

# FURUKAWA ELECTRIC GROUP SUSTAINABILITY BOOK



# FURUKAWA ELECTRIC GROUP SUSTAINABILITY BOOK 2025

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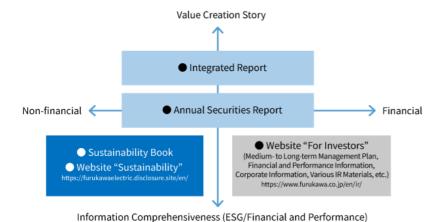
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# **Editorial Policy**

Furukawa Electric Group discloses important sustainability information (both financial and non-financial) that contributes to future value in its Annual Securities Report. Additionally, the Integrated Report targets investors as its primary audience and serves as a supplementary medium to the Annual Securities Report, conveying the value creation story in a more accessible manner. In contrast, this Sustainability Book provides a comprehensive overview of the Group's sustainability information, focusing on detailed ESG activities and various data, aimed at a diverse range of stakeholders.

We encourage you to use this Sustainability Book in conjunction with the Annual Securities Report and Integrated Report. We hope it will serve as a valuable resource for gaining a deeper understanding of the Furukawa Electric Group's commitment to sustainable growth and medium- to long-term enhancement of corporate value.



#### Other Reports

- •Corporate Governance Report:
- https://www.furukawa.co.jp/en/company/governance.html
- •Intellectual Property Report:

https://www.furukawa.co.jp/en/rd/ip-report/

- •Furukawa Electric Review:
- https://www.furukawa.co.jp/en/rd/review/

## **Reference Guidelines**

- ISO26000
- GRI Standards
- SASB Standards
- Environmental Reporting Guidelines 2018

# **Scope and Coverage**

Period Covered: April 1, 2024 - March 31, 2025

(Some activities from before FY2024 or after April 2025 are also included.)

Organizations Covered: Furukawa Electric Co., Ltd. and its domestic and overseas group companies

(When reporting matters limited to specific regions or entities, the scope will be clearly specified.)

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# **Editing and Publication**

Furukawa Electric Co., Ltd

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Inquiry form

https://inquiry-fec-form.spiral-site.com/encsr



# **Top Message**



#### Leveraging our core technologies to promote Purpose-driven management

Originating in copper smelting and electric wire manufacturing, the Group has continued developing a diverse range of products. Over the years, we have added insulating materials for electric wires, optical fibers, and wireless technologies, leading to the establishment of four core technologies—metals, polymers, photonics, and high-frequency. With this technological foundation as a strength, we have continued growing our businesses in step with the changing times.

On the other hand, it is also true that this diverse range of business activities has made it difficult for people to understand what kind of company we are. Within this context, we established the Furukawa Electric Group Purpose in March 2024 to clearly define our reason for being. With our Purpose—"Composing the core of a brighter world"—at the core, we aim to evolve into an indispensable corporate group by promoting management that helps realize a truly prosperous and sustainable society.

We are also actively promoting awareness about our Purpose to ensure it forms the basis of our management. Internally, we held workshops to deepen awareness, understanding, and empathy for the Purpose. We are creating more opportunities for employees to embrace the Purpose as their own and to see how it connects to their daily work. We will continue to promote such initiatives going forward.

## Achieving the 2025 Medium-term Plan and Vision 2030

Since FY2022, the Group has pursued initiatives under its Medium-term Management Plan 2022–2025 (2025 Mid-term Plan) aimed at enhancing corporate value over the medium to long term. In FY2022 and FY2023, we faced difficult external conditions, including sluggish automotive business performance caused by semiconductor shortages and a slowdown in the telecommunications carrier market, particularly in Europe and the United States. We also struggled to assess growth markets, which further compounded these difficulties. In contrast, FY2024 marked an important step toward achieving the targets of the 2025 Mid-term Plan. Revenue increased in both the Functional Products business—which includes data center-related products—and the Automotive Products business, while the Communications Solutions business restored its profitability. The data center market





is particularly strong. Our data center heat radiation and cooling systems have become key drivers of business growth.

In FY2025, the final year of the 2025 Mid-term Plan, we aim to not only firmly achieve our numerical targets but also lay the strategic groundwork for the Furukawa Electric Group Vision 2030. We are rebuilding our business portfolio with a view to the future. We believe that these medium- to long-term actions will lead to further growth going forward.

# Initiatives to maximize profits in existing businesses and create new businesses

We view our business portfolio not as something fixed but as a "dynamic" entity that we must continually review in response to changing external settings and social needs. Because optimal conditions change with circumstances, it is important to continually maintain an optimal state. To this end, we need to continuously generate new business opportunities while scaling down or withdrawing from product groups that have fulfilled their roles. To keep this cycle of renewal running in a healthy way, we have been working to build a management structure that balances the need for both "maximizing profits in existing businesses" and "building a foundation for creating new businesses" as stated under 2025 Medium-term Plan.

#### Maximizing profits in existing businesses

We place the highest priority on improving the profitability of optical fiber and cable and optical components in the Communications Solutions business. In April 2025, we reorganized the optical fiber and cable business, and the Communications Solutions business is showing improving profitability backed by steady demand related to data centers. Our challenge now is to firmly chart a path to growth as we look toward FY2026 and beyond.

#### Building a foundation for creating new businesses

We have positioned life sciences, laser applications, superconductors, and green LPG as priority domains, and our efforts are now beginning to deliver tangible results. To accelerate new business creation, we established the Social Design & New Business Development Department as a new organization and have been strengthening it. The Group, which had traditionally been strongly product- and technology-oriented, is now responding to social and market needs with technology through a market-driven approach. This shift has begun to generate and activate seeds of new businesses.

#### Strengthening the foundation for ESG management and leveraging intangible assets

Under the 2025 Medium-term Plan, we set "strengthening the foundation for ESG management" as a priority measure. To this end, we have sought to address climate change, strengthen human capital, and reinforce governance by transitioning to a company with an Audit & Supervisory Committee. Leveraging intangible assets is also critically important because such assets serve as a key driving force in promoting ESG management and transforming our business portfolio.

#### Visualize and utilize intellectual property

Because intangible assets are invisible, they are difficult to grasp, therefore making them "visible" is the first step toward their effective utilization. We are promoting the use of "IP landscaping" as one method of visualizing such assets. Visualizing intangible assets and using them as intellectual property or industrial property rights, such as patents, is not a new concept, and turning visualization into an effective strategy and maintaining and strengthening it to build a competitive advantage is not easy. This activity has no end and requires ongoing efforts. We regard it as an ongoing endeavor of "composing the core."

#### Advance human capital and corporate culture

It is the potential of people that supports sustainable corporate growth. In this sense, enhancing employee engagement is a major priority for management. We see our Purpose, mentioned at the outset, as a driver of employee engagement. By fostering a culture where individuals empathize with the Company's reason for being and its direction and can act proactively by leveraging their strengths, we aim to cultivate talent and build an environment where they can make a contribution.



I joined the Company as a process engineer at a time when optical fiber development was accelerating and demand was expanding. Within our open culture, I gained experience by identifying challenges independently and collaborating with colleagues to resolve them. Even before establishing its Purpose, the Group had long embraced a culture of trusting people and empowering them with responsibility. I believe that strengthening human resources requires developing people who can independently pursue their ambitions. Equally important are fostering open dialogue and creating an environment that encourages collaboration.

# Practice execution-focused management to become a corporate group that consistently generates profits

I believe we need to clearly demonstrate our ability to continue generating profits in excess of capital costs, so that we can consistently create value as a corporation. To this end, we introduced an indicator called Furukawa Value Added (FVA), which serves as a gauge for deciding whether to continue, scale down, or withdraw from a business. Our FVA has now shifted into positive territory overall, giving us confidence that the initiatives undertaken so far are beginning to show numerical results. In addition to discussions about capital efficiency, it is naturally important to take the simpler perspective of whether we are properly generating profits. Our current operating margin is still only 3%–4%, but we are working to raise it toward double digits. In terms of operating income, we first aim to consistently exceed ¥50 billion annually, with ¥100 billion also in our sights thereafter. We will become a resilient corporate group that consistently generates profits above a certain level. We have set this vision as our goal for 2030 and, above all, are driving execution-focused management that will make that goal fully achievable.

Please also refer to the Integrated Report 2025 for details.

October 2025

# **Corporate Philosophy Structure**

Furukawa Electric Group established the Furukawa Electric Group Purpose in March 2024 and reviewed the structure of the Group's Corporate Philosophy.

The Furukawa Electric Group Purpose (hereinafter, the "Purpose") is a statement of the Group's reason for being, which has been established to ensure that the Group is recognized by its diverse stakeholders as a corporate group that contributes to creating a truly prosperous and sustainable society, to serve as the basis for management decisions and to ensure that its employees continue to take on challenges with pride.

With the Purpose at the top of structure of the Group's corporate philosophy, it is composed of as follows: "Core Values," a set of values that each and every employee should value; "the Furukawa Electric Group Vision 2030," our ideal state in 2030; "the Medium-term Management Plan 2022–2025 (2025 Medium-term Plan)," a milestone for achieving the Vision 2030; and "the Furukawa Electric Group CSR Code of Conduct," which defines the basic code of conduct we should follow. Under this new philosophy structure, our Group will contribute to the realization of a sustainable society as a member of society that creates the future.



# **Furukawa Electric Group Purpose**

FURUKAWA ELECTRIC GROUP PURPOSE

# Composing the core of a brighter world.

Maintaining reliability and comfort in our daily lives.

Facilitating social progress and development as a path toward a prosperous future.

Ensuring the happy coexistence of people and the Earth, today and tomorrow.

Creating and delivering these "indispensables" as the core of a better future. That is our reason for being.

That is what drives us to approach various social issues with new ideas and take on a wide range of challenges in infrastructure and beyond. We have diligently honed our technological and problem-solving capabilities since our foundation in 1884.

Through continuous innovation, we are uniquely positioned to achieve even more.

All to brighten the world.

Furukawa Electric Group Purpose



## **Core Values**



# **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 Vision 2030 □

# **Medium-term Management Plan**

> Furukawa Electric Group Medium-term Management Plan 2022–2025 (2025 Medium-term Plan)

# **Furukawa Electric Group CSR Code of Conduct**

Revised June 2025

- 1.Human rights
- 2.Labor practices
- 3.Environment
- 4. Products and services
- 5.International businesses and transactions

- 6.Fair competition
- 7. Relations with customers, partners, and society
- 8. Management and preservation of Company assets
- 9. Disclosure of information
- 10.Duties and obligations of senior management and employees
- > The Furukawa Electric Group CSR Code of Conduct

Furukawa Electric

Group's Sustainability



# **Basic Policy on Sustainability**

Under the Furukawa Electric Group Purpose, we are implementing initiatives aimed at achieving Vision 2030, with the goal of realizing sustainable growth and enhancing the Group's corporate value over the medium to long term. We have also established this fundamental approach as the Furukawa Electric Group Basic Policy on Sustainability.

# Furukawa Electric Group Basic Policy on Sustainability (Revised in April 2024)

Furukawa Electric Group will:

- tackle important management issues, or material issues, from the perspectives of both revenue opportunities and risks based on the Furukawa Electric Group Purpose, thereby aiming for sustainable growth and contributing to the achievement of the SDGs (Sustainable Development Goals).
- continue to transform its business through constant innovation based on our technological prowess and proposal
  capability as well as co-creation with diverse stakeholders, while focusing on capital efficiency, in order to strengthen and
  create businesses that solve social issues.
- 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.

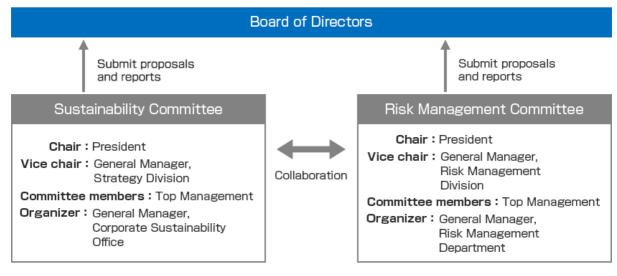
#### **Governance Promotion System**

The Group has established the Sustainability Committee to consolidate discussions on sustainability within Furukawa Electric Group and further enhance the quality and speed of implementation thereof. Sustainability Committee, chaired by the President, vice-chaired by the General Manager of Strategy Division, and composed of members of top management, deliberates on issues on sustainability within Furukawa Electric Group, including sustainability-related basic policy, basic matters on material issues related to revenue opportunities and risks, and disclosure of basic information related to sustainability; checks on progress on such matters; and submits 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. As risk-related material issues are closely related to management strategy risks of Furukawa Electric Group, they are therefore handled in collaboration with Risk Management Committee.

The status of operations related to sustainability, including climate change, human capital, and intellectual property, is reported and shared to the Board of Directors on a quarterly basis. The agenda for the Sustainability Committee and the Management Committee is set based on, amongst other things, the results of the evaluation of the effectiveness of the Board of Directors and feedback from shareholders and institutional investors.

Data

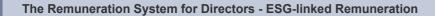




Sustainability Promotion System

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

	Nov. 2018	Formulated the FEG Vision 2030
	Nov. 2018–Dec. 2019	Identified material issues
	Apr. 2019	Revised the FEG CSR Code of Conduct
	July 2021–Aug. 2021	Established the FEG Basic Policy on Sustainability
Board of Directors	May 2022	Set sustainability indicators and targets
	Mar. 2023–Mar. 2024	Established FEG Purpose
	Aug. 2024	Revised the FEG CSR Code of Conduct, Human Rights Policy, Basic Policy on Sustainability, and Guidelines on Corporate Governance
	Mar. 2025	Changed the corporate governance structure for the transition to a Company with an Audit & Supervisory Committee
	Nov. 2018–May 2019	Formulated the FEG Vision 2030
	Nov. 2018–Sept. 2020	Identified material issues and disclosed them
	Apr. 2019	Revised the FEG CSR Code of Conduct
Management Committee	Jan. 2020	Signed the United Nations Global Compact
management committee	July-Aug. 2021	Established the FEG Basic Policy on Sustainability
	Aug. 2024	Revised the FEG CSR Code of Conduct, Human Rights Policy, Basic Policy on Sustainability, and Guidelines on Corporate Governance
	Mar. 2025	Changed the corporate governance structure for the transition to a Company with an Audit & Supervisory Committee
	Mar. 2022	Set sustainability indicators and targets
	Sept. 2022	Established the FEG Responsible Minerals Sourcing Policy
Sustainability Committee	Sept. 2022–Mar. 2024	Established the FEG Purpose
	Sept. 2024	Reported the progress of sustainability activities
	Mar. 2025	Reported the annual sustainability activities and activity policy for the upcoming fiscal year
	-	



In the Company's executive remuneration system, we have introduced ESG-linked remuneration for Directors, etc., other than Outside Directors, with the aim of more directly reflecting the results of initiatives toward ESG-related matters.

The elements of remuneration include base salary, short-term performance-linked remuneration (individual), short-term performance-linked remuneration (company level), ESG-linked remuneration, and medium-to-long-term performance-linked remuneration. The ESG-linked remuneration is based on the achievement status of sustainability targets in the material issues of the Group. When the total of the standard remuneration levels set for each remuneration element is 100%, the proportion of the ESG-linked remuneration to the total remuneration is set at 2-3% depending on the post.

In FY2024, the evaluation item was set as the achievement of FY2023 targets concerning "GHG emissions reduction rate (Scopes 1&2)"—a 21.2% reduction compared with FY2017. The evaluation metrics used to determine ESG-linked remuneration are periodically confirmed and reviewed by the Nominating/Compensation Committee. From FY2025, the "employee engagement score" will be added to the evaluation items.

#### > Corporate Governance

#### **Risk Management**

In the 2025 Medium-term Plan, the Group has set sustainability indicators (KPIs) and sustainability targets for FY2025 to realize our ideal state in FY2025 in each material issue.

The handling status of material issues on revenue opportunities and risks and the progress on sustainability indicators are reported and shared to the Board of Directors and Sustainability Committee semiannually. In addition, the General Manager of the Corporate Sustainability Office regularly (twice a year in principle) holds a dialogue on the progress of material issues and sustainability indicators, the validity of sustainability indicators and targets, and other issues with each division in charge, and encourages a division that is not expected to meet the target to set and implement handling measures and improvement measures.

- > Material Issues
- Sustainability Indicators and Targets

Integration into the company-wide management strategy (under 2025 Medium-term Plan) and company-wide risk management

We have also steadily advanced initiatives to integrate sustainability-related opportunities and risks into the Group's overall management strategy and enterprise risk management.

#### Establishment of the Business Portfolio Review Committee

We established the Business Portfolio Review Committee as an organization to promote the transformation of the business portfolio with an emphasis on capital efficiency since FY2022. Business Portfolio Review Committee, composed of the General Manager of Strategy Division (chaired), the General Manager of Finance & Accounting Division (vice-chaired), and the General Manager of Global Marketing Sales Division. This committee deliberates key matters related to the transformation of our business portfolio, including the positioning of each business under the 2025 Medium-Term Plan, and reports or makes proposals to the Management Committee. The General Manager of Corporate Planning Department serves as the secretariat/organizer, and the committee generally meets three times a year.

#### Introduction of Management Indicators (ROIC, FVA)

In order to promote management that emphasizes capital efficiency, we have introduced return on invested capital (ROIC) and Furukawa Value Added (FVA\*) as management indicators to evaluate each business starting in 2022. Toward optimizing the business portfolio, we assess the current positioning of each business based on growth potential (average sales growth rate) and profitability (ROIC spread), and further consider future growth potential, competitiveness, and carbon efficiency (GHG emissions per unit of sales) to swiftly take necessary actions, such as exploring growth opportunities (including M&A) and determining whether or not to withdraw from certain businesses. Furthermore, to calculate the cost of FVA for each business, we have also incorporated ESG factors such as "climate change" and "human rights and labor practices" in addition to financial factors. FVA of each business is reviewed and revised annually and reported to the Management Committee, where it is utilized for business portfolio optimization and allocation of management resources.

\* Furukawa Value Added (FVA): EVA was customized for our company and introduced as an internal management indicator.

#### Establishment of Company-wide Risk Management System

As for the Group-wide risk management, we have established the Risk Management Committee, which comprises senior 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 deliberate on, supervise and promote risk management, internal control and compliance. Each department responsible for risk items, including those identified as risk-related material issues, submits a semi-annual report to the Risk Management Committee outlining its annual action plans and actual activities. The Risk Management Committee evaluates whether appropriate risk controls are being implemented and provides guidance as necessary.

> Risk Management

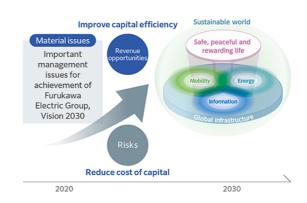
#### **Related Data**

> The Furukawa Electric Group CSR Code of Conduct

# **Material Issues**

# Furukawa Electric Group's ESG Management and Material Issues

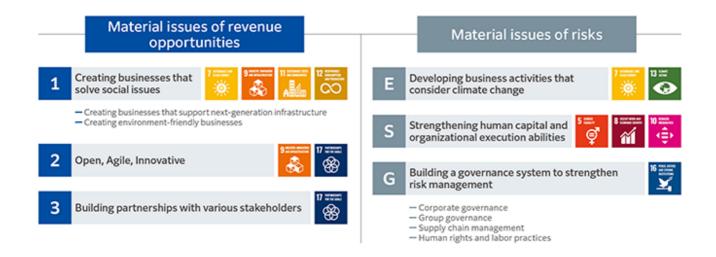
In order to achieve Furukawa Electric Group's Vision 2030, we are promoting ESG management, which aims sustainable growth of the Group and medium- to long-term growth of corporate value. We have defined material issues\* as important management issues that the Group should address in order to achieve the Vision 2030, and we defined material issues in terms of both revenue opportunities and risks, in accordance with the process of identifying material issues as mentioned below. We aim to achieve the Vision 2030 by working on the material issues we have identified, considering that addressing the material issues in terms of 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.



#### **Identifying Material Issues**

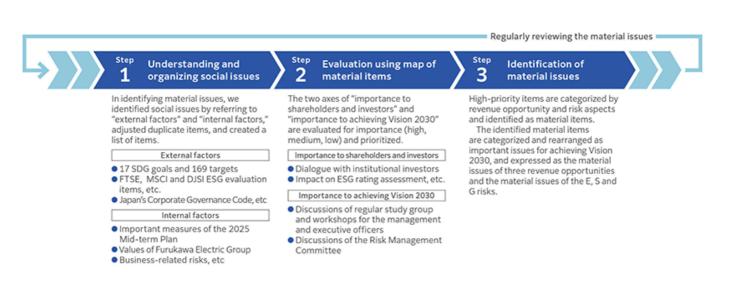
From the perspective of revenue opportunities, in order to help solve various social issues through the business activities of Furukawa Electric Group, we found it indispensable to devise a transformation from the emphasis on "product-out" to the "marketin" and further to the "outside-in" approach, and identified the "Creating of businesses that solve social issues" as a material issue. Examples of these include the "Creating of businesses that support the next-generation infrastructure," which will serve as the foundation of the society anticipated in the Vision 2030, and the "Creating of environment-friendly businesses," which contribute to the realization of a carbon-free society and a recycling-based society. We are focusing on the two kinds of examples as submaterial issues of the material issues on revenue opportunities. In addition, we have identified as material issues the slogan "Open, Agile, Innovative," which reflects the desire to become a company that actively transforms itself and the creation of continuous innovation through utilizing intellectual property and other measures, and the "Building partnerships with various stakeholders," focusing on co-creation with others, as key management issues toward creating businesses that solve social issues. 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 human capital and organizational execution abilities" as a material issue for social (S) risks. As for material issues of governance (G) risks, we focus on "building a governance system to strengthen risk management" including corporate governance, group governance, supply chain management as well as human rights and labor practices as sub-material issues.

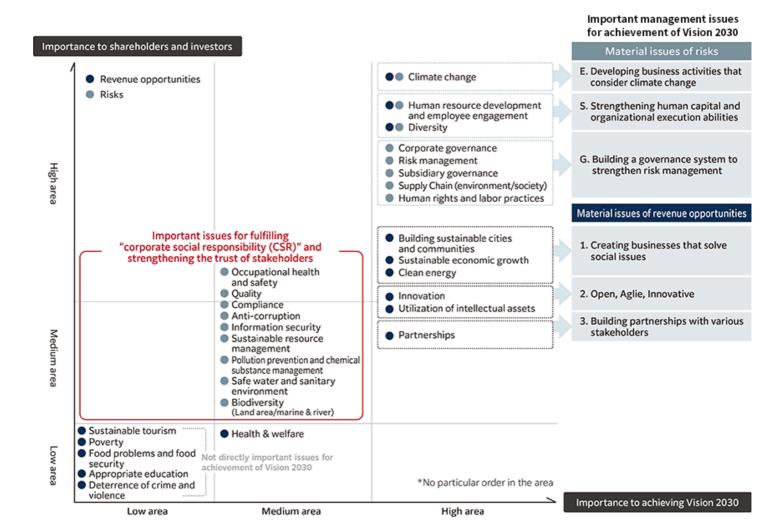
<sup>\*</sup> In Furukawa Electric Group's ESG management, "material issues" are defined as important management issues that Furukawa Electric Group must address in order to achieve the Vision 2030, and are used as a term with a meaning different from those used in the finance and accounting context,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



# **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 the 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 the Vision 2030, and expressed as the material issues in terms of revenue opportunities and the material issues in terms of the E (Environmental), S (Social) and G (Governance) risks.







# **Value Creation Process**

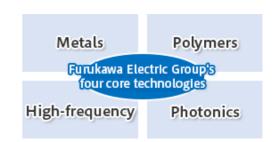
# Value Creation Process Directed at Achieving the Vision 2030

Furukawa Electric Group conducts corporate activities based on the Furukawa Electric Group Purpose, the Core Values, and the Furukawa Electric Group CSR Code of Conduct. We are implementing the Medium-term Management Plan 2022–2025 (the "2025 Medium-term Plan"), formulated with a forward-looking approach toward achieving our ideal state for 2025, a milestone defined through backcasting from the Furukawa Electric Group Vision 2030, which outlines our ideal state in 2030.

The 2025 Medium-term Plan defines our ideal state in FY2025 for each identified material issue, formulated measures to realize them, and set sustainability indicators/targets to measure the progress. For realizing sustainable growth of Furukawa Electric Group and medium- to long-term growth of corporate value, we will strengthen and create businesses mindful of capital efficiency and strengthen the management foundation directed at reducing capital costs.

#### Furukawa Electric Group's Strengths and Business Model

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. In an "Open, Agile, Innovative" manner, we will promote to build a new business model by enhancing our strengths, including utilization of intellectual property, and co-creating with our partners.



## Revenue Opportunities (Strengthen and Create Businesses)

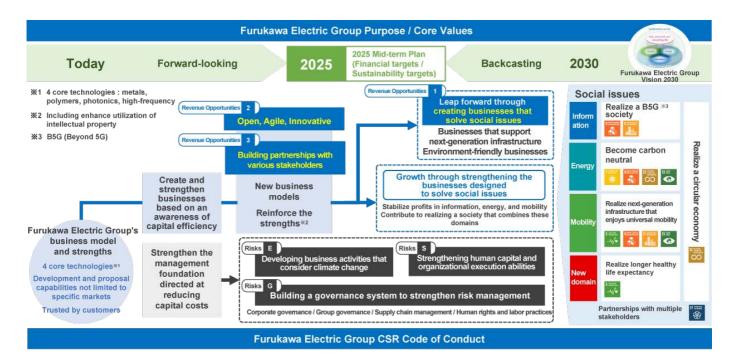
Toward 2025, we are stabilizing earnings in the information, energy, and mobility sectors, and are growing through the strengthening of businesses that solve social issues, thereby contributing to a society combining information, energy and mobility. To achieve the goals of the "2025 Medium-term Plan" (the "2025 Medium-term Plan"), we are optimizing investment allocation for each business's profit expansion from the perspectives of profitability, growth potential, and other factors, while accelerating business management and decision-making, including a review of our business portfolio, with a stronger focus on capital costs. In addition, toward 2030, we realize a leap through creating of businesses that solve the social issues including the "creating of businesses that support the next-generation infrastructure," which would serve as the foundation of the integrated society of the Vision 2030, and the "creation of environment-friendly businesses," which contributes to the realization of carbon neutrality and a circular economy.

#### **Risks (Strengthen the Management Foundation)**

As for "developing business activities that consider climate change," we formulate a climate transition plan which is a series of targets and actions to support the transition to a low-carbon economy. Based on the plan, we will accelerate initiatives toward the carbon neutrality.

As for "strengthening of human capital and organizational execution abilities, we will strengthen our efforts of human capital management not only through activities to instill the Purpose, but also based on the Furukawa Electric Group People Vision—a shared belief on human capital at both Group and global levels.

