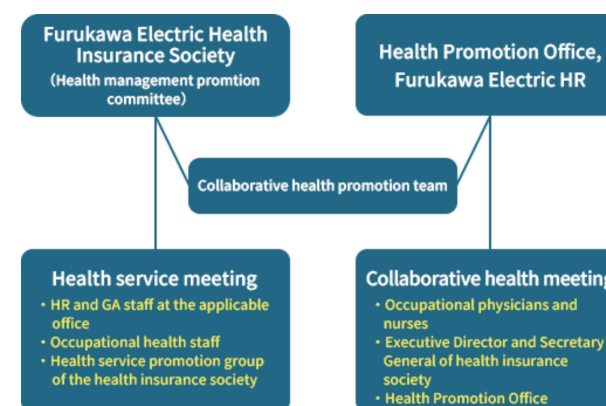
The Furukawa Electric Group established the Furukawa Electric Group Occupational Health and Safety Committee, chaired by the President, as the highest body for safety and health management. The committee deliberates, decides and follows up on policies and measures for safety and health activities.



Collaborative Health Promotion System

Together with the Furukawa Electric Health Insurance Society, Furukawa Electric has set up a collaborative health promotion team to discuss collaboration between the company's health promotion activities and the association's healthcare business at regular meetings. The company also holds a review meeting to reflect the opinions of occupational physicians and nurses. In addition, in collaboration with the "Health Event" business of the Furukawa Electric Health Insurance Society, each Furukawa Electric corporate works and branch office implements various innovative health promotion activities.

> Furukawa Electric Health Insurance Society(only available in Japanese)



<"Health Event" of the Furukawa Electric Health Insurance Society>

June: Month for making breakfast-eating habit
 September: Month for improving sleep sufficiency
 December: Month for helping employees have a healthy liver
 January: Month for developing exercise habit

<Efforts at each Furukawa Electric corporate site>

• Seminar on maintaining healthy blood
 • Seminar on dietary habits and sleep improvement
 • Traveling clinic for women's health checkup
 • Women's health seminar
 • Cancer checkup recommendation seminar, etc.

Health and Productivity Management

Health Management Guidelines

Furukawa Electric Group establishes policies and issues as the “Health Management Guidelines” every year, which focus on health management including work environment management and work management. We encourage the Group companies and each Furukawa Electric works to promote health management activities.

Furukawa Electric Group Health Management Guidelines

Basic Policy

(Strengthening Cooperation with the Health Insurance Society)
Promote mental and physical health by activating the Group’s health management activities

Key Issues

1. The Furukawa Electric Group will work to maintain and improve the health of employees as a management issue.
2. We strengthen cooperation with the Health Insurance Society to improve the level of the Group’s health promotion activities and our employees’ health literacy.

Furukawa Electric Health Management Guidelines

Basic Policy

- Cooperate with the work style reform and with Health Insurance Society to enhance the health literacy of each employee and work on Health and Productivity Management
- Promote health through mental health measures, measures against metabolic syndrome, improvement of physical function, and support for smoking cessation in line with the Medium-term management plan

Goals

- 1.0% or below of newly long-term absence rate due to sickness/injuries
- 0.5% or below of newly long-term absence rate due to mental illness
- Maintain 50% or below rate of anomaly observation rate in periodic medical checkup

Key Issue Items

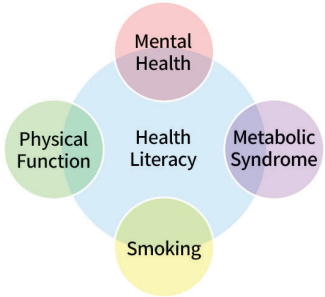
1. Improvement of health literacy
2. Continuation of mental health measures
3. Continuation of measures against metabolic syndrome
4. Maintenance and improvement of physical function
5. Support for smokers to quit smoking and the reduction of smoking rate
6. Thorough measures to prevent heatstroke

Progress of Previous Initiatives

We have worked for many years to raise the level of safety and health under the principle of "Safety First". For health activities in particular, we have been appointed a dedicated occupational physician who oversees the health activities since 1957 and we have since actively promoted our efforts based on a team system centered on the occupational physicians and nurses. Recognizing that the "promotion of employees’ mental and physical health" is an important health issue, we have been promoting Health and Productivity Management company-wide since 2017 in order to further advance the health activities we have been working on as part of our safety and health management activities. We selected the following five items as elements that enable employees to face work in good mental and physical conditions: "health literacy, mental health, smoking, physical function, and metabolic syndrome". We promote the Furukawa Electric style of Health and Productivity Management company-wide by continually approaching the five items throughout the year.

In addition, in order to promote the development of Health and Productivity Management not only within the Company but also within the Group companies in Japan, we changed the name of the “Health Meeting ,” which had been held for many years, to the “Furukawa Electric Group Health and Productivity Management Meeting” in 2020. Our Group also holds "Partners' Meetings" where our key partners* assemble. We held a lecture on the theme of Health and Productivity Management by the supervising occupational physician in FY 2023.

* The group calls our business partners as "partners" who co-create value.



Health and Productivity Management

Efforts to Promote Health and Productivity Management

In-House Greetings is “Go-Anzen-Ni! Go-Kenko-Ni!”

For the Company greetings, we say “Go-Kenko-Ni!” (stay healthy) along with the manufacturing industry’s beloved greetings, “Go-Anzen-Ni!” (stay safe) among employees to raise each employee’s awareness of health.

Industrial Health Medium-term 5-Year Plan

As part of the e “Five-Year Medium-term Plan for Occupational Health ” toward 2025, we promote health promotion activities based on the five pillars of improving employees’ health literacy and physical functions, etc., aiming to become a corporate group we can be proud of, where everyone can work with enthusiasm and continue to grow.

Improvement of Business Performance Such as Presenteeism, Etc.

In order to evaluate and analyze business performance, we use the Work Functioning Impairment Scale (WFun) as a presenteeism indicator to calculate the percentage of employees with 21 or more points (moderate or higher). The percentage was 23.3% in FY 2021 and 21.0% in FY 2022, which is improving from 24.5% in FY 2020. The absenteeism indicator is calculated based on the number of days of absence from work due to long-term illness per employee, which decreased to 5.73, 5.13, and 4.81 days during the same three-year period. For the work engagement assessment, the three items of the Utrecht Work Engagement Scale were measured, with 3.09 points, 2.99 points, and 3.03 points respectively in the same three-year period.

Short Message of Health Declaration

The Company started a “Short Message of Health Declaration” by all executives and employees to promote health and improve health literacy in 2018. Every employee considers what they will carry out to improve their own health and gives a message at their workplace.

Healthcare for Employees Working Long Hours

In accordance with the Guidelines issued by the Labor Standards Bureau, the Ministry of Health, Labour and Welfare, 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 health checkup results and by arranging consultations for such workers with occupational physicians.

Mental Health Measures

Mental health measures started at the Company in FY 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, and have rolled out various mental health education company-wide. We introduced a stress check system in FY2016 in accordance with the revised law. We also provide the opportunity for employees to consult with a doctor.

<Examples of mental health education>

- Training for supervisors and managers to improve communication skill
- Stress control training using cognitive behavioral therapy
- Mental health training focusing on work engagement
- Discussions for good workplace

<Rate of employees undergoing stress check>

FY2018	FY2019	FY2020	FY2021	FY2022
96.0%	97.7%	97.3%	97.0%	96.1%

Strengthening Passive Smoking Measures

The company has been fully implementing measures for smoking prevention including prevention of passive smoking and promotion of smoking cessation since FY 2003. We have achieved the company-wide goals of “no smoking during working hours (FY2017)” and “no smoking on the premises (FY2020).” The percentage of employees who smoke continued a downward trend from 48.2% in FY 2003, reaching 20.3% in FY 2021 and 19.7% in FY 2022, showing that our initiatives have had a positive impact on the lifestyles and habits of the employees. Going forward, we will continue to provide employees with education and consultations by occupational physicians on smoking cessation guidance to help smokers quit smoking.



Smoking cessation poster

Introduction of Measures to Prevent Falling Accidents

The falling accident increases with age. There is a risk of an increasing number of falling accidents as the members of the Company are aging; We have introduced education to prevent falling accidents and exercises (work out) since FY 2016.

Support for Sleep Improvement

We hold seminars, etc. to help employees have a quality sleep, introducing a portable kit for the early detection of sleep apnea syndrome.



Measures against Infectious Diseases

For overseas business trips and assignments, in accordance with the "Guidebook to Health Management for Overseas Workers" established by Furukawa Electric Group, the Group conducts medical checkup (before and after the business trip, periodical checkup during the assignment), provides vaccinations (hepatitis A, hepatitis B, tetanus, Japanese encephalitis, rabies, measles and rubella, typhoid, polio, etc.), and publishes a Health Management Handbook for expatriates. The Guidebook is made by the supervising occupational physician and occupational health nurse, 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. We respond to a variety of health risks including infectious diseases associated with overseas business trips and assignments by continuously implementing these in-house measures.

The world has been facing global health challenges caused by the three major infectious diseases: HIV (AIDS), tuberculosis, and malaria since before Covid-19 started spreading. The increase in the number of infected people and deaths is leading to a decline in the labor force, economic stagnation, increased poverty and orphans. It also leads 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 appropriate knowledge of these issues, and will proactively respond to these global health issues.

Health and Productivity Management

The Health & Productivity Stock Selection and the Health & Productivity Management Outstanding Organization

Furukawa Electric was selected as a "brand for the Health & Productivity Stock Selection 2023" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

The company also has been certified as a "Health & Productivity Management Outstanding Organization (Large Corporation Division)" for seven consecutive years since 2017. (certified as a "White 500" in 2017-2020 and 2023, which is awarded to the top 500 companies.)



Human Resources Management

Management Policy

Basic Policies of Our Vision for 2030

Our group has identified “strengthening human capital and organizational execution abilities” as a key management issue (material issues) to solve when it comes to achieving Furukawa Electric Group Vision 2030 (“Vision 2030”) and have set three basic policies aimed at the achievement of the Furukawa Electric Group Vision for Our People.

- (1) Secure diverse personnel and support the growth of people who continually take on challenges
- (2) Aim at becoming an enterprise group where everyone plays a leading role and feels excited to work with pride
- (3) Nurture Furukawa Electric Group’s culture where teams accomplish things to the end

Furukawa Electric Group Vision for Our People

SUSTAINABLE SUCCESS

The people of Furukawa Electric Group are our greatest value.

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



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 Resource Management Strategies for 2025 Mid-term Plan

In the implementation of our management and business strategies, we will coordinate our growth vectors through dialogue so that both individuals and organizations can improve their performance, grow, solve social issues, and achieve Vision 2030.



Six elements of people and organizations

When it comes to carrying out specific activities, we will set up a framework focusing on people and organizations, guided by four perspectives (“individuals,” “organization,” “awareness / mindset / culture,” and “actions / systems,”) and six elements (“engagement,” “leadership / team mindset,” “organizational culture / communication,” “abilities / skills,” “design of the organization / personnel composition,” and “flow of information, coordination and decision-making mechanism”) Having done that, we will ascertain an overall picture of our activities and consciously work toward improving them as we go about conducting daily business activities. We will go about promoting initiatives by going through a PDS Cycle^{*1} which entails conducting the Furukawa E-Survey^{*2} (a survey on human capital and organizational execution abilities that includes the six elements of people and organizations), constructing visualizations of the state of human resources and organizations, and reflecting improvement measures based on those results upon our business activities.

^{*1} PDS cycle: Plan Do See cycle

^{*2} Survey of Employee Engagement Score





Human Resources Management

Engagement (individuals × awareness/mindset/culture)

Measurement and Utilization of Engagement

In promoting our basic policy^{*1} (2) “Aim at becoming an enterprise group where everyone plays a leading role and feels excited to work with pride,” we started the Furukawa E-Survey as a survey of employee engagement score. We set targets based on the score of “sustainable engagement” in the Furukawa E-Survey as a sustainability indicator^{*2} in the 2025 Mid-term Plan, and will steadily implement a variety of measures. Engagement is closely linked to the other five of the six elements^{*3}, and is therefore used as a comprehensive indicator for strengthening human capital and organizational execution abilities. Doing that, we will conduct activities targeting the global manufacturing industry standard value of 85.

> ^{*1} Basic Policies of “strengthening human capital and organizational execution abilities”

> ^{*2} Sustainability Indicator

> ^{*3} Six elements of people and organizations

Indicators and targets

	Indicator		Result	Target			
	★:Sustainability indicator		FY2022	FY2023	FY2024	FY2025	FY2030
Furukawa Electric	★	Employee engagement scores	65	65	70	75	85
Group		Employee engagement scores	—		—	—	85

Overhaul of Our Compensation System and Strengthening of Employee Communication

Based on our basic policy (1) “Secure diverse personnel and support the growth of people who continually take on challenges,” in December 2021, we revised our personnel treatment system based on the concepts of “promotion of the taking on of challenges,” “simplicity and openness,” and “human resource development.”

- (i) We will redefine the communication processes related to our personnel evaluations, and have superiors communicate their expectations to employees based on the job classification system in accordance with the individual's functions and roles, while also having them observe the efforts and actions being undertaken by members of their team on a daily basis. In doing this, we will go about increasing the extent to which individuals are satisfied with their evaluations through the conducting of evaluations that are based on facts alongside the provision of responsible feedback on areas of improvement, thereby leading to individual growth.
- (ii) Against the backdrop of communication related to the personnel evaluations described in item (i), we will move away from a pay raise system that is based on the assumption that one's ability will increase each year and overhaul our pay raise system (including pay reductions) that reflects the abilities and attitudes currently being demonstrated by the subject individuals. In doing this, we will aim to provide a spark for the motivation of each employee when it comes to taking on challenges, and aim to foster healthy competition and a healthy feeling of tension within the company.

Employee Benefits

Through the development of welfare facilities and systems, we are working to maintain and improve the health of our employees and support them in their daily lives. We strive to create an environment in which employees can face their work with peace of mind.

Contents	Efforts
Cafeteria	We have established company cafeterias at our manufacturing sites to support the maintenance and promotion of employee health. We strive to create attractive cafeterias with high satisfaction by exchanging opinions with labor unions, public health nurses, nutritionists, etc., and reviewing and revising menus.
Company dormitory	In order to secure housing for young employees and those transferred and to reduce housing costs, we provide company-owned or rented company housing and dormitories at each of our business locations.
Mutual aid association	We operate the "Furukawa Mutual Association" for mutual support of employees, and provide support for congratulations and condolences, medical treatment, and disaster relief, as well as loans necessary for living.

Human Resources Management

Leadership/team mindset (organization × awareness/mindset/culture)

Basic Policy

In order to achieve our basic policy* (3) "Nurture Furukawa Electric Group's culture where teams accomplish things to the end," we are working on leadership transformation initiatives.

> [* Basic Policies of "strengthening human capital and organizational execution abilities"](#)

Furukawa Electric's Seven Principles for Leaders

In an environment of rapid change and high uncertainty, it is necessary for us to ensure the psychological safety of team members and achieve results as a team when it comes to going about continuously generating corporate value. In 2020, with the aim of forming organizations which produce results as teams, we established Furukawa Electric's Seven Principles for Leaders, which consists of one basic mindset and six action principles for leaders to build good working teams. We implement leadership training, have executives and managers (at the level of section manager and above) provide "action declarations" to those around them and subsequently put the content thereof into practice on a daily basis. We also have 360-degree feedback provided to facilitate further changes when it comes to action.

Adherence to the Furukawa Seven has been practiced by about 500 officers and general managers of Furukawa Electric and Group companies in Japan since fiscal 2020, and by a total of about 1,300 employees including managers since fiscal 2021. In addition, we ask other regular employees to make efforts similar to those of their leaders, as they are pre-positioned to understand the leader's efforts, and support and cooperate with them. We also make various efforts to work together as openly as possible and encourage each other, under the concept of enjoying change, taking on challenges, and accomplishing them.

With three years having passed since the start of the initiative, the results of Furukawa E-Surveys* have confirmed for us that the relationships existing among team members have improved. Going forward, we will focus on the connection between team activities and results, and accelerate our efforts to further strengthen teamwork.

* Survey of employee engagement score

1 important mindset and 6 action standards



Human Resources Management

Organizational culture/communication (organization × awareness/mindset/culture)

Basic Policy

Based on our basic policy* (1) "Secure diverse personnel and support the growth of people who continually take on challenges," we are promoting the creation of an environment and culture that embraces diverse personnel and brings out the best in them.

> [* Basic Policies of "strengthening human capital and organizational execution abilities"](#)

Promotion of Diversity and Inclusion (D&I)

Based on our basic policy "Secure diverse personnel and support the growth of people who continually take on challenges," the Group is promoting the creation of an environment and culture that embraces diverse personnel and brings out the best in them. We position D&I as an important element when it comes "strengthening human capital and organizational execution abilities." Having done that, we have established the HK* and D&I committees directly under the president to actively promote company-wide initiatives. For more details on the promotion of D&I, please see the link below.

> [Diversity & Inclusion](#)

* HK: Hatarakikata Kaikaku, or work-style reform

Promotion of Health and Productivity Management

We define "Health and Productivity Management" as the aim for each employee to achieve good physical, mental and social conditions (well-being). Based on the belief that improving the vitality and performance of employees will lead to the growth of organizations and companies, we are promoting various health and Productivity management measures as a unified organization. For more details on Health and Productivity Management, please see the link below.

> [Health and Productivity Management](#)

Penetration of Our Philosophy

In 2007, we established our Group Philosophy and established Core Value, which is the set of values we want involved in our achievement of the sustainable growth of the Group based on the Group Philosophy. In order to promote the penetration of our Group Philosophy, we distribute cards with Group Philosophy and Core Value written on them to all employees. In particular, our management team takes the initiative to reflect on our philosophy at meetings and encourage employees to take action which embodies the philosophy. We also hold regular workshops and other such events aimed at the penetration of Group Philosophy and Core Value and will continue implementing initiatives to that end.

> [Corporate Philosophy Structure](#)

Human Resources Management

Abilities/skills (individuals × actions/systems)

Basic Policy

Based on our basic policy^{*} (1), "Secure diverse personnel and support the growth of the people who continually take on challenges," we are developing various measures from the perspective of both realizing our management and business strategies and supporting the ambitious endeavors and growth of our diverse personnel.

> ^{*} Basic Policies of "strengthening human capital and organizational execution abilities"

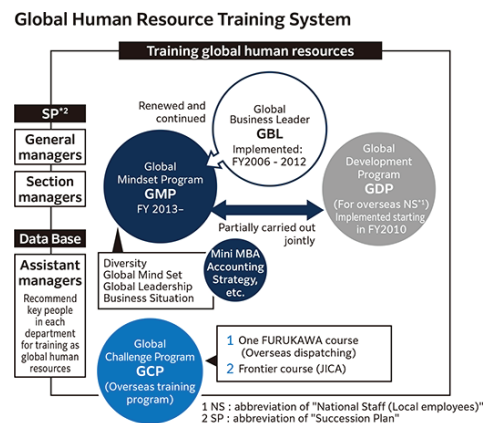
Development of Human Resources

In addition to the existing tier-based training, we have also implemented a program for training global human resources that will eventually shoulder the role of management in the future, as well as on-the-job training purposed with facilitating the realization of organizations that achieve results through teamwork.

In FY2022, in addition to these initiatives, we began to consider reskilling measures. These include the production of visualizations of the gaps existing between the current situation and the capabilities and skills required from the perspective of growth for both companies and individuals, as well as the creation of mechanisms aimed at the acquisition of capabilities and skills.

Global Human Resources Training System

We started our Global Business Leader (GBL) training in FY2006 in order to develop personnel who will take on the role of management in the future. In FY2013, this was reformed into the Global Mindset Program (GMP), with an extra emphasis being placed on global human resource education. We have also operated a Global Development Program (GDP) for overseas local employees since FY2010 with the aim of strengthening links within Furukawa Electric Group, with the curriculum being partly shared with the GMP. Furthermore, in FY2014, we launched the Global Challenge Program (GCP). This program involves the dispatch of younger employees to foreign countries for certain periods of time, allowing us to secure diverse talent and provide opportunities for growth.



OJT Training

In order to realize organizations that achieve results through teamwork, we believe it is essential to improve the nurturing capabilities of our workplaces, including in relation to employees who are not instructors. As such, we provide "training for the building of organizations which have people grow" to all workplaces that accept new employees.

We believe that generally speaking, there are many cases where, when it comes to OJT education, instructors and section managers work hard to provide guidance and follow up on operations in order to have new employees become more productive. Our own OJT support, however, does not entail the placement of instructors or mentors. Rather, we appoint people to the role of "arranger," which we call an "OJT Leader." The OJT Leader ensures that all team members get involved in discussions. The goal of this, is to establish an educational system as an organization. We also provide opportunities to undertake PDCA cycles for OJT over the course of a year in order to go about establishing an educational system as an organization, which we do by providing training four times a year to teach skills and share information on concerns and good practices among OJT leaders. Since 2021, there has been an increase in the number of cases such as those involving mid-career hiring. We have thus been providing the same OJT support as "training serving to strengthen competencies when it comes to leadership and training" through open recruitment at workplaces other than those that accept new employees.

Improvement of MONOZUKURI Capabilities

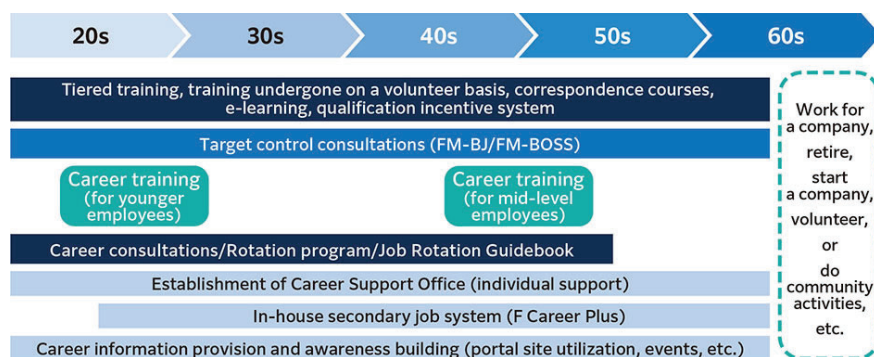
As part of our creation of a corporate culture that allows manufacturing site employees and other employees to share information on targets and execute their tasks, we are aiming to improve upon the "MONOZUKURI Capabilities" we have as a whole unified group. Starting in FY2020, in response to the COVID-19 pandemic, we took the opportunity to implement a number of initiatives, such as changing some of the previous face-to-face joint training sessions to having training sessions held at each individual site and the introduction of e-learning. We began work on creating a tool which provides visualizations of the strengths and weaknesses of divisions involved in manufacturing, and have applied it to two divisions on a trial basis to improve its level of completeness. In FY2023, we plan to begin its full-scale operations in five departments and expand the scope of departments in a sequential manner.

Support for Career Development

Career Support Office

The Career Support Office was established in FY2021. With this office, we are expanding our efforts to support employees' self-directed career development in tandem with existing personnel systems, including career design training provided for each age group and class, seminars to help employees develop their careers, and individual career-related consultation meetings.

In FY2022, in addition to these initiatives, we began to consider reskilling measures. These include the production of visualizations of the gaps existing between the current situation and the capabilities and skills required from the perspective of growth for both companies and individuals, as well as the creation of mechanisms aimed at the acquisition of capabilities and skills.

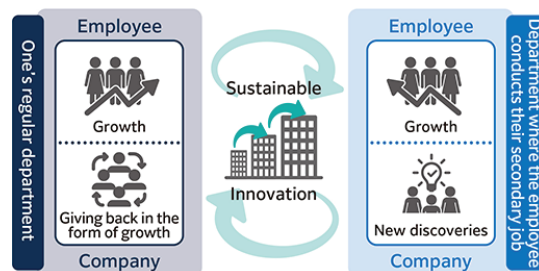


Mechanisms for Individuals to Choose Their Careers

Since FY2021, we have been operating an in-house secondary job system. This system allows employees to volunteer for participation in projects that interest them and constitutes a mechanism serving to contribute to their own growth, fulfillment, and career development. Since the inception of the system, 71 employees have participated in 27 projects. This has served as a source of great stimulation for the departments taking on the volunteering employees, improved the motivation of the volunteering employees themselves, and has had a positive impact on the departments sending volunteering employees to participate in such projects.

In-house secondary job system (voluntary basis)

- Provide support for self-directed career development and motivate employees to take on challenges.
- Create opportunities for the co-creation of diverse human resources across organizational boundaries.



In FY2023, in order to accelerate the realization of more self-directed careers for our employees, we are also considering the introduction of an open recruitment system that will allow employees to volunteer for organizational transfers.

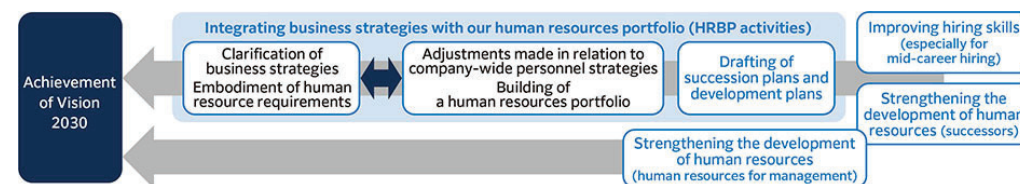
Human Resources Management

Design of the organization/personnel composition (organization × actions/systems)

Basic Policy

Based on the basic policy* (1), "Secure diverse personnel and support the growth of the people who continually take on challenges," we are developing personnel management initiatives aimed at developing the systems and human resources necessary for our management and business strategies.

> * Basic Policies of "strengthening human capital and organizational execution abilities"



Drafting of succession plans and development plans

Succession plans and development plans are formulated and implemented for the purpose of developing management personnel and candidates for general managers of each organization.

With regard to human resources working in management positions, we are promoting the formation of a talent pool using external assessments and are dispatching employees to take part in external training. We are also conducting systemic organizational transfers of personnel, including the assigning of personnel to tough assignments based on development plans. In addition, the Nominating / Compensation Committee, the majority of the members of which consists of Outside Directors, monitors the appropriateness and operational status of the management personnel development system, and systematically works on the appointment of Corporate Vice Presidents and the CEO Succession Plan over the course of several years.

In FY2022, the scope of the Succession Plan was expanded to include general managers, and regular discussions were held between each division and the human resources department regarding the ideal state of things when it comes to organizations and the development of successors which serve to realize our business strategies.

	Development of candidates for the position of general manager in each organization	Development of personnel working in management (human resources working in management)
Deployment status	Current deployment taking place at Furukawa Electric (scheduled to be completed in FY2024)	Continuing of initiatives
Selection and picking out of talent	Drawing up of succession plans and candidate development plans within each department	In addition to succession plans, external assessments are also utilized to form a talent pool
Development of talent	Systematic organizational transfers for employees and the issuance of missions are planned with regular reviews taking place	Tough assignments and dispatch to external training



Improvement of Hiring

Mid-career Hiring

In order to secure diverse human resources in an effort to realize our management and business strategies, we have set a target when it comes to new hiring to achieve a ratio of mid-career hires (management, career track, and clerical positions) of at least 30%. In order to achieve that target, we are strengthening our hiring team structure, expanding our recruitment channels, reviewing our recruitment processes, and streamlining our onboarding program. In doing so, we are working hard to prevent situations where new hires end up being unsuitable for the role in question, to provide support so as to ensure that new hires quickly become acclimatized to their role, and to ensure their retention.

Hiring of New Graduates

In addition to changes in the hiring environment, students' attitudes toward employment are also changing. The competition for talent is also becoming more intense. As part of our efforts to make our company more appealing to students, we have introduced a "course-based hiring" system which puts a limit to some extent on the jobs made available at the time of their initial assignment. Limiting the types of jobs to which we assign new hires serves to enhance the clarity of their career paths. We do this to make it easier to provide the employee with an image of what their individual growth could look like. We will also be promoting the acquisition of talented people with diverse sets of ideas.

Indicators and targets

	Indicator		Result	Target		
	(★:Sustainability indicator*1)		FY2022	FY2023	FY2025	FY2030
Furukawa Electric	★	Ratio of mid-career hires to total new staff hires*2	46%	Maintain around 30%	Maintain around 30%	—

*1 > [Sustainability indicator](#)

*2 As of March 31, the end of fiscal year

Human Resources Management

Flow of information, coordination and decision-making mechanism
(organization × actions/systems)

Reviewing the operation of the target management system and following up [Furukawa Electric]

To realize our basic policy* (2) "Each employee plays a leading role and works with a feeling of pride and excitement," we reviewed the operation of the target management system when we revised the human resource system in 2021, focusing on the following three items with the aim of improving performance, building a culture where people seek to take on challenges, and nurturing talent.

1. Increasing opportunities of and improving the quality of feedback with the aim of enhancing the nurturing of talent
2. Checking the difficulty level of role expectations defined by qualification and rank as well as individual targets with the aim of promoting the taking on of challenges
3. Checking alignment between individual target buildup and organizational targets with the aim of improving performance

Specifically, at the beginning of the fiscal year, each employee was encouraged to set challenging target. In order to achieve those targets, supervisors provided support during the fiscal year, which made people more conscious of communication taking place between supervisors and team members. We have made changes to the operation of that system, so that it now involves positive impacts on both in terms of the nurturing of talent and the improvement of performance, which is achieved by frequently providing feedback through PDCA cycles taking place over short spans of time. At fiscal-year-end meetings, supervisors and team members undertake communication with one another concerning the facts obtained during daily activities, and provide feedback on positive points alongside points where things can be improved, thereby providing motivation when it comes to carrying out work in the next fiscal year.

Additionally, in terms of the results of monitoring undertaken during FY2022, we found that there were improvements in terms of employees' actual sense for the linkage between organizational targets and personal targets and their actual sense of the support provided by superiors when setting challenging targets at the beginning of the fiscal year and the support provided throughout the fiscal year. More than 90% of respondents saying that they were "satisfied" or "somewhat satisfied" with the fiscal-year-end evaluation. This confirmed for us that communication between employees and their direct managers is generally going well. In order to further improve upon the operation of this system in the future, we will continue to monitor the implementation of target control, share information on operational concerns and good practices, and enhance our follow-up activities so that individuals can proactively take on the challenge of higher targets and get a sense for both their own growth and organizational contributions.

> * Basic Policies of "strengthening human capital and organizational execution abilities"

Strengthening labor governance

Global

In order to reduce risks in the area of labor, we are systematically checking on the state of labor compliance undertaken in accordance with the laws and regulations of the countries where our group operates and providing guidance when it comes to improvements.

Activities of Domestic Affiliate Companies

Individuals responsible for human resources at Group companies in Japan meet twice a year to share information on policies and issues related to human resources and labor within our Group, and strive to strengthen the Group's cooperation when it comes to various issues. In addition, in order to reduce the risks faced in the area of labor, we regularly check on the state of labor compliance with Group companies, and we provide them with support when it comes to responding to items requiring improvement, including in terms of reviewing the systems in place.

Labor-management Relations (Furukawa Electric)

When it comes to labor-management dialogue, we maintain the basic position that both labor and management should endeavor to engage in sincere discussions. As such, we focus on issue resolution and the deepening of mutual understanding based on that position. We hold our Central Management Briefings twice annually for formal exchanges of opinions between labor and management. We have conducted such meetings for 70 years since fiscal 1952. As of May 2023, meetings have been held 141 times in total. Representatives from labor and management actively exchange opinions and share information about a broad spectrum of items at these briefings, such as with respect to the business environment, management, and topical matters. We also have in place various committees which are designed to improve the working environment, such as the Personnel System Exploratory Committee and the Committee for Studying Shorter Hours. It is at these committees where management and labor discuss things on a daily basis. These discussions lead to improvements in various systems and strengthen monitoring functions, such as compliance responses. Through these activities, we endeavor to solve various issues.

Diversity & Inclusion

Basic Policy, System, Target, and Result

Basic Policy and Promotion System on Diversity&Inclusion

Based on the policy of “secure diverse personnel and support the growth of people who continually take on challenges” Furukawa Electric Group promotes to develop corporate culture that accepts and makes use of diverse human resources. Placing Diversity&Inclusion (hereinafter, D&I) as an important element in " Strengthening human capital and organizational execution abilities", we have established "HK* and D&I Committee", which reports directly to the President, and actively expand company-wide initiatives intended for women, employees with disabilities, non-Japanese employees, and mid-career hires.

* HK: Hatarakikata Kaikaku, or work style reform

Policy on initiative regarding D&I

In order to strengthen D&I, we will take initiatives comprehensively from aspects such as recruitment, job assignment and training, and work environment improvement.

- Recruitment: Strengthen recruitment capabilities to enhance the internal talent pool for managerial positions
- Job assignment and training: Incorporating efforts to improve diversity into succession plans and talent development plans considering our business strategy
- Work environment improvement: Proactively promote HR system development, change of thinking, and work style reform to accept diverse people and workstyle

Women's Empowerment

Basic Concept

In light of women's influence on discussions and decision-making, we implement initiatives to enrich human capital from recruitment to the development of persons who play central roles. We keep in mind that 30% of management positions are held by women as the future target, which is generally said to the minimum ratio for affecting decision-making.

Policy on the Initiatives

Recruitment	<ul style="list-style-type: none"> Strengthen to recruit new graduates Strengthen to recruit women in managerial positions in mid-hires
Job assignment and training	<ul style="list-style-type: none"> Expand assigned posts affirmatively Prioritize training and promotion plans (individual and mid to long-term human resources development of candidates, active promotion, etc.)
Work environment improvement	<ul style="list-style-type: none"> Prepare good business environment and system (promote work style reform, improve facilities at works) Address the change of thinking (eliminate unconscious bias, etc.)



Targets and Results

	Result in FY2022	Target for FY2025
Share of women in new hires ^{*1}	27%	40%
Share of women in chief positions (candidates for managerial positions) ^{*2}	12%	15%
Share of women in managerial positions ^{*2,3}	4.8%	7%

^{*1} This is intended for career track and clerical positions, as of April 1 in each fiscal year.

^{*2} As of March 31 in each fiscal year

^{*3} > [Sustainability indicator](#)

^{*4} An overview of our initiative, target, and performance data are posted on the Ministry of Health, Labor and Welfare's " Database on Promotion of Women's Participation and Advancement in the Workplace".

> [Ministry of Health, Labor and Welfare's " Database on Promotion of Women's Participation and Advancement in the Workplace"\(only available in Japanese\)](#)

Action plan period: from April 1, 2014 to March 31, 2026

Achievements and targets

Achievements in FY2022	Targets for FY2023
<ul style="list-style-type: none"> Implemented a leadership training program through cross-industrial exchange Dispatched female engineers as lecturers for career talks at girls' high schools Held coaching sessions for individual training for the development of female managers Set goals for each department to increase the number of female managers and organized issues and measures to achieve them through departmental discussions 	<ul style="list-style-type: none"> Provide training opportunities for management candidates (e.g., dispatch to joint training programs in different industries) Dispatch instructors for career education for junior high and high school students Hold Riko-challe* events sponsored by the Cabinet Office Coach individuals for the career development of female managers Formulate and implement individual development plans to expand placement and promotion

> [Promotion of women's empowerment](#)

* Riko-challe: an event to encourage girls in junior high and high school to select their university course majoring in science and engineering

Employment of people with disabilities

Basic Concept

The Group aims to create a situation where the statutory employment rate can be stably carried out while anticipating an increase in the rate.

Policy on the Initiatives

Recruitment	<ul style="list-style-type: none"> Strengthen functions of Furukawa New Leaf (special subsidiary company) Expand direct employment by Furukawa Electric
Job assignment and training	<ul style="list-style-type: none"> Expand job assignment positively Enhance business support system
Work environment improvement	<ul style="list-style-type: none"> Provide a comfortable working environment and system(Utilize remote work system, improve facilities in the office, etc.)

Targets and Results

	Result in FY2022	Target for FY2025
Share of people with disabilities	2.35%	2.55%

Note: As of June 1 in each fiscal year

Achievements and targets

Achievements in FY2022	Targets for FY2023
<ul style="list-style-type: none"> Employed people with intellectual disabilities at Furukawa New Leaf, a special subsidiary company Directly recruited by Furukawa Electric (2 new recruitments in FY2022) Increased the actual employment rate (2.32% in FY2021 to 2.35% in FY2022) 	<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 better understanding among employees

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



Employment of global talent

Basic Concept

We realize the right person for the right place from a global perspective, in terms of demand in each business strategy and strengthening management capabilities.

Policy on the Initiatives

Recruitment	<ul style="list-style-type: none"> Strengthen recruitment channels Grasp global talents within the group and utilize
Job assignment and training	<ul style="list-style-type: none"> Formulate a plan of the development of global talents aligned with a business strategy
Work environment improvement	<ul style="list-style-type: none"> Set HR management policy in the group and globally

Achievements and targets

Achievement in FY2022	Target for FY2023	Target for FY2025
Implemented global mindset program for global talent development training > Development system of global talent	Implement global mindset program for global talent development training	Identify posts for global talent considering business strategies and formulate a plan for recruitment and development of global talent

Employment of mid-career hires

Basic Concept

We actively promote mid-career hires of diverse human resources to strengthen expertise and accelerate the diversification of perspectives.

Policy on the Initiatives

Recruitment	<ul style="list-style-type: none"> Expand recruitment channels and strengthen the recruitment function Utilize referral recruitment and reemployment of people who reached retirement age Improve our recognition and corporate image
Job assignment and training	<ul style="list-style-type: none"> Formulate a plan of talent assignment aligned with business strategies (Understand the needs of people with highly specialized skill, etc.) Enhance an onboarding program for new recruits
Work environment improvement	<ul style="list-style-type: none"> Build a more flexible HR system

Targets and Results

	Result in FY 2022	Target for FY2025
Share of mid-career hires in total new hires*1*2	45.7%	Maintain around 30%

*1 New hires represent new graduates and mid-career hires, covering management, career-track, and clerical positions.

*2 As of March 31 in each fiscal year

Achievements and targets

Achievement in FY2022	Target for FY2023
<ul style="list-style-type: none"> Strengthened recruitment strategy aligned with our business strategies Expanded recruitment channels Worked on initiatives to improve our recognition and corporate image through TV ads, etc. > Initiatives for employment of mid-career hires	<ul style="list-style-type: none"> Strengthen recruitment channels Implement a public relations strategy to improve our recognition and the corporate image



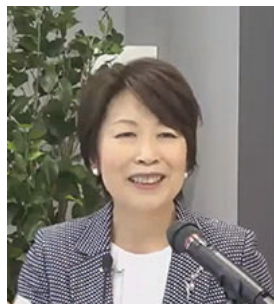
Promote flexible work styles

Achievements and targets

Achievement in FY2022	Target for FY2023	Target for FY2025
<ul style="list-style-type: none"> Sent out messages to promote new work styles that make most of remote work in times of post-corona Continuously implemented in-house side job system Conducted an in-house lecture about D&I on the theme of "Making Diverse Values a Strength for the Organization" Implemented a seminar on family care Introduced a system of childcare leave at birth for fathers <p>> Initiatives for promoting flexible working styles</p>	<ul style="list-style-type: none"> Promote work style reforms to improve productivity by making most of remote work, promoting DX, etc. Expand an in-house side job system and introduce an internal recruitment system Consider the ideal form of childcare leave and measures to promote it 	<ul style="list-style-type: none"> Support flexible work style and work-life balance Expand remote work system Continuously provide education to raise awareness of accepting diverse human resources and flexible work styles

Diversity and Inclusion Awareness and Education

- Change of thinking and behavior in the management (implementation of executive study group and e-learning)
- Implementation of human rights education for newly appointed executives, newly appointed managers, and new employees
- Distribution of articles via intranet
- Implementation of employee awareness survey
- Implementation of e-learning (themes: LGBTQ, harassment prevention, etc.)
- Holding in-house events



Special lecture by Yukiko Yabu, Outside director



Special lecture by Hiromi Ohashi, Senior Fellow

Diversity & Inclusion

Promotion of Women's Empowerment

Basic Policy, Target, and Achievement

Furukawa Electric Group believes that it is particularly important to ensure diversity in employees involved in decision-making as a foundation for corporate growth, and has set the share of women in managerial positions as a sustainability indicator in the 25th Mid-Term Management Plan, and promote efforts to achieve it. We consider the small absolute number of female employees to be our greatest challenge and diligently work to maintain and strengthen human resources in all phases, from recruitment to the development and promotion of employees in managerial positions. At the same time, we work to improve the corporate culture and company-wide work environment by leadership reform, strengthening feedback, providing flexible work styles, and supporting autonomous career formation so that female employees and their supervisors can think about their promotion positively.