As for "Building a governance system to strengthen risk management," we will strengthen the initiatives related to not only the Furukawa Electric Group's overall risk management, but also human rights management including supply chain management.



- > Furukawa Electric Group Vision 2030 □
- > Furukawa Electric Group Medium-term Management Plan 2022~2025 (2025 Mid-term Plan)



# **Indicators and Targets**

# **Sustainability Indicators and Targets**

In order to achieve Furukawa Electric Group's Vision 2030 and Medium-term Management Plan 2022–2025 (the "2025 Medium-term Plan"), we set sustainability indicators and targets in each material issue, and aim to increase corporate value in terms of both revenue opportunities and risks.

	Material issue	Suntain	ability indicator	Scope	Res	sult	Target (Reference value)		
	Waterial Issue	Sustain	ability indicator	Scope	FY2023	FY2024	FY2023	FY2024	FY2025
Revenu	Creating businesses that solve social issues	Sales ratio of enviro	nmentally friendly products	Group	65.9%	74.0%	66%	68%	70%
Revenue opportunity	Open, Agile, Innovative/ Building partnerships with various stakeholders	R&D expense growth rate for new businesses (compared to FY2021)	(Compared with FY2021)	Group	121%	133%	125%	125%	125%
		Implementation rate of IP landscaping for strengthening the businesses and themes for creating new businesses		Group	77%	100%	45%	100% *1	<u>-</u> *2
Risk	Developing business activities that consider	. •		Group	-45.4%	-	-21.2%	(-39%) *3	(-42%)
	climate change	(Scope 1&2)	(Compared with FY2021)	Стоир	_	-34.8%	_	-14.0%	-18.7%
		Ratio of renewable energy use to total consumption		Group	31.6%	39.6%	12%	25%	30%
	Strengthening human capital and organizational	Employee engagem	ent score*4	Furukawa Electric	63	-	65	-	-
	execution abilities			Group	76	72	-	77	80
		Ratio of female wor	kers in managerial positions	Furukawa Electric	5.4%	5.4%	5.0%	6.0%	7.0%
		Ratio of mid-career	hires in total new hires*5	Furukawa Electric	48.8%	54.4%	30% *6	30% *6	30% *6
	Building a governance system to strengthen risk	Ratio of follow-up on risk management activities for all risk domains		Group	100%	100%	100%	100%	100%
	management	Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers		Group	65%	84%	40%	70%	100%
		Implementation rate	of human rights training for	Group	100%	100%	100% *7	100% *7	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 The target was achieved ahead of schedule in FY2024. In FY2025, we will shift our focus to applying the results in specific business activities.
- \*3 Base year in and after FY2024 was updated to FY2021; the reduction target value when applied to the former base year of FY2017 is also shown for reference purposes.
- \*4 The scope was expanded to cover all group companies in Japan and abroad in FY2023, and the target was changed from Furukawa Electric's target to Furukawa Electric Group's target.
- \*5 New hires represent new graduates and mid-career hires, covering managerial positions, 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.

# **Relationship with Stakeholders**

# Relationship Between Stakeholders and Material Issues

Furukawa Electric Group aims to achieve sustainable growth of Furukawa Electric Group and medium- to long-term growth of corporate value through collaboration with various stakeholders. In addition, through appropriate information disclosure and proactive communication, we will maintain and improve sound and positive relationships with all stakeholders, and contribute to the sustainable development of society.



<sup>\*</sup> Furukawa Electric Group refers to our suppliers as "partners" with whom we co-create value.

Stakeholder	Relevant material issues  Revenue opportunities  Risks	Issues to be resolved through our business	Main methods of communication
Customers  We contribute to solving customers' issues by developing business activities that leverage the Group's strengths, let alone maintaining and improving the quality of products, operations and services we provide.	■Creating businesses that solve social issues ■Building partnerships with various stakeholders	<ul> <li>Solving customers' issues by leveraging the Group's strengths</li> <li>Realizing a circular economy</li> </ul>	<ul> <li>Dialogue in everyday business</li> <li>Dialogue at technology and other exhibitions</li> <li>Dissemination of information through the website and other means</li> <li>CSR survey from customers</li> <li>Customer factory audit</li> </ul>
Partners (suppliers)  In addition to building a sound supply chain in compliance with laws and regulations, we promote businesses that realize the sustainability of the entire supply chain through co-creation with partners.	Building partnerships with various stakeholders  Building a governance system to strengthen risk management/ supply chain management, human rights, and labor practices	<ul> <li>Reducing greenhouse gas emissions throughout the supply chain</li> <li>Respecting human rights in the supply chain</li> <li>Pursuing responsible minerals sourcing</li> <li>Realizing a circular economy</li> </ul>	<ul> <li>Dialogue in everyday business</li> <li>Partners meeting</li> <li>Dissemination of information through the website and other means</li> <li>Self-Assessment Questionnaire (SAQ) based on the CSR Procurement Guidelines</li> <li>Announcement of the Partnership Building Declaration</li> </ul>
Shareholders and Investors  We appropriately return profits to shareholders, disclose information to shareholders and investors, seek to achieve sustainable growth, and seek to increase corporate value over the medium to long term through our business.	◆Building a governance system to strengthen risk management/ corporate governance	Achieving sustainable growth and improvement of corporate value over the medium to long term	<ul> <li>General meeting of shareholders</li> <li>Investor briefings</li> <li>One-on-one meetings</li> <li>Dissemination of information through the shareholder correspondence, Annual Securites Report integrated report, website, and others</li> </ul>
Employees  We endeavor to fulfill our social responsibilities, such as respect for human rights, occupational health and safety, and compliance, and through employee engagement, we endeavor to strengthen human capital and organizational execution abilities that lead to increased corporate value.	■Open, Agile, Innovative  ◆Strengthening human capital and organizational execution abilities	<ul> <li>Enhancing employee engagement</li> <li>Developing human capital and ensuring fair evaluation and treatment</li> <li>Pursing diversity &amp; inclusion</li> </ul>	Company newsletters, Intranet  Management briefing by labor and management; human rights due diligence dialogues  "Dialogue with the President" at each business site  "Furukawa E-survey" on human capital and organizational execution abilities  Activities to instill the Purpose



Stakeholder	Relevant material issues  ■Revenue opportunities  ◆Risks	Issues to be resolved through our business	Main methods of communication
Central Government, Local Governments, and Local Communities  In addition to fulfilling our social responsibilities such as compliance with laws and regulations and tax obligations, we contribute to solving issues facing international and local communities by developing business activities that leverage the strengths of the Group.	■Creating businesses that solve social issues ■Open, Agile, Innovative ■Building partnerships with various stakeholders	Solving issues facing international and local communities by leveraging the Group's strengths     Achieving carbon neutrality     Building a new social infrastructure in community     Realizing a circular economy	<ul> <li>Dialogue through economic and industry organizations</li> <li>Cooperation regarding surveys and questionnaires of the government and local governments</li> <li>Participating in government-related projects</li> <li>Partnership agreements with local governments</li> </ul>
Global Environment  We are pledged to fulfill our social responsibilities such as environmental conservation and compliance with environmental laws and regulations. We also promote business activities that recognize environmental issues including climate change, as revenue opportunities, and contribute to a sustainable global environment.	■Creating businesses that solve social issues/ creating environment-friendly businesses  ◆Developing business activities that consider climate change	<ul> <li>Mitigating and adapting to climate change</li> <li>Achieving carbon neutrality</li> <li>Realizing a circular economy</li> </ul>	Environmental protection activities and climate change response throughout the value chain     Participation in activities such as environmental NGOs, NPOs, and initiatives     Cooperating with ESG activities, including the environment of our customers



# Initiatives regarding ESG Management and Sustainability until Now

This page summarizes Furukawa Electric Group's initiatives regarding sustainability to date as it promotes ESG management.

## **ESG Management in General**

Fiscal year	Values	Basic concept, policy, and promotion system
~2014	<ul> <li>Formulated the Furukawa Electric Group (FEG) Philosophy (2007)</li> <li>Revised the FEG CSR Code of Conduct (2011)*1</li> </ul>	Revised the FEG CSR Basic Policy (2011)
2015	Formulated the Core Value	
2019	Formulated the FEG Vision 2030     Revised the FEG CSR Code of Conduct	Established the Corporate Sustainability Office
2020		Signed the United Nations Global Compact
2021		Formulated the FEG Basic Policy on Sustainability     Established the FEG Sustainability Committee
2023	• Established the FEG Purpose*2	
2024	· Revised the FEG CSR Code of Conduct	• Revised the FEG Basic Policy on Sustainability

<sup>\*1</sup> Combined the FEG Action Guidelines (formulated in 2004) with the CSR Code of Conduct

#### Governance

Fiscal year	Basic approach, policy	Corporate governance	Risk management and related matters
~2014	Introduced the executive officers system (2003)		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> <li>Established the Guidelines on</li> <li>Corporate Governance</li> <li>Established the Independence</li> <li>Standards for the Outside Officers</li> </ul>	Started the evaluation of the effectiveness of the Board of Directors in 2015 and began publishing a summary of the results annually	

<sup>\*2</sup> Corporate Philosophy of the Group Philosophy is included in the Purpose, and Management Philosophy is consolidated into Core Values.

Fiscal year	Basic approach, policy	Corporate governance	Risk management and related matters
2016	The Chairperson of the board became the Director without the representative right of the Board of Directors*3	Increased the number of the Outside     Directors to five     An outside director became the chair of the Nominating/Compensation     Committee     Revised the directors' compensation scheme, including base salary, short-term performance-linked compensation, and medium- to long-term performance-linked compensation	
2017		As part of the evaluation process of the Board of Directors' effectiveness, the Chairperson began conducting interviews	
2019		Strengthened the independency of Outside Directors     A female Outside Director was appointed     Partially revised the executive compensation system to further strengthen the performance-linked components	Formulated the FEG Human Rights     Policy
2020		A female outside Audit & Supervisory  Board member was appointed	Revised the FEG CSR Procurement Guidelines 2nd edition to 3rd edition
2021		Reduced the number of the In-house     Directors by 1	Established the Risk Management     Division and the Risk Management     Department     Renamed from the CSR and Risk     Management Committee to the Risk     Management Committee
2022			Established the FEG     Responsible Minerals Sourcing Policy
2023		Partially revised the executive compensation system and introduced the ESG-linked remuneration	Revised the FEG Human Rights Policy
2024	Revised the Guidelines on Corporate Governance		Revised the FEG Human Rights     Policy     Revised the FEG CSR Procurement     Guidelines 3rd edition to 4th edition
2025		Transitioned to a Company with an Audit and Supervisory Committee	

<sup>\*3</sup> Aimed for supervising execution by the management, including the President, from a non-executive position

Data



# Social

Fiscal year	Basic approach, policy, and promotion system	Human capital and organizational execution abilities	Diversity & Inclusion
~2014	Established the Diversity Promotion Section (2014)	Started the global human resources training (2006)	Appointed two non-Japanese corporate vice presidents(CVPs) (2013)
2015	Established the Work Style Reform     Project Team		Appointed a female-Japanese corporate vice president(CVP)
2016			Increased the number of the non- Japanese CVPs to four
2018	Formulated Furukawa Electric Group People Vision		Formulated the target for FY2025 regarding promoting women's careers
2019	Reorganized the Organization     Work Style Reform Team		Structured the non-Japanese CVPs to three
2020		Started the activities to transform leaderships "Furukawa Seven"	
2021	Established the HR & Organizational     Development Department	Introduced an in-house secondary job system	Structured the female Japanese CVP to two
2022	Disclosed human capital indicators     as sustainability indicators and targets	Started "Furukawa E-Survey",     a survey on human capital     and organizational     execution capabilities	Structured the non-Japanese CVPs to two at present     Structured the female-Japanese CVP to one
2023		Introduced an internal recruitment system and reskilling initiatives	
2024			Structured the female Japanese CVP to two
2025			Number of non-Japanese CVPs: 3     Number of female-Japanese CVPs: 3

# **Environment**

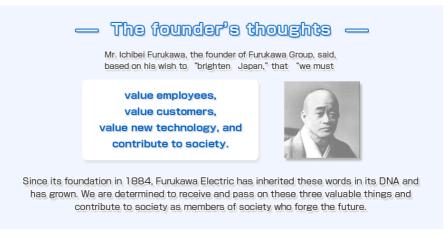
Fiscal year	Basic approach, policy and promotion system	Climate change and information disclosure
~2014	Formulated the FEG Basic Environmental Policy (2008)     Established the FEG Environment Committee (2013)	
2018	Set the FEG environmental targets 2030	Acquired an SBT(2°C Targets) initiative certification
2019		Expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
2020	Formulated the FEG Environmental Vision 2050	
2021	Established the Environment Department     Revised the FEG environmental targets 2030	
2022	Revised the FEG environmental targets 2030	Acquired an SBT(well-below 2°C Targets) initiative certification
2023		Acquired an SBT(1.5°C Targets) initiative certification     Declared its endorsement of the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD)
2024	Revised the FEG Environmental Vision 2050	

# **Contribution to the SDGs**

# 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 philosophy aligns with the Sustainable Development Goals (SDGs) adopted by the United Nations and ESG management. With these thoughts of the founder and the SDGs in mind, we have formulated the Furukawa Electric Group 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. By tackling the key management issues (material issues) that the Group must address, the Furukawa Electric Group aims to achieve Vision 2030 while contributing to the achievement of the SDGs.

#### Furukawa Electric Group's ESG Management and Material Issues







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



# Furukawa Electric Group, Vision 2030

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





# Consideration of SDGs Priority Issues Based on Value Chain Mapping

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.

#### Infrastructure/Information and communication Solutions - Optical Fiber and Cable

#### (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.



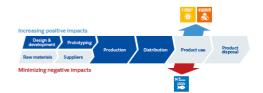
## (Minimizing negative impacts)

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.

#### Infrastructure/Energy Infrastructure - Submarine Power 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.

#### Electrical Equipment & Electronics/Automotive Parts - 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.



# Electrical Equipment & Electronics/Electrical Equipment & Electronics 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



# **Environmental Policy/Medium- to Long-term Vision and Targets**

# 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.

# **Furukawa Electric Group Environmental Vision 2050**

Furukawa Electric Group has established the Furukawa Electric Group Environmental Vision 2050, which looks ahead to the year 2050, in order to recognize long-term environmental issues and promote initiatives to solve them. (established in February 2021, partially revised in November 2024)

#### **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
  - Aiming for net zero greenhouse gas emissions across its entire value chain
- 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



# **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 usage: 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)

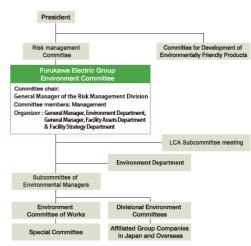
Note: SBT\*3 1.5°C certification was obtained for 1 (1) and (2) in July, 2023.

- \*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 Management**

## **Promotion System**

Furukawa Electric Group has established the Furukawa Electric Group Environmental Committee to deliberate, decide, promote, evaluate, and provide instructions for improvement on matters related to environmental conservation activities. The committee is chaired by the General Manager of the Risk Management Division and its members consist of the general managers of each business division and each corporate division, who are members of the management. The progress is reported quarterly to the Board of Directors. Furthermore, in order to facilitate smooth decision-making on environmental conservation activities, we have established the Subcommittee of Environmental Managers, consisting of the environmental managers of each business division and corporate division, to discuss environmental issues cross-departmentally and specifically.



**Environmental Management Promotion System** 

> Scope of the environmental management

## ISO14001 Certification Status (as of June 2025)

The Group has been working on activities to achieve environmental targets while establishing an environmental management system at each site. As part of these efforts, domestic and overseas production sites have acquired the international standard ISO14001 certification.

- Domestic: 100% (all 6 Works of Furukawa Electric, all 23 domestic group companies)
- Overseas: 77% (34 out of 44 overseas group companies)
- > ISO 14001-certified Sites

# **Targets**

Furukawa Electric Group set Environmental Vision 2050 and 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.

- > Furukawa Electric Group Environmental Vision 2050, Environmental Targets 2030
- > Results of Environmental Activities



#### **Initiatives**

#### **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

Act 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 FY2024 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 FY2024 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 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 enhancing activities in line with the Action Guidelines. We also conduct environmental education for environmental committee members, environmental management officers, and environmental supervisors on a guarterly basis.

#### Training of internal environmental auditors

Training in ISO14001 internal environmental auditor is held every year for newly appointed internal auditors. We provide explanations of standard requirements and environmental laws and regulations while considering Furukawa Electric's actual situation. Focusing on exercises the course is designed to develop practical skills as an internal environmental auditor.

#### Raising employees' awareness

Furukawa Electric Group designates June each year as the Group Environmental Month. We have made a "Deco-Katsu" declaration promoted by the Ministry of the Environment, encouraging employees to learn about and practice Deco-Katsu actions. As part of this, we conducted activities where each employee watched environment-related videos and engaged in discussions about the environment with colleagues at the workplace or family members at home. Additionally, we conducted a survey to assess the status of environmental initiatives in the workplace and daily life, as well as awareness of the Furukawa Electric Group Environmental Vision 2050, to promote heightened environmental consciousness.

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	<del></del>				$\longrightarrow$
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		<del></del>		-	
	Environmentally considerate design		$\leftarrow$		$\longrightarrow$	
Environmental subjects (as needed, voluntary)	Environmental regulations		<del></del>			$\longrightarrow$
(do Hoodod, Voidinally)	Control of chemical substances contained in products		<del></del>			$\longrightarrow$
Environmental seminars (8 times/year, voluntary)	Latest trends, environmental impact reduction measures					$\longleftrightarrow$
Consolidated environmental management seminars	Seminars by experts on priority issues					$\longleftrightarrow$

Environmental education programs

#### **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 FY2024, we selected one Outstanding Performance Award, three Excellent Performance Awards, and four Honorable Mentions for cases that significantly contributed to reducing environmental impact through activities such as energy conservation, decarbonization, resource conservation, resource recycling, and waste reduction. The Outstanding Performance Award was granted to a case that introduced a waste heat boiler to a melting furnace, significantly reducing CO<sub>2</sub> emissions.

#### > Social Contribution Award

<sup>\*</sup> In the ESG Award, in addition to the "Environmental Contribution Award," there is also the "Social Contribution Award" to recognize social contribution activities.



#### **FY2024 Achievements**

#### Outstanding Performance Award

 (Decarbonization/Energy Conservation) Reduction of CO<sub>2</sub> emissions through the introduction of a waste heat boiler to a melting furnace <Furukawa Electric Co., Ltd. (Tochigi, Japan)>

#### Excellent Performance Award

- (Decarbonization) Installation of solar panels on factory rooftops < Trocellen S.E.A. Sdn. Bhd. (Malaysia) >
- (Decarbonization/Energy Conservation) Reduction of power consumption by air compressors
   Furukawa Automotive Systems Co., Ltd. (Thailand) >
- (Decarbonization/Resource Conservation) Thinning of stretch film for packaging materials
   <Furukawa Automotive Systems Inc. (Shiga, Japan)>

# Honorable Mention

- (Resource Conservation/Waste Reduction) Reduction of industrial waste (waste alkaline liquid)
   Furukawa Electric Industrial Cable Co., Ltd.(Fukuoka, Japan)
- (Resource Conservation/Waste Reduction) Efforts to suppress industrial waste generation through recycling <Lightera</li>
   LLC (USA) >
- (Decarbonization/Energy Conservation) Reduction of city gas consumption through optimization of factory air conditioning conditions
   < Lightera Japan Co., Ltd. (Mie, Japan)</li>
- (Resource Conservation) Resource conservation activities through improved process gas usage
   Lightera Japan Co., Ltd. (Mie, Japan)>

#### **Supplier Engagement**

The Group has presented "CSR Procurement Guidelines" and "Green Procurement Guidelines" to its partners\*, requesting them to give due consideration to the environment in their procurement activities and to work together to realize the Environmental Vision 2050.

Please refer to the link "Supply Chain" for information on activities to reduce environmental impact through collaboration with partners.

#### Supply Chain

\* Furukawa Electric Group refers to our suppliers as "partners" with whom we co-create value.

# **Related Data**

- > ESG Data (Environment)
- > Scope of Aggregation

Data



# **Performance Data**

# **ESG Data**

# > ESG Data (Environment)

# **Results of Environmental Activities**

#### Scope of the environmental management

			Furukawa Electric Group				
	Indicators		Bass was n	FY2	2024	Township TV0005	2025 Mid town towns
		Base year	Target	Result	Target for FY2025	2025 Mid-term target	
Reduction of greenhouse gas emissions (Scope 1&2)  *1,3  CO2+SF6		FY2021	-14.0%	-34.8%	-18.7%	-18.7%	
Reduction of gr	eenhouse gas emiss	sions (Scope 3)*2	FY2021	-8.3%	-8.8%	-11.1%	-11.1%
Ratio of renewab	ole energy use to total	al consumption*3	-	25%	40%	30%	30%
Reduction of wa	nter withdrawal (Per	unit of net sales)		-4%	-34%	-5%	-5%
Reduction of energy for production (Per unit of net sales)  Reduction of transportation energy in Japan (tkm)(Per unit of net sales)		FY2020	-4%	-47%	-5%	-5%	
			-4%	-4%	-5%	-5%	
Reduction of total	waste in Japan (Pe	r unit of net sales)		-4%	-18%	-5%	-5%
Reduction of tot	tal plastic waste in J net sales)	apan (Per unit of		-4%	-25%	-5%	-
Reduction of VO	C emissions in Japa sales)	an (Per unit of net	the previous fiscal year	-1%	-1%	-1%	-
Environment business	Sales ratio of e	•	-	68%	74%	70%	70%
promotion	CO <sub>2</sub> avoided	d emissions	-	140,000ton	156,000ton	150,000ton	-
Pollution Prevention of environmental accidents and anomalies    Number of environmental accidents accidents and anomalies		environmental	-	0	0	0	-
		Environmental anomalies	-	3 or less	5	3 or less	-
CDP S	Score on climate cha	ange*4	_	А	А	А	_

<sup>\*1</sup> Scope 1: Direct emissions from works resulting from the use of fossil fuels, etc.

#### \*3 > Sustainability indicator

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

<sup>\*2</sup> Scope 3: Other indirect emissions, such as purchased products and services, business trip, commuting, and transportation.

<sup>\*4</sup> 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.



#### Result in FY2024

Greenhouse gas emissions in FY2024 decreased by 35% compared to FY2021. To achieve the 2025 Medium-term target, our domestic and overseas factories have actively introduced solar power generation facilities and increased the use of electricity derived from renewable energy sources. Additionally, to enhance energy efficiency in production processes, we have upgraded to high-efficiency equipment, reviewed operating conditions, and implemented waste heat recovery. Furthermore, we have focused on water conservation, leak inspections, upgrading aging equipment for effective water resource use, and expanding the use of recycled materials for the efficient utilization of metals and plastics.

#### **Target for FY2025**

To achieve our Environmental Vision 2030, we will continue to contribute to realizing a carbon-free society by reducing greenhouse gas emissions across our business activities and value chain. Additionally, we aim to contribute to realizing a recycling-based society for water & resources and a society in harmony with nature by promoting the effective use of water resources, metals, and plastics.

In November 2024, we partially revised our "Environmental Vision 2050" to aim for net-zero greenhouse gas emissions across the entire value chain as a contribution to realizing a carbon-free society. We are currently formulating a climate transition plan and preparing specific measures to achieve net zero.

We will further advance energy-saving activities and strive for effective energy use. Also, we will promote the deployment of renewable energy facilities such as solar power, the transition to purchased electricity that effectively contributes to renewable energy generation, the adoption of alternative fuels, and the optimization of heat utilization.

Unit



# Material Flow (FY2024)

## > Scope of the environmental management

**Environment** 

## **INPUT**

Category

Raw materials			
Copper	118.9	97.6	1,000t
Aluminum	8.7	22.3	1,000t
Steel	4.2	7.8	1,000t
Glass	_	0.9	1,000t
Plastic	28.7	43.7	1,000t

Domestic Overseas

Energy	4,723	6,033	TJ
Electricity	396	608	GWh
Purchased Electricity (except for renewable energy)	154	512	GWh
Purchased Electricity (renewable energy)	242	96	GWh
Private Power Generation (hydroelectric and solar)	96	4	GWh
City gas, Natural gas	10,153	17,373	1,000m³
LPG, LNG	8.8	1.9	1,000t
Fuel Oil (kerosene, light oil, heavy fuel oil A)	2,724	233	kl

Water	9,202	2,364	1,000m³
Industrial water	6,638	74	1,000m³
Groundwater	2,019	60	1,000m³
Tap water	545	2,230	1,000m³

Chemical substances			
Volume handled *1	43.9	_	1,000t

Packaging *2			
Cardboard, Wood, Paper	1.5	16.3	1,000t
Plastic	0.05	1.62	1,000t

Furukawa Electric Domestic group companies

Overseas group companies 87 companies





## **OUTPUT**

Governance

Category	Domestic	Overseas	Unit
Waste*3			
Total waste generated*4	22.6	20.7	1,000t
Final waste disposal	0.3	5.2	1,000t
Recycling amount	21.3	11.1	1,000t

Atmospheric emissions			
CO <sub>2</sub>	119	286	1,000t- CO <sub>2</sub>
SF <sub>6</sub>	12	_	1,000t- CO <sub>2</sub>
SOx	5	_	t
NOx	66	_	t
Soot	3	_	t

Chemical substances			
Volume emitted	80	_	t
Volume transferred	252	_	t

Water discharge	8,272	1,916	1,000m³
Public waterways	7,878	300	1,000m³
Rivers	7,190	156	1,000m³
Sea	687	0	1,000m³
Other	1	144	1,000m³
Sewer	394	1,616	1,000m³

BOD	33	_	t
COD	30	_	t
SS	26	_	t

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

## **Third-Party Verification Report**

Our group is committed to enhancing the reliability of environmental data through third-party verification.

In FY2024, we underwent third-party verification for greenhouse gas emissions (Scope 1, 2, and 3), energy consumption, and water usage and discharge data (July 2025).

- > Third-Party Verification of Greenhouse Gas Emissions Data 🔁
- Third-Party Verification Report (Energy Consumption, Water Usage)

## **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 19 Japanese group companies.

In FY2024, environmental conservation costs amounted to 2.88 billion yen, while environmental investments reached 1.18 billion yen. Compared with the previous fiscal year, costs slightly decreased, but investments approximately doubled.