> [Basic Policy, System, Target, and Result](#)

Initiatives

Initiatives for female employees

- Career development support (e.g., coaching for managers and management candidates)
 - > [Career Support Office](#)
- Support for individual development of female management candidates (creation of development plans in departments)
- Held networking events among female employees
- Support for female employees who have taken maternity leave to return to work
- Held in-house events
 - > [Holding a Diversity Forum](#)
- Dispatched employees to programs outside the Group

Topics cross-industrial business leadership session

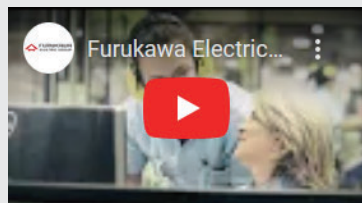
The cross-industrial business leadership session 2023 was held face to face at Furukawa Electric in FY2023 with the aim of encouraging women working in companies to continue to work lively and flexibly and play a key role in succeeding in business. Approximately 70 female mid-career employees from 13 companies, including our own, participated in the event, that is, keynote speech, networking lunch, panel discussion, and group work.

> [Cross-industrial business leadership session 2023 \(only available in Japanese\)](#)



Initiatives of Group Companies

This is the message video to promote women's empowerment produced by Furukawa Electric LatAm S.A., one of the Furukawa Electric Group companies.



Film produced by Furukawa Electric LatAm S.A.(YouTube)

Support for Student's Career Choices in Science and Engineering

As a manufacturer, one of Furukawa Electric's major missions is to ensure that technology is passed on to the future. We also consider the development of female engineers to be important from the perspective of diversity. We can expect new innovations from a variety of ideas created by bringing together a diverse group of people. However, the share of female researchers and engineers in science and engineering fields in Japan is still low, and we see this as an issue that must be resolved in order to strengthen our human resources. To this end, we are engaged in activities to broaden the career choices of female students to science and engineering occupations.

Riko-challe

Furukawa Electric agreed and held "Science and Engineering Challenge", as known as "Riko-challe", an initiative led by the Gender Equality Bureau of the Cabinet Office, and has been holding corporate experience events since FY2022. We invited junior high and high school students to the Furukawa Electric headquarters for a company introduction, a tour of the company, a technical experience program, and a panel discussion with our senior employees in FY 2023. Approximately 20 junior high and high school students and their parents participated in the two days event this year (male students are also allowed to participate, and up to one parent per student may attend).

> [Riko-challe\(only available in Japanese\)](#)

Dispatch of lecturers for "Science Worker Lectures" for high school students

We dispatch two of our female technical employees to a girl's high school in Kanagawa Prefecture to give a lecture to freshmen every year. Two of them were sent in FY2023 to speak about the work of technical employees in a company, their daily schedules, and their career choices. The students actively asked them about employment and other topics.

Participation in Initiatives

We have agreed on the following initiatives.

> [Male Leaders Coalition for Empowerment of Women \(only available in Japanese\)](#)

External Evaluation

We have received the following evaluations for our efforts for the promotion of women's empowerment.

- Selection of the MSCI Japan Empowering Women Index (WIN)
- Selection of The "Nadeshiko Brand" of the Ministry of Economy, Trade and Industry
- Certification of The "Eruboshi", an excellent company based on the Act on the Promotion of Female Participation and Career Advancement
- "Kurumin" certification from the Ministry of Health, Labour and Welfare as a Company Cultivating the Next Generation
- Certification of D&I Award

> [External Evaluation and Certification](#)

Data

- > [Number of employees](#)
- > [Number of employees in managerial positions](#)
- > [Number of candidates for managerial positions \(equivalent of chiefs\)](#)
- > [Average age](#)
- > [Average years of service](#)
- > [Average wages by employment category](#)
- > [Number of new hires](#)
- > [Share of women in new hires](#)
- > [Turnover rate](#)
- > [Ratio of childcare leave taken](#)

Diversity & Inclusion

Promotion of the Employment of People with Disabilities

Basic Policy, Target, and Achievement

From the perspective of D&I, which not only fulfills our social responsibilities but also pursues the potential of diverse human resources and organizations for corporate growth, we actively work to expand the work environment for people with disabilities. In addition to recruiting through Group companies and our special subsidiary, Furukawa New Leaf Co., Ltd., we further improve the work environment and promote reforms in work styles, such as remote work and well accessible environment, to create a better environment.

> [Basic Policy, System, Target, and Result](#)

Initiatives

Recruitment and Careful Onboarding After Employment

In addition to the recruitment of people with intellectual disabilities at Furukawa New Leaf Co., Ltd., Furukawa Electric expands its recruitment of people with physical and mental disabilities. We conduct careful pre-employment interviews and post-employment onboarding in the human resources department to help them gradually adjust to the workplace atmosphere and work.

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

Efforts to Promote Understanding: In-House Lectures

To promote understanding of employment of people with disabilities within the Company, we distribute materials explaining our initiatives and hold in-house lectures to managers. In fiscal 2022 we invited Yui Hirono, the representative of DDAC (Developmental Disorders Adult Advanced Community) Nonprofit Organization, to give a lecture on "Reasonable accommodation in the workplace for understanding and promoting employment of people with developmental disorders."

Data

> [Employment rate of people with disabilities](#)

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

Location

For inquiries about job opportunities at Furukawa New Leaf, please contact preferred branch office by phone.

Location	Address	TEL	FAX
Hiratsuka Branch Office	5-1-9 Higashiyawata, Hiratsuka-shi, Kanagawa 254-0016 (within Furukawa Electric's Hiratsuka Works)	0463-24-8001	0463-24-8002
Chiba Branch Office	6 Yawata-kaigan-dori, Ichihara-shi, Chiba 290-8555 (within Furukawa Electric's Chiba Works)	0436-42-1826	0436-42-1840
Mie Branch Office	20-16 Nobono-cho, Kameyama-shi, Mie 519-0292 (within Furukawa Electric's Mie Works)	0595-85-2659	

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 the 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**



Business description

- Cleaning their Works, dormitories for single employees, and facilities of Furukawa Electric Group companies
- Cleaning full body safety harnesses
- Electric wire disassembly and document shredding
- Other



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



We move around by bicycle when working at large sites.



Cleaning under Japanese plum trees in the premises



Cleaning windows at an office

Benefit package

- Company-owned and contracted recreational facilities around Japan, cafeterias
- A variety of events such as a friendly bowling competition and a party on the last working day of the year



Cafeteria in the Chiba Works



Cafeteria in the Mie Works



Friendly bowling competition



Kinugawa-so, the company-owned recreational facility

Comments from staff members

Comment from the member

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 Works, where there are many trucks and forklifts. Employees are not allowed to go to a worksite if they do not observe traffic rules and other regulations. Safety comes first.
- The photo shows employees who are sorting electrical waste. They remove foreign matters so that only good quality products are delivered to customers. Customers will complain if there is any foreign matter in the product. This is why employees work carefully in the sorting process.

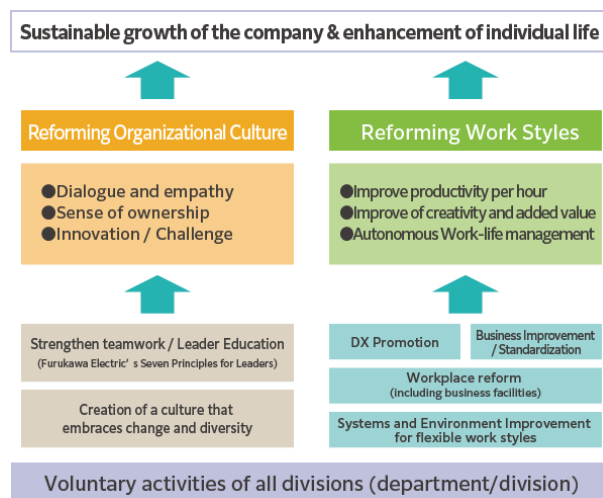


Diversity & Inclusion

Work style reform and promotion of diverse work styles

Basic Policy

We promote various measures for both "work style reform" to improve productivity and job satisfaction and "organizational culture reform" to promote the realization of the Group's Core Value.



Initiatives

Voluntary initiatives of all divisions

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

• HK Award

Furukawa Electric presents the president's special commendations to good practices of the voluntary activities and the Challenge Month since 2018. By presenting awards for good initiatives that can serve as a reference for other divisions, we aim to increase the motivation of the division in question, roll out best practices to other divisions, and improve the results and momentum of activities across the entire Group.

• Work Style Reform Challenge Month

Every September is designated as "Work Style Reform Challenge Month," during which we take on the challenge of implementing various initiatives related to work style reform since 2018.

• Voluntary departmental activities

Each department sets its annual activity policy and implements the PDCA cycle since 2016.

Promotion of Flexible Work Style

As measures to support our employees who challenge themselves, and to enable them to better show their abilities, we work to improve their work-life balance by expanding systems that support balancing both work and diverse life events such as pregnancy, childbirth, childcare, and nursing care, as well as various leave systems, flextime, and remote work systems, etc.

Support for balancing job satisfaction and easiness to work

• Promotion of male employees' participation in childcare

Creation of a handbook on childcare for men, holding of men's childcare discussions, and introduction of interviews with male employees who have taken childcare leave

• Support for balancing both work and childcare

Introduction of seminars and interview sheets for employees taking childcare leave, introduction of seminars for employees returning from childcare leave, introduction of interviews before and after childcare leave

• Support for balancing both work and family care

Holding seminars for family care

• Other

Intranet introducing internal systems and procedures related to support for work-life balance, introduction of external benefit services, etc.



Systems for flexible work style

We have introduced a "remote work system" since January 2017. By reducing constraints 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.

Allowing work outside of the office even if they are not able to work at the office partially for personal reasons during working hours also enables employees to improve easiness to work and job satisfaction.

It is different 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 flextime. We also have other systems in place to support diverse work styles.

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

Work environment to realize flexible work style

In order to continue to grow and respond to the rapidly changing environment after the Covid-19 pandemic, we promote a hybrid work style in which each organization and employee flexibly combines office and remote work depending on their business and assignment. By maximizing the benefits of the work style, we aim to increase productivity and job satisfaction and achieve results as a team.

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

Reforming organizational culture

> [Reform of leadership](#)

Participation in Initiatives

- "IkuBoss" Enterprise Alliance

> [News release: Joined the "IkuBoss Enterprise Alliance\(only available in Japanese\)](#)

External Evaluation and Certification

- "Kurumin" certification from the Ministry of Health, Labour and Welfare as a company cultivating the next generation

> [External Evaluation and Certification](#)

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 "Developing Business Activities that Consider Climate Change", which are important management issues (material issues) 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

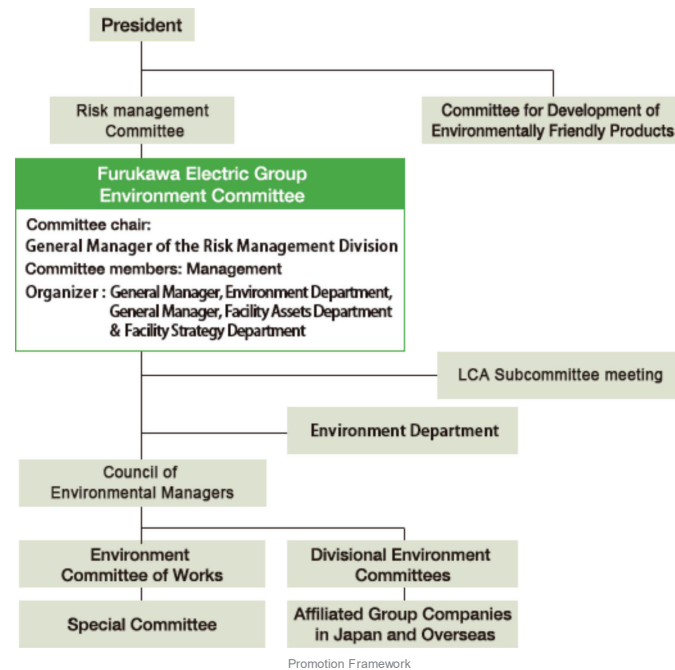
Scope 2: Indirect emissions from the electrical power and heat paid by the company

Environmental Management

Environmental Management system, Environmental Education, Environmental Awards

Environmental Management System

Furukawa Electric Group promotes environmental activities based on the basic environmental philosophy. "Furukawa Electric Group Environmental Committee", the supreme advisory body in charge of the environment, is promoting environmental management. 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. In order to ensure that environmental management can be implemented smoothly, the environmental issues are examined cross-departmentally and specifically in the "Council of Environmental Managers", which consists 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, and overseas group companies that have acquired ISO14001



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

Environmental Education

Environmental Education System and Environmental Education Programs

We conduct environmental education for all Furukawa Electric Group employees, from new employees to executive officers, based on the belief that it is necessary to raise employees' awareness and promote their understanding. We aim to achieve "Furukawa Electric Group Environmental Vision 2050" and "Environmental Targets 2030" by understanding the Environmental Basic Philosophy and activating activities in line with the Action Guidelines.

At the beginning of each fiscal year, new employee education, training for newly appointed managers, and training for mid-level manufacturing staff are trained by positions. Training in ISO14001 internal environmental auditor is held every year for newly appointed internal auditors.

We implemented two environmental education programs for procurement departments under the themes of initiatives for climate change and resource recycling in FY2022, to promote environmental activities in the value chain. We deepened our understanding of recent social trends, the Group's initiatives, examples of other companies, and how specifically we are going to approach our suppliers.

During environment month in June FY2022, each employee watched environment-related videos and discussed the environment with people around at their home or workplace. Furthermore, We conducted activities raising environmental awareness including questionnaire surveys on the status of efforts in the workplace and in daily life for the environment, and on the level of awareness of the Environmental Vision 2050, etc. Yokohama Works is independently engaged in "Eco-friendly activities at home" and visualizes the amount of CO2 reduction in each household's eco-activities. The amount of reduction is increasing every year as the activities spread.

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

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 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 FY2022, 2 Outstanding Performance Award, 2 Excellent Performance Awards, and 4 Honorable Mentions were selected. The first Outstanding Performance Award was given to Furukawa Automotive Systems Inc. in recognition of the "Installation of solar power system" for a project that contributes to the reduction of CO2 emissions during manufacturing by increasing new renewable energy sources through the installation of a self-consumption solar power generation facility on its premises. The second Outstanding Performance Award was given to Copper Foil Division, Furukawa Electric Co. in recognition of the "Reduction of CO2 emissions by the agreement for the Green Basic Plan with Non-fossil certificate" for a project that contributes to the reduction of CO2 emissions produced when manufacturing electrolytic copper foil, which requires a large amount of electricity during manufacturing, by switching to substantial renewable energy for all electricity.

Outstanding Performance Award

- **Furukawa Automotive Systems Inc.**
Installation of solar power system
- **Copper Foil Division, Furukawa Electric Co.**
Reduction of CO2 emissions by the agreement for the Green Basic Plan with Non-fossil certificate

Excellent Performance Award

- **AT (Advanced Technology Tape) & Functional Plastics Division, Furukawa Electric Co.**
Exhaust gas treatment equipment, energy-saving activities
- **Furukawa Electric LatAm S.A.**
Reuse of leftover pre-connectorized low friction drop cables Program

Honorable Mention

- **FITEL Products Division, Furukawa Electric Co.**
Decarbonization through the use of biodegradable individual packaging materials
- **Copper & High Performance Material Products Division, Furukawa Electric Co.**
Reduction of CO2 emissions and tap water consumption by energy conversion in Slit Center
- **Polifoam Plastic Processing Co. Ltd.**
Energy saving Reduction of Electricity consumption
- **Furukawa Electric Autoparts (Philippines) Inc.**
Elimination of Injection Molding Machine Idle Power Consumption

Environmental Management

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* is as follows. (as of July 2023)

- Domestic: 100% (all 6 production sites, all 23 domestic consolidated subsidiaries nationwide)
- Overseas: 70% (35 out of 50 overseas group companies)

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

Furukawa Electric Co., Ltd.

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

Domestic group companies

- NTEC Ltd.
- Shoden Seiya Co., Ltd.
- Furukawa FITEL Optical Device Co., Ltd.
- Okano Electric Wire Co., Ltd.
- Foam Kasei Co., Ltd.
- Furukawa Sangyo Kaisha, Ltd.
- Furukawa Industrial Plastics Co., Ltd.
- Furukawa Electric Advanced Engineering Co., Ltd.
- Furukawa Precision Engineering Co., Ltd.
- Furukawa Electric Eotec Co., Ltd.*
- Furukawa Electric Power Systems Co., Ltd.
- Furukawa Network Solution Corp.*
- The Furukawa Battery Co., Ltd.
- Furukawa Magnet Wire Co., Ltd.
- Furukawa Electric Business & Life Support Inc.*
- KANZACC Co., Ltd.
- Furukawa Automotive Systems Inc.
- Furukawa Communication and Broadcasting Co., Ltd.
- Furukawa Techno Material Co., Ltd.
- Furukawa Electric Industrial Cable Co., Ltd.
- Furukawa Nikko Power Generation Inc.
- Mihar Communications Inc.

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.
- Furukawa Electric Thermal Management Solutions and Products Laguna, Inc.
- 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.
- Trocellen Italia SpA
- PT Furukawa Indomobil Battery Manufacturing
- 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.
- Wuhan Furukawa Automotive Systems Co.,Ltd.

* 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 in the neighborhood. 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.

Reducing Fluorocarbons Emissions

Action on Rational Use and Appropriate Management of Fluorocarbons (Fluorocarbon Emissions Control Act) has been in force since April 2015. Furukawa Electric makes efforts to protect the ozone layer and prevent global warming by properly managing equipment subject to control at each of our business sites in accordance with the law. The amount of leaked fluorocarbons in Furukawa Electric in FY2022 was under the amount that must be reported to the authorities concerned.

PCB Management

Furukawa Electric Group properly stores and manages PCB waste held at each of its business sites and those of its group companies, and disposes of PCB waste before it expires in consideration of storage-related risks, in accordance with laws and regulations. We also proceed with the appropriate disposal of PCB equipment currently in use before it expires according to the update 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 also conduct drills to simulate the response to accidents. For accidents and anomaly information within the Group, we share the information, summarize lessons and measures against them, and double check the site.

We regularly monitor compliance with laws and regulations, and in FY2022 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

Environmental Targets 2030

Environmental Targets 2030

Furukawa Electric Group set Environmental Targets 2030 and makes efforts to contribute to a carbon-free society, a recycling-based society for water and resources, and a society in harmony with nature. In order to accelerate our efforts to achieve the Environmental Vision 2050, the Group raised our 2030 target to the SBT 1.5°C in November 2022 as the contribution to a carbon free society.

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 42% compared to FY2021
 - (2) Greenhouse gas emissions in the value chain (Scope 3): Reduce by at least 25% compared to FY2021
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)

SBT^{*3} 1.5°C certification was obtained for 1 (1) and (2) in July, 2023.

^{*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.



Environmental Targets / Results / Data

Targets and Performances of Environmental Conservation Activities

Targets and Performances

Indicators			Furukawa Electric Group				
			Base year	FY2022		Target for FY2023 ^{*5}	2025 Mid-term target
				Target	Result		
Reduction of greenhouse gas emissions (Scope 1, 2) ^{*1,7}	CO ₂ +SF ₆	FY2017	decrease 17.7%	decreased 37%	decrease 21.2%	(decrease 42%) ^{*3}	
		FY2021	—	—	—	decrease 18.7% ^{*4}	
	CO ₂	FY2017	decrease 10.8%	decreased 34%	—	—	
Reduction of greenhouse gas emissions (Scope3) ^{*2}		FY2019	decrease 4%	decreased 6%	decrease 6%	—	
		FY2021	—	—	—	decrease 11.1% ^{*4}	
Ratio of renewable energy use to total consumption ^{*7}		—	11.5%	20%	12%	30% ^{*4}	
Reduction of water withdrawal (Per unit of net sales)			decrease 2%	decreased 23%	decrease 3%	decrease 5%	
Reduction of energy for production (Per unit of net sales)			decrease 2%	decreased 24%	decrease 3%	decrease 5%	
Reduction of transportation energy in Japan (tkm)(Per unit of net sales)			decrease 2%	decreased 1%	decrease 3%	decrease 5%	
Reduction of total waste in Japan (Per unit of net sales)		FY2020	decrease 2%	decreased 5%	decrease 3%	decrease 5%	
Reduction of total plastic waste in Japan (Per unit of net sales) ^{*6}			—	—	decrease 3%	—	
Reduction of VOC emissions in Japan (Per unit of net sales) ^{*6}		the previous fiscal year	—	—	decrease 1%	—	
Environment business promotion	Sales ratio of environmentally friendly products ^{*7}		—	64%	65%	66%	
	CO ₂ avoided emissions		—	120,000ton-CO ₂	132,000ton-CO ₂	130,000ton-CO ₂	
Contamination prevention	Prevention of environmental accidents and anomaly	Number of environmental accidents	—	0	2	0	
		Environmental anomaly	—	3 or less	2	3 or less	
CDP Score on climate change ^{*8}			—	A	A-	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

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

The Group began calculating emissions for downstream Scope 3 (activities related to products and services sold in principle) from FY2020.