- Scope of the environmental accounting
- > Environmental conservation costs
- > Environmental conservation benefits
- > Volume of environmental conservation benefits
- > Environmental-related investments



# **Our Efforts on the 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.

The e-friendly mark

## **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
Prevention of global warming	Products with functions that contribute to the reduction or absorption/fixation of the greenhouse gas (GHG) emissions through the entire life cycles, or products that have reduced the greenhouse gas in their manufacturing processes.
Zero emission	Products made from recycled materials, products designed with easy to-recycle components, products made from materials or with design facilitating volume reduction for lowering waste volume, products designed to share common components with other products or products designed as common components.
Elimination of materials that have an impact on the environment	The products that meet all of the followings.  1. Products with no increase in use of ozone-depleting substances in the manufacturing process.  2. Products that contain environmentally hazardous substances less than the regulation stated value.  3. Products that do not generate the environmentally hazardous substances exceeding the regulation stated values on using or disposing.
Resource savings	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.

The flow of environmentally

#### Flow of Environmentally Friendly Product Certification

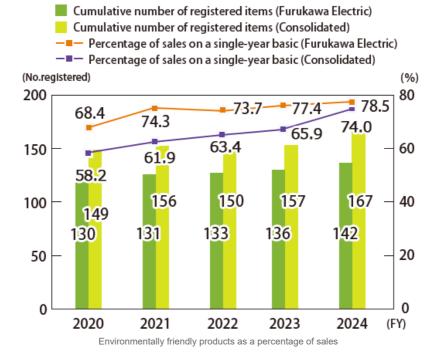
To register products as environmentally friendly, products must go through an application and screening process in their business division and then be examined by the Environmentally Friendly Products Committee, a cross-departmental committee of the Group.

The criteria that products have to meet to be registered as an environmentally friendly product are 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.



#### Expanding Environmentally Friendly Products (Number of Registered Items and Percentage of Sales)

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.



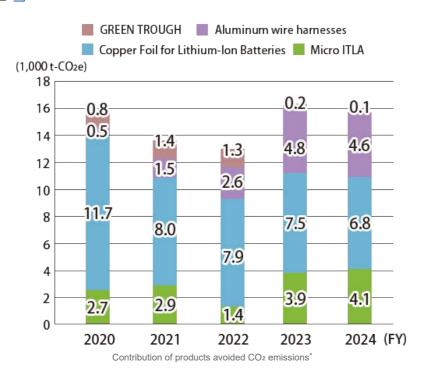
> TOPICS: "Copper alloy products/superconducting products manufactured with renewable energy"

## **Efforts for Life Cycle Assessment**

For more than 10 years, our group has been calculating and utilizing Life Cycle Assessment (LCA) for our major products. In FY2022, we established an LCA subcommittee under the Environmental Committee to accelerate these efforts. In addition to visualization through LCA and CFP calculations and efforts to reduce CO<sub>2</sub> emissions, we are working to visualize the avoided CO<sub>2</sub> emissions generated during the use phase of our customers' products, in which our Group's products are used. Avoided emissions are estimated for "micro ITLA" in the optical communication field, "copper foil for lithium-ion batteries" and "aluminum wire harnesses" in the automotive field, and "GREEN TROUGH" adopted in the field of railways, roads, and renewable energy. In FY2023, we reviewed scenarios and increased the number of target products. We have estimated the avoided emissions for the offshore wind power generation project installed at Ishikari Bay New Port. We will also calculate the avoided emissions for offshore wind submarine cables, which is expected to expand in the future.

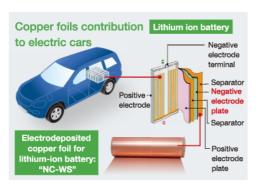
We will continue to expand our efforts to address global environmental issues through our products by increasing the number of environmentally-contributing products and making their performance more visible.

News release Delivered submarine cable system to Ishikari Bay New Port offshore wind power generation project (only available in Japanese) □



<sup>\*</sup> The scenario was reviewed in FY2023.

Reduction of CO<sub>2</sub> emissions using copper foil for lithium-ion batteries in electric vehicles.



Reduction of CO<sub>2</sub> emissions by the high power compact Integrated Tunable Laser Assembly (ITLA)



Reduction of CO<sub>2</sub> emissions by aluminum harnesses for automobiles.





Reduction of CO<sub>2</sub> emissions by Recycled cable trough





## Contribution to a Carbon-Free Society

# **Response to Climate Change**

## **Basic Approach to Climate Change**

Our Group has set "Contribution to realizing a carbon-free society" as a goal in our Environmental Vision 2050, aiming to achieve net-zero greenhouse gas emissions across the entire value chain.

> Environmental Policy/Medium- to Long-term Vision and Targets

## **Targets**

In our Environmental Targets 2030, we have set a target to reduce GHG emissions in order to contribute to carbon-free society. This target was obtained SBT 1.5°C certification in July 2023.

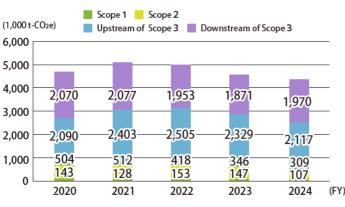
- Environmental Targets 2030 : Contribute to a carbon-free society
- •Greenhouse gas emissions from business activities (Scope 1 & Scope 2): Reduce by at least 42% compared with FY2021
- •Greenhouse gas emissions in the value chain (Scope 3): Reduce by at least 25% compared with FY2021
- > Furukawa Electric Group Environmental Targets 2030
- > Results of Environmental Activities

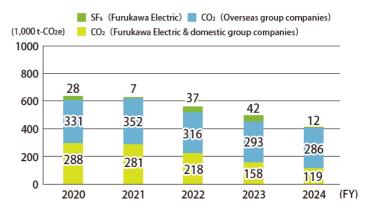
#### **Initiatives**

Our Group is working to reduce greenhouse gas emissions from business activities (Scope 1&2), promote the use of renewable energy, enhance energy conservation at factories, and reduce CO<sub>2</sub> emissions in logistics. Additionally, we are implementing appropriate measures to address physical risks related to climate change, such as heavy rain. We will continue to pursue further reductions in greenhouse gas emissions.

#### **Reduction of Greenhouse Gas Emissions**

In FY2024, the greenhouse gas emissions from our Group's business activities totaled 417 thousand tons, with Scope 1 emissions at 108 thousand tons and Scope 2 emissions at 309 thousand tons, representing a 35% reduction compared with FY2021. Scope 1 emissions primarily consist of CO<sub>2</sub> from energy sources and sulfur hexafluoride (SF<sub>6</sub>) used in high-voltage testing equipment. Additionally, greenhouse gas emissions in the value chain (Scope 3) are predominantly from Category 1 ("Purchased goods and services") and Category 11 ("Use of sold products"). In FY2024, Scope 3 emissions totaled 4,087 thousand tons, a 9% reduction compared with FY2021.





Greenhouse Gas Emissions Status of Our Group

- \*1 Emission factors for greenhouse gas calculations are based on the "List of Calculation Methods and Emission Factors for the Greenhouse Gas Emissions Calculation, Reporting, and Disclosure System" published by the Ministry of the Environment. Emission factors for purchased electricity overseas are based on data published by public institutions in each country.
- \*2 Greenhouse gas emissions other than CO<sub>2</sub> are converted to CO<sub>2</sub>-equivalent emissions using the Global Warming Potential (GWP) values provided by the IPCC.
- \*3 Scope 3 emissions in the value chain are calculated in accordance with the "Basic Guidelines for Calculating Greenhouse Gas Emissions Through the Supply Chain" issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. Some category emission factors refer to the LCI database "AIST-IDEA" developed by the National Institute of Advanced Industrial Science and Technology.

#### **Use of the Renewable Energy**

#### Installation of Hydroelectric and Solar Power Generation Facilities

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.

Additionally, we have installed solar power generation facilities as in-house power generation systems and utilize the generated electricity internally. To date, solar power generation facilities have been installed at the Copper Foil Division, domestic group companies such as Furukawa Automotive Systems Inc. and Furukawa Industrial Plastics Co., Ltd., and six sites in South America, Europe, China, and Asia. Furthermore, we are promoting the introduction of solar power generation facilities through on-site Power Purchase Agreements (PPA), with installations completed at the Mie Works and seven sites in China and Asia.

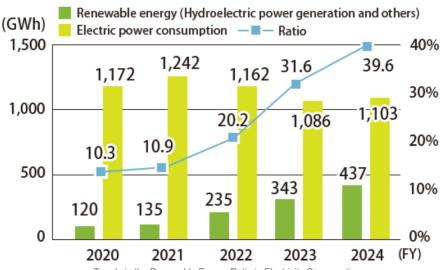
#### Introduction of electricity derived from renewable energy

Our Group utilizes electricity derived from renewable energy through power companies' renewable energy electricity plans or the purchase of non-fossil fuel certificates. In Japan, renewable energy-derived electricity is used at our domestic manufacturing sites, including Hiratsuka Works, Copper Foil Division, Chiba Works, Yokohama Works, Mie Works. Additionally, 28 sites of our domestic group companies also utilize renewable electricity. Overseas, renewable energy-derived electricity is used at 10 sites in South America, Europe, and Asia.

In FY2024, the renewable energy ratio in total electricity consumption was approximately 69% for Furukawa Electric and domestic group companies combined, 16% for overseas group companies, and 40% for the consolidated total. We will continue to work toward increasing the renewable energy utilization ratio.

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

**Environment** 



Trends in the Renewable Energy Ratio in Electricity Consumption (Furukawa Electric, Domestic Group Companies, and Overseas Group Companies)



Furukawa Nikko Power Generation Inc. (Tochigi Prefecture)



AT Mie Second Plant in Mie Works



Furukawa Automotive Systems Inc. (Shiga Prefecture)



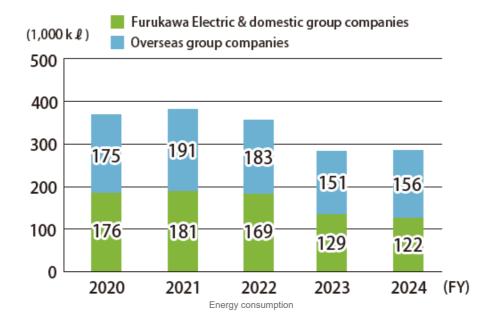
Trocellen S.E.A. Sdn. Bhd. (Malaysia)



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

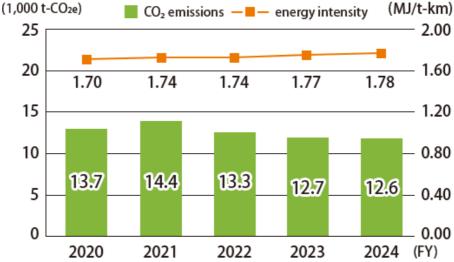
#### **Energy Conservation at Factories**

Furukawa Electric Group's energy usage rate was about 20% for fuel and about 80% for electricity. We are promoting energy conservation in manufacturing processes with high energy usage ratios by improving process efficiency, upgrading to high-efficiency equipment, and implementing measures such as insulating high-temperature components of equipment to optimize energy balance. Additionally, we are systematically transitioning factory buildings and office lighting to LED. In FY2024, we implemented measures such as efficient heat utilization (e.g., waste heat recovery, operational reviews of heat treatment furnaces, and heat-insulating coatings), the introduction of high-efficiency equipment (e.g., operational reviews of air conditioning, and upgrades to air conditioners, motors, and transformers), and efficient equipment operation. As a result, total energy consumption in FY2024 was 278 thousand kL in crude oil equivalent, a 21% reduction compared with FY2020.



### Reduction of CO<sub>2</sub> Emissions in Logistics

In FY2024, our transportation volume was 103 million ton-kilometers, a 13% reduction compared with FY2020, and CO<sub>2</sub> emissions decreased by 8% to 12.6 thousand t-CO<sub>2</sub>e. However, the transportation energy intensity increased by 6% compared with FY2020. We will continue to promote modal shifts, improve loading efficiency, and advance joint delivery initiatives.



CO<sub>2</sub> emissions and energy intensity related to transportation (Furukawa Electric)

#### **Internal Carbon Pricing**

Internal carbon pricing (using a shadow price) has been calculated since FY 2019. By visualizing the amount of CO<sub>2</sub> 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

**Environment** 

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> <li>Development of stormwater reservoirs</li> <li>Regular cleaning of drainage systems and installation of bypasses to increase drainage capacity</li> <li>Waterproofing of factory roofs to prevent flooding in the factory</li> </ul>
Nikko	heavy snowfall	<ul> <li>Reinforcement work to prevent damage to factory buildings</li> <li>Installation of snow-melting equipment such as electric heaters to prevent snow accumulation on factory roofs</li> </ul>

## **Participation in Initiatives**

#### **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)
- "Decokatsu" National Movement for New and Prosperous Lifestyles toward Decarbonization initiated by the Ministry of Environment
- 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**

To achieve our Environmental Vision 2050 and accelerate efforts to reduce greenhouse gas emissions, our Group has established Environmental Targets 2030. These targets align with the Japanese government's "Plan for Global Warming Countermeasures" (revised in February 2025).

- → Japanese Government's Plan for Global Warming Countermeasures □
- > Furukawa Electric Group's Environmental Targets 2030

## **External Evaluation and Certification**

CDP

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.

- SBT
- "Zero-Emissions Challenge Company" of the Ministry of Economy, Trade and Industry
- > External Evaluation and Certification

## **Related Data**

- > ESG Data (Climate Change)
- Greenhouse Gas Emissions Throughout the Value Chain (Scope 1, 2, and 3)
- Greenhouse Gas Emissions Intensity (Scope 1 and 2)
- CO₂ Emissions and Energy Intensity Related to Transportation
- Energy Consumption, Electricity Consumption, and Renewable Energy Ratio in Electricity Consumption
- Third-Party Verification of Greenhouse Gas Emissions Data
- Third-Party Verification Report (Energy Consumption)

## Contribution to a Carbon-Free Society

# **Information Disclosure Based on the TCFD Recommendations**

In January 2020, recognizing that climate-related risks and opportunities are an important management issue, Furukawa Electric Group declared its endorsement of the Climate-related Financial Information Disclosure Task Force (TCFD). In addition, based on the "Guidance on Metrics, Targets, and Transition Plans" published by TCFD in October 2021, we started formulating a climate transition plan which is a series of targets and actions to support the transition to a low-carbon economy in FY2023. We will promote disclosure in line with the TCFD recommendations to strengthen our relationships of trust with our stakeholders.



	Disclose the organization's governance	a) Describe the board's oversight of climate-related risks and opportunities.				
Governance	around climate-related risks and opportunities.	b) Describe management's role in assessing and managing climate-related risks and opportunities.				
of climate-related on the organizate strategy, and find	Disclose the actual and potential impacts	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.				
	of climate-related risks and opportunities on the organization's businesses,	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.				
	strategy, and financial planning where such information is material.	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</u> <u>Management</u>	Disclose how the organization identifies,	a) Describe the organization's processes for identifying and assessing climate- related risks.				
	assesses, and manages 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.				
		a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.				
Metrics and Targets		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.				
	such information is material.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.				

#### Governance

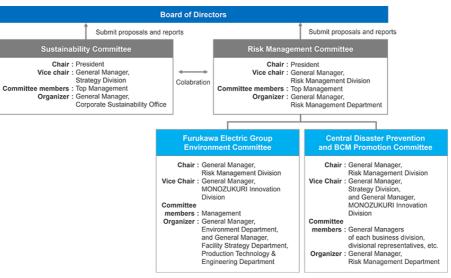
As issues on "Developing business activities that consider climate change," risk-related material issues, are closely related to management strategy risks of Furukawa Electric Group, they are handled in collaboration with Sustainability Committee, Risk Management Committee, and its special committee, Furukawa Electric Group Environmental Committee (hereinafter, "Environmental Committee") and Central Disaster Prevention and BCM Promotion Committee.

In considering climate-related risks such as those posed by climate change and natural disasters as the priority issue for environmental risk, we regularly discuss preliminary strategies for climate-related risks mainly at Environmental Committee and business continuity measures after the occurrence of risks are discussed mainly at Central Disaster Prevention and BCM Promotion Committee

Environmental Committee, chaired by the General Manager of 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 Management Committee and the Board of Directors.

Central Disaster Prevention and BCM Promotion Committee, chaired by the General Manager of 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.

Furthermore, the status of business execution on climate change is reported to and shared with the Board of Directors on a quarterly basis.



Organization Chart

#### <Key Discussions on Climate Change>

Key Discussions on Cili	nate onange>	
Doord of Divertors	Feb. 2021	Formulation of the FEG Environmental Vision 2050
Board of Directors	Nov. 2024	Revision of the FEG Environmental Vision 2050
	Jan. 2019	Setting of the Environmental Targets 2030; application for an SBT (2°C Targets) initiative certification
	Jan. 2020	Expression of support for the recommendations of TCFD
<b>W</b>	Dec. 2020– Feb. 2021	Formulation of the FEG Environmental Vision 2050
Management Committee	Nov. 2021–Feb. 2022	Revision of the Environmental Targets 2030; application for an SBT (WB 2°C Targets) initiative certification
	Nov.– Dec. 2022	Revision of the Environmental Targets 2030; application for an SBT (1.5°CTargets) initiative certification; and purchase of a renewable energy certificate
	Nov. 2024	Revision of the FEG Environmental Vision 2050

## Strategy

#### Identifying Climate-related Risks and Opportunities and Conducting Scenario Analysis

In order to show our "resilience of an organization's strategy, taking into consideration of different climate-related scenarios, including a 2°C or lower scenario" provided by TCFD recommendation, Furukawa Electric Group has identified climate-related risks (transition risks and physical risks) and opportunities and conducted scenario analysis related to different climates, including a "2°C or lower scenario," setting Medium-Term Management Plan as a baseline since FY2019.

#### Process of Identification

Identification of climate-related risks and opportunities is conducted through a process of Step 1 through Step 3. First, in Step 1, we create a list of climate-related risks and opportunities, including not only in our Group but also in the upstream and downstream operations of supply chain by referring to "external information" and "internal information." In Step 2, the identified items are evaluated with scores in terms of "impact on Furukawa Electric Group" and prioritized. In Step 3, high-priority items are identified as climate-related risks and opportunities. For the identified climate-related risks and opportunities, assessment of impact on business in FY2030 is conducted with impact parameters in a 1.5°C scenario and a 4°C scenario.

#### Scenario Analysis

#### Businesses for Analysis

In FY2019, we participated in the Scenario Analysis Support Project for Climate-related risks and opportunities in line with the TCFD, conducted by the Ministry of the Environment. We conducted scenario analysis for the Infrastructure business (optical fiber and cable products of the Communications Solutions business and power cables of the Energy Infrastructure business). We then conducted a scenario analysis for the Automotive Products business in FY2020 and for the AT & Functional Plastics business and the Copper & High-performance Material Products business in FY2021, for the Fiber Cable business and the Electric Power business in FY2022, and the Copper Foil business, the Battery business, and FITEL Products in FY2023. In FY2024, we are conducting scenario analysis for the Industrial Cables & Power Cable Accessories business and will continue to expand the scope of analysis in phases across other business areas.

#### Selection of Scenario Group

Through FY2021, in examining the "different climate-related scenarios, including a 2°C or lower scenario" recommended by the TCFD, we examined a "2°C or lower scenario" and a "4°C scenario" 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."

1.5°C scenario	World Energy Outlook by the International Energy Agency (IEA)Net Zero Emissions by 2050 Scenario (NZE Scenario)
4°C scenario	Fifth Assessment Report (AR5) by the Intergovernmental Panel on Climate Change (IPCC) RCP8.5 Scenario

#### Definition of the Period

Short term	Up to FY2028
Medium term	Up to FY2030
Long term	Up to FY2050

## Overview of Scenario Analysis

Category			Identified climate related risks and	Period to	Business impact in 2030	
			opportunities	manifest	1.5°C	4°C
	Policies and regulations		Carbon tax on GHG emissions	Medium to long term	Major	Minor
	Transition risks	Markets	Increase in procurement costs of renewable energy     Increase in procurement costs of materials (copper, aluminum, plastics) due to carbon taxation	Medium to long term	Major	Minor
Risks	Acute Physical risks		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	poons, heavy rains, heavy s) caused by abnormal  Medium to long term  ption of customers or weather disaster  stal factories caused by  Medium to long term  ditioning costs due to a rise in  Medium to		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
	Markets		Increase in revenue and profit of related products driven by rising demand for reduced power consumption in data centers		Major	Major
			Increase in revenue and profit driven by growing demand for lightweight and high-voltage- compatible products amid the advancement of automotive electrification	Short to long term	Major	Medium
Opportunities			Increase in revenue and profit from demand growth for enhanced core transmission network and power cables along with the expansion of renewable energy and growing electricity demand		Major	Medium
			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	Medium to long term	Major	Medium
	Products an	d services	Technology development toward expanding introduction of next-generation energy	Long term	-	-
			Technology development for expanding the implementation of photonics-electronics convergence	Long term	-	-

#### Efforts toward Achieving Carbon Neutrality and Formulation of a Climate Transition Plan

Social

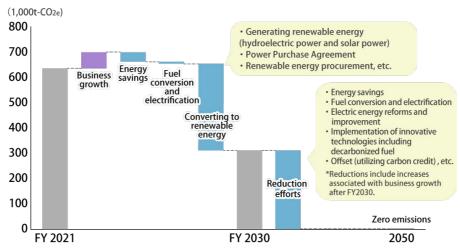
We identify climate-related opportunities and risks and work to achieve carbon neutrality by both capturing revenue opportunities and mitigating risks. Based on the "Guidance on Metrics, Targets, and Transition Plans" published by TCFD in October 2021, we started formulating a climate transition plan which is a series of targets and actions to support the transition to a low-carbon economy in FY2023.

As for the measures to deal with risks, we revised the Environmental Vision 2050 in November 2024, setting a target of achieving GHG emissions across throughout the value chain. In addition, under our Environmental Targets 2030—established as a milestone toward 2050—we have set GHG reduction targets covering Scope 1, 2, and 3 emissions. Among these, the Scope 1 and 2 targets have been positioned as sustainability indicators under the risk-related material issue "developing business activities that consider climate change" in the 2025 Medium-term Plan, with specific goals set for FY2025.

As part of our climate transition plan to achieve the Environmental Vision 2050 and the Environmental Target 2030, we have established a roadmap to achieve zero GHG emissions (Scope 1&2) by 2050 and are promoting efforts to achieve these goals. In order to achieve our Scope 1&2 targets, it is essential not only to promote energy savings and fuel conversion at plants, but also to actively utilize renewable energy. Therefore, we have set the "Ratio of renewable energy use to total electricity consumption" as a sustainability indicator to work toward improving the ratio of renewable energy use (usage of hydroelectric power, installation of solar power system, and introduction of electricity derived from renewable energy.)

In an effort to reduce emissions across the entire value chain, we are working to calculate and understand our value chain emissions (Scope 3). For Scope 3 calculations, we follow the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.6)" issued by the Ministry of the Environment and Ministry of Economy, Trade and Industry. Emission factor is referenced from the Emission Factor Database for Calculating Greenhouse Gas Emissions of Organizations Through the Supply Chain (ver. 3.3) and AIST-IDEA v3.3 (Japanese version).

Within our Group's Scope 3 emissions, the highest contributing categories are Category 1: Purchased Goods and Services, and Category 11: Use of Sold Products. For Category 1 in particular, we are promoting the use of recycled materials such as copper, aluminum, and plastic, and are encouraging suppliers to calculate and reduce their GHG emissions. We are also working to understand emissions associated with purchased products through a dedicated questionnaire conducted alongside the Self-Assessment Questionnaire (SAQ) based on our CSR Procurement Guidelines.



As for the measures to deal with revenue opportunities, we will continue to stabilize revenue from existing businesses and develop a foundation for new business creation during the period of the 2025 Medium-term Plan. We will solve social issues in each business field and contribute to achieving carbon neutrality by 2030.

For example, the advancement of information and communications technology and the growing adoption of generative AI are expected to promote more sophisticated energy management and reductions in GHG emissions. At the same time, however, there are concerns about increased power consumption due to the expansion of data centers. The Group sees the growth of the data center market as a business opportunity. By supplying optical fiber and cable, and optical devices, we contribute to the realization of advanced communications infrastructure. Furthermore, to address the increasing heat generation of CPUs, GPUs, and other high-performance components that drive data center power consumption, we support energy efficiency through the provision of thermal management products such as AT products (high-thermal-conductivity tapes for semiconductor process), high-performance heat sinks, and heat pipes. We are also engaged in the research and development of photonics-electronics convergence technologies in preparation for future demands for greater bandwidth, lower latency, and reduced power consumption in the field of information and communications.

In the electric vehicle market within the mobility sector, we are contributing to the spread of low-carbon mobility by expanding the supply of lightweight aluminum wire harnesses as well as high-voltage components such as high-voltage wire harnesses and high-voltage junction boxes.

Meanwhile, the increasing electricity consumption in both the information and communications and mobility sectors is driving a growing need in the energy sector for the decarbonization of the power industry—through the expansion of renewable energy—and the reinforcement of core power transmission networks. We are closely monitoring developments in Japan's energy policy, including the 7th Strategic Energy Plan, and supporting the growth of offshore wind power and the development of next-generation power networks through the supply of power cables. In parallel, we are advancing R&D and new business creation, including the development of high-temperature superconducting wire for nuclear fusion power generation and the establishment of mass production technologies for green LPG\*.

\* Green LP gas: LP gas produced from biogas (a mixture of methane gas, which is from the fermentation of animal manure and food waste, and carbon dioxide).

## **Risk Management**

#### **Climate-related Risks and Opportunities**

We have set "GHG emissions reduction rate (Scopes 1&2)", "Ratio of renewable energy use to total electricity consumption" and "Sales ratio of environment-friendly products" as sustainability indicators that measure the progress of addressing material issues of "Developing business activities that consider climate change" and "Creating environment-friendly businesses." Sustainability Committee follows up the progress of these indicators semiannually. We have also set the GHG emissions targets for each business division in accordance with the Targets 2030 since FY2020, and GHG emissions per unit of sales targets for each business division since FY2022. Management Committee follows up the progress of "GHG emissions" and "GHG emissions per unit of sales" quarterly.

As for internal carbon pricing (using a shadow price), setting GHG emissions of each business division calculated using carbon prices (applying 20,000 yen/t-CO<sub>2</sub>e in FY2024) since FY2019, we encourage each business division to be prepared to avoid climate change risks for decarbonization based on the quarterly evaluation and posting effects at the Environmental Committee. In addition, formulating of a renewable energy introduction plan is being promoted for any division that does not meet the target, having established a rule that each business division will bear the increase in procurement costs of renewable energy if the targets are not met since FY2023.

## Integration into the company-wide management strategy (under 2025 Medium-term Plan) and company-wide risk management

In addition to financial factors, we utilize ESG factors, "GHG emissions" and "GHG emissions per unit of sales (carbon efficiency)," in the process of business portfolio optimization and calculating the cost of capital in FVA for each business. In risk management of the entire Group, we identify "Climate Change (Carbon Neutral)" as a material risk from management perspectives and address it accordingly.