*3 Base year was updated to FY2021 upon the revision of Environmental Target 2030; the reduction target when applying the previous base year FY2017 is also shown as a reference.

*4 Targets for FY2025 were revised upon the revision of Environmental Target 2030.

*5 Environmental Target 2030 raised in FY2022 is scheduled to be applied from FY2024.

*6 New targets were set in FY2023.

*7 > [Sustainability indicator](#)

*8 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.

Performance in FY2022

The total greenhouse gas emissions in FY2022 were significantly reduced by 36.8% compared to FY2017 for two years in a row. As measures against climate change, we made steady progress in energy conservation at our factories, and increased the number of production sites equipped with solar power generation system. As for purchased electricity, we proceed to switch to electricity derived from renewable energy in and out of Japan. In addition, towards the "Furukawa Electric Group Environmental Vision 2050", the Environmental Targets 2030 was revised in November 2022. We accelerate our efforts to reduce greenhouse gas emissions by setting high reduction targets.

Target in FY2023

As the entire Group, we will work on the reduction of greenhouse gas emissions to achieve the revised "Environmental Targets 2030". As for GHG reduction target, we applied to SBTi for a change from Well-Below 2 °C to 1.5 °C and the proposal was approved in July 2023. In line with the target, we promote plans to introduce solar power generation system, in addition to promoting energy-saving activities more than ever before. And we plan to switch from purchased power to power derived from renewable energy.



Environmental Targets / Results / Data

Environmentally Friendly Products

Environmentally Friendly Products and the e-Friendly Accreditation System

Furukawa Electric Group defines environmentally friendly products as products or services that contribute to reducing environmental impact or have positive effect on the environment assessing the entire lifecycle of our products.

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

The Group's environmentally friendly products belong to one of four categories described below. These links are only available in Japanese.

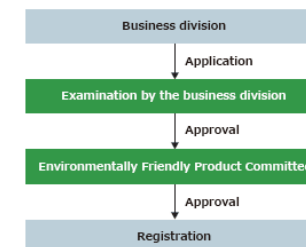
Category	Contents
<u>Prevention of global warming</u>	Products with functions that contribute to the reduction or absorption/fixation of the greenhouse gas (GHG) emissions through the entire life cycles, or products that have reduced the greenhouse gas in their manufacturing processes.
<u>Zero emission</u>	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.
<u>Elimination of materials that have an impact on the environment</u>	<p>The products that meet one of the followings.</p> <ol style="list-style-type: none"> 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.
<u>Resource savings</u>	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 screening process in their business division and then be examined by the Environmentally Friendly Products Committee, a cross-departmental committee of the Group.

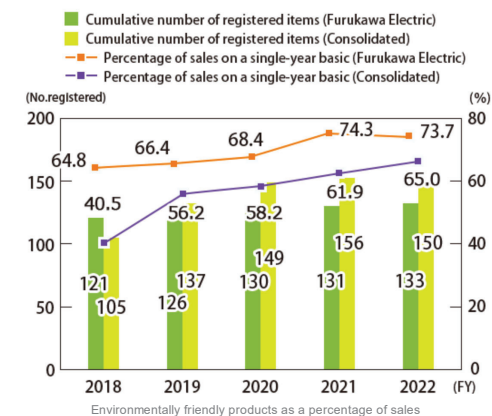
The criteria that products have to meet to be registered as an environmentally friendly product is an overall improvement of environmental performance when compared with existing products based on established evaluation criteria at each stage of the product's lifecycle: the purchase of raw materials 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 the Group, we set targets based on percentage of sales, and confirm our progress and success on this basis.

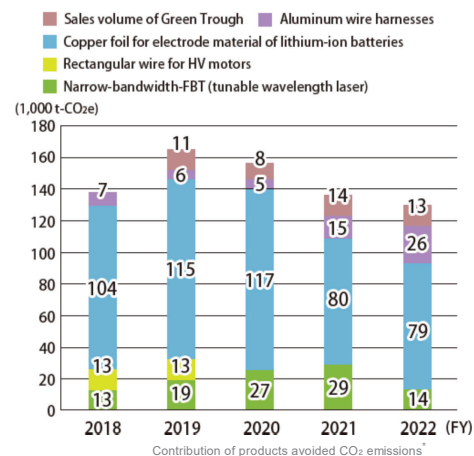


> [TOPICS "Copper alloy products/superconducting products manufactured with renewable energy"](#)

Efforts to Contribute to the Environmental Impact Reduction by the Products

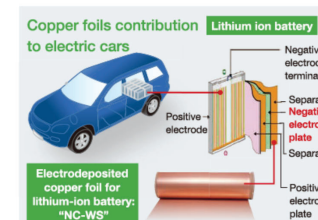
Utilizing Life Cycle Assessment (LCA), the Group is working on visualizing the contribution to the reduction amount of CO₂ emissions generated during the use phase of the Group products by customers. For number of units sold of micro ITLA in optical communications, copper foil for lithium-ion batteries and aluminum harnesses in automotive sector, we estimated the contribution to the reduction of CO₂ emissions by estimating the number of new cars sold that will be equipped with these products based on the production volume. The total amount of the contribution to the reduction of CO₂ emissions was 130 thousand tons-CO₂/year including the amount of those in GREEN TROUGH* adopted in the field of railways, roads, and renewable energy. We will continue to keep an eye on the global market, strive to expand the range of product types that contribute to the environment, and expand our efforts to address global environmental issues through our products.

GREEN TROUGH*: environmentally friendly cable trough made primarily from waste plastic



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

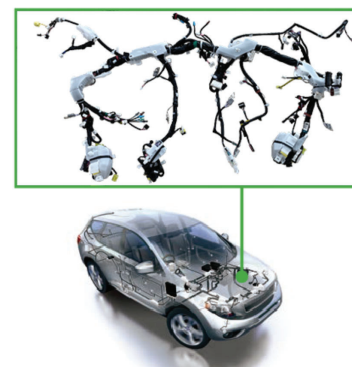
Reduction of CO₂ emissions using copper foil for lithium-ion batteries in electric vehicles.



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 FY2022

We tallied data for Furukawa Electric, domestic group companies, and overseas group companies - a total of 93 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	132.3	110.3	1000t
Aluminum	8.1	19.4	1000t
Iron	3.1	11.9	1000t
Glass	-	2.1	1000t
Plastic	26.4	54.8	1000t

Furukawa Electric and
92 group companies
in and out of Japan.



Energy	6,568	7,079	TJ
Electricity	535	627	GWh
Purchased Electricity (except for renewable energy)	343	585	GWh
Purchased Electricity (renewable energy)	99	40	GWh
Private Power Generation (hydroelectric and solar)	94	2	GWh
City gas, Natural gas	15,411	18,732	1000m³
LPG,LNG	9.5	0.4	1000t
Fuel Oil (kerosene, light oil, heavy fuel oil A)	3,015	232	kl

Water	9,378	2,499	1000m³
Industrial water	6,628	56	1000m³
Groundwater	2,232	56	1000m³
Tap water	518	2,387	1000m³

Chemical substances			
Volume handled*1	44.8	-	1000t

Packaging*2			
Cardboard, Wood, Paper	1.8	8.9	1000t
Plastic	0.02	4.81	1000t

OUTPUT

Category	Domestic	Overseas	Unit
Waste*3			
Total waste generated*4	22.8	22.0	1000t
Final waste disposal	0.3	9.4	1000t
Recycling amount	22.6	12.5	1000t

Atmospheric emissions			
CO₂	218	316	1000t-CO₂
Sf₆	37	-	1000t-CO₂
SOx	6	-	t
NOx	62	-	t
Soot	3	-	t

Chemical substances			
Volume emitted	76	-	t
Volume transferred	317	-	t

Wastewater	8,160	1,919	1000m³
Wastewater Public waterways	7,687	689	1000m³
Rivers	6,994	187	1000m³
Sea	677	0	1000m³
Other	16	502	1000m³
Sewer	473	1,230	1000m³

BOD	34	-	t
COD	32	-	t
SS	31	-	t

Volume of water recycled and reused	1,101	50	1000m³
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*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 20 Japanese group companies.

In FY2022, environmental conservation costs totaled 2.65 billion yen in expenses and 0.77 billion yen in environment-related investments. Compared with the previous year, both expenses decreased.

> [Environmental Accounting Data](#)

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

Environmental Targets / Results / Data

Third-Party Verification

Furukawa Electric 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 FY2022 were verified by a third-party. (July 2023)

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

> [Energy Consumption](#)

> [Water Usage and Discharge](#)

Contribution to a Carbon-Free Society

Climate Change

Basic Approach to 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. We also take 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 raised the 2030 greenhouse gas emissions reduction target to SBT1.5°C in November 2022, and obtained SBT1.5°C certification in July 2023. We will continue our efforts to further reduce greenhouse gas emissions.

> [Environmental Vision 2050](#)

> [Environmental Targets 2030](#)

Targets and Performances

The Group sets annual targets and addresses reducing greenhouse gas emissions, increasing the ratio of renewable energy, and reducing unit energy consumption.

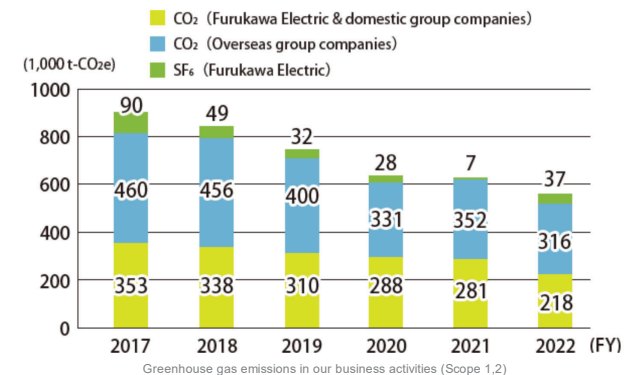
> [Targets and Performances of Environmental Conservation Activities](#)

Initiatives

Reduction of Greenhouse Gas Emissions

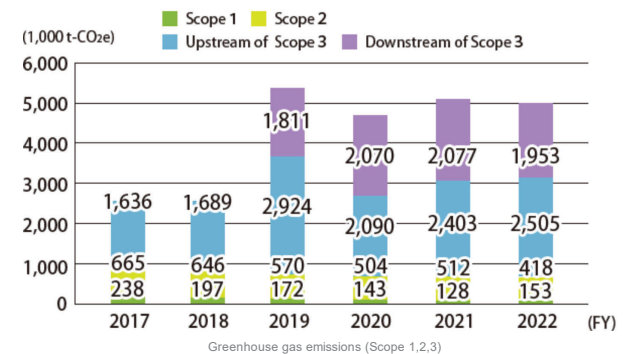
The greenhouse gas emissions of Furukawa Electric Group are mainly energy originated CO₂ emissions and the sulfur hexafluoride emissions(SF₆).

The CO₂ emissions of the group companies in Japan in FY2022 totaled 218,000 tons-CO₂e, which was 38.3% decrease from FY2017. CO₂ emissions of the overseas group companies totaled 316,000 tons-CO₂e in FY2022, which was a decrease of 31.6% from FY2017. In addition, sulfur hexafluoride emissions of CO₂ equivalent in FY2022 were temporarily increased, due to the update of test facilities etc., but we will continue to work to reduce emissions. Total greenhouse gas emissions in FY2022 were reduced by 332,000 tons-CO₂e compared to FY2017 (base year).



*1 For the overseas CO₂ emission factor, purchased electricity uses emission factors published by the authorities in each country 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 downstream of Scope 3 has been calculated and the latest emission factors have been used since FY2019.

Use of the Renewable Energy

Usage of hydroelectric and solar power:

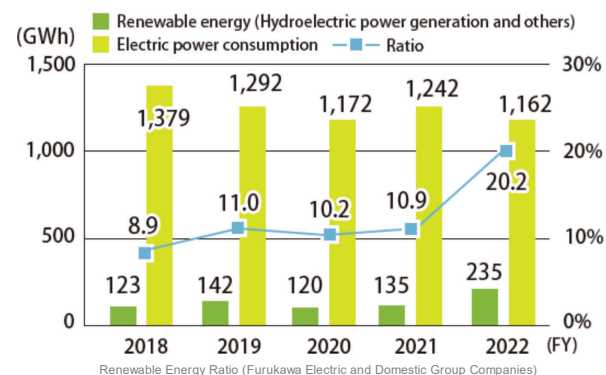
The subsidiary of Furukawa Electric, Furukawa Nikko Power Generation Inc. owns four power plants and supplies electricity generated by hydroelectric power. It covers 100% of the electricity for Nikko Works, and copper strip products are produced using hydroelectric power. In addition, solar power systems are installed for utilization in Copper Foil Div., Mie Works, domestic Group companies such as Furukawa Automotive Systems Inc., The Furukawa Battery Co., Ltd., and production sites at overseas Group companies in Mexico, China, India, and Brazil. Out of these, Mie Works installed the system of on-site PPA. 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, Hiratsuka Works partially started introducing electricity derived from renewable energy. From April 2022 onwards domestic production sites in Copper Foil Div., Chiba Works, Mie Works, and four domestic group companies have been partially using electricity derived from renewable energy.

The ratio of renewable energy use to total consumption in FY2022 was 36.0% for the domestic group companies and 20.2% combined with the overseas group companies. We will continue to work on increasing the ratio of renewable energy usage.

> TOPICS "Copper alloy products/superconducting products manufactured with renewable energy"



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



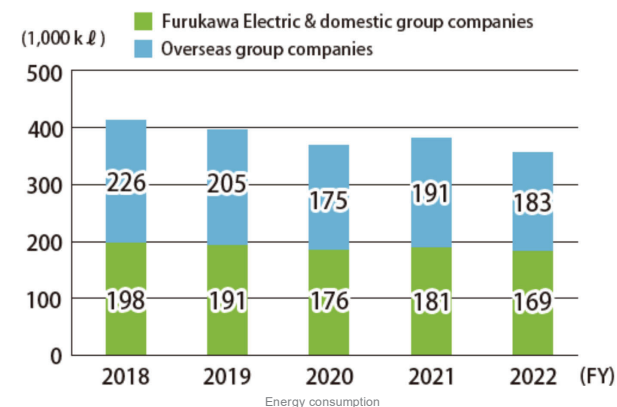
Solar power panels installed in The Furukawa Battery Co., Ltd. (started operation in April 2022)



Hydroelectric power generation in Furukawa Nikko Power Generation Inc.

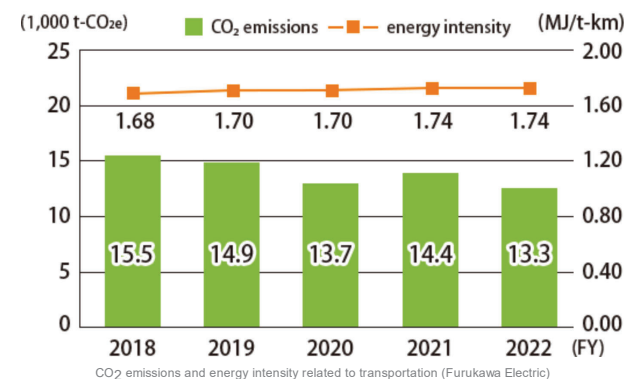
Energy Conservation at Factories

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. We switch to the use of LED for the plant buildings' lighting as planned. In FY2022, we worked on the efficient operation of electric facilities, including the efficient use of heat (improvement of thermal insulation of furnaces and updating of facilities), the introduction of high-efficiency equipment (updating of transformers and introducing inverters), and the shutdown of equipment that did not operate.

Reduction of CO₂ Emissions in Logistics

The domestic group's freight transport volume was 177 million ton-kilometers in FY2022.

Furukawa Electric accounted for 112 million ton-kilometers of the total, reduced 5.2% from FY2020, and related CO₂ emissions reduced 2.9% to 13,300 tons -CO₂e-. Freight energy intensity increased 2.5% from FY2020. We will continue to promote modal shifts, improve loading ratios, and promote joint distribution.



Internal Carbon Pricing

Internal carbon pricing (using a shadow price) has been calculated since FY 2019. By visualizing the amount of CO₂ emissions for each division using carbon prices, we encourage preparation to avoid climate change risks toward decarbonization. For example, a division that cannot meet its reduction target will have a negative shadow price and will incur a hypothetical loss. Conversely, a division that meets the target will have a positive shadow price and will bring hypothetical profit. Based on the quarterly evaluation and posting effects, a renewable energy introduction plan is promoted for any division that does not meet the target.

Measures Against the Physical Risks of Climate Change

The Group takes appropriate management and preventive measures against physical risks related to climate change (heavy rain, heavy snow, etc.). Each works take measures for air-conditioning to cope with global warming. The following is initiatives Hiratsuka and Nikko Works have taken.

Works	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

Our group companies located in Japan belong to two industry associations, the Japanese Electric Wire & Cable Makers' Association and Japan Copper and Brass Association. In the Carbon Neutral Action Plan of each association, we set targets for each association and work to ensure that our policies and strategies are consistent with those of the associations as a group. In the worst case scenario, the association's policies are significantly weaker or inconsistent with the Group's strategy, we will encourage the associations to align their policies with those of the Group. If such alignment is difficult, we will take appropriate action considering withdrawal from the associations.

Consistency with Japanese Government Policy

In order to accelerate our efforts to reduce greenhouse gas emissions to achieve the Environmental Vision 2050, we have revised the Environmental Target 2030. This content is also in line with Global Warming Countermeasure Plan, 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 Global Warming Countermeasure Plan](#)
- > [Furukawa Electric Group's Environmental Targets 2030](#)

Information Disclosure, External Evaluation and Certification

The Group has been responding to CDP's questionnaire on climate change, which represents institutional investors, since FY2008. In order to support customers making use of CDP supply chain programs, we participated in explanatory meetings and attended seminars. We will continue to expand the scope of environmental data we disclose and enhance our reliability.

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 \(Scope 1,2\)](#)
- > [Greenhouse Gas Emissions Per Unit of Sales](#)
- > [CO₂ Emission and Energy Intensity Related to Transportation](#)
- > [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 an important management issue (material issue). 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 "Climate-related risks and opportunities scenario analysis support program in line with the TCFD," implemented by the Ministry of the Environment. In order to realize a sustainable society, we will continue to utilize the TCFD to strengthen our relationship of trust with our stakeholders.

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.



<u>Governance</u>	Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.
<u>Strategy</u>	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 climate-related scenarios, including a 2°C or lower scenario.
<u>Risk Management</u>	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.
<u>Metrics and Targets</u>	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Governance (progress beyond FY2022 being underlined)

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

- Describe the board's oversight of climate-related risks and opportunities.
- Describe management's role in assessing and managing climate-related risks and opportunities.

The Group has been accelerating its ESG management efforts since FY2018, expanding discussions related to climate change as shown below at the Board of Directors, Management Committee, and Sustainability Committee meetings. The Board of Directors also reports and shares quarterly progress related to climate change.

• Key Discussions on Sustainability within Furukawa Electric Group

• Board of Directors

Feb. 2021	Formulated Furukawa Electric Group Environmental Vision 2050.
<u>May 2022</u>	<u>Formulated sustainability indicators and targets</u>
<u>March 2023</u>	<u>Partially revised sustainability targets for FY2025 (GHG emissions reduction rate (Scope 1, 2) and ratio of renewable energy use to total consumption).</u>

• Management Committee

Jan. 2019	Formulated the Environmental Targets 2030 and applied for SBT (2°C) certification.
Jan. 2020	Endorsed the TCFD's recommendations and signed the UN Global Compact.
Dec. 2020 – Feb. 2021	Formulated Furukawa Electric Group Environmental Vision 2050.
Nov. 2021 – Feb. 2022	Revised Environmental Targets 2030 and applied for SBT (WB2°C) certification
<u>Dec. 2022</u>	<u>Revised Environmental Targets 2030 and applied for SBT (1.5°C) certification.</u>

• Sustainability Committee

March 2022	Formulated sustainability indicators and targets
<u>March 2023</u>	<u>Partially revised sustainability targets for FY2025 (GHG emissions reduction rate (Scope 1, 2) and ratio of renewable energy use to total consumption).</u>

Strategy (progress beyond FY2022 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.

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

- Furukawa Electric Group's definition of the period to consider climate-related risks (transition and physical risks) and opportunities

Medium-term	Up to FY 2025	Period up to achieving the 2025 Mid-term Plan and sustainability targets
Long-term	Up to FY 2030	Period up to achieving the Vision 2030 and the Environmental Targets 2030
Super-long-term	Up to FY 2050	Period up to achieving the Environmental Vision 2050

• Scenario Analysis

- In FY 2019, 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 (transition and physical risks) and opportunities and conducted scenario analysis for the infrastructure businesses (optical fiber and cable products of the Communications Solutions Business and power cables of the Energy Infrastructure Business). We then identified climate-related risks and opportunities and conducted a scenario analysis for the automotive products business in FY 2020 and for the AT & functional plastics business and the copper & high-performance material products business in FY 2021.
- Until FY2021, in examining the “different climate-related scenarios, including a 2°C or lower scenario” recommended by the TCFD, we had examined a “2°C or lower scenario” and a “4°C scenarios” step-by-step for each business field by referring to several existing scenarios published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).
- In FY2022, to accelerate our efforts toward achieving carbon neutrality by 2050, we revised the Environmental Targets 2030 and applied for an SBT (1.5°C Targets) initiative certification. Accordingly, the scenarios for the business fields, for which we had been conducting scenario analysis, were revised to the “1.5°C scenario” and the “4°C scenario.”

• Assessment of impact on business in 2030

Category			Identified climate related risks and opportunities	Business impact	
				1.5°C	4°C
Risks	Transition risks	Policies and regulations	・ Carbon tax on GHG emissions	Major	Minor
		Markets	・ Increase in renewable energy procurement costs ・ Increase in procurement costs of materials (copper, aluminum, plastics) due to carbon tax	Major	Minor
	Physical risks	Acute	・ Damage to buildings due to large-scale disasters (large typhoons, heavy rains, heavy snow, lightning strikes) caused by abnormal weather ・ Supply chain disruption of customers or suppliers caused by weather disaster	Minor	Minor
			・ Shut down of coastal factories caused by flooding and drought	Medium	Major
		Chronic	・ Increase in air conditioning costs due to a rise in average temperature	Medium	Major
Opportunities	Markets		・ Increase in revenue and profit from accelerating development of 5G/B5G (Beyond 5G) along with the construction of smart cities and the surge of communications traffic ・ Increase in revenue and profit from demand growth for products related to telecommunications, semiconductor memory, 5G and smartphones ・ Increase in revenue and profit from demand growth for submarine cables and the enhanced core transmission network along with the increase in renewable energy generation ・ Increase in revenue and profit from demand growth for products along with automotive electrification and weight reduction	Major	Medium
	Products and services		・ Increase in sales from demand growth for low-carbon and carbon-free products and recycled products in response to requests for carbon neutrality and circular economy	Major	Medium

• Efforts toward Achieving Carbon Neutrality

By conducting scenario analysis, we identify climate-related opportunities and risks and work to achieve carbon neutrality by both capturing revenue opportunities and mitigating risks.

As for revenue opportunities, during the period of the 2025 Medium-term Plan, we will continue to stabilize revenue from existing businesses and develop a foundation for the creation of new businesses; and we will contribute to achieving carbon neutrality by 2030 by solving social issues in each business field. For example, to strengthen our existing businesses, we are working to expand the use of renewable energy in our power cable business; to create new businesses, we are working to realize a B5G society in the communications field; and to build a social infrastructure that enables “Succession of local resources and local culture for the future”* through the use of green LP gas.

As for risks, we have established the Environmental Vision 2050 as our super-long-term goal, with the challenge target of reducing GHG emissions (Scopes 1 and 2) in our business activities to zero by 2050, as well as another target of reducing GHG emissions throughout the value chain. Backcasting from these targets, we have set targets for reducing GHG emissions in the Environmental Targets 2030 and the sustainability targets in the 2025 Medium-term Plan to work toward achieving these reductions.

* Succession of local resources and local culture for the future: This expresses passing on regional resources and cultures to the next generation in addition to local production for local consumption.

Risk Management (progress beyond FY2022 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.

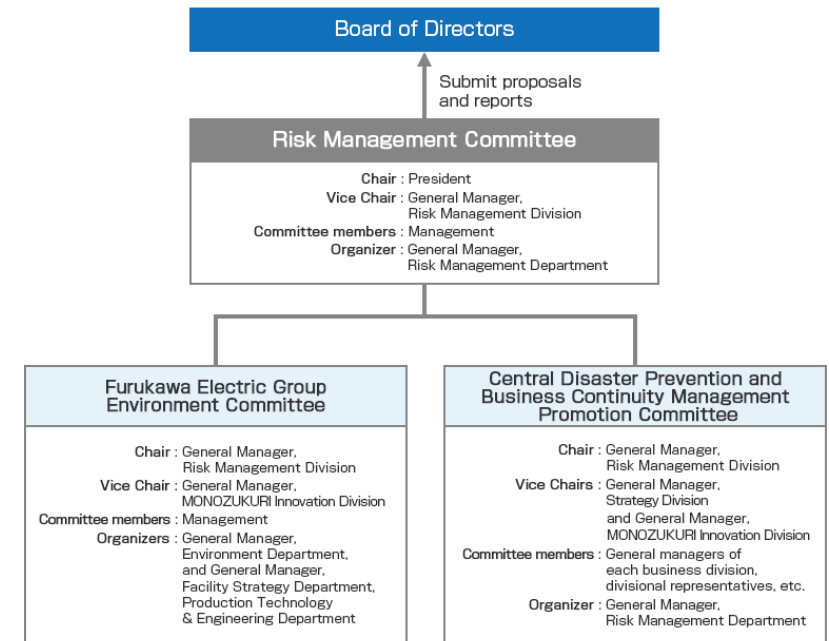
• The Group's overall risk management

- The Group has established the Risk Management Committee, which comprises management as members, with the President as chair and the General Manager of the Risk Management Division as vice chair. The committee is structured to supervise and promote risk management, internal control and compliance. The committee conducts high-level assessment of risks from management and operational perspectives to define material risks that require a company-wide response, and prioritize measures to counter these risks.
- We recognize "climate change" as a key risk from the management perspective that has a large impact and a high likelihood of occurrence.

Classification	Risk Item	Description of Risks	Major Initiatives	Magnitude of impact	Likelihood of occurrence
Management perspective risk	Climate change (Carbon neutrality)	<ul style="list-style-type: none"> • As a transition risk, higher raw material procurement costs and manufacturing costs due to carbon taxes enacted based on government policies or GHG emissions targets in each country • Exclusion from supply chains, products, services, and labor markets due to an insufficient response to climate change • Suspension of operations due to an unforeseen risk of flooding or drought linked to climate change 	<ul style="list-style-type: none"> • Establish the Environmental Vision 2050, set a challenge target of eliminating GHG emissions and raise or reset the Environmental Target 2030 • Endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and conducted scenario analysis • In addition to using hydroelectric power in the Nikko area, installed solar power and switched to procuring renewable energy in Japan and overseas • Grasped the risk of flooding and drought linked to climate change, and formulated responses 	High	High
	Impact of disasters, infectious diseases, etc.	<ul style="list-style-type: none"> • Plant shutdowns due to building damage or flooding caused by large typhoons linked to abnormal weather • Disruption of a customer's or supplier's supply chain due to a large earthquake, tsunami, fire or infectious disease 	<ul style="list-style-type: none"> • Promoted Business Continuity Management (BCM) with ISO 22301 • Developed and improved business continuity plan and ensured employee safety through safety confirmation system • Established data centers in facilities that are earthquake resistant and provide a stable communications environment • Add redundancy to the supply chain 	High	Medium

For details, please refer to "Business-Related Risks" on our website.

- Through specialized committee activities in segment-specific areas— occupational health and safety, quality control, the environment, and disaster prevention and business continuity management—we are enhancing our system to manage risks related to our business activities. In addition to this system, important decision making is conducted by the Board of Directors and the Management Committee or through the approval processing system, after the expected risks based on each case have been clearly presented and acknowledged.
- In considering **climate-related risks such as climate change and natural disasters** as the priority issue for environmental risk, we regularly discuss preliminary strategies for climate-related risks mainly at the Furukawa Electric Group Environmental Committee (hereinafter, the "Environmental Committee") and business continuity measures after the occurrence of risks are discussed mainly at the Central Disaster Prevention and BCM Promotion Committee.



• The Environmental Committee

- The Environmental Committee, chaired by the General Manager of the Risk Management Division and composed of top management including general managers of each business division and corporate division, meets every three months to discuss issues related to climate change among others, and submits proposals and reports to the Management Committee and the Board of Directors.
- In FY2022, to accelerate our efforts toward achieving carbon neutrality by 2050, the committee discussed the revision of the Environmental Targets 2030 and the application for an SBT (1.5°C Targets) initiative certification, and submitted proposals and reports to the Management Committee.



- **The Central Disaster Prevention and BCM Promotion Committee**

The Central Disaster Prevention and BCM Promotion Committee, chaired by the General Manager of the Risk Management Division and composed of general managers of each business division, divisional representatives, etc., meets every three months to establish Business Continuity Management (BCM), identify business continuity risks, including natural disasters, and promote and manage the identification process.

- **Internal carbon pricing** (using a shadow price) has been calculated since FY 2019. By visualizing the amount of CO₂ emissions for each division using carbon prices, we encourage preparation to avoid climate change risks toward decarbonization. For example, a division that cannot meet its reduction target will have a negative shadow price and will incur a hypothetical loss. Conversely, a division that meets the target will have a positive shadow price and will bring hypothetical profit. Based on the quarterly evaluation and posting effects, a renewable energy introduction plan is promoted for any division that does not meet the target.
In addition, we have set GHG emissions targets for each business division since FY2023, and have established a rule that each business division will bear the increase in procurement costs of renewable energy if the targets are not met.
- The Group take appropriate management and preventive measures against **physical risks related to climate change** (heavy rain, heavy snowfall, etc.). In addition, each of our works take air conditioning measures to cope with rising temperatures. 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"> • Installed of rainwater reservoirs • Regularly cleaned drainage system and installed 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

Metrics and Targets (progress beyond FY2022 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.

- **Furukawa Electric Group Environmental Vision 2050 (Formulated in March, 2021)**

Environmental Vision 2050 embraces the contribution to the realization of a sustainable society throughout the value chain through the provision of environmentally friendly products and services and recycling-based production activities. As part of our contribution to the realization of a carbon-free society, we aim to reduce GHG emissions throughout the value chain, and have set the challenge target of zero GHG emissions from our business activities (Scopes 1 and 2) by 2050.

- **Environmental Targets 2030 (Revised in November 2022)**

We have revised the Environmental Targets 2030, a milestone toward the realization of the Environmental Vision 2050. To contribute to the realization of a carbon-free society, we have updated our 2030 target as follows.

(1) Greenhouse gas emissions from business activities (Scope 1 & Scope 2): Reduce by at least 42% compared to FY2021

(2) Greenhouse gas emissions in the value chain (Scope 3): Reduce by at least 25% compared to FY2021

Scope 1: Direct emissions from own factories and offices

Scope 2: Indirect emissions from the use of electricity, heat, etc. purchased by the company

Scope 3: Indirect emissions other than Scopes 1 and 2 (emissions by other companies related to the activities of the business operator)

The Group's GHG reduction targets of 2030 obtained SBT(a clearly-defined pathway for companies to reduce GHG emissions) 1.5°C certification in July 2023.



- **Sustainability Indicators for FY2025**

We aim to achieve the sustainability target for FY2025 setting 2025 Medium-term Plan of "Sales ratio of environmentally friendly products," "GHG emissions reduction rate (Scopes 1, 2)" and "Ratio of renewable energy use to total consumption" as sustainability indicators that measure the progress of addressing material issues of "Creating environment-friendly businesses" and "Developing business activities that consider climate change." In accordance with the revision of the Environmental Target 2030 for FY2022, we raised the FY2025 targets for "greenhouse gas emission reduction rate (Scope 1 and 2)" and "ratio of renewable energy to total electricity consumption."

> Sustainability indicator

Metrics and Results

Metrics	Unit	Result					
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
★Sales ratio of environmentally friendly products	%	32.6	40.5	56.2	58.2	61.9	65.0
★GHG emissions (Scope 1 and 2)	1000t-CO _{2e}	903	843	742	648	640	571
★Ratio of renewable energy to electricity consumption	%	7.9	8.9	11.0	10.2	10.9	20.2
GHG emissions (Scope 3)	1000t-CO _{2e}	1,636	1,689	4,735	4,161	4,680	4,458

Metrics and Targets

Metrics	base year	Target			Environmental target	Challenge goal
		FY2022	FY2023	FY2025	FY2030	FY2050
★Sales ratio of environmentally friendly products	-	64%	66%	70%	-	-
★Reduction rate for GHG emissions (Scope 1 and 2)	FY2017	-17.7%	-21.2%	(-42%)* ¹	(-59%)* ¹	Zero emission
	FY2021	-	-	-18.7%* ²	-42%* ²	
★Ratio of renewable energy to electricity consumption	-	11.5%	12.0%	30%* ³	-	-
Reduction rate for GHG emissions (Scope 3)	FY2019	-4%	-6%	-	-	-
	FY2021	-	-	-11%* ²	-25%* ²	-

*1 Base year was updated to FY2021 upon the revision of Environmental Targets 2030; the reduction target value when applied to the former base year of FY2017 is also shown for reference.

*2 Target value for FY2025 was updated upon the revision of Environmental Targets 2030 in FY2022.

*3 The FY2025 target value for the ratio of renewable energy was raised upon the revision of Environmental Targets 2030.

Disclosure of environmental information and improvement of external evaluation

- We have responded to the CDP questionnaire regarding CDP climate change since FY 2008 and CDP water security since FY 2013. We received A- rating in CDP climate change and B rating in CDP water security in FY 2022.
- In cooperation with customers who utilize the CDP Supply Chain Program, we will participate in explanatory meetings and seminars, 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 received an A rating in the CDP Supplier Engagement Assessment for FY 2022 for the fourth consecutive year, thanks to collaboration with interested parties.
- With regard to Scope 3, we began disclosing GHG emissions by category in FY 2020.

Our Group Scope 1 ,2 ,3 Greenhouse Gas Emissions Results (1000t-CO _{2e})					FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
		CO ₂			148	148	139	115	121	116	
			SF ₆			90	49	32	28	7	37
	Scope 1				238	197	172	143	128	153	
	Scope 2				665	646	570	504	512	418	
	Scope 1+2						903	843	742	648	640
		Upstream	Category 1*	Purchased goods and services	-	-	2,493	1,656	1,829	1,855	
			Category 2	Capital goods	-	-	187	158	134	154	
			Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	-	-	112	94	123	110	
			Category 4*	Upstream transportation and distribution	-	-	73	126	207	323	
			Category 5	Waste generated in operations	-	-	22	21	22	18	
			Category 6*	Business travel	-	-	7	6	57	12	
			Category 7	Employee commuting	-	-	23	23	24	24	
			Category 8	Upstream leased assets	-	-	7	6	7	9	
		Downstream	Category 9*	Downstream transportation and distribution	-	-	11	9	141	9	
			Category 10	Processing of sold products	-	-	-	-	17	16	
			Category 11*	Use of sold products	-	-	1,720	1,980	1,575	1,587	
			Category 12*	End-of-life treatment of sold products	-	-	50	51	57	63	
			Category 13	Downstream leased assets	-	-	2	3	4	4	
			Category 14	Franchises	-	-	-	-	-	-	
			Category 15*	Investments	-	-	28	28	283	274	
	Scope 3*						1,636	1,689	4,735	4,161	4,480
Scope 1+2+3						2,539	2,532	5,477	4,808	5,120	5,029

* The calculation method was reviewed in FY2023 and recalculated retroactively for FY2021

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 effort 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.

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

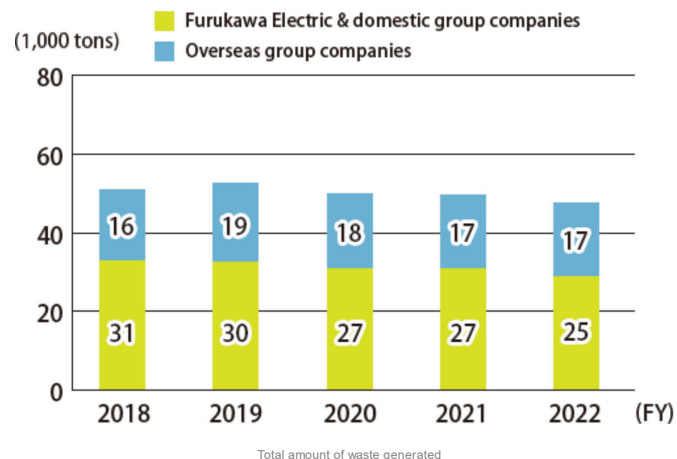
> [Basic Environmental Policy](#)

Targets and Achievements

Waste

Targets and achievements for FY2022 are shown in "Targets and Performances of Environmental Conservation Activities". In FY2022, the total waste generation in Japan (Per unit of net sales) decreased by 4.8% compared to FY2020. We work to reduce the generation of waste in the production process, such as by introducing liquid waste treatment facilities to reduce liquid waste.

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



Recycling of Plastic Resources

Plastics have excellent properties, but concerns about the environment have also been pointed out, such as ocean pollution of plastic. The Group has formulated the Environmental Targets 2030 and promotes initiatives based on the following three perspectives.

- To reduce the use of new materials
- To identify and reduce the amount of disposable plastic packaging
- To reduce the total amount of plastic waste generated

We will minimize the impact on the environment through these initiatives.

Reduction of use of new plastic materials and single-use plastics

We worked to reduce the use of new plastic materials and developed products that use 100% recycled polypropylene in FY2022. In addition, we have been developing individual packaging using biodegradable biomass materials as an initiative to reduce the use of single-use plastics.

Reduction of total amount of plastic waste generated

We have begun the initiative in FY2022 and set the target for FY2023. The total volume of plastic waste generated by Furukawa Electric was 3,756t in FY2022, which was 11% decrease from FY2021.

Initiatives

Recycling of Electric Wires and Optical Cables at FETEC

Furukawa Electric Ecotec 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 around 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 fiber, 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 the technology, we are partnering with government agencies in Japan and abroad, as well as the plastic and recycling industries. For example, Furukawa Electric participates 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 the technology. By promoting technology exchange through the use of intellectual property, we will contribute to the spread of environment-related technologies.

Recycling of Copper

The Group works on recycling copper which is the main raw material. Our group companies collect copper from used wires and cables collected from customers. The Copper Foil Div. uses this 100% recycled copper as a raw material to produce electrolytic copper foil.

> [Completed UL 2809 validation for copper foil containing 100% recycled copper](#)

Biodegradable packaging materials

In FITEL Products Div., we developed individual packaging made of biodegradable pulp, which is available for precision instruments, with collaboration with our suppliers. We started switching to use it from plastic packaging and will reduce the amount of single-use plastic disposed of after transportation, thereby promoting effective use of resources and reducing greenhouse gas emissions during disposal.



External Collaboration

The Group participates in the following initiatives for resource conservation.