> Integration into the company-wide management strategy (under 2025 Medium-term Plan) and company-wide risk management

## **Metrics and Targets**

#### **Environmental Vision 2050/Environmental Targets 2030**

#### Furukawa Electric Group Environmental Vision 2050

Environmental Vision 2050 embraces the contribution to the realization of a sustainable society throughout the value chain through the provision of environment-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 achieve net-zero GHGs emissions across our entire value chain.

#### Furukawa Electric Group Environmental Targets 2030

We have set 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 identify our 2030 target as follows.

- (1) Greenhouse gas emissions from business activities (Scopes 1&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)

#### > Environmental Policy/Medium- to Long-term Vision and Targets

#### TOPICS: Acquisition of SBT 1.5°C Certification (July 2023)

Furukawa Electric Group's GHG reduction targets of 2030 obtained SBT (Science Based Targets) below 1.5°C certification in July 2023. This certifies that our Group's targets are based on scientific evidence in achieving the "efforts to limit the temperature increase to 1.5°C above re-industrial level" aimed in the Paris Agreement\*.

\* Paris Agreement: An international agreement adopted at the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 2015 (COP21) to reduce greenhouse gas emissions and other emissions in and after 2020.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Governance

**Environment** 

In FY2024, we further promoted the introduction of renewable energy which we have been actively promoting since FY2022. At the Mie No. 1 Plant, which manufactures AT products, we switched 100% of our electricity consumption to renewable energy as of April 2023. In addition, at the newly established Mie No. 2 Plant in May 2024, we installed solar power generation facilities on the rooftop using an on-site PPA model. By covering part of the electricity used with solar power, we expect to contribute to reducing GHG emissions during the manufacturing of AT products. We also promote to install solar power systems and switch to procuring renewable energy in other business sites of our company and production sites in Japan and overseas. As a result, we expect to achieve the FY2024 targets, "GHG emissions reduction rate (Scope 1&2)" and "Ratio of renewable energy use to total electricity consumption.

Metrics			Result			Target (Reference value)			Vision
★:Sustainability indicators	Scope	base year	FY2022	FY2023	FY2024	FY2024	FY2025	FY2030	FY2050
★Sales ratio of environmentally friendly product	Group	-	65.0%	65.9%	74.0%	68%	70%	_	-
★GHG emissions	Group	2017	-36.8%	-45.4%	_	(-39%) *2	(-42%) *2	(-59%) *2	
reduction rate (Scope 1 and 2)*1		2021	_	_	-34.8%	-14.0%	-18.7%	-42%	Net zero
GHG emissions reduction	Group	2019	-6%	-11.3%	_	-	-	_	emissions
rate (Scope 3)		2021	_	_	-8.8%	-8.3%	-11.1%	-25%	
★Ratio of renewable energy use to total consumption	Group	-	20.2%	31.6%	39.6%	25%	30%	50%	_

<sup>\*1</sup> The greenhouse gas emissions produced by our Group are mainly energy-derived carbon dioxide (CO2) and sulfur hexafluoride (SF6).

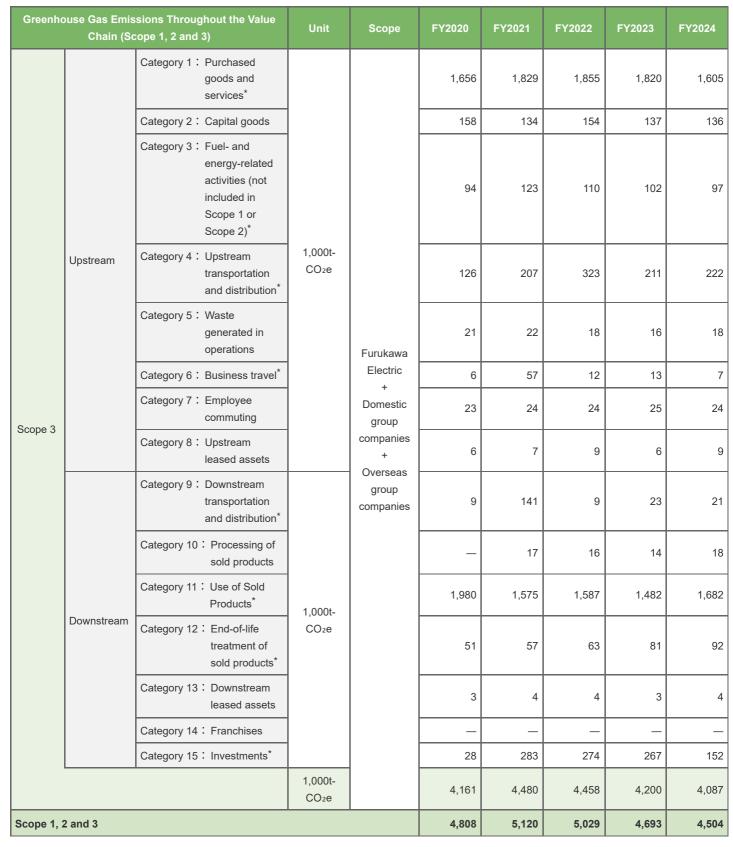
#### Sustainability Indicators and Targets

#### GHG emissions (Scope 1, 2 and 3) Result

Greenho	ouse Gas Emissions Throughout the Value Chain (Scope 1, 2 and 3)	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
	CO <sub>2</sub>	1,000t-	Furukawa Electric	115	121	116	105	96
Scope 1	SF <sub>6</sub>	CO₂e	+ Domestic	28	7	37	42	12
		1,000t- CO <sub>2</sub> e	group companies +	143	128	153	147	108
Scope 2		1,000t- CO2e	Overseas group companies	504	512	418	346	309
Scope 1 a	Scope 1 and 2			647	640	571	493	417
Scope 1,	Scope 1, 2 and 3			4,808	5,120	5,029	4,693	4,504

<sup>\*2</sup> Starting from FY2024, base year is updated to FY2021; the reduction target value when applied to the former base year of FY2017 is also shown for reference purposes.

**Environment** 



<sup>\*</sup> The calculation method was reviewed in FY2023 and recalculated retroactively for FY2021

## **Related Data**

> ESG Data (Environment)



## Waste Reduction, Effective Use of Resources

## **Basic Approach to Efficient Use of Resources**

Furukawa Electric Group has set forth in its Environmental Vision 2050 the goals of "contribution to realizing a recycling-based society for water & resources" and "contribution to society in harmony with nature," promoting the use of recycled materials across the entire value chain and minimizing impacts on ecosystems.

In order to keep contributing to a resource recycling society, we will strengthen our management of resource cycling and work on more efficient use of resources, while considering the mutual impact of climate change, biodiversity, etc.

> Environmental Policy/Medium- to Long-term Vision and Targets

## **Targets**

In our Environmental Targets 2030, we have set targets for efficient use of metals and plastics in order to contribute to realizing a recycling-based society for water and resources/contribute to society in harmony with nature. To address the growing issue of marine plastic pollution and other concerns, we revised our Environmental Targets 2030 in FY2021 and established targets for reducing single-use plastic consumption.

Environmental Targets 2030 : Contribute to realizing a recycling-based society for water and resources/Contribute to society in harmony with nature

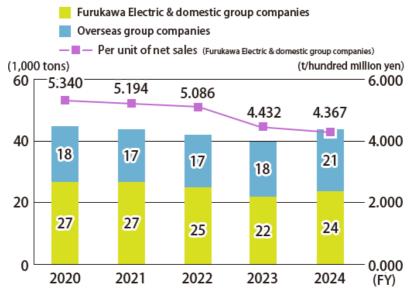
Efficient use of metals and plastics

- •New material consumption: Reduce by at least 10% compared to FY2020 (per unit of net sales)
- •Single-use plastic consumption: Reduce by at least 25% compared to FY2020 (total volume)
- > Furukawa Electric Group Environmental Targets 2030
- > Results of Environmental Activities

#### **Initiatives**

## **Reduction of Total Waste Generation**

We are working to reduce waste generation through initiatives such as sorting and reusing waste plastic scraps and adopting reusable packaging containers. In FY2024, the waste generation per unit of net sales in Japan decreased by 18.2% compared with FY2020.



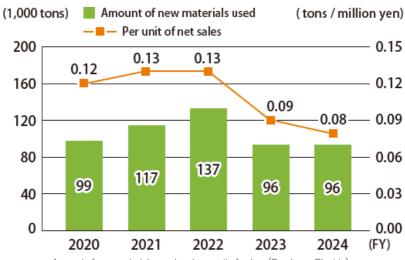
#### Total waste generation and per unit of sales

## **Resource Recycling and Efficient Use of Metals and Plastics**

#### To reduce the use of new materials

As activities to make efficient use of metals and plastics, we are increasing the use of recycled materials by, for example, developing products that use 100% of recycled polypropylene and reducing the use of new materials (copper, aluminum, steel, glass, and plastic).

In FY2024, the amount of new metals and plastics used per unit of net sales (Furukawa Electric) was reduced by 34% compared with FY2020.



Amount of new materials used and per unit of sales (Furukawa Electric)

#### To identify and reduce the amount of disposable plastic packaging

We are working to reduce the use of single-use plastics, and in FY2024, the amount of single-use plastic consumption decreased by 19% compared with FY2020.

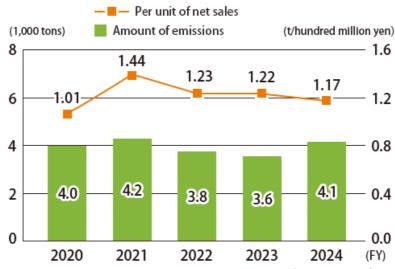
#### TOPICS: Use of Biodegradable Packaging Materials

In FITEL Products Division, 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.



#### To reduce the total amount of plastic waste generated

We are working to reduce the total amount of plastic waste generated by enhancing waste sorting and promoting reuse. In FY2024, the total amount of plastic waste generated by Furukawa Electric was 4,124 tons. The waste generation per unit of net sales (waste per net sales) increased by 15% compared with FY2020. Meanwhile, the total amount of plastic waste generated in Japan (Furukawa Electric and domestic group companies) was 7,235 tons, with the waste generation per unit of net sales decreasing by 23% compared with FY2020.



### Total amount of plastic waste generated and per unit of net sales (Furukawa Electric)

## Initiatives for Realizing a Circular Economy

Furukawa Electric Group is advancing technology development to realize a circular economy while promoting business activities through partnerships both within and outside the company.

#### Research and Development for Recycling and Resource Conservation Technologies

Leveraging the Group's strengths in "metal" and "polymer" technologies, we are engaged in research and development of technologies that enable the recycling and conservation of metals and resins (plastics). Starting in FY2025, we established the Circular Economy Design Center within the R&D Division to further advance these research and development efforts.

#### Business Activities through Collaboration with External Partners

Furukawa Electric Group aims to realize a circular economy by building a robust ecosystem through the integration of technologies and resources with external partners, promoting business activities to achieve this goal.

#### Joint News Releases with External Partners

- > <u>DENSO</u>, <u>Companies Initiate Demonstration to Expand Automotive Recycling Process</u>
  - Project Contributes to Efforts to Realize a Circular Economy in the Industry -
- > Achieving Approximately 8% CO₂ Reduction through Copper Resource Recycling
  - Establishing a System to Circulate Copper Recycled from Waste Home Appliances into Panasonic Products (only available in Japanese)

#### **Products Using Recycled Materials by Furukawa Electric Group**

Furukawa Electric Group develops and sells products using recycled copper and resins (plastics). These products are registered as environmentally friendly products of Furukawa Electric Group, with some products obtaining external environmental performance certifications.

> Our Efforts on the Products/ Environmentally Friendly Product

#### **Examples (News Releases)**

- > Completed UL 2809 validation for copper foil containing 100% recycled copper □
- > Green Trough Acquires European Environmental Product Declaration (EPD) □

#### TOPICS: Recycling of Electric Wires and Optical Cables at Furukawa Electric Ecotec Co., Ltd.

Furukawa Electric Ecotec Co., Ltd. (FETEC), a Furukawa Electric Group company, operates a recycling business that sorts and reuses waste electric wires and optical cables into metals and plastics.

Utilizing a proprietary collection system, FETEC achieves a near-100% recycling rate for conductive materials such as copper, while also reusing coating materials as recycled plastics for wire coverings, advancing a highly efficient resource recycling system. Additionally, FETEC is actively engaged in developing technologies to improve material sorting accuracy and expand the applications of recycled resources. Furthermore, residues generated during the recycling process are not sent to landfills but are effectively utilized as alternative energy sources or raw materials for steel production, contributing to CO<sub>2</sub> emission reductions.

Through these initiatives, Furukawa Electric Group aims to achieve "zero emissions" for electric wire and cable waste, continuously striving to build a sustainable resource recycling society.

> Furukawa Electric Ecotec Co., Ltd. Website (only available in Japanese)

## **Participation in Initiatives**

- > Industry-Academia-Government Collaborative Partnership "Circular Partners" to Realize a Circular Economy (only available in Japanese)
- 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

## **Related Data**

- > ESG Data (Waste Reduction and Resource Recycling)
- Total waste generation, recycled resource volume, and final disposal volume
- Hazardous waste generation
- Plastic waste emissions and intensity
- New material use



## **Efficient Use of Water Resources**

#### **Basic Approach to Efficient Use of Water Resources**

Furukawa Electric Group has set "Contribute to realizing a recycling-based for water & resources" as part of its Environmental Vision 2050 and is committed to the effective use of water resources.

> Environmental Policy/Medium- to Long-term Vision and Targets

#### **Targets**

Under the Environmental Targets 2030, the Group has set a goal of improving the water usage intensity per sales by 10% or more compared to FY2020.

Environmental Targets 2030 : Contribute to realizing a recycling-based society for water and resources/Contribute to society in harmony with nature

Efficient use of water resource

- •Water usage : Reduce by at least 10% compared to FY2020 (per unit of net sales)
- Furukawa Electric Group Environmental Targets 2030
- > Results of Environmental Activities

### **Initiatives**

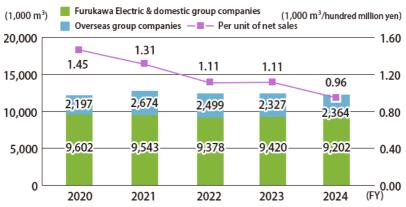
#### **Reduction of Water Usage**

#### 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 usage.

#### Reduction of Total Amount of Water Usage

In FY2024, the total amount of water usage (water withdrawal) decreased compared with FY2020, and the water usage intensity per sales was 0.96 thousand m³/100 million yen, representing a 34% reduction compared with FY2020. Moving forward, the Group will continue to promote the effective use of water resources necessary for production processes, conduct regular leak inspections, strive for water conservation and recycling, and manage water quality and discharge volume.



Total amount of water usage (water withdrawal) and water usage per unit of sales

#### **TOPICS: Reduce Water Usage at Works**

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 usage, 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 uasge (50% reduction in running costs), and save energy by improving cooling efficiency.

#### Water Recycling and Reuse

As an initiative to recycle and reuse water, we are promoting the reuse of treated water at the offices and business sites of domestic and overseas group companies.

## TOPICS: Reuse of 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, Hiratsuka works have been identified as water risk area. 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 182 million yen in FY 2024.

#### **Related Data**

#### ESG Data (Water Resources)

- Water Withdrawal
- Water Discharge
- Third-Party Verification Report (Water Usage)



**Environment** 

## **Chemical Substance Management**

#### **Basic Approach to Chemical Substance Management**

Furukawa Electric Group has set "Contribute to society in harmony with nature" as part of its Environmental Vision 2050 and is promoting initiatives to minimize the impact of chemical substances on ecosystems through value chain management, including raw materials.

> Environmental Policy/Medium- to Long-term Vision and Targets

#### **Initiatives**

The Group considers the entire product lifecycle, from raw material procurement to disposal, and strives to reduce the environmental impact of chemical substances. In manufacturing processes, we properly manage the chemical substances used and work to suppress the emission of hazardous chemical substances into the environment. Additionally, for chemical substances contained in products, we address customer requirements and comply with relevant laws and regulations by managing chemical substances from the design and development stages.

#### **Proper 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\*.

- \* PRTR Law: Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management
- > ESG Data (Chemical Substance Management)

#### **Reduction of Volatile Organic Compounds (VOC) Emissions**

Based on domestic regulations such as the Air Pollution Control Law, we have set targets for reducing VOC emissions (per unit of net sales) at our sites in Japan to reduce volatile organic compound (VOC) emissions. In FY2024, domestic emissions increased due to higher production volumes, but the emission intensity per unit of sales decreased by 1% compared with the previous year. Moving forward, we will continue to suppress emissions in production processes and reduce the use of targeted substances.

> Results of Environmental Activities

#### **Management of Chemical Substances Contained in Products**

#### Response to Customer Requests

The Group has participated in JAMP\*1 since 2009, and implement group-wide environmental inspections based on the latest information from the management target substance list of chemSHERPA\*2 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.

- \*1 JAMP : Joint Article Management Promotion-consortium
- \*2 chemSHERPA (chemical information SHaring and Exchange under Reporting PArtnership in supply chain): A common scheme for transmitting information on chemical substances contained in products across the supply chain from upstream to downstream companies (operated by JAMP)

### 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 FY2024 we have conducted an environmental inspection of our products for the presence of 247 substances up to the 32th update of SVHC list of REACH. Additionally, we respond to chemSHERPA to meet customers' requirements for disclosure of chemical substances.

#### Green Procurement Activities

Furukawa Electric Group has outlined specific requests to suppliers regarding the management of chemical substances contained in products, such as raw materials, parts, and intermediate products, in the Furukawa Electric Group Green Procurement Guideline\*. We request that suppliers establish a management system for chemical substances contained in products and appropriately manage the chemical substances in supplied products. The management target substances are based on the latest version of the chemSHERPA management target substance list, and we procure materials that comply with the laws and regulations of the countries and regions where the Group's products are marketed, as well as standards required by industry organizations and customers.

- \* 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.
- > Furukawa Electric Group Green Procurement Guideline

## **Related Data**

#### ESG Data (Chemical Substance Management)

- Emissions of Volatile Organic Compounds (VOC)
- NOx and SOx emissions
- PRTR Target Substances (volume handled, volume released, volume transferred, volume contained in products/ disappeared by combustion)



## Contribution to a Society in Harmony with Nature

## **Biodiversity Conservation**

#### **Basic Approach to Biodiversity Conservation**

Furukawa Electric Group has set "Contribute to society in harmony with nature" as part of its Environmental Vision 2050 and is promoting initiatives for biodiversity conservation. Additionally, we have established comprehensive guidelines for biodiversity conservation activities, and we conduct our activities based on these guidelines.

#### > Environmental Policy/Medium- to Long-term Vision and Targets

#### 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**

As initiatives beneficial to ecosystems, we promote the conservation of rare flora and fauna and procurement based on the Furukawa Electric Group Green Procurement Guideline\*. Additionally, as initiatives to reduce harmful impacts, we engage in activities to reduce single-use plastics and participate in local cleanup efforts.

\* Furukawa Electric Group has established the Green Procurement Guideline, which indicate that the Group will preferentially and continuously procure environment-friendly products that contribute to biodiversity conservation, forest preservation, and resource saving.

## > Furukawa Electric Group Green Procurement Guideline

#### Cultivation of the Endangered Plant "Pulsatilla Cerna"

Since FY2015, as part of our contribution to local communities, Furukawa Techno Research Co., Ltd., a group company, has initiated cultivation activities for Pulsatilla cerna (designated as Endangered Class II\*1) at the Yokohama Works. In FY2016, the plants were shared with the Hiratsuka Works and Chiba Works, where cultivation activities have been undertaken. In FY2020, the plants were further shared with Furukawa Automotive Systems Inc. (Furukawa AS), and through the efforts of the cultivation team, the plants successfully bloomed. The harvested seeds and plants have been distributed to various sites of Furukawa AS, contributing to the protection of Pulsatilla cerna.

At Furukawa AS, headquartered in Shiga Prefecture, our efforts to promote biodiversity conservation through an environmental management system based on ISO14001, the cultivation of the Endangered Class II Pulsatilla cerna, and local cleanup activities were recognized. In FY2020, we received the highest three-star rating under the Shiga Biodiversity Initiatives Certification Program\*<sup>2</sup>.

<sup>\*1 &</sup>quot;Endangered class II" refers to species with an increased risk of extinction.

<sup>\*2</sup> 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".

#### > Waste Reduction, Effective Use of Resources

## **Initiatives by Group Companies**



Tree planting since 2015 (Furukawa Battery Co., Ltd.)



Removing the invasive plant "Rudbeckia laciniata" since 2018 (Furukawa Battery Co., Ltd.)



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



Tree planting in 2023 (Furukawa Electric (Shenzhen) Co., Ltd.)



Beach cleanup and local environmental beautification in 2023 (Furukawa Battery Co., Ltd.)



Tree planting in 2024 (Wuhan Furukawa Automotive Systems Co., Ltd.)



## **Participation in Initiatives**

- Japan Conference for 2030 Global Biodiversity Framework (J-GBF)Nature Positive Declaration
- Japan Business Initiative for Biodiversity (JBIB)
- Keidanren Initiative for Biodiversity Conservation
- Japan Clean Ocean Material Alliance (CLOMA)
- > Participation in Initiatives



## **Initiatives Based on the TNFD Recommendations**

Furukawa Electric Group has declared its endorsement of the Task Force on Nature-related Financial Disclosures (TNFD), and joined the TNFD Forum, which supports this activity in November 2023. We will continue to prepare for nature-related disclosures in line with the TNFD recommendations, and will work to strengthen our relationships of trust with all of our stakeholders.



#### **Basic Approach**

In our Environmental Vision 2050, we have set out to minimize the impact on the ecosystem through value chain management, including raw materials, as a contribution to society in harmony with nature. 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 conducted a trial in reference to the LEAP (Locate, Evaluate, Assess, Prepare) approach, etc., as shown in the TNFD Framework.

#### **Evaluation in line with the TNFD**

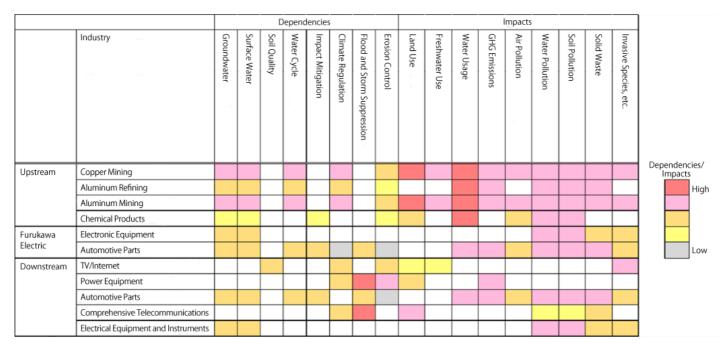
The "LEAP Approach" is an integrated approach to evaluate and manage nature-related issues developed by TNFD. There are four phases of evaluation as mentioned below. We used the recommended TNFD tools for the evaluation.

#### Locate your interface with nature

We confirmed the location information for major manufacturing bases in Japan and overseas, and conducted an evaluation based on the five criteria set by TNFD: importance of conservation, integrity of the ecosystem, rapid deterioration of ecosystem integrity, water stress, and magnitude of dependence. In addition, we conducted an evaluation of supply chains based on publicly available country, region and location information. As a result, we identified two priority regions (one district in Japan and a region upstream in the supply chain where raw materials are mined).

#### • Evaluate your dependencies and impacts on nature

We conducted a trial evaluation of dependencies and impacts on nature using ENCORE. As a result, we found that the land use and water use in the upstream part of the supply chain had a very large impact. However, the assessment using the tool is only a tentative assessment based on information from relevant academic papers and research results in the field in which our Group's business belongs to, and it does not necessarily reflect the actual situation of our Group. Evaluating biodiversity also requires a comprehensive approach that includes assessing risks specific to the region. We will continue to strengthen data collection and analysis, deepen our collaboration with diverse stakeholders, and continue to promote evaluation.



Results of Trial Evaluation of Dependencies and Impacts Using ENCORE

#### Assess your nature-related risks and opportunities

**Environment** 

We conducted a simple evaluation of risks and opportunities related to nature. The risks include the strengthening of environmental regulations related to key raw materials and the resulting increase in costs, while the opportunities include the creation and expansion of environmentally friendly businesses and products. Going forward, we will add analysis of production areas unique to each region and promote initiatives to avoid and mitigate nature-related risks.

#### Prepare to respond to, and report on, material nature-related issues

Based on our Environmental Vision 2050 and Environmental Targets 2030, Furukawa Electric Group is working to contribute to a decarbonized society, a water and resources-recycling oriented society, and a society in harmony with nature. We also believe that it is important to work on CSR (corporate social responsibility) throughout the entire supply chain, including our suppliers, in order to achieve sustainable business development. We will work with our partners\* to promote CSR.

### **Next Steps of Our Initiatives**

At present, our assessment of nature-related risks is limited to a simple examination. Since the characteristics of each region differ, we will consider examining the actual conditions of each region and scenario analysis in the future. We will also proceed with the investigation of the impact of our business activities on the natural environment. Alongside these detailed investigations, we will work to enhance the content of our disclosures of the 14 items based on the TNFD recommendations.

<sup>\*</sup> Furukawa Electric Group refers to our suppliers as "partners" with whom we co-create value.



# **Human Rights**

#### **Basic Approach**

Based on the Furukawa Electric Group Purpose and Core Values, as we pursue global business development, we understand that the human rights of all people impacted by our business activities must be respected, and we respect human dignity and all internationally recognized human rights. We are also promoting initiatives to respect human rights in line with the United Nations' Guiding Principles on Business and Human Rights, which call on companies to formulate human rights policies, implement human rights due diligence, and establish remedy mechanisms.

## Furukawa Electric Group Human Rights Policy

In accordance with the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), and the UN Guiding Principles on Business and Human Rights, the Group established the Furukawa Electric Group Human Rights Policy on January 27, 2020. In addition, in March 2024, we revised part of the preamble of the Human Rights Policy in line with the establishment of the Furukawa Electric Group Purpose in 2024.

#### Furukawa Electric Group Human Rights Policy

#### **Promotion Framework**

Furukawa Electric Group discusses issues related to sustainability, including human rights, at the Sustainability Committee, and makes proposals and reports to the Board of Directors.

The Human Rights Working Group, comprising the Strategic HR Management Department, Risk Management Department, and Corporate Sustainability Office, regularly discusses human rights-related initiatives, and the results are reported to the Sustainability Committee and reflected in our initiatives.

At the Sustainability Committee meeting in March 2022, "Human Rights and Labor Practices" were added as a sub-material issue under the material issue of "Building a Governance System to Strengthen Risk Management," and this was reported to the Board of Directors in May 2022. At the Sustainability Committee meeting in March 2024, we exchanged opinions on human rights risk assessments. Additionally, in September 2024, we reported on the implementation of stakeholder engagement (involving lawyers and labor unions) and responses to human rights issues in the supply chain, with the aim of enhancing human rights due diligence. At the Sustainability Committee meeting in March 2025, we reported and exchanged opinions on updates to initiatives based on the reassessment of the human rights risk map and the status of responsible minerals sourcing.

#### Sustainability Promotion Framework

## **Targets**

In our efforts to respect human rights, we have set the "implementation rate of human rights training for managerial positions" and the "ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers" as targets to promote activities for employees and partners\*.

These are established as part of the sustainability indicators and targets to achieve the "Furukawa Electric Group Vision 2030" and the "Medium-term Management Plan 2022–2025 (2025 Medium-term Plan)" to advance our initiatives.

- \* Furukawa Electric Group refers to our suppliers as "partners" with whom we co-create value.
  - •Implementation rate of human rights training for managerial positions (Group): Maintain 100% each year
  - •Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers (Group): 100% by FY2025

#### > Results of Sustainability Indicators and Targets

#### **Initiatives**

#### **Human Rights Due Diligence**

In response to changing social demands for human rights, such as in relation to forced labor, child labor, and discrimination, as well as in response to growing interest in human rights throughout the supply chain, our Group began human rights due diligence in FY2021. In this context, we have set employees and partners as the target stakeholders to be prioritized in terms of human rights issues tackled by our Group.

In FY2024, we reassessed human rights risks for each relevant group by refining the severity and likelihood assessment categories to more accurately identify such risks. As a result, for employees, in addition to workplace harassment, which had already been recognized as a key issue, we reaffirmed forced labor, child labor, and occupational health and safety as human rights issues that should be prioritized. For suppliers, we likewise reaffirmed the importance of addressing forced labor, child labor, and occupational health and safety.

In identifying these human rights issues, we engage in dialogue with external legal experts and labor unions representing employees. In particular, we maintain ongoing communication with labor unions to help prevent and mitigate adverse impacts.

#### <Human Rights Issues to Be Prioritized by Our Group>

Employees	Partners
Workplace harassment	Forced labor, child labor
Forced labor, child labor	Occupational health and safety
Occupational health and safety	



#### For Employees

As part of the activities during the "Compliance Month" held annually from October to November, we conduct human rights education for all employees.

Additionally, regarding the human rights issues prioritized and reaffirmed in FY2024, we have undertaken the following initiatives:

- Compliance Awareness Surveys
  - We conduct compliance awareness surveys for employees. We analyze the results of these surveys and the contents of whistleblowing reports, implementing necessary improvement measures. Furthermore, we verify the effectiveness of these measures, engage in dialogue with department heads regarding the results, and undertake further improvements as needed, ensuring continuous efforts.
- Prevention of Forced Labor and Child Labor
   We regularly confirm that there are no legal violations across the Group and continue to take preventive measures to ensure such practices do not occur.
- Promotion of Occupational Health and Safety
   Each workplace sets specific targets—such as achieving zero accidents—and actively works to prevent and reduce risks related to occupational health and safety.

#### > Occupational Health and Safety

Education on the Prevention of Discrimination and Harassment

As one of the improvement measures based on the results of compliance awareness surveys, we have implemented "Education on the Prevention of Discrimination and Harassment" for individuals working in management positions at the Company and our group companies since FY2022. The implementation rate of this education has been set as a sustainability indicator and target to achieve the "Furukawa Electric Group Vision 2030" and the "Medium-term Management Plan 2022–2025 (2025 Medium-term Plan)." In FY2024, we achieved the target of 100% implementation.

### > Compliance

## For Partners (Suppliers)

Implementation of the Self-Assessment Questionnaire (SAQ)

We conduct surveys, particularly from the perspective of responsible minerals sourcing, including copper—one of the high-volume minerals we handle. Based on these assessments, we have reaffirmed forced labor, child labor, and occupational health and safety as key issues in FY2024 and are working to mitigate associated adverse impacts.

Since FY2021, we have conducted the Self-Assessment Questionnaire (SAQ) based on the "Furukawa Electric Group CSR Procurement Guidelines" for major suppliers to identify actual human rights risks across our supply chain.

The ratio of SAQ implementation has been set as a sustainability indicator and target to achieve the "Furukawa Electric Group Vision 2030" and the "Medium-term Management Plan 2022–2025 (2025 Medium-term Plan)." In FY2024, we achieved 84% against the target of 70%, aiming for 100% by FY2025.

At present, as of the end of FY2024, the results of these surveys have not identified any serious issues presenting adverse impacts on human rights.

#### > Supply Chain

> Furukawa Electric Group CSR Procurement Guidelines



#### **Remedy Mechanism**

#### Internal Reporting System

As a point of contact for reporting adverse impacts on human rights, we have established an internal whistleblowing system. This system includes an internal reporting channel and an external reporting channel (the Furukawa Electric Group Hotline) operated by a third-party organization. Both channels allow for anonymous reporting. Reports are handled with strict confidentiality by the internal whistleblowing office, with due consideration to ensure that whistleblowers face no disadvantages. Investigations are conducted promptly, and appropriate actions are taken. In cases requiring specialized expertise, we consult external experts to ensure fairness. Additionally, we have established an external reporting channel for overseas group companies, also operated by a third-party organization. We strive to maintain and operate an internal reporting system that allows everyone to raise concerns with confidence.

In FY2024, the Furukawa Electric Group recorded 158 whistleblowing cases. Approximately half of these were related to human resources and labor issues. However, only a limited number of cases were found to involve facts exactly as reported, and even in cases where some allegations were substantiated, corrective actions and measures to prevent recurrence have been implemented.

## > Internal Reporting System □

## External Stakeholder Whistleblowing Hotline "JaCER"

For external stakeholders, we utilize the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), established under the leadership of the CSR Committee of the Japan Electronics and Information Technology Industries Association (JEITA), as a whistleblowing hotline for addressing human rights-related grievances.

## JaCER Grievance Form □

### Stakeholder Engagement

Furukawa Electric Group conducts dialogues with multiple investors every year. Through these dialogues, we receive valuable feedback on issues and expectations related to human rights, such as human rights due diligence and supply chain management.

In FY2024, to re-identify human rights issues, we conducted dialogues with expert lawyers and the labor union.

Additionally, through the Central Management Briefing, the Central Labor-Management Committee on Human Rights Due Diligence, and ongoing daily dialogues with the labor union, we maintain continuous communication on various issues, including labor practices and harassment.

Through these dialogues, we aim to enhance engagement with stakeholders, reflect the lessons learned in our measures, and further prevent or mitigate adverse impacts.



Central Labor-Management Committee on Human Rights

Due Diligence



### 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 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 nurturing future generations. To promote children's right to education, we provide educational support for local schools on a global basis. In addition, the Company is a sustaining member of "National Federation of UNESCO Associations in Japan."

> Local Community Contribution, Social Contribution

## **Participation in Initiatives**

## 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. Furukawa Electric Group signed the UN Global Compact in 2020. At the same time, we joined the Global Compact Network Japan and have been participating in its human rights-related subcommittee (Human Rights Due Diligence Subcommittee).

### **Related Data**

- > ESG Data (Human Rights/Supply Chain)
- Implementation rate of human rights training for managerial positions
- Ratio of SAQ implementation for major suppliers



## **Human Resources Management**

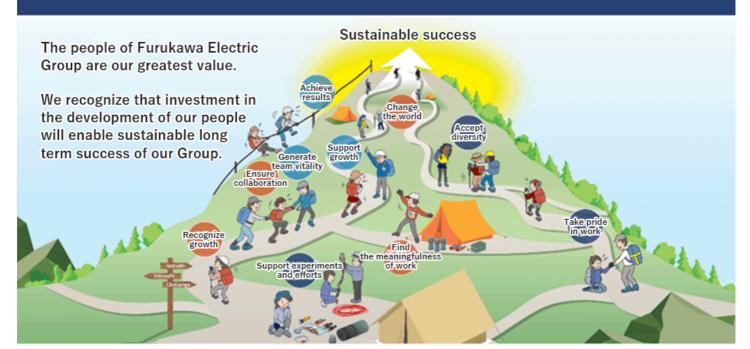
## **Basic Policy**

We revised the structure of the Group's existing Corporate Philosophy and established the Furukawa Electric Group Purpose in March 2024 that serves as the basis for management decisions and inspires each and every employee to take pride in their work and continue taking on challenges.

We have positioned "Furukawa Electric Group People Vision" as our ideal state of people and organization toward achieving this Purpose. The growth of each and every one of our diverse personnel is the driving force behind the success of our Group, and we aim for the growth of both individual and the organization through teamwork to produce results.

> Furukawa Electric Group Purpose □

## Furukawa Electric Group People Vision



#### 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.

Governance



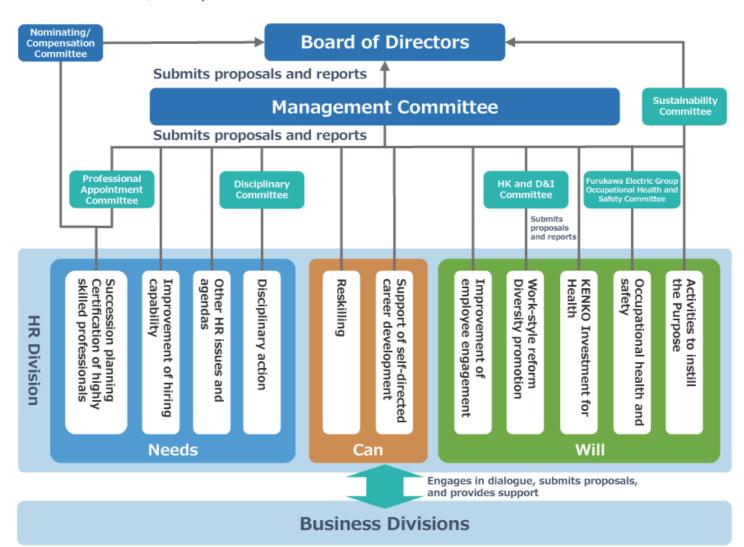
## **Promotion System**

"Strengthening human capital and organizational execution ability," risk-related material issues, are not only management risks for our Group, but also the most important key management issues directly related to management strategy, we have established a system for executing personnel strategies, headed by the General Manager of the Strategy Division (CSO). The issues are executed, discussed and resolved at the Management Committee.

For individual theme directly related to management issues, we establish committees chaired by the president or CSO to formulate strategies, determine activity plans, and promote implementation of measures"—Professional Appointment Committee" to certify highly specialized personnel, "HK\* and D&I Committees" to promote work-style reform, diversity & inclusion and other measures, and Furukawa Electric Group Occupational Health and Safety Committee" on occupational health and safety.

The status of these operations is regularly reported to and shared with the Board of Directors.

\* HK: Hatarakikata Kaikaku, or work-style reform



Human Resources Management Promotion System

Data



<Key Discussions on People & Organization within Furukawa Electric Group (FEG)>

	Nov. 2018	Formulation of the FEG People Vision; medium-term measures of HR Management Dept.		
Board of Directors	May 2022	Addition of "Human rights and labor practices" to material issues		
	Mar. 2023–Mar. 2024	Establishment of the Furukawa Electric Group's Purpose		
	Feb. 2024	Activities to reinforce human capital and organizational execution abilities (engagement)		
	Dec. 2024	Status and direction of personnel measures in the 2025 Medium-term Plan		
	Mar. 2025	Progress report on strengthening recruitment capabilities		
	Oct. 2018	Formulation of the FEG People Vision; medium-term measures of HR Management Dept.		
	Jan. 2020	Formulation of the FEG Human Rights Policy		
	Nov. 2022	Direction of personnel measures based on the concept of human capital management		
	Feb. 2023	Activities to reinforce human capital and organizational execution abilities; disclosed human capital indicators		
	Jun. 2023	Introduction of internal recruitment system		
Management Committee	Jul. 2023, Feb. 2024	Introduction of reskilling measures		
	Apr., Aug. 2024	Revision of the retirement benefit system		
	Jun. 2024, Feb. 2025	Progress report on KENKO Investment for Health		
	Dec. 2024	Report for the current fiscal year on activities to reinforce human capital and organizational execu abilities; activity policy for the upcoming fiscal year		
	Feb. 2025	Activity report on reskilling measures		
	Mar. 2025	Progress report on strengthening recruitment capabilities		
Constain ability	Mar. 2022	Addition of "Human rights and labor practices" to material issues		
Sustainability Committee	Sep. 2022–Mar. 2024	Establishment of the Furukawa Electric Group's Purpose		

## Strategy

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 "Furukawa Electric Group Vision 2030".

**Social** 

We are developing a narrative that envisions building an organizational culture where individuals can continue to thrive with a strong sense of purpose. This involves assembling the talent necessary to execute our management and business strategies, forming an effective organization, and supporting the growth of each individual so they can perform to their full potential. We frame this approach around three key elements—Will, Can, and Needs—and are undertaking specific initiatives based on these elements.

## > Furukawa Electric Group Vision 2030 □



Prepared by the Company in reference to "Essential Competencies for the 100-year Life" issued by the Ministry of Economy, Trade and Industry in 2018

## Ideal State and Specific Actions Organized by the Three Elements: Will, Can, and Needs

What "Will," "Can," and "Needs" represent	Ideal state	Key actions and initiatives
Sharing "Needs": The organization clearly defines the roles, functions, structures, and relevant information that shape the environment in which individuals can thrive. In turn, individuals are able to fully understand and internalize these expectations.	<ul> <li>A state in which the necessary talent is secured to execute our business strategies — specifically, individuals capable of driving transformation toward value creation and business development rooted in solving social issues, by leveraging the technological expertise and proposal capabilities that our Group has continuously and sincerely refined.</li> <li>A state in which a highly equitable human resources system is being operated in a fair and transparent manner.</li> </ul>	<ul> <li>Formulation of a succession plan to secure talent over the medium term, along with initiatives to enhance recruitment capabilities for broader workforce acquisition.</li> <li>Strengthening the operation of the performance management system by building mechanisms that align individual and organizational goals, thereby improving execution abilities.</li> <li>Initiatives to address risks related to human rights, labor practices, and labor affairs, from the perspective of reinforcing governance.</li> </ul>
Increasing "Can": The organization supports individual growth by providing opportunities to gain knowledge and experience, enabling individuals to thrive. In turn, individuals take ownership of their careers and engage in self-directed learning.	<ul> <li>A state in which clearly defined career paths, competencies, and skills—required from the perspective of both organizational and individual growth necessary to execute business strategies—are presented, enabling each individual to set clear career goals and grow through self-directed learning.</li> <li>A state in which talent is being developed that can co-create with customers through the Group's technological expertise and proposal capabilities, thereby contributing to solving customer issues and expanding the Group's revenue.</li> </ul>	<ul> <li>Revising the traditional, hierarchy-based training system—which had limited educational opportunities.</li> <li>Promoting career autonomy and reskilling* by enabling individuals to acquire essential knowledge and skills</li> </ul>
Improving "Will": Individuals are inspired by their environment, find purpose and fulfillment in their work, and are motivated to continue growing and making meaningful contributions.	<ul> <li>A state in which a highly engaged organizational culture has been fostered—one where individuals resonate with our Group's Purpose and are motivated to continue growing and making meaningful contributions—toward achieving one of our material issues of management: "Strengthening human capital and organizational execution abilities."</li> <li>A state in which leadership is effectively demonstrated to translate individual growth and performance into collective team achievements, fostering a strong sense of team spirit and shared purpose.</li> </ul>	<ul> <li>Promoting initiatives aimed at instilling our Group's purpose, advancing diversity and inclusion (D&amp;I), and enhancing employee engagement — all to ensure that a diverse range of individuals can resonate with the Group's Purpose, feel a sense of fulfillment in their work, and continuously develop and demonstrate their skills and expertise.</li> </ul>

<sup>\*</sup> The Group defines reskilling as the self-directed acquisition of the knowledge and skills necessary to perform one's duties, regardless of whether the tasks are new or existing.



## **Risk Management**

We have implemented the Furukawa E-survey, an assessment of human capital and organizational execution abilities, since FY2022 to visualize the state of our human capital and organizations. By operating a PDS cycle, in which improvement measures based on the survey results are reflected in our business activities, we are promoting both risk mitigation and the capture of revenue opportunities.

A decline in employee engagement can increase risks such as reduced motivation, lower productivity and performance, decreased quality of services, higher turnover rates, and difficulty in attracting top talent. Conversely, improvements in engagement are expected to produce the opposite effects. For this reason, we have designated the "employee engagement score" from the Furukawa E-survey as a sustainability indicator. Along with this, we are also tracking the "ratio of female workers in managerial positions" and "ratio of mid-career hires in total new hires." Progress on these indicators is regularly reviewed in the the Sustainability Committee, where countermeasures are discussed as necessary. These matters are also periodically reported to and shared with the Management Committee.

We appropriately execute such risk assessments on a regular basis and reflect the results in our initiatives for various measures while revising our risk perception each time. As for our current risk perception, we recognize "people and organization" and "human rights and labor practices" as important management perspective risks. In addition, we recognize "employee health and safety" as an important operational perspective risk.

- Measurement and utilization of employee engagement (Furukawa E-survey)
- > Business Risks □

## **Targets**

To "strengthening human capital and organizational execution abilities", we have set targets for employee engagement scores, ratio of female managers, and ratio of mid-career hires in total new hires. These are set as sustainability indicators and targets for achieving the Furukawa Electric Group Vision 2030 and the Medium-term Management Plan 2022-2025 (the 2025 Medium-term Plan).

- Employee engagement
   Employee engagement score (Group): 80 in FY2025
- Diversity and inclusion
   Ratio of female workers in managerial positions (Furukawa Electric): 7% in FY2025
   Ratio of mid-career hires in total new hires (Furukawa Electric): Maintain around 30% each fiscal year
- View our results here (Sustainability Indicators and Targets)

Data



#### **Talent Acquisition and Development**

We define the talent necessary for executing our business strategies as "individuals capable of driving transformation toward value creation and business development rooted in solving social issues, by leveraging the technological expertise and proposal capabilities that our Group has continuously and sincerely refined." To secure such talent over the medium to long term, we are strengthening our recruitment capabilities and providing various training and educational opportunities. Additionally, we are focusing on developing management personnel and global talent, implementing reskilling initiatives, and supporting career autonomy.

#### > Talent Acquisition and Development

## **HR System and Management**

In revising the personnel system in 2021, we reviewed the operation of the target management system based on the concepts of "promotion of a culture to take on challenge," "simplicity & openness," and "human resource development." Aiming to align the achievement of individual goals with the achievement of higher-level policies and performance improvement, we reinforce the alignment between departmental and divisional policies and individual goal management.

> Reviewing and strengthening the operation of the target management system

#### **Enhance Employee Engagement**

We believe that cultivating a highly engaged organizational culture—where each employee resonates with our Purpose and feels motivated to grow and thrive within the Group—will enable us to develop and retain the talent necessary to execute our business strategies and contribute to the sustainable enhancement of corporate value. Alongside measuring employee engagement score, we utilize these results to implement initiatives focused on "further instilling corporate philosophy and policies" and "improving operational efficiency," aiming to elevate employee engagement.

### > Employee Engagement

## Promoting diversity & inclusion (D&I)

We promote diversity and inclusion (D&I) as a key element in strengthening our human capital foundation for sustainable corporate growth. We are advancing initiatives for promoting women's careers, supporting work-life balance for childcare and nursing care, promoting the employment of persons with disabilities, and driving workstyle reform.

#### > Diversity & Inclusion

## Promoting health and safety and KENKO Investment for Health



Recognizing the risks of an employee suffering death, inability to work, permanent disability, long-term leave of absence or health impairment primarily due to an occupational accident, traffic accident or illness, we are developing various measures based on the idea of "prioritizing safety and health over everything" as the basic premise for business continuity.

We define "KENKO Investment for Health" 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 KENKO Investment for Health measures as a unified organization.

- > Occupational Health and Safety
- > Health and Productivity Management



Regarding risks associated with "human rights and labor practices," to fulfill the company's responsibility to respect human rights, we promote business activities that respect human rights based on FEG Human Rights Policy and conducts human rights due diligence. In addition, we analyze the results of whistleblowing and compliance awareness surveys to take remediation measures when necessary. Furthermore, we engage in dialogue with the labor union representing our employees to ensure shared awareness and to prevent or mitigate any potential negative impacts.

To reduce risks in the area of labor affairs, we prepared checklists to assess the labor compliance undertaken in accordance with the laws and regulations of the countries where our group operates, and periodically check the labor risks across the Group. Furthermore, 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 on various issues

## > Human Rights

#### Labor-management Relations (Furukawa Electric)

Regarding 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 have held our Central Management Briefings twice annually for formal exchanges of opinions between labor and management for 70 years since FY1952.

Representatives from labor and management actively exchange opinions and share information about a broad spectrum of items at these briefings, such as 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. Management and labor discuss things on a daily basis at these committees. Through these discussions, we are working to resolve various issues, such as improving the system and strengthening the monitoring function for compliance response.

## **Related Data**

#### > ESG Data (Human Resources Management)



## **Human Resources Management**

## **Talent Acquisition and Development**

## Strengthening recruitment capabilities

## **Mid-Career Hiring**

From the viewpoint of securing diverse human resources to execute management and business strategies, we continue to focus on hiring mid-careers. As a sustainability indicator in the 2025 Medium-term Plan, we have set a target of maintaining the ratio of mid-career hires in total new hires (management, career-track, and clerical positions) at around 30%. We are working to strengthen and improve our hiring ability to achieve our goals. Specifically, we are striving to strengthen our recruitment team, expand our recruitment channels (considering referral recruitment and alumni networking), review our recruitment process, improve and enhance our onboarding program, and build a flexible personnel treatment plan.

#### Sustainability Indicators and Targets

#### New graduates hiring

In addition to changes in the hiring environment, students' attitudes toward employment are also changing. The talent competition is becoming more intense. As part of our efforts to make our company more appealing to students, we have revamped our recruitment media (company brochures, graduate recruitment website, and expanded use of SNS). Furthermore, we have introduced a "course-based hiring" system which limits to some extent the jobs available at the time of 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 for employees to have an image of their individual growth and promote the acquisition of talented individuals with diverse sets of ideas.



## **Developing management personnel**

#### Formulating Succession Plans and Development Plans

To develop management personnel and candidates for general manager positions in each organization, we formulate succession plans and development plans.

Regarding management personnel, we are building a pool of candidates by utilizing external assessments, providing external training programs, and promoting well-planned transfers, including tough assignments, based on development plans. In addition, the Nominating/Compensation Committee monitors the appropriateness and operational status of the management personnel development system and works methodically over multiple years on the appointment of executive officers and succession plans for the CEO.

With regard to succession planning for general manager-level positions, we have continued implementing the plans and development programs formulated across all organizations in FY2023. For manager-level positions, we have developed succession plans through discussions between each organization and the HR division, with a focus on building a pipeline of future general manager candidates. In FY2025, we will formulate and implement development plans based on these succession plans.



	Development of Candidates for Section Manager in Each Organization	Development of Candidates for General Manager in Each Organization	Development of Executive Personnel (Management Talent)
Deployment Status	Formulation of succession plans at Furukawa Electric (Formulation and implementation of development plans in FY2025)	Currently being implemented at Furukawa Electric	Continuation of initiatives
Selection and Talent Identification	Formulation and impleme and candidate development	In addition to succession plans, external assessments are utilized to form a talent pool	
Development	Planning and execution and mission assignments,	Tough assignments and participation in external training programs	



## **Education and Training System**

## **Basic Philosophy**

In Furukawa Electric Group, we have established the "Furukawa Electric Group People Vision" as the ideal state of people and organization toward achieving the "Furukawa Electric Group Purpose." We define the talent necessary for executing our business strategies as "individuals capable of driving transformation toward value creation and business development rooted in solving social issues, by leveraging the technological expertise and proposal capabilities that our Group has continuously and sincerely refined." To foster such talent, we provide various training and educational programs to enhance the capability development and growth of each employee.

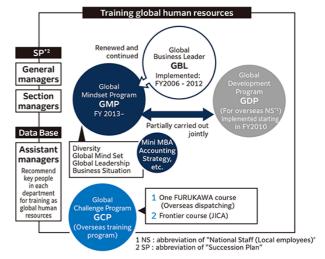
#### **Education and Training System Chart**

		Senior-level employ	rees and managers	Middle level employees		Entry-level employees		yees	
Training by positions		Training for Training for Senio		Training for Middle-level employees		Research presentation meeting Group training (second half) Group training (first half)		d half)	
			Training for Global Mindset Program						
	Global hu resources t		Training for Global Development Prograi		Program				
resources training		Leadership training for affiliated companies Training for employees assigned oversea		igned overseas					
	OJT leader	system			OJT leader training				
Reinforcement for manufacturing on-site employees			Reinforcement training for manufacturing on-site employees						
			Intensive course fo	r strengthening the ability	y to make proposals				
	Market	ing	Intensive	course for practicing of r	marketing				
	Open led	ture			Furukawa C	ity Campus			
Training by divisions	Division, branch office, works		Various trainings organized by divisions, branches, and works						
	Intellectual Property Dept.		Expert lecture	Training for Senior-level employees	Training for middl	e-level employees	Training for entry-level employees (level 3)	Training for entry-level employees (level 2)	Training for entry-level employees (level 1)
	Quality Promotion Dept.	Quality management		Quality control seminar for Senior-level employees	Advanced seminar for quality auditors	Seminar for quality auditors	Quality control seminar		
	Environm	ent Dept.	Environmental seminar for affiliated representatives		Advanced seminar for environmental managers	Seminar for environmental auditors	Environmental seminar	Training for ne	w graduates
SUC	Safety Promotion Dept.		Safety training for manufacturing divisions						
	NF Production System Dept.	Manufacturing technology	NF (New Furukawa) production system seminar for managers and section managers		NF (New Furukawa) production system seminar for the persons promoted to higher posts				
Sales and technology		Meeting to learn product knowledge							
		Lecture on movements in raw materials							
Support for self-development		Healthcare							
		Information literacy training							
		Incentive system for obtaining qualifications							
		Online courses							
		Language training							
		Study abroad and English camp in Japan • System for sending employees for training • Participation in academic conferences • Publishing a paper							
			Job rotation • Temporary transfer to affiliated companies in Japan and overseas						
Cooperation with HR management, interview system, etc.		Personnel appraisal FM Carrier Box (Interview system)							
			. craomici appraiadi		i iii Carrier DOX (I		w up on training p	lans	
						Follo	w up on training p	10(1)	

## **Global Human Resources Training System**

We started our Global Business Leader (GBL) training in FY2006, and 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.