- Japan Clean Ocean Material Alliance (CLOMA): platform for solving ocean pollution of plastic
- WIPO GREEN: platform for technology exchange on environmental conservation

> [Participation in Initiatives](#)

Data

> [Raw Materials Data](#)

> [Total Waste Generation Data](#)

> [Total Plastic Waste Generation Data](#)

> [Recycled Resource Volume Data](#)

> [Final Disposal Volume Data](#)

> [Hazardous Waste Generation Data](#)

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



Contribution to a Water / Resource Recycling Society

Effective Use of Water Resources

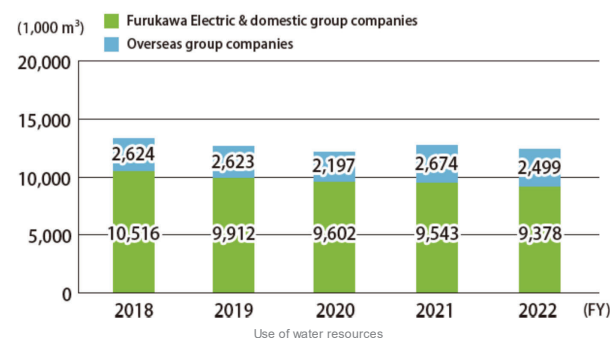
Basic Concept of Efficient Use of Water Resources

Furukawa Electric Group engages in the efficient use of water resources in order to contribute to the sound material-cycle society. The entire group work on reducing water consumption and 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

We revised Environmental Target 2030 in February 2022 to improve intensity of water consumption by 10% or more compared to FY2020. While the total amount of water resources used in FY2022 was increased compared to FY2020, the intensity of water consumption per unit of production was $1,110\text{m}^3/100$ million yen, a decrease of 23.4% compared to 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.

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



Initiatives

Formulation of Water Management Plan

The Group has established water management plans at the entire Group level and at each business company level, and has been engaged in reduction of water consumption. As of July 2023, 42 companies (45%) of the 93 Furukawa Group companies had established water management plans and started addressing the reduction of water consumption.

Initiatives to Reduce Water Consumption at the FAS Headquarters

The cooling towers in the plant of Furukawa Automotive Systems headquarters had required periodical chemical cleaning to remove the precipitate in the circulating water, and it required a large quantity of water for its cleaning process. Therefore, we introduced a purification system to reduce water consumption, resulting in an improved process that prevents the precipitate from forming and eliminates the need for chemical cleaning. As a result, Furukawa Automotive Systems could reduce waste, reduce water consumption (50% reduction in running costs), and save energy by improving cooling efficiency.

Efforts to Reuse Treated Water

Shenyang Furukawa Cable Co., Ltd. (SFC) had treated domestic wastewater and then drained into rivers, but decided to reuse it as circulating cooling water for its production facilities. The wastewater is treated to a level sufficient for reuse as a circulating coolant and online monitoring system constantly confirms that it meets the standards for use as a circulating coolant. As a result, the amount of groundwater use was reduced.

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 works were identified as water stressed areas. 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 312 million yen in FY 2022.

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 works to reduce emissions of hazardous chemical substances in manufacturing processes and to properly manage chemical substances. The Group also works 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 FY2022, we worked to reduce emissions of volatile organic compounds (VOC). In FY2022, emissions of Furukawa Electric and group companies in Japan decreased by 14.2% from the previous year. We will continue to take action to control 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 sheet), and manage these substances accordingly. Additionally, we work to ascertain the amounts of substances handled, transferred, and released in accordance with the PRTR Law^{*1}.

Management of Chemical Substances Contained in Products

Response to Customer Requests

The Group has participated in JAMP^{*2} since 2009, and implement group-wide environmental inspections based on the latest information from the management target substance list of chemSHERPA^{*3} by JAMP, regarding management of chemical substances contained in products. We also monitor trends in laws and regulations covering the chemical substances contained in products and accumulate 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

The Group has established a system for managing chemical substances contained in products at its major bases and group companies. We understand tightened regulations on environmental products and environmental risks that need to be mitigated, and take measures depending on their significance. In response to compliance with REACH Regulation by EU, which is environmental regulations, in FY2022 we have inspected our products that might include some of 233 substances up to the 28th update of SVHC list of REACH. Additionally, we respond to chemSHERPA to meet customers' requirements for disclosure of chemical substances.

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 Green Procurement Guidelines^{*4} of each business division. We also confirm the survey data of chemical products contained in products based on updated information regarding regulations on chemical substances in products 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 conservation of biodiversity and forest resource saving, etc.

> [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 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 activities of reduction of single-use plastics and community cleanup as efforts to reduce the negative impact on the ecosystem.

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

> [Green Procurement Guideline](#)

Furukawa Electric Group Biodiversity Conservation Guidelines

1. Evaluate the impact that our business activities have on the ecosystem, and minimize the negative impact while maximizing the beneficial one
2. To sustainably use resources and conserve biodiversity, consider more than ever accelerating measures against climate change, resource saving and recycling and reducing environmentally hazardous substances
3. Carry out activities in collaboration with local communities to conserve biodiversity

Initiatives

Start of Evaluation by the LEAP approach of TNFD*

Recognizing the impacts of our business activities on biodiversity, we started initiatives not only on climate change but also on biodiversity. The characteristics of biological resources and water vary depending on the region. Therefore, we are investigating "Locate" - Locate your interface with nature - while referencing LEAP (Locate, Evaluate, Assess, and Prepare) approach shown in beta versions of TNFD disclosure framework.

* TNFD: Taskforce on Nature-related Financial Disclosures

Cultivation of the Endangered Plant "*Pulsatilla Cerna*"

Furukawa Research Inc. , one of a Furukawa Group company, began cultivating the flower "*Pulsatilla Cerna*" listed as endangered class II^{*1} on the grounds of Yokohama Works in Furukawa Electric in FY2015, as a part of our efforts to contribute to the local community. The cultivation activity also took place at Hiratsuka Works and Chiba Works in FY2016 by separating the roots of the existing plant and the activities continue at each works. Separated root is also grown in Furukawa Automotive Systems Inc. , one of a Furukawa Group company, in FY2020, blooming beautifully through the activities of cultivating teams. Harvested seeds and roots 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 "*Pulsatilla cerna*" (endangered class II) and cleanup activities in the local community conducted through ISO 14001-based environmental management systems in the "Shiga Biodiversity Initiatives Certification 2020"^{*2} program, earning the highest rating of three stars.

*1 "Endangered class II" refers to species with an increased risk of extinction.

*2 Shiga Prefecture established the Biodiversity Shiga Strategy in 2015, which is based on the philosophy of "utilizing the inherent strength of nature and protecting life across generations". The prefecture has been evaluating the efforts of businesses to conserve biodiversity through Shiga Biodiversity Initiatives Certification program since 2018.



Yokohama Works



Chiba Works



Chiba Works



Hiratsuka Works

Furukawa
Automotive
Systems Inc.
(Shiga)Furukawa Automotive
Systems Inc. (Shiga)

Work on the Plastic Pollution

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 works on cable recycling business, R&D for recycling technology, and environmentally friendly design (use of recycled plastic raw materials, facilitating disassembly and sorting, etc.). In addition, the entire group will work to reduce the amount of new plastic materials and single-use plastics as stated in the "Environmental Targets 2030".

> [Specific activities are here.](#)

Initiatives by Group companies



Tree planting by Siam Furukawa Co., Ltd. since 2012



Removing the invasive plant "*Rudbeckia laciniata*" by Furukawa Battery Co., Ltd. since 2018



Wildlife habitat maintenance in the factory site by OFS Fitel, LLC since 2019



Planting 200 trees in 2022 by Furukawa Auto Parts (Huizhou) Co. Ltd.

Other activities (FY2022)

- Acorn tree planting (Furukawa Electric Advanced Engineering Co., Ltd)
- Continuous implementation of coast cleanup and green conservation (Furukawa Battery Co., Ltd)
- Tree planting (Furukawa Sangyo Kaisha, Ltd., Furukawa Battery Co., Ltd)
- Holding a workshop in collaboration with the ornithological society (Furukawa Electric Technology Institute Ltd.)
- Donation for the laboratory of ornithology (Furukawa Electric Technology Institute Ltd.)
- Joining in Ichihara city town beautification program (Chiba works of Furukawa Electric)

External Collaboration

The Group participates 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

In order to realize a 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.

We contribute to create the social infrastructure combining information, energy, and mobility through the relationship and co-creation with our partners*.

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

Furukawa Electric Group believes that it is important to address corporate social responsibility (CSR) throughout the supply chain, including suppliers, in order to achieve sustainable business development. Therefore, in August 2010, we formulated the Furukawa Electric Group CSR Promotion Guidelines for Partners, and worked together with our partners on the promotion of CSR. In February 2021, we updated the content of these guidelines in response to changes in social requirements and changed their name, all with reference to the RBA Code of Conduct 7.0 and other guidelines, revising them into the Furukawa Electric Group CSR Procurement Guidelines (3rd Edition).

Items of CSR Procurement Guideline

- Labor
- Health and Safety
- Environment
- Ethics
- Product Quality and Safety
- Information Security
- Business Continuity Plans
- Management Systems
- Contribution to Society
- [CSR Procurement Guideline 3rd edition](#) 

Green Procurement Guideline

Furukawa Electric Group promotes environmental conservation activities and green procurement throughout the Furukawa Electric Group. We intend to procure environmentally conscious products continuously and with priority from partners who are positive about environmental conservation activities. This way of thinking has been brought together in the Green Procurement Guidelines as the procurement requirements.

Items of Green Procurement Guideline

- Request to the Partners
- Furukawa Electric Group Green Procurement (Imperative)
- Operation of the Green Procurement Guideline

> [Green Procurement Guideline](#) 

Quality Assurance Guideline

The Group hopes to continuously improve customer satisfaction by establishing a quality management system with our suppliers. Therefore, we have summarized our approach to quality management in our "Quality Assurance Guideline."

Items of Quality Assurance Guideline

- Requirements with Respect to Quality Assurance and Securing Resources
- Processes of Ordering, Design, Development, Change, Purchase, and Manufacturing
- 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 Guidelines for our partners and promotes ESG procurement activities that take E(Environment) and S(Social) into consideration. 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 a 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 annual Partners Meetings to provide our partners with ongoing encouragement by explaining our CSR Procurement guidelines and our environmental and social procurement policies, targets, and initiatives. As a risk survey for existing partners, we continue to conduct 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 FY2022, we further promoted CSR procurement activities throughout the Furukawa Electric Group, expanded the scope of SAQ partners, and started SAQ to partners of domestic and Asian group companies. In addition, we have established contact points for inquiries about compliance and inquiries about human rights (JaCER's Grievance Form) on our company website for the acceptance of reports on non-compliance and suspicious activities taking place within the context of our procurement activities. When a report has been received, we will check the described facts of that report, undertake a response such as an investigation, and provide feedback to report-issuing party as deemed necessary.

> [CSR Procurement Guideline](#)

Partners' Meetings and Partner Evaluation and Recognition System

We carry out partner evaluations of selected partners based on importance and purchase amount, who handle 80% of our purchase amount. 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 FY2022, the Meeting was held in June combining online and face-to-face awards ceremony, and was attended by 58 major partners. The "Excellent Partner Award," "Group Global Partner Award," "Best Performance Award," "SDGs Award," and "Special Award" are presented to recognize multifaceted efforts. We also evaluate major partners on the basis of quality, technology, price, delivery system, degree of social contribution, and credit condition, and provide feedback on the results in the meetings. We also exchange opinions on the results of the evaluations and make them aware of our procurement activities. As part of these efforts, in FY2022, as part of our procurement logistics activities, we continued to reduce costs and CO₂ emissions during procurement and address the "risk of soaring logistics costs and inability to transport" by selecting the most appropriate means of transportation within the value chain, including effective use of our returning vehicles. In addition, as an environmental partner engagement, we continue conducting GHG (Green House Gas) emission surveys for a part of our partners since fiscal 2021. For the partner evaluation in FY2022, we expanded the scope to 260 partners and provided feedback to them. Furthermore, we ask for continued cooperation from business partners on business continuity and stable supply.

Responsible Mineral Sourcing Activities

The Group has up to now clearly stated its approach to "responsible minerals 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 Minerals Sourcing Policy in response to recent changes in social trends and increasing social demands regarding minerals 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 promote compliance with the OECD Due Diligence Guidance, 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.

Supply Chain BCM (Business Continuity Management)

Furukawa Electric conducts regular surveys on its main partners about their BCM measures. In fiscal 2022, we held surveys for main partners and placed the results we received onto a database. In this way, we have become able to quickly identify which partners are most likely to be affected when a disaster occurs.

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 2022, we conducted employee education through e-learning to ensure that all employees are familiar with the contents of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, as well as as well as the management practice of molds.



Challenges and Future Policy

We intend 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 work to strengthen BCM (Business Continuity Management) by encouraging partners based on the results of our BCM questionnaire and manufacturing site survey, with the aim of improving crisis /emergency response capabilities along the entire value chain. Internally, we hold exercises and seminars on the handling of BCM to raise our awareness. In addition, we are reforming work styles 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 (Promoting socially responsible procurement activities to achieve the SDGs)

FY 2022		FY 2023
Targets	Results	Targets
· Conduct assessments for partners and enhance CSR procurement surveys	<ul style="list-style-type: none"> · We assessed 260 key partners. The Partners Meeting was held online and face-to-face and we explained an outline of the company and our procurement policy. · We continued the GHG emission survey for a part of our partners. 	· Conduct assessments for partners and enhance CSR procurement surveys and feedback
· Continue to inform partners of the "CSR Procurement Guidelines" and to conduct the self-assessment questionnaire (SAQ) for key partners	· We continued to conduct the self-assessment questionnaire (SAQ) for key partners based on the contents of the CSR Procurement Guidelines.	· Continue to fully inform all of our partners of the "CSR Procurement Guidelines" and to conduct the SAQ for key partners and expand for more key partners
· Consider measures to strengthen the value chain, such as having multiple procurement partners, based on the results of the BCP questionnaire	<ul style="list-style-type: none"> · We continued considering and implementing to increase the number of procurement bases for important products. · We consider carrying more inventory if necessary. 	· Consider measures to strengthen the value chain, such as having multiple procurement partners, based on the results of the BCP questionnaire
· Conflict minerals surveys (data update surveys)	· The conflict materials surveys (data update surveys) were done.	· Conflict minerals surveys (data update surveys)
· Promote strategic purchasing process considering the value chain	· Number of the partners reduced CO ₂ through procurement logistics: 25 companies in FY 2022	· Promote strategic purchasing process 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.

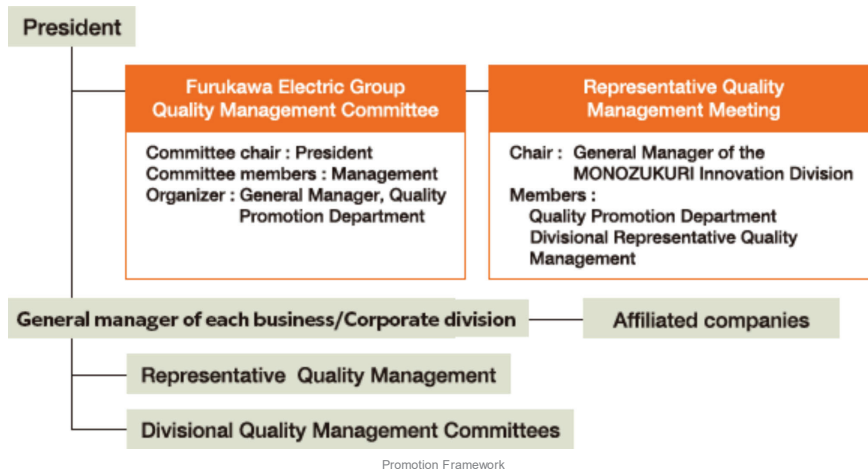
Going forward, we will continue endeavoring to further enhance "MONOZUKURI ability" throughout Furukawa Electric Group by achieving the quality expected by customers, based on a policy of Group-focused management.

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 general manager of each business / corporate division 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 in order to thoroughly eliminate quality irregularities, it is important for top management, under its strong leadership, to instill this determination at all levels, strengthen the culture of autonomous awareness of quality compliance among all employees, create and implement a system to complement this awareness, and provide effective check functions.

We implement 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 the guidelines. In addition, we also take examples of quality irregularities at other companies as a springboard for preventative activities to nip potential irregularities in the bud.

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 take action to solve the issues. The aim of these activities is to develop human resources with high problem-solving skills.

At the end of FY 2022, 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. This was an opportunity to become strongly aware of the importance of grasping the current-status.



The report meeting of
Quality Enhancement Project

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 them by the designing and developing engineers, also improving the process for its effective implementation.

We have continued and implemented training sessions to acquire basic concepts and improve leadership skills, and have expanded the scope of target organizations. We have also worked to penetrate this philosophy through the accumulation of practices. In addition to these activities, we have promoted self-checking activities to see if problems were resolved during the design development and change process, and have begun efforts to further improve our practical skills.

That system is shown in the "Guidelines" regarding the design and development that the Group has independently established. By the guidelines, each business division is promoting the standardization that is appropriate for each business and continuously implements improvements to address problems that emerge while operating the system.

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 conducting inspections and setting guidelines which stipulate what we should observe, particularly the parts related to quality compliance.

In order to achieve the quality expected by customers, we will continue to implement two projects.

Each year, the Quality Enhancement Project selects important quality improvement themes in each business division and promotes problem-solving. These activities are not a series of superficial measures, but a thorough investigation of the root cause of the problem. We enhance the problem-solving capabilities of the organization, addressing the continuous promotion of activities to improve the technology in the business field of the theme.

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. We will continue to introduce and improve training programs to develop employee competence, and systems to implement preventive measures as an organization.

Targets and Results (Quality)

FY2022		FY2023
Target	Result	Target
Committed to achieving the quality expected by customers!	We have strived to conduct mutual study on how to proceed with problem solving and its activities and expand and deepen the activities of the RFD Project.	Committed to achieving the quality expected by customers!

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 continue to promote social contribution activities obviously through the main business as one of our ESG management activities, in accordance with Furukawa Electric Group Basic Policy on Social Contribution Activities.

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 FY2022, One Outstanding Performance Award, two Excellent Performance Awards, and two Honorable Mentions were selected by the judging panel for the "Social Contribution Award".

	Company	Type of Activities	Output
Outstanding Performance Award	Furukawa Electric (Shenzhen) Co., Ltd. (FESZ)	Living in harmony with the natural environment and local communities	<ul style="list-style-type: none"> Continued to provide safety guidance and audits to 24 other companies in the Shenzhen area of China, as well as safety training to 18 companies and local governments, as a role model company for safety in the area. Actual improvement of items pointed out avoided serious accidents at other companies
Excellent Performance Award	Siam Furukawa Co., Ltd. (Thailand)	Living in harmony with the natural environment and local communities	<ul style="list-style-type: none"> Continued tree planting activities for 11 years in cooperation with local governments in the region 160 people participated in FY2022 including employees, local residents, and employees of business partners
	Imaiichi Works, Furukawa Battery Co., Ltd	Developing the next generation	<ul style="list-style-type: none"> Conducted energy classes for local elementary school students for the past 10 years (approximately 30 classes were held at 13 schools for a total of approximately 1,600 students). Created DVDs for review and devised a program structure that included a workshop for assembling imitation storage batteries
Honorable Mention	PR and Service department, Furukawa Research, Inc.	Developing the next generation	<ul style="list-style-type: none"> Gave workplace experience for nearby junior high school students for 6 years
	OFS Fitel, LLC Sturbridge (the United States)	Living in harmony with the natural environment and local communities	<ul style="list-style-type: none"> Continued to maintain wildlife habitat in the factory grounds for 4 years

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

Activities in Each Community

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

Developing the next generation



Have conducted energy classes for local elementary school students since 2012 (Furukawa Battery Co., Ltd)



Started accepting university students majoring in safety since 2014 (FAST*)



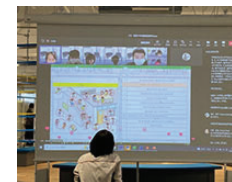
Keep conducting "Training of Teachers in the Private Sector" sponsored by Keizai Koho Center (Japan Institute for Social and Economic Affairs) since 2014 (HQ, Furukawa Electric Co., Ltd.)



Have given blankets and sports gear to local schools since 2017 (SFC*)



Keep giving workplace experience programs for elementary and junior high school students in Yokohama City since 2017 (Yokohama Works, Furukawa Electric Co., Ltd.)



Keep giving workplace experience programs for nearby junior high school students since 2017 (Furukawa Research, Inc.)