#### **Global Human Resource Training System**



## **OJT Training**

We provide training for creating organizations where human resources are developed for all workplaces that accept new employees. This is because we believe that in order to create an organization that can achieve results as a team, it is essential to improve the overall development capabilities of the workplace. For this reason, the training is not only for supervisors, but also for other members of the workplace. Generally speaking, when we talk about OJT training, we think of cases where the supervisor and section manager are busy providing guidance and follow-up to new employees with the aim of making them into effective members of the workforce. However, our OJT support does not involve supervisors or mentors, but rather appoints an OJT leader to act as an arranger, and the aim is to create an educational system as an organization by having the OJT leader involve all team members in discussions. In addition, we provide opportunities to go through the OJT PDCA cycle over the course of a year in order to build up an educational system as an organization. In the OJT PDCA cycle, we hold four training sessions a year to impart skills and share concerns and best practices among OJT leaders.

### Reskilling

At our Group, we identified gaps between the abilities and skills required for both company and individual growth in order to realize our business strategies, and engaged in discussions with senior management and each organizational unit to develop mechanisms for acquiring those capabilities and skills. As a result, we defined reskilling as "voluntary learning of knowledge and skills necessary for executing work, whether those are new or existing."

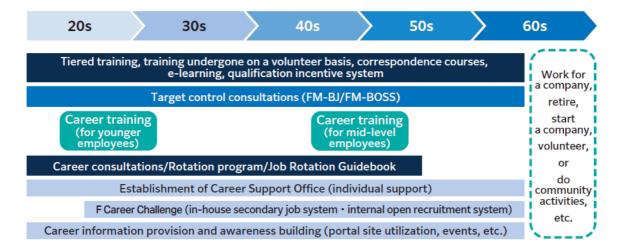
Specifically, to support the process of individual skill acquisition and development, we changed the learning environment in which "some individuals learn a uniform set of skills at a predetermined timing, frequency, and location" to "individuals can learn a wide variety of skills anytime, anywhere, and as often as they want." Based on the above, we introduced a new e-learning system across the Company in FY2024. As a result, we have created an environment where individuals are free to learn a wide variety of skills at their own pace. Furthermore, we are enhancing support for self-directed learning by integrating this system with existing training curricula (by level, department, and project) and creating opportunities for cross-organizational and cross-functional learning, enabling employees to learn from one another beyond the boundaries of their own teams.



## Support for self-directed career development

#### **Career Support Office Initiatives**

The Career Support Office was established in FY2021. With this office, we are making 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.



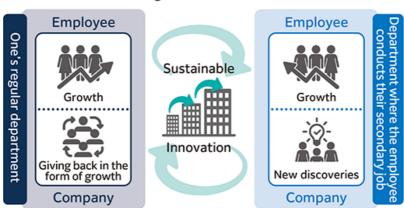
#### Mechanisms for Individuals to Choose Their Careers (F Career Challenge)

## In-House Secondary Job System

Since FY2021, we have been operating an in-house secondary job system. This system allows employees to voluntarily participate in projects of interest, using up to 20% of their workload, fostering personal growth, fulfillment, and career development. Since the system's inception, a total of 72 projects and 170 employees have participated. In FY2024 alone, 24 projects with 58 participants were recorded. This initiative has enhanced participants' motivation while providing positive stimulation and impact to both the receiving and sending departments.

# 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.

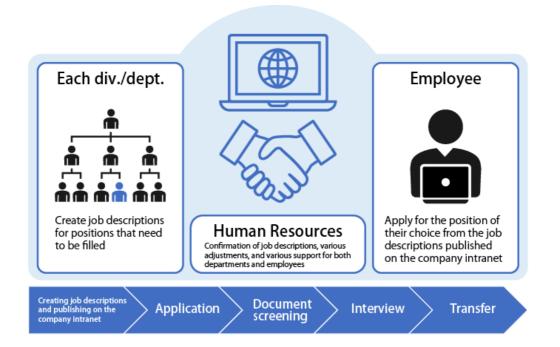


**Social** 



#### **Internal Open Recruitment System**

To accelerate self-directed career development, we piloted an internal open recruitment system in FY2023 and fully implemented it in FY2024. This system enables employees to voluntarily apply for job transfers. In FY2024 alone, there were 82 internal job openings, with 34 applicants and 13 successful matches (compared to FY2023 alone: 57 internal job openings, 34 applicants, and 10 successful matches). Alongside the in-house secondary job system, this initiative supports career autonomy, positively impacting both individuals and the organization. We will continue to promote and enhance these efforts going forward.



## **Related Data**

- ESG Data (HR Management)
- Number of new hires, turnover rate
- Training costs per employee
- ESG Data (D&I/work refrom initiatives)
- Ratio of mid-career hires in total new hires



## **Employee Engagement**

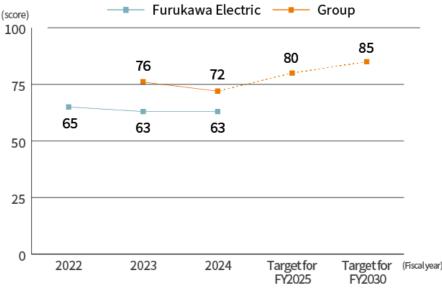
## Measurement and Utilization of Employee Engagement

We launched the Furukawa E-survey in FY2022 to visualize the state of our human capital and organizational execution abilities, and to reflect the findings in our business operations through targeted improvement measures. The employee engagement score derived from this survey has been set as a sustainability indicator under the 2025 Medium-term Plan, and we are steadily implementing various initiatives to achieve this target. The target for FY2024 was set at 77 for the Group, but the actual result was 72. The main reasons for not meeting the target are presumed to be changes in the respondent composition (the proportion of the parent company and domestic group companies with relatively lower scores has increased) and changes in the business environment of overseas affiliates. We aim to improve through activities to instill our Purpose, revise management practices by supervisors, and promote dialogue within each department.

The score for Furukawa Electric was 63. We held dialogues with individual departments based on these results, obtaining qualitative insights such as "improved communication between managers and subordinates," "the need to strengthen organizational management structures," and "a growing demand for enhanced management skills among supervisors." These findings are being applied to the next round of improvement activities.

Analysis of the survey results revealed improvements in two areas that strongly correlate with higher engagement scores: "degree of instillation of corporate philosophy and policies" and "degree of improvement in operational efficiency." We believe these trends reflect the positive impact of various initiatives aimed at enhancing employee engagement.

#### > Sustainability Indicators and Targets



## **Initiatives to Enhance Employee Engagement**

#### Instilling our philosophy

From the results of the employee engagement survey, we recognize that instilling our philosophy is a critical initiative strongly correlated with enhancing engagement. We revised the structure of the Group's existing Corporate Philosophy and established the Furukawa Electric Group Purpose in March 2024 that serves as the basis for management decisions and inspires each and every employee to take pride in their work and continue taking on challenges. We view the instillation of our Purpose as a four-step process: awareness, understanding, empathy, and action. In FY2024, we launched initiatives focused first on expanding awareness and then on deepening understanding and empathy.



My Purpose Workshop for general employees

To raise awareness, we implemented a range of measures including the dissemination of top management messages, and conducted internal and external communication activities through videos and posters. To foster understanding and empathy, we created opportunities for employees to reflect on how the Group's Purpose relates to their own organization, business, and personal purpose, by holding various workshops. Specifically, for senior management, we held workshops across the Group, where participants discussed what the Furukawa Electric Group Purpose means for their respective teams and created their own organizational purpose statements. These were then communicated back to their teams in the participants' own words, along with the intentions behind them. For general employees, recognizing the importance of understanding their own values, we conducted a pilot "My Purpose Workshop." This program facilitated understanding of the Group's Purpose while encouraging participants to explore their personal values and articulate their own purpose.

Within our Group's philosophy system, we have defined the values we consider essential for sustainable growth into the future as Core Values. To promote their integration, we regularly conduct dedicated workshops and encourage reflection based on these values during routine meetings and other daily interactions.

To ensure that each employee finds fulfillment, a sense of growth, and personal purpose, thereby enhancing organizational engagement and achieving goals, we aim to foster a culture where employees internalize our Purpose and act daily in accordance with our Core Values. We will continue to engage in activities to promote the integration of these principles.

### > Furukawa Electric Group Purpose

#### Improve business processes and organizational management

## Work-style Reform

Based on the results of the employee engagement survey, we recognize that transforming into a more productive organization is a critical initiative contributing to engagement.

As part of our workstyle reform initiatives aimed at enabling a broader range of individuals to thrive and enhancing overall productivity, we are promoting measures from both the "work-style reform" and "organizational culture reform" perspectives. We are expanding flexible work systems to support better work-life balance for employees. These include initiatives to support balancing work with life events such as childcare and nursing care, the introduction of remote work arrangements for employees in distant locations, and the continued encouragement of hybrid work models—combining telework and in-office attendance—since the COVID-19 pandemic.

## > Work-style Reform

Governance



#### **Leadership and Team Mind**

To enhance employee engagement, we aim to improve the management skills of our managerial staff and build an organization that achieves results as a team. We have established the Furukawa Electric way of Seven Principles for Leaders (Furukawa Seven), which consists of one basic mindset and six action principles for a leader to build a good working team. To put these to work, officers and department and section managers declare that they are committed to follow these principles and act according to them every day. Furthermore, our efforts on leadership transformation include 360-degree feedback surveys of the target personnel with an aim to lead to further behavioral changes.

#### 1 important mindset and 6 action standards



#### **Reviewing the Operation of the Target Management System**

In revising the personnel system in 2021, we reviewed the operation of the target management system based on the concepts of "promotion of a culture to take on challenge," "simplicity & openness," and "human resource development." Aiming to align the achievement of individual goals with the achievement of higher-level policies and performance improvement, we reinforce the alignment between departmental and divisional policies and individual goal management. Specifically, members attend meetings when setting organizational goals, "degree of importance" and "qualification requirement levels" are set based on the expected roles for each qualification, and coordination meetings are held to calibrate criteria for goal ranking within departments. Furthermore, this revision emphasizes strengthening feedback for each employee. We encourage challenging goal-setting at the start of the period and increase the frequency of managerial support and feedback during the period, thereby positively impacting both human resource development and performance improvement. At the end of the period, managers provide feedback on strengths and areas for improvement during one-on-one meetings based on daily work performance, fostering motivation for the following year. Since FY2022, we have been notifying all employees of their performance evaluation scores. According to the survey conducted in FY2024 on the initial target-setting meeting, more than 90% of employees responded positively, indicating that they "fully understood" or "largely understood" the organizational policy. We believe that the operation of this system is positively received and functioning effectively.

## Related Data

- ESG Data (HR Management)
- Percentage of employees subject to HR evaluation
- Employee engagement score



## **Diversity & Inclusion**

## **Diversity & Inclusion Top Message**

"Strengthening and transforming the businesses" through the capabilities of diverse human resources and working to become a corporate group full of creativity and energy

Furukawa Electric Group has "Core Values", which we wish to particularly emphasize and enhance even further, to embody the Furukawa Electric Group Purpose. In the "Core Values" we set forth "Collaboration", which emphasizes high respect for diverse back grounds, cultures, customs and values, and which also values mutual understanding and maintains open communication channels between people and organizations.

Since the founding of the company in 1884, we have focused our businesses on the transmission, connection and storage of energy, information and heat, and we provide a wide range of technologies, products and services to the field of infrastructure, including telecommunications and energy, as well as to the automotive products and electronics. Today, there are over 50,000 diverse employees working within the Group.

The sustainable growth drivers of the Group are:

- i) respect different values of individuals based on background such as gender, nationality, age, gender identity, sexual orientation, with or without disabilities, and career
- ii) develop every employee's ability with motivation
- iii) make use of their strength and put them together into organizational one

Diversity & Inclusion is also a vital element for our corporate growth, in order to "become a company that is essential to society and creates solutions for the new generation of global infrastructure combining information, energy and mobility" as stated in Vision 2030.

We will continue to promote Diversity & Inclusion aiming to grow into a corporate group useful to society as bringing together the strengths of our diverse employees.



H. Mordaire

## **Basic Approach**

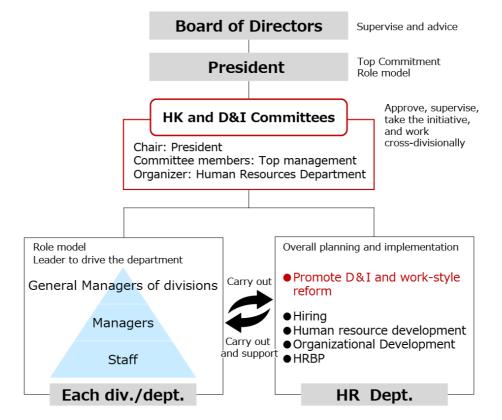
Based on the basic policy on D&I of "secure diverse personnel and support the growth of people who continually take on challenges" Furukawa Electric Group promotes to develop corporate culture that accepts and makes use of diverse human resources.

To realize this goal, we will promote initiatives comprehensively from aspects such as recruitment, job assignment and training, and work environment improvement.

## **Promotion System**

Positioning D&I as an important element in "strengthening human capital and organizational execution abilities," we have established HK\*/D&I Committee under the direct supervision of the President, and are promoting proactive initiatives such as promoting women's careers, work-style reform, promoting employment of people with disabilities, and employment of global talent and mid-career hires.

\* HK: Hatarakikata Kaikaku, or work-style reform





### **Initiatives**

#### **Promoting Women's Careers**

We are working to promote women's careers to secure diverse human resources.

Positioning the low number of female employees as the important issue, we are persistently working to maintain and enhance our human resource pipeline starting from the hiring phase to developing and promoting core personnel. Specifically, we are strengthening recruitment for new graduates and mid-career hires for managerial positions. In addition, to foster an environment where women and their managers can positively approach career advancement, we are implementing company-wide initiatives for organizational culture and environment improvement, including leadership transformation for managers, enhanced feedback, development of flexible work arrangements, and support for self-directed career development.

For the promotion of women's participation and advancement, we consider it particularly important to ensure diversity in the decision-making level and set the ratio of female workers in managerial positions as a sustainability indicator in the 2025 Medium-term Plan, aiming for 7% by FY2025 and 15% by FY2030.

## > Promoting Women's Careers

#### **Promoting Employment of People with Disabilities**

As part of our commitment to diversity and inclusion (D&I), we are actively working to expand inclusive work environments for persons with disabilities. This initiative reflects not only our social responsibility, but also our belief that embracing diverse talents and rganizations is essential for sustainable corporate growth.

We are expanding employment opportunities across Furukawa Electric Co., Ltd., our special-purpose subsidiary Furukawa New Leaf Co., Ltd., and other Group companies, while also improving workplace accessibility—such as barrier-free facilities and the introduction of remote work options—to create a more accommodating and inclusive working environment.

#### > Promoting Employment of People with Disabilities

#### **Employment of Mid-Career Hires and Non-Japanese**

We actively promote mid-career hires of diverse human resources to strengthen expertise and accelerate the diversification of perspectives. We are also promoting the employment of non-Japanese, in terms of demand in each business strategy and strengthening management capabilities, we are recruiting and assigning the right person to the right position from a global perspective.

### Employment of Mid-Career Hires

## Work-style Reform

Aiming to create an environment and a corporate culture that accepts and makes the most of diverse human resources, 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 Values.

As part of our workstyle reform initiatives aimed at enabling a broader range of individuals to thrive and enhancing overall productivity, we are expanding flexible work systems to support better work-life balance for employees. These include initiatives to support balancing work with life events such as childcare and nursing care, as well as enhancing various leave systems, flextime, and telework arrangements, to help employees achieve a better work-life balance and maximize their potential through personal challenges and growth.

#### > Work-style Reform



## **Realizing Fair and Equitable Treatment**

Based on the Furukawa Electric Group CSR Code of Conduct, we strive to eliminate discrimination in employment, ensure equal opportunities, and realize fair and equitable treatment, while advancing efforts toward equal pay for equal work. Furthermore, in our Group, we adhere to a fundamental policy of not only complying with the minimum wage standards set by the laws of each country but also paying wages that exceed these standards.

- > CSR Code of Conduct
- > Elimination of Gender Pay Gap

## **Diversity and Inclusion Awareness and Education**

- Change of thinking and behavior in the management regarding D&I (implementation of executive study group and e-learning)
- Implementation of human rights education for newly appointed executives, newly appointed managers, and new employees
- Implementation of e-learning on the theme of LGBTQ, harassment prevention, etc.
- Distribution of D&I-related articles via intranet
- Holding in-house events on the theme of D&I in general and promoting women's careers





Special lecture by Yukiko Yabu, Outside director Special lecture by Hiromi Ohashi, Senior Fellow

## Participation in Initiatives

- Male Leaders Coalition for Empowerment of Women
- > "IkuBoss" Enterprise Alliance (only available in Japanese)

#### News Release

- > Participation in the "IkuBoss Corporate Alliance" Aiming to become a corporate group we can be proud of, where everyone can work with enthusiasm and continue to grow (June 8, 2017)
- > Participation in Initiatives



## **External Evaluation and Certification**

#### Nadeshiko Brand

Nadeshiko Brands are jointly selected by the Ministry of Economy, Trade and Industry, and the Tokyo Stock Exchange, from listed companies that excel at promoting women's careers. Furukawa Electric was selected as a Nadeshiko Brand in 2018, 2020, and 2023.



#### Eruboshi

In accordance with Act on Promotion of Women's Participation and Advancement in the Workplace from Ministry of Health, Labour and Welfare, it certifies companies that meet certain criteria and have excellent implementation status of initiatives.

Furukawa Electric received third stage (highest rating) certification in 2016.



#### Kurumin

Minister of Health, Labour and Welfare certifies companies that meet certain criteria as "excellent supportive environment for childcare" for their workplaces that facilitate a good balance between work and life.

Furukawa Electric was certified in 2007, 2010, and 2015.



## **Other Awards and Certifications**

• Received "J-Win Diversity Basic Achievement Grand Prize" in "J-Win Diversity Award" (2024)



> External Evaluation and Certification

## **Related Data**

> ESG Data (D&I/workstyle reform)



## **Diversity & Inclusion**

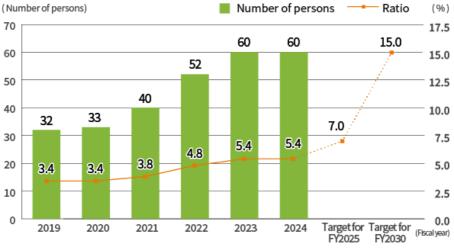
## **Promoting Women's Careers**

## **Increasing the Ratio of Female Managers**

We consider it particularly important to ensure diversity in the decision-making level as a foundation for corporate growth, and are promoting the appointment of women to managerial positions. We are persistently working to maintain and enhance our human resource pipeline from hiring through development to promotion, while also supporting career development for female employees to increase the ratio of female managers (ratio of female workers in managerial positions at Furukawa Electric: 7% by FY2025, 15% by FY2030).

The ratio of female workers in managerial positions at Furukawa Electric is designated as a sustainability indicator and target under "Strengthening human capital and organizational execution abilities" in the Furukawa Electric Group Vision 2030 and the 2025 Medium-term Management Plan.

## Sustainability Indicators and Targets



Changes in ratio of female managers

## **Support for Career Development for Female Employees**

- Support for female employees who have taken maternity leave to return to work
  - > Support for balancing childcare and nursing care with work
- Coaching and individual support for female managers and management candidates
- Held networking events among female employees
- Held company-wide events and forums
- Dispatched employees to programs outside the Group

## **TOPICS: Diversity Forum**

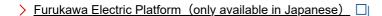
We regularly conduct lectures by experts to promote understanding of diversity and inclusion, and a company-wide forum for the purpose of promoting women's activities.

In FY 2018, we held a panel discussion by executives and managers of Furukawa Electric LatAm S.A.(Brazil) and OFS Fitel, LLC (the US), and exchanged views very actively about respecting the diversity of individuals and the importance of being involved and helping each other.



## TOPICS: Cross-industrial business leadership session

To encourage women to work in key roles in succeeding in business, Furukawa Electric's female employees are sent to Cross-industrial business leadership session, which is participated by approx. 70 female mid-career employees from 13 companies including our own. In FY2023 it was held at Furukawa Electric and a keynote speech, networking lunch, panel discussion, and group work were given.





## Elimination of Gender Pay Gap

With regard to the gender pay gap, our compensation system is designed to minimize disparities within each job grade and classification. However, we recognize that the primary factor contributing to the overall gap is the higher proportion of women in general staff positions compared to managerial roles. This is particularly influenced by differences in working styles between men and women during the child-rearing stage. By promoting initiatives to promote women's careers and increasing the ratio of female managers, we aim to eliminate the gender pay gap.

> Average pay by employment type (Gender Pay Gap)

## **Social Contribution for Promoting Women's Careers**

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.



#### TOPICS: 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.

> Furukawa Electric Platform (only available in Japanese)





## TOPICS: Dispatch of lecturers for "Science Worker Lectures" for high school students

We dispatch our female technical employees to a girl's high school in Kanagawa Prefecture to give a lecture every year. For high school freshmen who have not yet chosen a career path in the humanities or sciences, the technical employees speak about the work of technical employees in a company, their daily schedules, and their career choices.

## TOPICS: Establishment of IEEE Photonics Society "Women in Photonics Excellence Award"

As part of our contribution to the field of photonics, we have sponsored and established "IEEE Photonics Society "Women in Photonics Excellence Award", which recognizes exceptional technical, educational, or societal contribution by a woman. Through sponsorship of this award, we are contributing to the promotion of women in the field of photonics.

### News release

> The first winner was decided in IEEE Photonics Society "Women in Photonics Excellence Award" (November 20, 2023)

(only available in Japanese)

## **Initiatives of Group Companies**

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



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

## **Related Data**

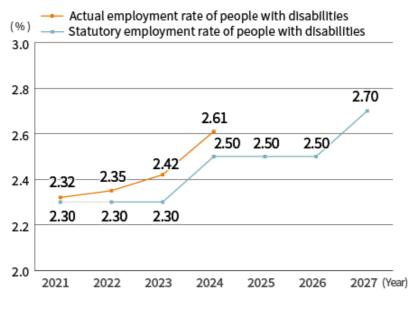
- > ESG Data (D&I/workstyle reform)
- Ratio of female workers in managerial positions
- Ratio of female workers in candidates for managerial positions (equivalent of chiefs)
- Average pay by employment type (gender pay gap)

## **Diversity & Inclusion**

## **Promoting Employment of People with Disabilities**

## **Expansion of Employment of People with Disabilities**

We are working to expand employment opportunities for people with disabilities. As of June 2024, the actual employment rate of people with disabilities\* was 2.61%, meeting the statutory employment rate.



Changes in the employment rate of people with disabilities (actual employment rate and statutory employment rate)

## **Strengthening Recruitment**

In addition to the recruitment of people with intellectual disabilities at Furukawa New Leaf Co., Ltd., Furukawa Electric is expanding 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. We also distribute explanatory materials and hold in-house lectures for managers to promote understanding within the company.

> Inquiries about Furukawa Electric's employment of people with disabilities (only available in Japanese)

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

Business Locations of Furukawa New Leaf

<sup>\*</sup> The actual employment rate is calculated for Furukawa Electric (non-consolidated), its special-purpose subsidiary Furukawa New Leaf Co., Ltd., and two group companies which are received approval as special affiliated companies, Furukawa Techno Material Co., Ltd. and FURUKAWA ELECTRIC BUSINESS & LIFE SUPPORT INC.



## 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	Nobuo Moriya, President & Representative Director	

#### Location

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	

## **Business Description**

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



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



#### **Other Efforts**

- Considerations for safety and health
- Cooperative sharing of medical check-up results with their guardians/supporting organizations
- Promotion of communication with employees to detect changes
- 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
- Evaluation and follow-up activities for basic actions and fundamental work using a skill map
- Setting individual goals and reflecting on results
- Introduction of performance review meetings
- Individual interviews with their guardians
- Cooperation with employment and livelihood support centers to assist people with disabilities
- Welcoming visitors (students and teachers) from special needs schools nearby to contribute to the community
- Participation in the Abilympics, the vocational skills competition for people with disabilities

#### 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.



### **Related Data**

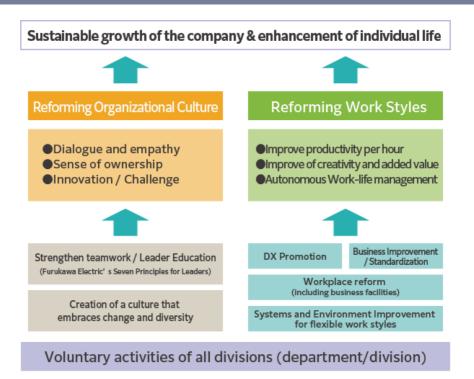
- ESG Data (D&I/work-style reform)
- Actual employment rate of people with disabilities





## **Work-style Reform**

## **Overall Framework of Work-style Reform**



## **Voluntary Initiatives of All Divisions**

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

Each department sets its annual activity policy and implements the PDC cycle\* since 2016. Also, 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.

\* PDC cycle: Plan Do See cycle

#### **HK Award**

Furukawa Electric presents the president's awards 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.



Furukawa Electric Group President's Awards Ceremony





**Environment** 

#### **Leadership Transformation**

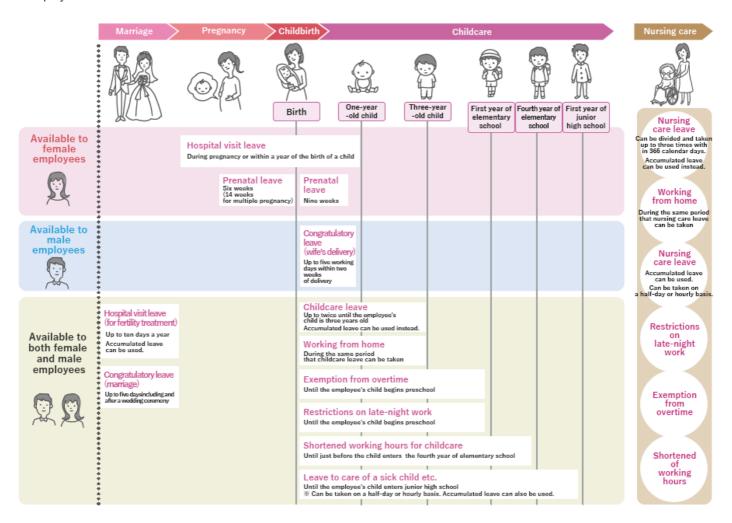
Aiming to become an organization that achieves results as a team, in 2020, we have established the Furukawa Electric way of Seven Principles for Leaders (Furukawa Seven), which consists of one basic mindset and six action principles for a leader to build a good working team. To put these to work, officers and department and section managers declare that they are committed to follow these principles and act according to them every day. Furthermore, our efforts on leadership transformation include 360-degree feedback surveys of the target personnel with an aim to lead to further behavioral changes.

#### > Furukawa Seven

## Work-style Reform

## Systems for Flexible Work Style

We are enhancing the systems to support balancing various life events such as pregnancy, childbirth, childcare, and nursing care with work, a variety of leave systems, flextime system, and teleworking system among others, to improve the work-life balance of our employees.

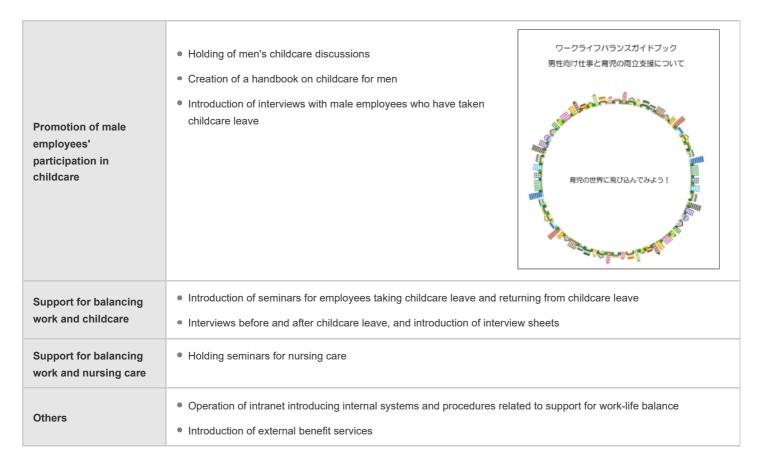




Birthday leave	In-house system that employees can take off an extra day of paid leave on their birthday
Accumulated leave	Up to ten days of annual paid leave can be accumulated, for up to five years.
Consecutive leave	Employees are able to take three consecutive holidays once a year and five consecutive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

## Support for Balancing Childcare and Nursing Care with Work

As part of our efforts to enhance employment opportunities, we are implementing a range of initiatives alongside the development of various systems. Since FY2007, we have been proactively working to enhance our childcare support as a business with a "Kurumin" certification, a certification for companies that are proactively working to support balancing work and childcare. Looking ahead, we have set a new target of achieving a 100% paternity leave utilization rate from FY2025 and are planning specific initiatives to meet this goal.





### **Reducing Excessive Working Hours**

In accordance with the Furukawa Electric Group CSR Code of Conduct, we are committed to proper work management that complies with labor-related laws and regulations, labor agreements, and internal work rules. We actively work to prevent excessive working hours and reduce overtime. By implementing an attendance management system, we monitor working hours and issue alerts to employees who are at risk of exceeding the set standards, thereby striving to reduce excessive working hours.

### > Furukawa Electric Group CSR Code of Conduct

#### Workplace Reform (Improvement of Workplace Environment)

Even after the COVID-19 pandemic, we are promoting a hybrid work style that combines face-to-face work and remote work where each organization and each employee can follow the characteristics of their business and operations, in order to flexibly adapt rapidly changing environment and continue to grow. We are actively working to improve our office environment so that we can realize these "new ways of working."

Furukawa Electric Platform (only available in Japanese)

### **Related Data**

- > ESG Data (D&I/Work-style Reform)
- Total actual working hours and overtime hours
- Use of regular annual leave
- Childcare and nursing care leave utilization



# **Occupational Health and Safety**

## **Basic Approach**

Furukawa Electric Group not only adheres to fundamental "legal compliance" but also prioritizes "Safety Conscious Person" and "Fundamental Safety," while incorporating "Safety Management" as the three core pillars of our safety activities, aiming to achieve zero accidents and zero occupational illnesses as our basic approach.

### Basic Policy on Health and Safety Management

- Endeavor to eradicate accidents by inspections and management in accordance with the Industrial Safety and Health Act.
- Nurture safety conscious persons that can notice and avoid danger by pointing & calling and by complying with rules.
- Realize "fundamental safety" by in which people and facilities are separated to eliminate unsafe conditions.
- Strengthening of the foundation of safety administration through thorough implementation of basic safety and health activities.
- Promote mental and physical health improvement by the group's health management activities.

## **Promotion System**

The 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 Group.



## Occupational Health and Safety Management System (ISO 45001, OSHMS)

At our domestic sites with manufacturing departments, we are advancing the development of occupational health and safety management systems. Each site conducts risk assessments and implements measures related to safety and health, promoting occupational health and safety activities.

As of FY2024, the adoption rate of ISO 45001 and OSHMS among domestic sites with manufacturing departments (Furukawa Electric) is 80%.

**Social** 

## **Targets**

The Company aims to achieve zero lost-time accidents (Furukawa Electric) and is working toward this goal through occupational health and safety activities.

See the ESG Data Collection for details.

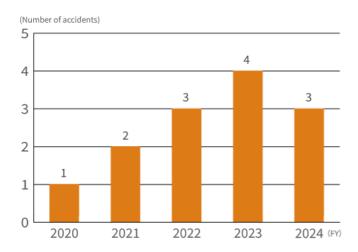
## **Initiatives**

### **Occupational Accident Occurrence and Response**

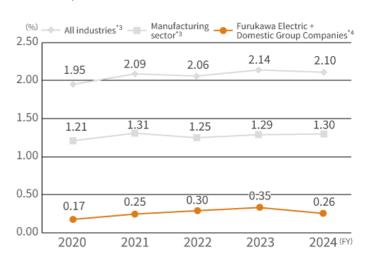
**Environment** 

In FY2024, the number of lost-time accidents (resulting in 4 or more days of absence) was 3 (Furukawa Electric). The frequency rate of lost-time accidents was 0.26% (Furukawa Electric and domestic group companies). No fatal accidents occurred at Furukawa Electric sites.

In response to occupational accidents, the safety manager at the site where the accident occurs promptly reports to the Safety Promotion Dept., which then escalates the matter to top management. The site conducts a thorough investigation into the root causes and implements fundamental countermeasures, sharing information to prevent recurrence.







Frequency rate of accidents resulting in time off work\*2
(Furukawa Electric + Domestic Group Companies)

## \*4 > Scope of Aggregation

## **Occupational Health and Safety Education and Training**

#### Safety Training for New Employees

We provide education on basic safety knowledge, safety rules and procedures to prevent workplace accidents, and emergency response methods.



<sup>\*1</sup> Lost-time accidents refer to incidents requiring 4 or more days of absence.

<sup>\*2</sup> Frequency rate = (Number of casualties / Total actual work hours) x 1,000,000

<sup>\*3</sup> Data for all industries and the manufacturing sector are sourced from surveys by the Ministry of Health, Labour and Welfare.

## Safety Dojo

At Safety Dojo sessions held at each site and department, we conduct hands-on training using simulators and VR to simulate hazards such as entanglement or forklift blind spots. These activities aim to enhance hazard awareness, deepen learning from past accident cases, and foster safety consciousness and practical skills among employees.



## Forklift Training Workshops

These workshops, incorporating classroom learning and practical training, emphasize strict legal compliance, enhance drivers' safety awareness, provide the latest knowledge and skills, and focus on preventing occupational accidents. These efforts contribute to improved operational efficiency and motivation.



In addition, we conduct first-aid training and traffic safety seminars.

### **Workplace Occupational Health and Safety Activities**

#### Safety and Health Activities Presentation Meetings

Furukawa Electric Group has established "Safety and Health Committees" at each department, encouraging employees to actively engage in safety and health activities. Additionally, we hold annual Safety and Health Activities Presentation Meetings to showcase the Group's safety and health initiatives, recognizing outstanding efforts. In FY2024, 11 teams (including 4 from group companies) selected from various business divisions presented and received presidential commendations.



#### 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. In FY2024, inspections were conducted at 4 Furukawa Electric sites, 4 domestic group companies, and 8 overseas group companies, with discussions held.



## **Health and Productivity Management**

Furukawa Electric Group promotes Health and Productivity Management in which we strategically address our employees' health management/promotion from a managerial viewpoint.

### > Health and Productivity Management

### **Related Data**

## > ESG Data (Occupational Health and Safety/Health)

- Lost-Time Accidents (Number, Frequency Rate)
- Number of Fatalities
- Number of Participants in Occupational Health and Safety Training



# **Health and Productivity Management**

## **Basic Policy**

#### Furukawa Electric Group Health and Productivity Management Declaration

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 embody Furukawa Electric Group Purpose, 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 build "a company where everyone works vigorously, keeps growing and is proud" 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 employees' health promotion and take measures to raise health consciousness.



H. Mordaise

President

## **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. Based on these guidelines, we promote hygiene management activities across our works and group companies.

## 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

**Environment** 

#### <Basic Policy>

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

#### <Key Issues>

- 1. Improvement of health literacy
- 2. Continuation of mental health measures
- 3. Improvement of lifestyle habits
- 4. Maintenance and improvement of physical functions
- 5. Support for smokers to quit smoking and the reduction of smoking rate
- 6. Thorough measures to prevent heatstroke
- Response to the revision of the Industrial Safety and Health Act regarding chemical substance management

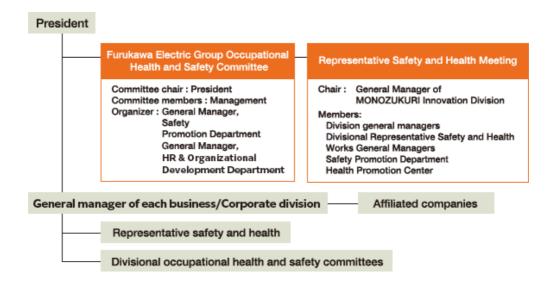
#### <Goals>

- 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
- 40% or below rate of anomaly observation rate in periodic medical checkups

# Promotion System

#### **Safety and Health Promotion System**

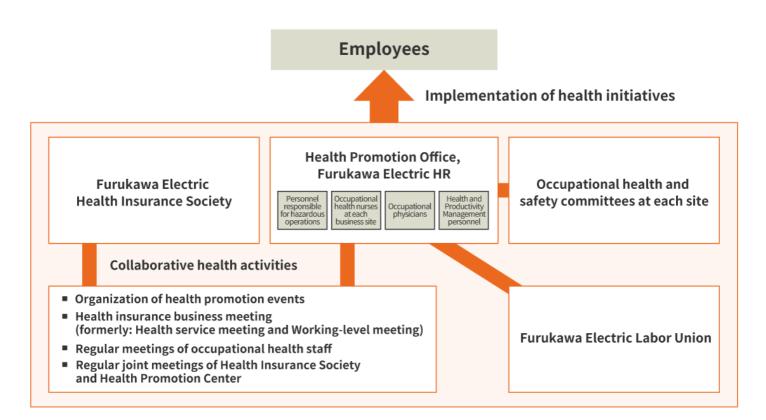
Furukawa Electric Group has established the "Furukawa Electric Group Occupational Health and Safety Committee," chaired by the President, as the highest authority for safety and health management. This committee deliberates and decides on policies and measures for safety and health activities and conducts follow-up.



## **Collaborative Health Promotion System**

At the Company, we have formed the "Collaborative Health Promotion Team" in collaboration with the Furukawa Electric Health Insurance Society. We hold regular meetings to discuss coordination between the Company's health promotion activities and the health insurance society's programs, as well as meetings to incorporate the opinions of occupational physicians and nurses. In addition, in collaboration with the "Health Events" 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 Events" of the Furukawa Electric Health Insurance Society>

Jun.: Month for oral hygiene improvement
Oct.: Month for health promotion by walk rally
Mar.: Month for review of sleep habits

<Efforts at each Furukawa Electric corporate site>

- · Sleep improvement seminar
- · Women's health seminar
- · Walk rally
- Sporting event
- · Distribution of smoking cessation aids, etc.

## Initiatives

## In-House Greetings is "Go-Anzen-Ni! Go-Kenko-Ni!"

For Furukawa Electric's 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

In "Five-Year Medium-term Plan for Occupational Health" toward 2025, the Company promotes health promotion activities based on the five pillars of improving employees' health literacy, maintenance and improvement of physical functions, mental health, metabolic syndrome, and smoking cessation, aiming to realize "a company where everyone works vigorously, keeps growing and is proud." Additionally, we have developed a Health and Productivity Management Strategy Map to clarify the connections between challenges targeted for resolution through Health and Productivity Management and various initiatives, including these five pillars, to enhance the effectiveness of our efforts.

#### **Furukawa Electric Health White Paper**

For over 30 years, the Company has collected statistics on employees' health conditions and compiled them in the "Annual Hygiene Management Report." Since FY2019, we have produced the "Furukawa Electric Health White Paper," incorporating information shared with the Furukawa Electric Health Insurance Society, to communicate our health policies and status to internal and external stakeholders, support the promotion of Health and Productivity Management initiatives, and enhance employees' health promotion activities.

## Improvement of Business Performance Such as Presenteeism, Etc.

To evaluate and analyze work performance, we use the WFun (Work Functioning Impairment Scale)\* to calculate the percentage of employees with a score of 21 or higher (indicating moderate or higher work functioning impairment) as a presenteeism indicator. For absenteeism, we calculate the number of days of long-term absence due to illness per employee. Additionally, work engagement is measured using ultra-short 3-item version of the Utrecht Work Engagement Scale.

#### <Pre><Presenteeism Indicator>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Percentage of employees with moderate or higher work functioning impairment due to health issues (21 points or above)	%	Furukawa Electric	24.5	23.3	21.0	19.6	16.9

#### <Absenteeism Indicator>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Number of days of long-term absence due to illness per employee*	Days	Furukawa Electric	3.1	3.0	3.2	3.6	4.4

<sup>\*</sup> In FY2024, the calculation method was revised, and figures were recalculated retroactively from FY2020, with some notations revised.

### <Work Engagement Evaluation >

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Ultra-short, 3-item version of the Utrecht Work Engagement Scale*	Points	Furukawa Electric	3.1	3.0	3.0	3.0	2.8

<sup>\*</sup> In FY2024, the calculation method was revised, and figures were recalculated retroactively from FY2020, with some notations revised.

<sup>\*</sup>WFun (Work Functioning Impairment Scale): A survey developed by the University of Occupational and Environmental Health, Japan, to measure the degree of work functioning impairment due to health issues.



### **Short Message of Health Declaration**

Since FY2018, the Company has implemented the "Health Declaration Short Message" initiative, where all employees, including the President, declare actions to promote their own health in the workplace to enhance health consciousness and health promotion.

## **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**

Since FY2002, the Company has implemented mental health measures, introducing an external EAP (Employee Assistance Program) counseling system. We conduct various mental health education programs, including line care and self-care training. Additionally, following legal amendments, we introduced a stress check system in FY2016, along with consultations with physicians.

#### <Rate of Employees Undergoing Stress Check>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Participation rate	%	Furukawa Electric	97.3	97.0	96.1	96.2	97.2

### **Strengthening Passive Smoking Measures**

Since FY2003, the Company has actively addressed smoking issues, implementing activities to prevent passive smoking and promote smoking cessation. In FY2017, we achieved a no-smoking policy during work hours, and in FY2020, we achieved a complete no-smoking policy on company premises.

The smoking rate among employees has continued to decline from 48.2% in FY2003 to 18.6% in FY2024. Smoking cessation contributes to improving lifestyle habits, and we will continue to support smokers through employee education and smoking cessation counseling by occupational physicians.



Smoking cessation poster

#### <Employee Smoking Rate>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Smoking rate	%	Furukawa Electric	20.2	20.3	19.7	19.2	18.6

## **Introduction of Measures to Prevent Falling Accidents**

Falling accidents increase with age. As the workforce ages, concerns about rising falling accidents (including commuting accidents while walking) have prompted the Company to implement fall prevention education and exercise programs (strength training) since FY2016.

#### **Support for Sleep Improvement**

To facilitate early detection of sleep apnea syndrome, we have introduced simple testing. Additionally, we hold seminars on achieving better sleep at various sites. Since FY2024, we have enhanced support for sleep improvement by conducting individual consultations with occupational physicians specializing in sleep for high-risk individuals.

#### **Measures against Infectious Diseases**

For overseas business trips and assignments, Furukawa Electric Group follows the "Health Management Guidelines for Overseas Employees," conducting health checkups (before departure, periodic, and upon return), vaccinations (e.g., Hepatitis A, Hepatitis B, tetanus, Japanese encephalitis, rabies, measles-rubella, typhoid, polio), and issuing health management handbooks for overseas employees. The Guidebook is made by the supervising occupational physicians and occupational health nurses, 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. Through these ongoing efforts, we address various health risks, including infectious diseases, associated with overseas business trips and assignments.

Additionally, prior to the COVID-19 pandemic, global health issues such as the three major infectious diseases—HIV/AIDS, tuberculosis, and malaria—had already become increasingly serious, leading to reduced workforce capacity, economic stagnation, increased poverty, orphanhood, and human rights issues for infected individuals. Furukawa Electric Group organizes and conducts various training programs to equip employees with accurate knowledge about these global health issues, actively addressing these global health issues.

## Number of Employees Participating in Health-Related Education and Training

The number of employees participating in various health-related education and training programs in FY2024 totaled 14,780, with a total of 3,989 hours conducted. Through these programs, we support employees' health promotion activities.

#### <Status of Health-Related Education and Training Implementation\*1 >

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Number of participants (total)	Persons	Furukawa Electric	7,391	6,626	9,684	15,106	14,780
Total hours conducted*2	Hours	Furukawa Electric	2,803	2,268	2,873	4,890	3,989

<sup>\*1</sup> Health-related education and training include heatstroke prevention, alcohol consumption, and women's health.

<sup>\*2</sup> In FY2024, the calculation method was revised, and figures were recalculated retroactively from FY2020, with some notations revised.



## **External Evaluation and Certification**

## The Health & Productivity Stock Selection and Outstanding Organizations of KENKO Investment for Health

Since 2017, our Company has been certified as a "Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category)" for nine consecutive years. Of these, we were recognized as a "White 500" (top 500 organizations) from 2017 to 2020 and in 2023. Additionally, we were selected as a "Health & Productivity Stock Selection" in 2019 and 2023 by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.





Note: The term "KENKO Investment for Health" is a registered trademark of Nonprofit Organization Kenkokeiei.



# Quality

## **Basic Approach**

Furukawa Electric is certified ISO 9001 on a business unit basis. By implementing ISO 9001 systems to standardize operations and continuously striving for quality improvement, we aim to contribute to society by providing high-quality products and services from the customer's perspective.

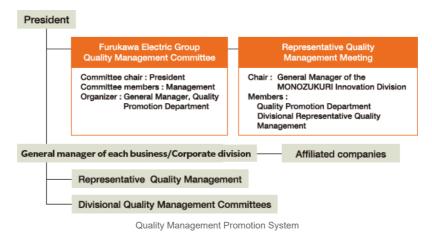
Additionally, under the Quality Management Policy, the Group promotes improvement activities to achieve "the quality expected by customers." We strengthen quality compliance as a fundamental prerequisite while advancing initiatives such as the "Quality Enhancement Project" to improve manufacturing quality and the "Risk Free Design (RFD) Project" to enhance design quality in the design and change processes. Through these two projects, we aim to enhance organizational problem-solving capabilities and improve "manufacturing capabilities" to create new value alongside our customers.

## **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.

## **Promotion System**

The Group has established Furukawa Electric Group Quality Management Committee, which is chaired by the president, as the topmost body for promoting quality management. 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.





## **Initiatives**

#### **Quality Compliance**

Thorough quality compliance is a fundamental prerequisite for our business activities. To eliminate quality frauds, strong leadership from top management, robust systems and their execution, and effective monitoring functions are essential. Furukawa Electric Group reinforces compliance awareness through top management guidance, establishes systems to meet customer requirements and expected quality, and strengthens regular inspections for compliance with laws, regulations, and customer requirements. By continuously implementing these measures, we ensure that all business divisions and group companies conduct activities in alignment with these standards.

#### **Quality Enhancement Project**

With the objectives of "enhancing manufacturing capabilities," "gaining technically valuable insights," and "reducing failure costs," all business divisions select critical manufacturing issues and work to resolve them. This initiative also aims to develop personnel with strong problem-solving skills.

In FY2024, we held the Furukawa Electric Group Quality Enhancement Activities Presentation Meeting. Representatives from all business divisions shared their activity reports, fostering mutual learning and improvement. Based on a standardized problem-solving approach, participants offered suggestions to enhance technical challenges in other divisions, gaining new insights and opportunities for improvement.



Scenes from the Quality Enhancement Activities

Presentation Meeting

#### 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 problem identification and solution in the design development and change process, and to improve the mechanisms for effective implementation of these processes.

We conduct ongoing training to foster the adoption of fundamental concepts and enhance leadership skills. By implementing and practicing preventive mechanisms, we have promoted the internalization of these concepts. Additionally, we conduct self-check activities to ensure issues are resolved in the design, development, and change processes, continuously advancing efforts to improve problem identification and resolution capabilities. Furthermore, we ensure that the concepts and systems developed through this project are steadily adopted across all business divisions through ongoing efforts.

This 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.



# **Supply Chain**

Procurement □|

>

Information for partners (suppliers), including various guidelines, is available here.

## **Basic Approach**

Under the Furukawa Electric Group Procurement Policy, our Group will contribute to realize a sustainable society through cocreation with our partners\*.

## Furukawa Electric Group Procurement Policy

- 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.
- Compliance with Laws and Regulations and CSR Procurement
   Toward the realization of a sustainable society, we conduct our procurement activities considering environment
   preservation and safe operation in comply with all applicable laws and regulations and we do fulfill our corporate social
   responsibility.
- 3. Partnership

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

Note: Furukawa Electric Group refers to our suppliers as "partners" with whom we co-create value.

# **Targets**

We are advancing the implementation of the Self-Assessment Questionnaire (SAQ) based on the Furukawa Electric Group CSR Procurement Guidelines for major suppliers, aiming for 100% completion. These efforts are designated as sustainability indicators and targets under the Furukawa Electric Group Vision 2030 and the 2025 Medium-term Management Plan.

•Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers (Group): 100% by FY 2025

# Sustainability Indicators

## **Initiatives**

#### **Promoting CSR Procurement Activities**

#### Furukawa Electric Group CSR Procurement Guidelines

**Environment** 

To promote CSR procurement activities that prioritize environmental and social considerations, Furukawa Electric Group has issued the Furukawa Electric Group CSR Procurement Guidelines. In August 2024, we revised these guidelines to the Furukawa Electric Group CSR Procurement Guidelines (4th Edition), incorporating references such as the RBA Code of Conduct 8.0.

Based on these CSR Procurement Guidelines, we collaborate with our partners to uphold "strict compliance with laws and

Based on these CSR Procurement Guidelines, we collaborate with our partners to uphold "strict compliance with laws and regulations and fair trade," "consideration for human rights, safety, and the environment," "reduction of environmental impact," and "responsible minerals sourcing" in our procurement activities. Additionally, when initiating transactions with new partners, agreement to comply with the CSR Procurement Guidelines is a mandatory requirement, and partner selection is conducted following appropriate risk assessments.

Furthermore, we directly explain the contents of the CSR Procurement Guidelines to our partners at the annual Partners Meeting, fostering ongoing engagement and commitment.

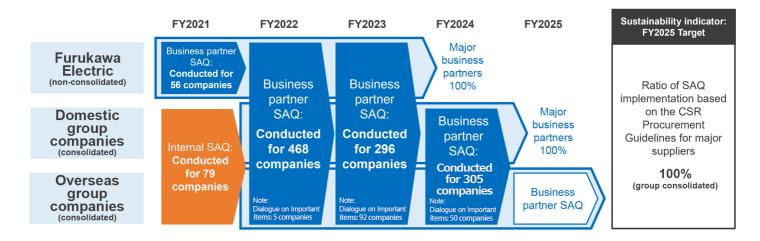
## > Furukawa Electric Group CSR Procurement Guidelines

## SAQ: Self-Assessment Questionnaire

As a risk survey for existing partners, in addition to the conventional questionnaire, we also issued a self-assessment questionnaire (SAQ) for major partners in accordance with the contents of the CSR Procurement Guidelines in FY2021. The scope was expanded from major Furukawa Electric's partners to include partners of group companies in Japan and Asia in FY2022, and in FY2023, to cover partners of group companies in Europe and the United States.

For partners falling under the categories of any of the survey items that we have identified as high-risk, we reconfirm the situation through interviews and other means, and encourage the partner(s) in question to correct the situation as necessary. In FY2024, we engaged in dialogue with 50 companies, bringing the cumulative total since FY2022 to 147 companies.

In the FY2024 survey results, no significant issues or violations were identified.



#### Major Partner Evaluation (Environmental and Social Monitoring)

We conduct evaluations (environmental and social monitoring) of major partners selected based on purchase volume (80% of material procurement spend) and strategic importance. These evaluations assess partners' quality, technology, pricing, delivery systems, social and environmental contributions, and credit status, with results provided through feedback during interviews. Additionally, we engage in discussions to align perspectives on procurement activities and continuously request cooperation to ensure business continuity and stable supply.

In FY2024, we evaluated 249 major partners.



## Co-creation Activities with Partners

The Company steadily advances CSR procurement activities through co-creation with partners, in alignment with the Furukawa Electric Group CSR Procurement Guidelines.

#### Partner Recognition Program

We have established a Partner Recognition Program to honor partners demonstrating outstanding initiatives. In addition to awards such as the "Outstanding Partner Award," "Group Global Partner Award," "Best Performance Award," and "Special Award," we have introduced an "Environmental Award" to recognize contributions to environmental efforts, thereby evaluating partners' multifaceted initiatives.

#### Partners Meeting

We hold the Partners Meeting every year, where our partners are invited to participate. At the meeting, we directly explain the contents of the CSR Procurement Guidelines, our procurement policies and targets, and initiatives. Through this meeting, we aim to deepen our partners' understanding of the Furukawa Electric Group's procurement activities and to further strengthen mutual trust

In fiscal 2024, the meeting was held in person for the first time in six years since the COVID-19 pandemic, with 51 major partners in attendance.

#### Greenhouse Gas Emission Reduction Initiatives in the entire value chain

In order to work toward reducing greenhouse gas emissions throughout the value chain, we require our partners to strive to improve energy efficiency and continuously reduce energy consumption and greenhouse gas emissions based on our CSR Procurement Guidelines. At partner meetings, etc., we are encouraging the setting of targets for reducing greenhouse gas emissions. Furthermore, since FY2021, we have been conducting surveys on greenhouse gas emissions for some of our partners, and we have been working to understand the amount of greenhouse gas emissions in our value chain.

#### Procurement Logistics Activities

In order to reduce costs and CO<sub>2</sub> emissions during transportation, we are addressing the risks of soaring logistics costs and the inability to transport goods by selecting the most appropriate means of transportation within the value chain, such as making effective use of our return trip freights. In FY2024, the number of collaboration partners in procurement logistics activities was 19 companies.