Started renovation and installation of fans in the cafeteria of a local elementary school in 2019 (FAST*)



Started accepting workplace visits for junior high and high school students in 2019, and continue having talks with employees and office tours (HQ, Furukawa Electric Co., Ltd.)



Participated in a local educational program, giving lectures on high-temperature superconductivity technology to elementary school students in 2022 (SPF*)



Donated PCs to local elementary schools in 2022 (TFUP)



Donated 94 used PCs to a non-profit organization, supported high school students' programming education and career choice in 2022 (Furukawa Elecom Co., Ltd.)



Gave art and craft classes for elementary school students using waste materials in 2022 (Furukawa Electric Power Systems Co., Ltd.)



Other Activities (FY2022)

- Holding workshops for university students (FETI*)
- Accepting junior high school students' tours (FETI*)
- Accepting internship students (FFT*)
- Visiting high schools to give classes (career guidance) (Chiba Works, Furukawa Electric Co., Ltd.)
- Accepting residents and nursing student interns (Chiba Works, Furukawa Electric Co., Ltd.)
- Giving workplace experience for students in special needs schools (Furukawa New Leaf Co., Ltd., Furukawa Sangyo Kaisha, Ltd.)
- Providing teaching materials to special needs schools (Furukawa Battery Co., Ltd)
- Donating products to elementary schools (Trocellen)
- Providing batteries for high school electric vehicle competition of Tochigi Prefecture (Furukawa Battery Co., Ltd)
- Cooperation in a robot contest for technical school (Furukawa Battery Co., Ltd)
- Sponsorship of chemistry and mathematics training camps for university students (FETI*)
- Sponsorship of and donations to Japan Student Services Organization and Ashinaga Foundation (Furukawa Elecom Co., Ltd.)
- Donation to a local program of global human resources development and serving as a member of the screening committee (Furukawa Battery Co., Ltd)
- Sponsorship of student activities at the University of Indonesia (FOSI*)
- Donation to a local sports club (Furukawa Battery Co., Ltd)

Promoting sport and culture



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



HARD WORK, EVERY DAY.
日本で唯一のアイスホッケーのプロチーム
H.C.橋本日光アイスバックス

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



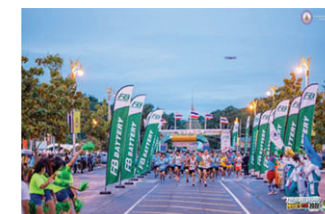
The Company donated the former Shigenobu Okuma House and the former Munemitsu Mutsu House, which the Company maintained and managed as reception facilities in Meiji Memorial Oiso House and Garden, to the national government in fiscal 2018. (Furukawa Electric Co., Ltd.)



> [SDGs Sponsorship of JEF United Ichihara Chiba \(Furukawa Electric Co., Ltd.\) only available in Japanese](#)



Have donated soccer balls to children since 2015 (FAST*)



Have co-hosted marathon competitions with a hospital since 2018 (SFC*)

Other activities (FY2022)

- Accepting female players of JEF United Ichihara Chiba for employment (Furukawa Sangyo Kaisha, Ltd.)
- Sponsorship of the professional soccer club "Iwaki FC" and donations to its soccer field (Furukawa Battery Co., Ltd)
- Sponsorship of the Winter National Sports Festival (Furukawa Battery Co., Ltd)
- Cooperation in soccer tournaments (FASM*)
- Donation to the Indonesian traditional event " Hari Raya Haji " (FOSI*)

Living in harmony with the natural environment and local communities



Held a traditional Nikko Waraku Odori dance event since 1914 (Furukawa Electric Co., Ltd.)
(Canceled in 2022 due to the spread of new coronavirus infection)



Sponsorship of local youth sports activities for drug eradication Since 2001 (SFC*)



Donation of proceeds from recycling aluminum bottle caps to a local environmental office for use in the production of prosthetic legs for people with disabilities since 2010 (FAST*)



Donation of calendars since 2010 (FAST*)



Donation of drinking water to highway police stations and traffic checkpoints since 2010 (SFC*)



Donation of aluminum cans to a prosthetic foundation that makes artificial limbs since 2015 (TFU*)



Donations to hospitals since 2019 (SFC*)



Continued volunteer activities at elderly care facilities since 2019 (MYOJYODENKI Co., Ltd.)



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



Donation of unused calendars to support organizations for the visually impaired to create braille books since 2019 (TFU*)



Continued to provide safety guidance and audits to 24 other companies in the Shenzhen area of China, as well as safety training to 18 companies and local governments, as a role model company for safety in the area since 2019 (FESZ*)



Donation of used electronic components for reuse and recycling since 2019 (TFU*)



Donation of items to help prevent Covid-19 since 2021 (FOSI*)



Donation of medicinal herbs and fertilizers for local climate change programs since 2021 (FOSI*)



Holding gatherings with people with disabilities and supporting their opportunity to earn in collaboration with the Yokohama City Health and Welfare Bureau since 2021 (Furukawa Electric Power Systems Co., Ltd.)



Donation of waste aluminum cans to facilities for people with disabilities in Nikko City to support their employment (e.g., cleaning up cans) and monetizing in 2021 (Furukawa Battery Co., Ltd.)



Donation of goods to a nursing home in 2022 (FASM*)



Donation of goods to an orphanage in 2022 (FASM*)



Organized an event of hazardous waste recycling and paper waste disposal for local citizens in 2022 (OFS*)

Other Activities (FY2022)

- Donations to and cooperation with local fireworks shows and festivals (Mie Works and Yokohama Works of Furukawa Electric Co., Ltd, Furukawa Battery Co., Ltd)
- Employment support for people with disabilities at our special subsidiary, Furukawa New Leaf Co., Ltd. (Furukawa Sangyo Kaisha, Ltd.)
- Employment support for Pasona Heartful, a Pasona Group special subsidiary, by ordering the original paintings (Furukawa Sangyo Kaisha, Ltd.)
- Conducted blood donation activities (Chiba Works of Furukawa Electric Co., Ltd, Furukawa Battery Co., Ltd, SFC*, FFT*, FETI*)
- Donations to hospitals (SFC*)
- Donations to Doctors Without Borders, NPO (Furukawa Battery Co., Ltd.)
- Donation of food to Good Neighbors Japan, NGO (Furukawa Electric Business & Life Support Inc.)
- Donation to Kanagawa Society for the Prevention of Cruelty to Animals (Furukawa Battery Co., Ltd.)
- Financial aid for children in need (FETI*)
- Donations to local volunteer groups and support to centers for people with disabilities (MYOJYODENKI Co., Ltd., FASM*)
- Support for local activities (donations, donations of goods) (FOSI*)
- Donation of calendars (FAST*)
- Sorting and donation of used stamps (MYOJYODENKI Co., Ltd.)
- Volunteer participation at Minna cafeteria (Furukawa Battery Co., Ltd.)
- Volunteer activities to support people with disabilities (Furukawa Battery Co., Ltd.)
- Holding projects for environmental conservation and CO2 emission reduction (FETI*)
- Holding events of hazardous waste recycling and paper waste disposal for local citizens (OFS*)
- Recycling of plastic, metal, cardboard waste, etc. (FFT*, FTC*, FASM*, Shenyang Furukawa Cable Co., Ltd.)
- Collection of plastic bottle caps (Chiba Works of Furukawa Electric Co., Ltd, MYOJYODENKI Co., Ltd.)
- Collection of copper scrap and selling it to recyclers (CAH*)
- Cleanup activities (Mie Works of Furukawa Electric Co., Ltd, FETI*)
- Donations to environmental activities of public organizations (FETI*, FOSI*)
- Support for the Turkey-Syria earthquake (donations, holding charity events, mattress donations) (Trocellen, Furukawa Electric Co., Ltd, Polifoam Kft.)
- Donation of goods to the earthquake in Cianjur, West Java Province of Indonesia (FOSI*)
- Support for Ukraine (donations, mattresses donations) (Furukawa Electric Co., Ltd, Polifoam Kft.)
- Sponsorship of Osaka-Kansai Japan Expo (Furukawa Electric Co., Ltd.)

➤ Local Biodiversity Conservation Activities

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

SFC: Siam Furukawa Co., Ltd.

SPI: SuperPower Inc.

TFU: Thai Furukawa Unicom Engineering Co., Ltd.

FETI: Furukawa Electric Institute of Technology Ltd.

FFT: Furukawa FITEL (Thailand) Co., Ltd.

FOSI: P.T. Furukawa Optical Solutions Indonesia

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

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

OFS: OFS Fitel, LLC

FTC: Furukawa (Thailand) Co., Ltd.

CAH: Changqing Changhai Automobile Harness Co., Ltd.



Donations

The Group makes donations as a contribution to the local community. Only disclosed information on the corporate website is listed below. The following links are available only in Japanese.

Fiscal Year	Subject	Monetary Contribution
2011	> The 2011 off the Pacific coast of Tohoku Earthquake in Japan	246 million yen
2018	> The Heavy rains in western Japan	1 million yen
2019	> The Typhoons in Japan	7 million yen
2020	> The Heavy rains in Japan	5 million yen

ESG Data

Environment revised in August 2023

Environmental conservation costs(Unit: million yen)

Furukawa Electric

Category	Key activity and the outcome	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
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.	1,180	1,145	1,144	1,238	1,211
Upstream/ downstream costs	Packaging with eco-friendly materials, collection and reuse of cable drums, etc.	175	175	156	142	137
Administration costs	Environmental management system operation (operation of committees, audits, etc.), measurement and monitoring of environmental impact, and environmental education, etc.	331	329	340	312	396
Research and development costs	Research and development for environmental conservation, such as energy savings and alternatives to hazardous substances.	286	281	260	222	264
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	2	2	0	1	1
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	3	1	0	0	0
Total		1,977	1,933	1,900	1,914	2,009

Domestic group companies

Category	Key activity and the outcome	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
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.	476	535	348	455	347
Upstream/ downstream costs	Packaging with eco-friendly materials, collection and reuse of cable drums, etc.	210	211	145	126	133
Administration costs	Environmental management system operation (operation of committees, audits, etc.), measurement and monitoring of environmental impact, and environmental education, etc.	136	128	80	107	122
Research and development costs	Research and development for environmental conservation, such as energy savings and alternatives to hazardous substances.	60	46	97	78	34
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	4	3	1	1	3
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	0	0	0	1	1
Total		886	924	673	768	640

Furukawa Electric + Domestic group companies

Category	Key activity and the outcome	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
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.	1,656	1,681	1,493	1,693	1,558
Upstream/ downstream costs	Packaging with eco-friendly materials, collection and reuse of cable drums, etc.	385	386	301	268	270
Administration costs	Environmental management system operation (operation of committees, audits, etc.), measurement and monitoring of environmental impact, and environmental education, etc.	467	457	420	419	518
Research and development costs	Research and development for environmental conservation, such as energy savings and alternatives to hazardous substances.	346	327	358	300	298
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	6	5	1	2	3
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	3	1	0	1	1
Total		2,863	2,857	2,573	2,682	2,648

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 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue from recycling	159	248	244	170	200
Reduction in waste disposal costs	-117	-150	24	132	-111
Reduction in energy costs	-531	64	1,057	-958	-2,424
Reduction in water purchase costs	3	8	23	6	-13
Total	-252	171	1,348	-650	-2,346

Domestic group companies

Details of benefits	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue from recycling	334	239	244	361	393
Reduction in waste disposal costs	-55	-46	33	14	156
Reduction in energy costs	-80	77	1,072	-654	-1,118
Reduction in water purchase costs	-16	-32	63	-11	0
Total	183	237	1,412	-290	-569

Furukawa Electric + Domestic group companies

Details of benefits	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue from recycling	493	487	488	531	593
Reduction in waste disposal costs	62	-196	57	146	46
Reduction in energy costs	-611	141	2,129	-1,613	-3,541
Reduction in water purchase costs	-13	-24	86	-4	-13
Total	-69	408	2,760	-940	-2,915



Environmental conservation benefits

Furukawa Electric

Environmental impact	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Volume of industrial waste disposal processed [*]	tons	336	369	532	539	485
Energy consumption (crude oil equivalent)	1,000 kℓ	139	139	129	129	122
Water consumption	1,000 tons	8,427	7,987	7,871	7,873	7,770
Emissions of volatile organic chemical compounds	tons	203	236	236	223	195
CO ₂ emissions	1,000 t-CO ₂ e	226	213	197	185	133
SOx emissions	tons	1	4	3	2	3
NOx emissions	tons	56	47	73	66	61
Soot emissions	tons	12	3	1	3	2

Domestic group companies

Environmental impact	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Volume of industrial waste disposal processed [*]	tons	1,943	1,106	1,006	864	999
Energy consumption (crude oil equivalent)	1,000 kℓ	58	52	47	53	48
Water consumption	1,000 tons	2,088	1,878	1,507	1,295	1,350
Emissions of volatile organic chemical compounds	tons	115	120	79	68	55
CO ₂ emissions	1,000 t-CO ₂ e	112	97	90	95	85
SOx emissions	tons	0	0	0	1	3
NOx emissions	tons	20	20	20	5	1
Soot emissions	tons	0	0	0	4	0

Furukawa Electric + Domestic group companies

Environmental impact	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Volume of industrial waste disposal processed [*]	tons	2,279	1,474	1,538	1,404	1,484
Energy consumption (crude oil equivalent)	1,000 kℓ	197	191	176	181	169
Water consumption	1,000 tons	10,515	9,865	9,378	9,168	9,120
Emissions of volatile organic chemical compounds	tons	318	356	315	292	250
CO ₂ emissions	1,000 t-CO ₂ e	338	310	287	281	218
SOx emissions	tons	1	4	3	3	6
NOx emissions	tons	76	67	93	71	62
Soot emissions	tons	12	3	2	7	3

^{*} Excluding recycled wastes

Investment and research costs (Unit: million yen)

Furukawa Electric

Investment and research costs	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total investment	14,775	18,736	14,195	14,352	16,408
Of which, environment-related investment	571	1,139	985	976	617
Total research costs	9,367	10,455	9,779	10,077	10,970

Domestic group companies

Investment and research costs	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total investment	6,231	7,004	8,325	7,075	3,867
Of which, environment-related investment	332	234	137	345	152
Total research costs	2,371	1,974	1,799	2,816	1,694

Furukawa Electric + Domestic group companies

Investment and research costs	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total investment	21,006	25,740	22,520	21,427	20,275
Of which, environment-related investment	903	1,374	1,122	1,321	769
Total research costs	11,738	12,429	11,578	12,893	12,664

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

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Cumulative number of registered items	121	126	130	131	133
	Percentage of sales on a one-year basis	64.8	66.4	68.4	74.3	73.7
Furukawa Electric (consolidated)	Cumulative number of registered items	105	137	149	156	150
	Percentage of sales on a one-year basis	40.5	56.2	58.2	61.9	65.0

^{*} 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 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric Group	Scope1		197	172	143	128	153
	Scope2		646	570	504	512	418
	Scope3*		1,689	4,735	4,161	4,480	4,458
	Upstream	Category 1 : Purchased goods and services*	-	2,493	1,656	1,829	1,855
		Category 2 : Capital goods	-	187	158	134	154
		Category 3 : Fuel- and energy-related activities*	-	112	94	123	110
		Category 4 : Upstream transportation and distribution*	-	73	126	207	323
		Category 5 : Waste generated in operations	-	22	21	22	18
		Category 6 : Business travel*	-	7	6	57	12
		Category 7 : Employee commuting	-	23	23	24	24
		Category 8 : Upstream leased assets	-	7	6	7	9
	Downstream	Category 9 : Downstream transportation and distribution*	-	11	9	141	9
		Category 10 : Processing of sold products	-	-	-	17	16
		Category 11 : Use of sold products*	-	1,720	1,980	1,575	1,587
		Category 12 : End-of-life treatment of sold products*	-	50	51	57	63
		Category 13 : Downstream leased assets	-	2	3	4	4
Category 14 : Franchises		-	-	-	-	-	
Category 15 : Investments*		-	28	28	283	274	
Total			2,532	5,477	4,808	5,120	5,029

* The calculation method was reviewed in FY2023 and recalculated retroactively for FY2021

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

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
CO ₂	148	139	115	121	116
SF ₆	49	32	28	7	37

* 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 2018	FY 2019	FY 2020	FY 2021	FY 2022
CO ₂ (Furukawa Electric + domestic group companies)	338	310	288	281	218
CO ₂ (Overseas Group Companies)	456	400	331	352	316
SF ₆ (Furukawa Electric)	49	32	28	7	37
Total of Scope 1 and 2	843	742	648	640	571

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

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric Group	0.850	0.811	0.798	0.687	0.535

CO₂ emission and Energy intensity related to transportation

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	CO ₂ emissions (1,000 t-CO ₂ e)	15.5	14.9	13.7	14.4	13.3
	Energy intensity (MJ/t-km)	1.68	1.70	1.70	1.74	1.74

Energy consumption (Unit: 1,000 kL)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric + domestic group companies	198	191	176	181	169
Overseas Group Companies	226	205	175	191	183
Total	424	396	351	372	352

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

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Purchased Electricity (except for renewable energy)	534	499	468	480	343
Purchased Electricity (renewable energy)	0	0	0	2	99
Private Power Generation (hydroelectric and solar)	109	113	93	97	94
Total Electricity Consumption	643	612	561	579	536
Renewable energy ratio (%)	16.9	18.5	16.6	17.1	36.0



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

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Purchased Electricity (except for renewable energy)	1,256	1,150	1,052	1,107	927
Purchased Electricity (renewable energy)	13	26	25	36	138
Private Power Generation (hydroelectric and solar)	110	116	95	99	97
Total Electricity Consumption	1,379	1,292	1,172	1,242	1,162
Renewable energy ratio (%)	8.9	11.0	10.2	10.9	20.2

Water withdrawal (Unit: 1,000 m³)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fresh surface water, including rainwater, water from wetland, rivers, and lakes	6,806	6,560	6,696	6,655	6,689
Brackish surface water/Seawater	0	0	0	0	0
Groundwater - renewable	3,511	3,005	2,423	2,432	2,288
Groundwater - non-renewable	0	0	0	0	0
Produced/Entrained water	0	0	0	0	0
Municipal potable water	3,025	2,969	2,680	3,130	2,900
External wastewater	0	0	0	0	0
Used quarry water collected in the quarry	0	0	0	0	0
Total	13,342	12,534	11,799	12,217	11,877

Water discharge (Unit: 1,000 m³)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Ocean	934	821	710	654	677
Surface Water	8,209	7,753	7,451	7,541	7,225
Subsurface	0	0	0	0	0
Sewerage (Off-site water treatment)	2,113	2,084	1,995	2,079	2,177
Beneficial / other use	0	0	0	0	0
Total	11,256	10,658	10,156	10,274	10,079

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

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric + domestic group companies	1,113	1,111	1,100	1,100	1,101
Overseas Group Companies	54	58	59	52	50

Raw materials (Unit: 1,000 tons)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric + domestic group companies	Copper	145.6	135.2	124.0	128.6	132.3
	Aluminum	7.6	13.7	8.1	14.5	8.1
	Steel	2.6	2.9	4.1	5.6	3.1
	Glass	0.0	0.0	0.0	0.0	0.0
	Plastics	33.7	34.1	32.9	30.9	28.4
Overseas Group Companies	Copper	188.5	161.5	119.3	113.7	110.7
	Aluminum	56.9	32.9	12.5	14.4	19.4
	Steel	9.4	9.6	9.0	12.5	11.9
	Glass	3.6	3.4	2.5	2.4	2.1
	Plastics	54.1	52.2	48.1	48.8	54.8

Total waste generation (Unit: 1,000 tons)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric + domestic group companies	31	30	27	27	25
Overseas Group Companies	16	19	18	17	17
Total	47	49	45	43	42

* Total amount of waste generated in Japan includes valuable resources

Total volume of plastic waste generated

		FY2018	FY2019	FY2020	FY2021	FY2022
Furukawa Electric	Amount of emissions (Unit: 1,000 tons)	-	-	4.0	4.2	3.8
	Per unit of net sales (t/hundred million yen)	-	-	1.01	1.44	1.23

* Targets were set in FY2022 and calculated retroactively for FY2020.

Recycled resource volume (Unit: 1,000 tons)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric + domestic group companies	26.1	26.6	22.7	23.3	22.6
Overseas Group Companies	5.3	6.1	7.1	5.2	12.5



Final disposal volume (Unit: 1,000 tons)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric + domestic group companies	0.4	0.4	0.4	0.3	0.3
Overseas Group Companies	11.0	12.8	12.0	11.5	9.4

Hazardous waste generation (Unit: tons)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric Group	6,455	6,427	5,112	5,745	4,524

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

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	203	236	236	223	195
Domestic group companies	115	120	79	68	55
Total	318	356	315	291	250

NOx and SOx emissions (Unit: tons)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric + domestic group companies	NOx	76	67	93	71	62
	SOx	1	4	3	3	6

PRTR substances list (Furukawa Electric and domestic group companies) (Unit: tons)

No.	Substance	Volume handled	Volume released	Volume transferred	Volume contained in products/ disappeared by combustion
1	Zinc and its compounds	4.3	0.0	0.5	3.9
31	Antimony and its compounds	380.1	0.2	56.6	323.4
53	Ethylbenzene	83.2	0.9	34.7	47.7
71	Ferric chlorides	9.8	0.0	0.0	9.8
75	Cadmium and its compounds	113.4	0.0	15.8	97.6
80	Xylene	140.4	1.6	36.1	102.7
82	Silver and its water-soluble compounds	2.0	0.0	0.7	1.3
86	Cresol	192.4	0.1	36.5	155.8
87	Chromium and trivalent chromium compounds	9.6	0.0	0.0	9.6
88	Hexavalent chromium compounds	4.6	0.0	3.6	1.0
132	Cobalt and its compounds	4.4	0.0	0.4	4.0
144	Inorganic cyanide compounds (Excluding complex salt and cyanate)	2.2	0.2	0.6	1.3
213	N,N-dimethylacetamide	483.8	0.1	11.8	471.9
272	Copper salts (water-soluble)	5,016.3	0.1	18.8	4,997.4
296	1,2,4-trimethylbenzene	9.0	0.1	0.0	8.9
300	Toluene	188.0	70.3	48.6	69.0
304	Lead	8,473.7	0.1	0.3	8,473.3
305	Lead compounds	28,861.8	0.1	4.4	28,857.3
308	Nickel	398.3	0.0	5.0	393.2
309	Nickel compounds	88.6	0.0	14.4	74.2
332	Arsenic and its inorganic compounds	5.1	0.0	0.0	5.1
333	Hydrazine	6.1	0.0	0.0	6.1
349	Phenol	149.5	0.1	25.7	123.7
355	Bis (2-ethylhexyl) phthalate	110.6	0.0	0.0	110.6
374	Hydrogen fluoride and its water-soluble compounds	18.4	0.0	1.9	16.5
384	N-propyl bromide	2.0	1.7	0.0	0.3
405	Boron and its compounds	6.2	0.0	0.6	5.5
412	Manganese and its compounds	5.9	0.0	0.0	5.9
413	Phthalic anhydride	5.2	0.0	0.0	5.2
438	Methylnaphthalene	15.2	0.0	0.0	15.2
Total		44,790.1	75.6	317.0	44,397.4

* 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 in August 2023**Number of employees**

			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Male	Number of people	3,465	3,548	3,599	3,798	3,823
		Percentage (%)	91	90	88	88	88
	Female	Number of people	351	377	485	505	530
		Percentage (%)	9.2	10	12	12	12
	Total	Number of people	3,816	3,925	4,084	4,303	4,353

* Workers with employment contracts (including non-permanent employees and assigned employees) are covered.

Number of employees in managerial positions

			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Male	Number of people	929	908	931	1,013	1,024
		Percentage (%)	97	97	97	96	95
	Female	Number of people	31	32	33	40	52
		Percentage (%)	3	3	3	4	4.8
	Total	Number of people	960	940	964	1,053	1,076

Number of candidates for managerial positions (equivalent of chiefs)

			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Male	Number of people	471	458	467	463	490
		Percentage (%)	93	91	90	89	88
	Female	Number of people	36	44	53	59	67
		Percentage (%)	7.1	8.8	10	11	12
	Total	Number of people	507	502	520	522	557

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

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	4.04	4.30	4.59	3.69	4.45

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

Employment rate of people with disabilities (Unit: %)

	2018	2019	2020	2021	2022
Furukawa Electric	2.12	2.14	2.09	2.32	2.35

* As of June 1 of each year

Share of non-Japanese employees (Unit: %)

	FY 2022
Furukawa Electric	0.5

* We began disclosing in FY2022.

Percentage of labor union membership (Unit: %)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Male	97.4	97.6	99.0	99.3	99.1
	Female	99.4	99.3	97.0	97.0	96.9
	Total	99.1	99.1	99.0	98.9	98.8

* Including those exempted as defined in the collective agreement

Average age (Unit: years)

		FY 2022
Furukawa Electric	Male	44.1
	Female	40.5
	Total	43.7

* We began disclosing in FY2022.

Average years of service (Unit: years)

		FY2018	FY2019	FY2020	FY2021	FY2022
Furukawa Electric	Male	19.7	20.8	20.2	19.7	20.3
	Female	18.4	18.2	17.2	16.5	16.8
	Total	19.6	19.4	18.8	19.3	19.9



Average wages by employment category

				FY2022
Furukawa Electric	All employees	Average of male workers (Unit: thousand yen)		7,015
		Average of female workers (Unit: thousand yen)		4,850
		Average of all workers (Unit: thousand yen)		6,750
		Female/ male (Unit:%)		69.1
	Regular employees	Average of male workers (Unit: thousand yen)		7,110
		Average of female workers (Unit: thousand yen)		4,943
		Average of all workers (Unit: thousand yen)		6,845
		Female/ male (Unit:%)		69.5
	Non-regular employees	Average of male workers (Unit: thousand yen)		4,964
		Average of female workers (Unit: thousand yen)		2,912
		Average of all workers (Unit: thousand yen)		4,704
		Female/ male (Unit:%)		58.7

* We began disclosing in FY2022.

Number of new hires (Unit: persons)

				FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	
Furukawa Electric	New graduates	Career-track and clerical positions	Male	73	80	86	95	79	
			Female	31	31	33	24	29	
			Total	104	111	119	119	108	
			Non-Japanese	0	0	0	0	1	
		Manufacturing worker	Male	46	49	53	52	39	
			Female	0	1	2	1	4	
			Total	46	50	55	53	43	
	Mid-career hires	Managers, career-track, and clerical positions	Male	19	34	31	59	74	
			Female	4	4	4	8	17	
			Total	23	38	35	67	91	
			Non-Japanese	-	-	-	-	4	
		Manufacturing worker	Male	71	43	30	8	17	
			Female	0	0	0	0	0	
			Total	71	43	30	8	17	
	Total			Male	209	206	200	214	209
				Male (%)	85.7	85.1	83.7	86.6	80.7
				Female	35	36	39	33	50
				Female (%)	14.3	14.9	16.3	13.4	19.3
				Total	244	242	239	247	259

Male/female percentage of new graduates (Unit : %)

			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Career track and clerical positions	Male	70	72	72	80	73
		Female	30	28	28	20	27

Ratio of mid-career hires to total new staff hires* (Unit : %)

			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Including manufacturing workers		39	34	27	30	41.7
	Excluding manufacturing workers		18	26	23	36	45.7

* New staff hires refer to new graduates and mid-career hires.

Turnover rate (Unit: %)

			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Male		1.2	1.8	1.6	2.6	3.4
	Female		1.6	0.8	1.5	4.8	4.1
	Total		1.2	1.7	1.6	2.8	3.5

*1 The calculation method has changed since FY2021;

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

*2 The data of FY2021 and FY2022 includes the impact of using the Job change Assistance Program before the abolition of it due to the raising of the retirement age.

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

			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Direct work		27.2	26.0	20.1	27.8	24.8
	Indirect work		19.3	20.9	22.9	23.9	23.2
	Total		23.2	23.2	21.2	25.2	23.8

Use of regular annual leave (Unit: days)

			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Days carried over per person (A)		18.3	21.5	20.7	21.2	21.1
	Days granted per person (B)		24.0	23.9	23.8	23.7	23.6
	Days acquired per person (C)		15.2	15.4	13.1	14.0	15.6
	Acquisition rate (C+B) (%)		63.2	64.4	55.2	59.1	66.0



Ratio of childcare leave taken

			FY 2022
Furukawa Electric	Male	Number of persons who had newborns (A) (Unit: persons)	75
		Number of persons who took childcare leave (B) (Unit: persons)	54
		Ratio of childcare leave taken (B÷A) (Unit: %)	72
		Average number of days of leave (Unit: days)	36
		Ratio of employees returning to work(Unit: %)	98
	Female	Number of persons who had newborns (A) (Unit: persons)	10
		Number of persons who took childcare leave (B) (Unit: persons)	29
		Ratio of childcare leave taken (B÷A) (Unit: %)	290
		Average number of days of leave (Unit: days)	354
		Ratio of employees returning to work(Unit: %)	100

* The format has been changed since FY2022.

Ratio of childcare leave taken (Old format) (Unit: persons)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Male	21	25	31	40	54
	Ratio of employees returning to work (%)	100	100	100	100	98
	Female	10	10	12	27	29
	Ratio of employees returning to work (%)	100	90	100	96	100
	Total	31	35	43	67	83
	Ratio of employees returning to work (%)	100	97	100	99	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).
Before FY2020, 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: persons)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Male	0	1	0	3	0
	Ratio of employees returning to work (%)	—	100	—	100	-
	Female	0	1	0	0	0
	Ratio of employees returning to work (%)	—	100	—	—	-
	Total	0	2	0	3	0
	Ratio of employees returning to work (%)	—	100	—	100	-

* Number of employees who took at least one day of nursing care leave (not including those who continued to take leave from the previous year).

Number of employees taking volunteer leave (Unit: persons)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Male	0	1	0	0	0
	Female	0	0	0	0	0
	Total	0	1	0	0	0

Number of employees taking refreshment leave (Unit: persons)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Male	178	161	124	124	120
	Female	25	17	26	11	12
	Total	203	178	150	135	132
	Employees who have reached 25 years of service	190	179	119	98	99

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

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

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Target control system	41	39	54	66	66
	Absolute and relative evaluations based on ranking	100	100	100	100	100

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

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric		114	72	72	71	70



Number of employees trained by positions (Unit: persons)

Lecture	Target	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Executive training	Newly appointed officers (full-time, part-time) ^{*1}	6	9	6	7	7
Training for section managers	New section managers and managers ^{*2 *3}	69	93	88	63	263 ^{*5}
Training for key employees	Newly appointed managers and specialist employees ^{*2}	53	65	0 ^{*4}	85	52
New employee training	New employees ^{*2 *3}	104	109	108	119	107

*1 Furukawa Electric

*2 Furukawa Electric and employees dispatched to other companies

*3 Human rights education included in the lecture

*4 It was postponed for one year to review the training, and held all at once in 2021.

*5 Total number of employees who took each program

Number of employees trained in competition law compliance and bribery regulations (Unit: persons)

Category	Target	Subject	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Seminar in Japan	Furukawa Electric and group companies in Japan	Compliance and bribery regulations	541	654	709	833	No seminar offered ^{*1}
Seminar in overseas	Overseas group companies	Competition law compliance and bribery regulations	128 (Philippines, Tianjin, Shenzhen and Shanghai)	44 (Vietnam)	12 (Singapore)	29 (Malaysia)	47 (Mexico)
E-learning program ^{*2}	Furukawa Electric, group companies in Japan and overseas	Competition law compliance	513	0	0	0	3,656
		Bribery regulations	771	0	0	0	3,637

*1 In order to avoid duplication of contents, no seminars in Japan have been held in years of e-learning implementation since FY 2022.

*2 E-learning seminars will be held every other year from FY2022 onward.

Number of employees trained in the Subcontract Act (Unit: persons)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric + Domestic group companies	532	557	1,176	1,103	1,265

Number of employees trained in security trade control (Unit: persons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Furukawa Electric + Domestic group companies	1,125	997	1,255	779	323

Number of employees receiving safety training (Unit: total number of people per year)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	1,345	1,890	1,490	1,484	1,858

Number of employees receiving health training (Unit: persons)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Total number of people	7,109	6,271	7,391	6,626	9,684
	Total time (Unit: Hour)	3,584	2,929	2,803	1,944	3,277

Number of employees receiving GENBA-RYOKU reinforcement training^{*} (Unit: persons)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	305	302	71	76	94
Domestic group companies	101	95	12	131	12
Total	406	397	83	207	106

* 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 (Unit: %)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	83	83	80	60	80

*1 OSHMS; Occupational Safety and Health Management System

*2 The target is business sites with manufacturing divisions. In FY2022, one site obtained certification, which resulted in an increase.

Frequency rate of accidents resulting in time off work

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	0.48	0.59	0.11	0.32	0.32
Domestic group companies	0.56	0.32	0.21	0.25	0.38

* Frequency rate = (Number of casualties / Total actual work hours) x 1,000,000



Number of deaths among regular employees

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	0	0	0	0	0

* Non-work-related injury or illness are not included

Number of deaths among non-regular employees

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	0	0	0	0	0

* Contractors not included

Ratio of complaints regarding products and services

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric ^{*1}	0.63	0.58	0.41	0.38	-
Expanded scope ^{*2}	-	-	-	1.00	0.83

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

*2 Ratio in the case where FY2021 results are taken as 1.00 (calculated retroactively for FY2021)

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

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Number of evaluated suppliers (Main Suppliers)	213	199	198	248	260
	Number of suppliers attended at the Partners Meeting	57	59	—*	57	58
	Number of suppliers tried CO ₂ reduction by Procurement logistics	20	24	25	25	25

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

Governance updated at August 2023

Number of directors (Units: Person)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Directors	12	12	12	11	11	11
	Outside directors	5	5	5	5	5	5
	Independent directors	3	5	5	5	5	5
	Female directors	0	1	1	1	1	1

* As of the end of each year, however, as of June 23, for fiscal 2023.

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

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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	1	1	1	1

* As of the end of each year, however, as of June 23 for fiscal 2023.

Number of Executive officers (Units: Person)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Executive officers	26	25	27	27	25	23
	Female executive officers	1	1	1	2	1	1
	Foreign executive officers	4	3	3	3	2	2

* As of April 1st of each year

Number of Senior Fellows (Units: Person)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Senior Fellows	2	2	1	1	3	3

* As of April 1st of each year

Others

Revised August 2023

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

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Sales by region	Japan	521,281	495,658	435,195	461,450	517,358
	China	94,006	75,059	82,777	100,457	104,326
	Asia (except Japan,China)	213,260	183,033	141,029	190,877	224,931
	North and Central America	72,677	78,302	78,179	91,716	127,793
	South America,Europe and others	90,364	82,386	74,418	85,994	91,915
Consolidated sales		991,590	914,439	811,600	930,496	1,066,326
Overseas sales		470,309	418,781	376,403	469,046	548,967
Overseas sales ratio (%)		47.4	45.8	46.4	50.4	51.5

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

Number of patent rights (Unit: patents)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Furukawa Electric	Domestic patents	4,605	4,523	4,388	4,423	4,364
	Overseas patents	2,712	2,910	2,976	3,160	3,225
Total		7,317	7,433	7,367	7,583	7,589

* 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 Series

Furukawa Electric Group has been selected as a constituent of the FTSE4Good Index Series and the FTSE Blossom Japan Index Series. (As of July 2023)

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 Series, 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 Series are an ESG index used by the Government Pension Investment Fund (GPIF). It is one of the leading indices for ESG investment.



> [FTSE4Good Index Series](#)

> [FTSE Blossom Japan Index Series](#)

	2019	2020	2021	2022	2023
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). (As of July 2023)

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).

2023 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.

	2019	2020	2021	2022	2023
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 June 2023)

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).



	2019	2020	2021	2022	2023
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 2023)



Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

We are selected as a constituent of the Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J) as of December 2022. Built with the data and scoring methodology of Equileap, the index is designed to emphasize companies in the Japanese market that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender. The constituents are categorized into five groups, with us being classified in Group 2, the second from the top. The General Pension Investment Fund (GPIF) has newly adopted GenDi J as an ESG index for domestic stocks since March 2023.

> [Morningstar Japan ex-REIT Gender Diversity Tilt Index](#)

ESG evaluation, certification

CDP

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



	2018	2019	2020	2021	2022
Climate change	B-	B	A	A	A-
Water security	B-	B	B	B	B
Supply chain	A-	A	A	A	A

SBT (Science Based Targets)

Furukawa Electric Group obtained SBT 1.5°C certification from SBTi (Science Based Targets Initiative) for the company's greenhouse gas reduction targets in August 2023.

> [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, 2020, and 2023, 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.



	2019	2020	2021	2022	2023
The Nadeshiko		•			•

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 received Kurumin certification under the Act on Advancement of Measures to Support Raising Next-Generation Children.



Diversity & Inclusion "D&I Award 2022"

For the second year in a row, Furukawa Electric has received the "Best Workplace" Accreditation, which is the highest certification rank, in the D&I Award 2022, 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 in 2023 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.



	2019	2020	2021	2022	2023
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.



	2019	2020	2021	2022	2023
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).



	2019	2020	2021	2022	2023
Clarivate Top 100 Global Innovators	•	•	•		

Digital Transformation Certification of Ministry of Economy, Trade and Industry

Furukawa Electric was certified as "DX-Ready" under DX Recognition Program of Ministry of Economy, Trade and Industry in June, 2023.



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. In 2023, We were ranked 156th.

(Source: Toyo Keizai Inc. 2023 CSR Ranking (17th) Report)



NIKKEI SDGs management, Smart Work management survey

The Company was received "4.0 stars" in the 5th NIKKEI SDGs management survey. And, the Company was rated at "A++" in SDGs Strategy and Economic Value, "A++" in Social Value, "S" in Environmental Value, and "S" in Governance.



The Company was received "3.5 stars" in the 7th NIKKEI Smart Work management survey. And, the Company was rated at "A++" in Human Resources Utilization, "S" 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 FY2022.

> [Click here for a list](#)

May 30, 2023	> Furukawa Electric was Awarded the Invention Prize in the 2023 Nationwide Commendation for Invention - Development of cable jacketing that contributes to more efficient wiring work and reduced man-hours -
October 31, 2022	> Furukawa Electric CPO ELS Wins the Best Paper Award from ICSJ2022

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 Ten Principles of the UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



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, Reduction of GHG emissions "COOL CHOICE"

Furukawa Electric supports COOL CHOICE, an initiative of the Ministry of the Environment to encourage wise choices including buying products, using services and choosing lifestyles that contribute to a carbon-free society.



The Ministry of Economy, Trade and Industry "GX League"

Furukawa Electric has participated in the "GX (Green Transformation) League" announced by the Ministry of Economy, Trade and Industry (METI) of Japan in April 2023.



**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.

**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
- Registration as the Mie Prefecture SDGs Promotion Partner

Main participating organizations and Roles

Corporate members of Keidanren (Japan Business Federation)
Chairman of the Japan Copper and Brass Association
Director of the Japanese Electric Wire & Cable Makers' Association

Reference data

Occupational Health and Safety - Scope of the frequency rate of accidents resulting in time off work (As of March 31, 2023)

28 Domestic group companies		
NTEC Ltd.	Okano Electric Wire Co., Ltd.	KANZACC Co., Ltd.
Shoden Seiwa Co., Ltd.	Foam Kasei Co., Ltd.	Furukawa Automotive Systems Inc.
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 Magnet Wire Co., Ltd.	Furukawa UACJ Memory Disk Co., Ltd.
Furukawa Electric Business & Life Support Inc.	Miharu Communications Inc.	Myojodenki Co., Ltd.
Riken Electric Wire Co., Ltd.		

Environmental Management - Scope of the environmental management (As of March 31, 2023)

31 Domestic group companies		
NTEC Ltd.	Okano Electric Wire Co., Ltd.	KANZACC Co., Ltd.
Shoden Seiwa 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. *
NTT Devices Optech Corporation*		

* Locations located at the offices of Furukawa Electric and its group companies are subject to environmental management.

61 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	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.	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 Automotive Systems Management (Shanghai) Co., Ltd
Furukawa Systemas Automotivos do Brasil Ltda.	Furukawa Automotive Systems Design Phils. INC.
Furukawa Automotive Systems Asia Pacific Co.,Ltd.	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 (As of March 31, 2023)

20 Domestic group companies		
Okano Electric Wire Co., Ltd.	KANZACC Co., Ltd.	Shoden Seiwa 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/>