#### Establishment of a Reporting and Inquiry Contact Point for Partners

We have established contact points for inquiries about compliance and inquiries about human rights (JaCER's Grievance Form) on our 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 whistleblower as deemed necessary.

- Contact points for inquiries about compliance
- > Inquire about human rights (Jump to JaCER's Form) □

#### **Green Procurement Activites**

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 Guideline as the procurement requirements.

In July 2023, we revised our Furukawa Electric Group Green Procurement Guideline to the 3rd Edition as we look to achieve our Furukawa Electric Group Environmental Vision 2050. We have incorporated the contents of our Environmental Vision 2050 in our Green Procurement Guidelines and presented them as concrete requests to our partners.

> Green Procurement Guideline □

## **Responsible Minerals Sourcing**

Furukawa Electric Group has clearly stated its approach to responsible minerals sourcing in the CSR Procurement Guidelines and has made it known to group companies and business partners. Additionally, to advance responsible minerals sourcing, we have established the Furukawa Electric Group Responsible Minerals Sourcing Policy. Under this policy, we promote initiatives in compliance with the OECD Due Diligence Guidance, conduct surveys on 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).

To prevent and mitigate adverse impacts associated with mineral extraction in conflict-affected or high-risk areas, we not only implement our own initiatives but also participate in the Japan Electronics and Information Technology Industries Association (JEITA) Responsible Minerals Trade Working Group. Through this, we contribute to addressing global conflict minerals issues and improving conflict minerals survey activities in the supply chain through industry collaboration.

## 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.

## **Supply Chain BCM (Business Continuity Management)**

We conduct a questionnaire-based survey on Business Continuity Management (BCM) initiatives for major partners. By compiling the survey results into a database, we have established a system to quickly identify partners likely to be affected during disasters, while implementing measures such as diversifying procurement sources for critical products.

## **Conducting Training on Subcontracting Transactions**

In order to build sound relationships with our partners through fair transactions based on compliance with laws and regulations, our Group reviews our internal systems for subcontracting and implements thorough employee training. In FY2024, we conducted elearning training program on the Subcontract Act for employees of the Group, with a total of 4,608 participants.

## **Related Data**

#### > ESG Data (Human Rights/Supply Chain)

- Ratio of SAQ implementation for major suppliers
- Number of communications with suppliers on important items in the SAQ
- Number of major partners evaluated through environmental and social monitoring
- Number of suppliers attended at the Partners Meeting
- Number of suppliers tried CO<sub>2</sub> reduction by Procurement logistics
- Number of employees trained in the Subcontract Act



# **Local Community Contribution, Social Contribution**

## **Basic Approach**

Furukawa Electric Group promotes ESG management under the "Furukawa Electric Group Purpose." As part of this, our social contribution activities are rooted in local communities and are advanced in accordance with the 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.

# **Nurturing Future Generations**

To support the development of engineers and other professionals for the next generation, we conduct various activities for students.

- ▶ Joint production with Gakken Inc.: We created an educational comic, "The Secrets of Optical Fiber Cables", and donated it to elementary schools nationwide.(only available in Japanese)
- Support for STEM-oriented students and female engineers, including endorsing the Cabinet Office's "Riko-Challe" initiative.
- Accepting students for internships, workplace experience programs, and company visits.
- Donations and sponsorships.



Joint production of the educational comic "The Secrets of Optical Fiber Cables" and donation to elementary schools.



Endorsement of the Cabinet Office's "Riko-Challe" initiative, hosting events for junior high and high school students.



Conducting internships and company visits for students at Furukawa Electric's headquarters and various sites.



# **Promoting Sports and Culture**

The Group engages in distinctive sports and culture promotion activities.

Official partner and SDGs sponsor of the professional soccer team JEF United Ichihara Chiba.(only available in Japanese)



- Sponsorship of the professional ice hockey team H.C. Tochigi Nikko IceBucks.
- Support for local sports teams and tournaments.
- Donation of the Company's former reception facilities, the former Shigenobu Okuma House and the former Munemitsu Mutsu
   House, to the national government.
- Support for local cultural activities.









As an SDGs sponsor of JEF United Ichihara Chiba, providing opportunities for everyone, regardless of disabilities, to enjoy soccer through events like walking football tournaments and universal matches.

# Living in Harmony with the Natural Environment and Local Communities

At each site, we carry out activities focused on environmental conservation and community engagement.

- Biodiversity conservation activities.
- Environmental recycling activities.
- Conducting environmental education, classes, and participating in related events.
- Hosting the traditional Nikko Waraku Odori event in Nikko City and sponsoring local events.
- Community cleanup and safety/disaster prevention activities.
- Local volunteer activities.
- Support for local schools, students, and individuals with disabilities.
- Donations and contributions.
- Blood donation drives.





Cultivation of the Endangered Plant "Pulsatilla Cerna" (Domestic Sites).



Tree-planting activities (China).



The Nikko Waraku Odori, continuing since 1914 (Nikko Works).



Employee-led community volunteer activities (United States).

## **Disaster Relief**

Furukawa Electric Group supports disaster-affected individuals and contributes to the recovery of affected areas through monetary donations and other activities.

Fiscal Year	Main Donation Activities	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
2023	Morocco Earthquake	Approx. 11.5 million yen
2024	Noto Peninsula Earthquake	10 million yen
2024	Eastern Taiwan Earthquake	Approx. 15 million yen

## Recognition System (ESG Award Social Contribution Award)

To promote social contribution activities at each Group site, we annually recognize outstanding efforts with the ESG Award Social Contribution Award\*.

\* ESG Award includes not only the Social Contribution Award, but also the Environmental Contribution Award, which recognizes the company's environmental conservation efforts.

## > Environmental Contribution Award

#### **FY2024 Award Achievements**

## Outstanding Performance Award

Support and Educational Activities for Socially Vulnerable Groups
 < Lightera LatAm S.A. (Brazil) >

Conducted social and environmental education for children as part of support for socially vulnerable groups.

Employees participated as volunteers, providing learning opportunities through vegetable cultivation, harvesting, and sales.

The harvested produce contributed to improving children's diets, and sales proceeds were donated.

Support for Environmental Education Activities for Local Students
 Furukawa Nikko Power Generation Co., Ltd. (Nikko City, Tochigi Prefecture)>

Participated in the "Learning from Japanese Char (Nikkoiwana)" initiative, supporting environmental education for local elementary school students.

This activity was featured in local newspapers and received the FY2024 "Regional Development Award" from the Minister of Land, Infrastructure, Transport and Tourism.

Furukawa Nikko Power Generation conducted tours of its power plants and classes on hydroelectric power, with active employee participation.



Environmental education classes in the vegetable garden



Employee-led lectures on hydroelectric power



#### **Excellent Performance Award**

- Tree-Planting Activities Where Ashio Copper Mine Used to Be Located in Nikko City, Tochigi Prefecture
   Furukawa Sangyo Kaisha, Ltd. (Minato Ward, Tokyo)>
- "Sustainable Green Project" (regional greening), participation in community contribution events, and environmental/safety workshops
  - <Furukawa Electric Power Systems Co., Ltd. (Yokohama City, Kanagawa Prefecture)>
- Radish harvesting experience using company green spaces
   <Miharu Communications Inc. (Kamakura City, Kanagawa Prefecture)>



Tree-planting activities where Ashio Copper Mine used to be located



Employee participation in community events



Employees and vegetable garden utilizing company green space

#### Honorable Mention

- Active Promotion of Employment for People with Disabilities (Providing Work Opportunities)
   <FURUKAWA ELECTRIC BUSINESS & LIFE SUPPORT INC. (Chiyoda Ward, Tokyo)>
- Support for Local Elementary Schools (Crosswalk Repairs and Safety Education)
   Furukawa Automotive Systems (Thailand) Co., Ltd. (Thailand)>
- Workplace Blood Donation Drive Supported by Many Employees
   <Furukawa Electric Autoparts Philippines Inc. (Philippines)>



Providing opportunities to learn traffic rules



Blood donation drives, recognized by the Philippine Red Cross



# **Corporate Governance**

## **Basic Approach**

## **Basic Approach on Corporate Governance**

Based on the "Furukawa Electric Group Purpose" and "Core Values", 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.

Guidelines on Corporate Governance

## **Corporate Governance Report**

> Corporate Governance Report (Updated June 25, 2025)

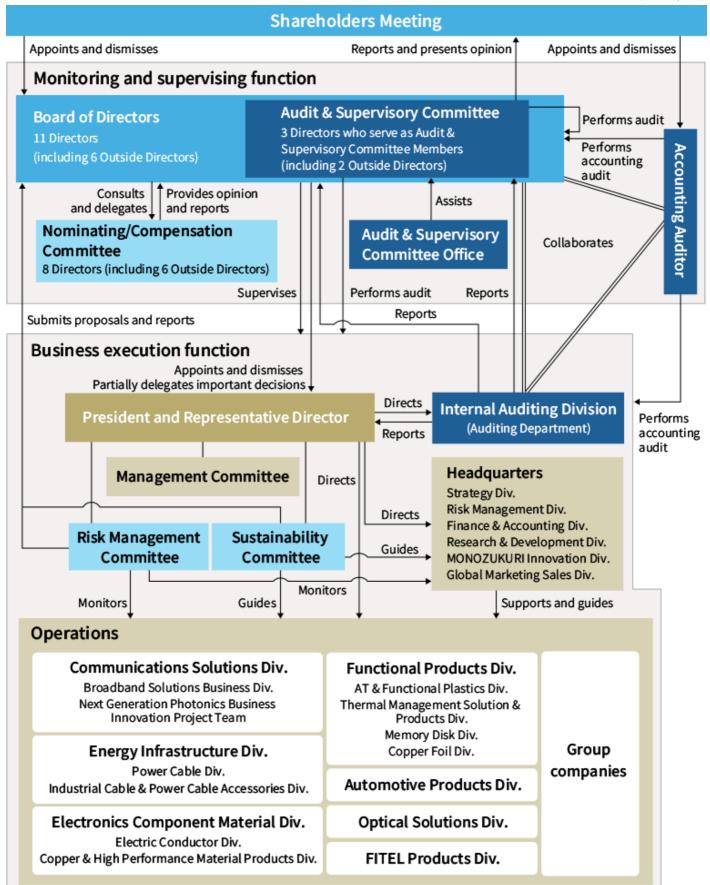
## **Corporate Governance System**

We have adopted the organizational form of a Company with an Audit and Supervisory Committee to further enhance corporate governance. This structure enables the Board of Directors to delegate a broad range of business execution decisions to management, thereby accelerating decision-making processes. At the same time, the Board of Directors focuses on substantive discussions regarding management policies and strategies, strengthening and refining its supervisory function. 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**

As of June 25, 2025



Data



## Monitoring and supervising function

#### **Board of Directors**

In light of its fiduciary responsibility and account ability to shareholders, the Board of Directors of the Company fulfills its responsibilities to promote sustainable corporate growth and the increase of corporate value over the medium-to-long-term, and enhance earnings power and capital efficiency; and therefore, do the following:

- 1. Determination of corporate governance-related matters;
- 2. Establishment and amendment of business strategies and oversight of execution of such strategies and plans;

Social

- 3. Determination of capital allocation policy-related matters;
- 4. Appointment and removal of the Management (including the identification of skills and other qualities required for the Board of Directors), and determination of their remuneration (including delegation of such roles to the 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) 77 .

At present, the Board of Directors consists of 11 Directors, 4 of whom are Outside Directors (excluding Directors who serve as Audit & Supervisory Committee Members) and 2 Outside Directors who serve as Audit & Supervisory Committee Members, with all 6 Outside Directors registered at the Tokyo Stock Exchange as independent officers. The Board of Directors is chaired by a nonexecutive Chairperson of the Board who does not have representative rights. The Outside Officers of the Company have extensive management 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.

#### Nominating/Compensation Committee

We established the Nominating/Compensation Committee with the objective of ensuring the objectivity and transparency of the deliberation and decision-making processes concerning the nomination of Directors and other officers as well as their remuneration. The Committee consists of at least 5 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.

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

At present, the Committee consists of 8 members, of whom 6, including the Committee Chairperson, are Outside Directors.

## Audit & Supervisory Committee

The Audit and Supervisory Committee appropriately obtains information, including exercising its authority to conduct investigations under applicable laws and regulations. Based on its fiduciary responsibility to shareholders, the Committee expresses opinions to the Board of Directors and management from an independent and objective standpoint. Furthermore, the Committee ensures sufficient coordination with the internal auditing division through regular meetings and ad hoc reports as needed, and regularly reports the audit policy, plan, and results to the Board of Directors.

Full-time Directors who are Audit & Supervisory Committee Members attend meetings such as the Management Meeting, where significant business execution decisions are made, and appropriately provide information obtained from audits and these meetings to Outside Directors who are Audit & Supervisory Committee Members.

Furthermore, to support the operations and functions of the Audit & Supervisory Committee, we have appointed assistant staff independent of management to strengthen the audit function.

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)

At present, the Audit & Supervisory Committee consists of 3 members, of whom 2 are Outside Directors (both registered at the Tokyo Stock Exchange as independent officers).

#### **Business execution function**

Furukawa Electric Group's business consists of 13 operating divisions and others; 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 Communications Solutions Division, Energy Infrastructure Division, Electronics Component Material Division, Functional Products Division, Automotive Products Division, and Optical Solutions Division, as well as Advisor of FITEL Products Division and General Manager of FITEL Products Division. In addition, the Company has divisions to perform such head office functions as developing and implementing the Group's 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 Management Committee, which is the highest decision-making body of business execution. Management Committee deliberates and determines major operational matters 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.



# **Approach to Board Talent and Composition**

#### Policy on Nomination of Candidates for Board of Directors and Executive Officers

With respect to board members (Board of Directors and Executive Officers), the Company believes that their skills, knowledge and experience, as well as multiple views from diverse board members, in terms of gender and international experience, contribute to the Group's global business operations and appropriate oversight/auditing. Based on this perception, the Company selects candidates for board members as follows:

Candidates for Outside Director

Total mix of various skills and backgrounds in the expectation that they will contribute to the Board discussions from diverse perspectives and viewpoints; a person with experience of corporate management and governmental body, an engineer with specific technological expertise, and an expert of law or accounting

Governance

Candidates for Inside Director and Executive Officer

With the consideration of the Furukawa Electric Group business with many affiliates around the globe and various business lines, a person who has the sufficient skillset, knowledge and experience required for each position in accordance with the circumstances as they arise and contributes to the Furukawa Electric corporate value

#### Key Areas of Expertise (Skills Matrix) Expected of Board Members

In the Group, "material issues" is defined as key issues to be addressed for achieving Furukawa Electric Group Vision 2030. The Group identified the following material issues from the perspective of revenue opportunities and risks. In order to resolve these material issues, we have selected eight key areas (skillsets) of experience and knowledge that we expect our directors to possess: Corporate management, Finance/Accounting, Legal affairs/Risk management, Environment/Energy, Technology/IT, Sales/Marketing, International experience/knowledge, and Personnel policy/Organizational development. Details of skillset were determined upon deliberation at the Nominating/Compensation Committee, and will be updated, as necessary, considering the external environment as well as the Company's management plan/business characteristics, among others.

## Relationship between Material Issues and Skillsets

	Material issues		Skillsets
	Creating businesses that solve social issues	$\Rightarrow$	Finance/Accounting Technology/IT Sales/Marketing
Revenue opportunities	Open,Agile,Innovative	$\Rightarrow$	Corporate management Technology/IT Sales/Marketing
	Building partnerships with various stakeholders	$\Rightarrow$	Technology/IT International experience/knowledge
	Developing business activities that consider climate change	$\Rightarrow$	Environment/Energy
Risks	Strengthening human capital and organizational execution abilities	$\Rightarrow$	Personnel policy/Organizational development
	Building a governance system to strengthen risk management	$\Rightarrow$	Legal affairs/Risk management

## **Details of skillsets**

Skillsets	Reason for selection	Definition
Corporate management	To promote ESG management aiming at the Group's sustainable growth and increase in corporate value over the medium- to long-term, and proactively work on self-transformation, skills in formulating medium- to long-term sustainable growth strategy and high level of skills in corporate management are required.	Have experience in serving as Representative Director or equivalent (i.e. an officer with a broad scope of responsibilities that are similar to that of an officer)
Finance/ Accounting	To strengthen/create capital efficient businesses of the Group, and optimize its business portfolio, high level of skills in accurately identifying the financial situation and formulating financial/capital strategy toward establishing the solid financial base are required.	Have experience/expertise in finance/accounting; have significant experience as the person in charge of finance/accounting division
Legal affairs/ Risk management	Building a governance system to strengthen risk management and ensuring a corporate culture of compliance are the foundation of continued increase in corporate value. To improve the Board's effectiveness in terms of overseeing the management as well, high level of skills in legal affairs, risk management and compliance are required.	Have experience/expertise in establishing legal/risk management/ compliance system, etc.; have significant experience as the person in charge of legal affairs/risk management/compliance division
Environment/ Energy	Since it is essential for the Group's sustainable growth to promote climate-conscious business activities and have high level of skills in environment/energy area.	Have extensive experience, expertise and/or network in the area of environment/energy; or have significant experience as the person in charge of environment/energy division
Technology/IT	To enhance the Group's strengths, including open innovation, co-creation with external partners, and the use of intellectual properties, and develop a new business model, 4 core technologies* which the Group has developed, or high level of skills in the digital area are required.	Have experience/expertise in R&D, IT, DX, etc.; have significant experience as the person in charge of technology/IT division
Sales/Marketing	To move away from the product-out mindset, adopt market-in and even outside-in approaches, and provide customers with solutions by taking advantage of the Group's strengths, high level of skills in forecasting market trends and formulating sales strategy are required.	Have experience/expertise in sales/marketing; have significant experience as the person in charge of sales/marketing division
International experience/ knowledge	To strengthen the Group's businesses, high level of skills in formulating growth strategy from the global viewpoint as well as managing overseas businesses are required.	Have experience in running a company abroad or have international knowledge of international trade or a relevant specialized area
Personnel policy/ Organizational development	To strengthen human capital and organizational execution abilities, and thus strengthen the foundation for corporate management, high level of skills in formulating measures to ensure that employees demonstrate their abilities to the maximum extent and to strengthen team capability through leadership development and reform of organizational culture are required.	Have experience/expertise in personnel policy/organizations development; or have significant experience as the person charge of personnel policy/organizational development division

<sup>\*4</sup> core technologies: metals, polymers, photonics, high-frequency



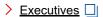
## **Skill Matrix of Board of Directors**

As of June 25, 2025

											As of Ju	ine 25, 202
				Dir	ectors					(Audit & Supervisory Committee Members)		
					0							
Nan	ne	Keiichi Kobayashi	Hideya Moridaira	Satoshi Miyamoto	Koji Aoshima	Takashi Tsukamoto	Yukiko Yabu	Tamotsu Saito	Takeo Hoshino	Hiroyuki Ogiwara	Sayaka Sumida	Takao Shiomi
Pos	sition	Director and Chairman of the Board	Representative Director and President	Representative Director and Corporate Executive Vice President, and General Manager of Strategy Division	Representative Director and Corporate Senior Vice President, and General Manager of Finance & Accounting Division	Outside Director	Outside Director	Outside Director	Outside Director	Director (Full-time Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)
Ger	nder	Male	Male	Male	Male	Male	Female	Male	Male	Male	Female	Male
Геп	ure	10 years	3 years	6 years	1 year	4 years	6 years	4 years	1 year	2 years *2	5 years *2	4 years *2
nde	ependent					*	*	*	*		*	*
	Corporate management	•	•			•		•		•		•
	Finance/ Accounting				•	•				•	•	•
	Legal affairs/ Risk management			•	•							
Skills	Environment/ Energy								•			
≣ 1	Technology/ IT	•	•				•	•	•			
71	Sales/ Marketing	•					•					
	International experience/ knowledge		•	•		•			•	•	•	•
	Personnel policy/ Organizational development			•			•					
Atte	ard Meeting endance 2024)	100% (16/16)	100% (16/16)	100% (16/16)	100% (12/12) *3	93.8% (15/16)	100% (16/16)	100% (16/16)	100% (12/12) *3	100% (16/16)	100% (16/16)	100% (16/16)
Cor Cor	ninating/ npensation nmittee endance 2024)	100% (5/5)	100% (5/5)	_	_	100% (5/5)	100% (5/5)	100% (5/5)	100% (5/5)	_	_	_
Cor Atte	dit & Supervisory nmittee endance 2024)	_	_	_	_	_	_	_	_	100% (11/11)	100% (11/11)	100% (11/11)

<sup>\*1</sup> The above tables do not cover all experience/knowledge of each person. A check-mark is placed only in cases where the Company expects that a person's extensive experience or advanced expertise in each item will particularly contribute to addressing key issues.

<sup>\*3</sup> Since Mr. Takeo Hoshino and Mr. Koji Aoshima were newly elected at the 202nd Annual Shareholders Meeting held on June 26, 2024, the number of the eligible Board of Directors meetings is different from that for other members of the Board of Directors.



<sup>\*2</sup> The Company transitioned to a Company with an Audit & Supervisory Committee on June 25, 2025. The tenure of Directors who are Audit & Supervisory Committee Members includes their period of service as Audit & Supervisory Board Members.

## **Independence of Outside Directors**

The Company designates, in principle, the majority of its Directors as independent Outside Directors and has established the following Independence Standards for Outside Directors.

## Independence Standards for Outside Officers\*

If none of the following attributes are applicable to the relevant outside Directors and outside Audit & Supervisory Board Members (including candidates), the Company considers that they are independent Directors and Audit & Supervisory Board Members without the possibility of creating any conflict of interest with general shareholders.

- (1) Person belonging to a company whose main clients include the Company (a client who provides products or services to the Company and whose amount of transactions with the Company is equivalent to more than 2% of the client's annualized total net sales in the most recent fiscal year) or who engages in such operations.
- (2) Person belonging to a company which is one of the Company's main clients (a client to whom the Company provides products or services and whose amount of transactions with the Company is equivalent to more than 2% of the Company's annualized total net sales in the most recent fiscal year) or who engages in such operations.
- (3) Person who engages in operations at a financial institution which is a main lender to the Company (a lender whose amount of loans is equivalent to more than 2% of the Company's total assets in the most recent years).
- (4) Person who receives monetary or other economic benefits from the Company of JPY 10 million or more a year, over and above officer's remuneration, in the capacity of such an expert as a consultant, accountant, lawyer, or who belongs to any legal entity which receives JPY 100 million a year from the Company.
- (5) Person who has fallen under any of the items (1) to (4) during any period within the past three years.
- (6) Relative of the person who falls under any of the items (1) to (5) above, within the second degree of kinship.
- (7) Any other person in breach of standards for independence set out by Tokyo Stock Exchange, Inc.
- \* Even if any of the items (1) to (7) is not applicable, the Company may determine that the person is not independent depending on factors such as the amount of transactions at subsidiaries of the Company or those of the relevant client to which the person belongs.

## Evaluation Results on Effectiveness of Board of Directors (FY2024)

The Company has conducted an annual analysis and evaluation on the effectiveness of the Board of Directors since FY2015, aiming at improving the Board's functions through a continuous process where we verify whether the Board is functioning adequately, and based on the results, we take necessary measures to remedy issues and reinforce its strengths.

#### Method of analysis and evaluation

Upon conducting a questionnaire survey targeting all Directors and Audit & Supervisory Board Members, the effectiveness of the Board of Directors was discussed based on aggregated results at meetings of outside officers and the Board of Directors. For the purpose of obtaining deeper understanding of the aggregated results, the Chairperson of the Board had interviews with all Directors and Audit & Supervisory Board Members on an individual basis (while the lead outside officer interviewed with the Chairperson), and shared the results at the above-mentioned Board of Directors meeting.



## **Category of survey questions**

- Roles and responsibilities of the Board of Directors (general matters, mid- to long-term management plan, business execution, risk management and compliance, sustainability, and Nominating/Compensation Committee)
- П. Operation of the Board of Directors
- Ш. System to support and cooperate with outside officers
- IV. Roles of and expectations for Audit & Supervisory Board Members
- ٧. Relationships with shareholders and other stakeholders
- Other (Board of Directors overall, individual evaluations)

## Overview of analysis and evaluation results

As a result of the analysis and evaluation, we reconfirmed that our Board of Directors has worked on initiatives to enhance its effectiveness in consideration of the results of the last fiscal year's evaluation; the Board of Directors as a whole has had positive and active discussions and carried out adequate oversight the business execution from the perspective of achieving sustainable growth of the entire Group and increasing corporate value over mid- to long-term; and useful recommendations/inputs based on a wealth of experience and advanced knowledge of outside officers were reflected on business execution. Consequently, we analyzed/evaluated that the Board of Directors maintained its effectiveness this fiscal year as well.

For details, please refer to Overview of Evaluation Results on the Effectiveness of the Board of Directors (FY2024).



## **Remuneration for Directors**

## Policies for determining remuneration, etc. for Directors

### **Basic policy**

The remuneration for officers shall be determined in a way that encourages each officer to exert his/her abilities to the maximum level and proactively fulfill his/her duties so that the Group will increase its corporate value and achieve sustainable growth while contributing to the society through its business activities.

## Policy for determining remuneration for individual officer by element

The Company's remuneration for officers consists of Base salary, Short-term performance-linked remuneration (individual), short-term performance-linked remuneration (company level), ESG-linked remuneration, and Medium-to-long-term performance-linked remuneration; and the Individual Remuneration Policy for determining an amount of each remuneration element is as follows:

			Reci	pient	
Element of remuneration	Overview	Director except Outside Director (excluding Director who serves as Audit & Supervisory Committee Member)	Outside Director (excluding Director who serves as Audit & Supervisory Committee Member)	Corporate Vice President except Director, Senior Fellow	Directors who serve as Audit & Supervisory Committee Member
Base salary	This element is paid in cash in a fixed amount every month, and the amount is determined depending on his/her role (e.g. management oversight or business execution) and official position.	•	•	•	•
Short-term performance- linked remuneration (individual)	This element is paid in cash once a year, and the amount is determined by the Nominating/Compensation Committee upon comprehensively evaluating achievements of the relevant business plan in the previous fiscal year, such as operating income and Economic Value Added in the division(s) he/she is in charge of, and the status of relevant measures.	•	_	•	_
Short-term performance- linked remuneration (company level)	This element is paid in cash once a year, and the amount is fixed according to the evaluation criterion based on consolidated operating income, as defined by the Nominating/Compensation Committee.	•	_	•	_
ESG-linked remuneration	This element is to be paid in cash once a year. The amount is to be determined upon evaluating the progress toward achieving the sustainability targets of key management issues (materiality) to be addressed by the Group.	•	_	٠	-
Medium-to- long-term performance- linked remuneration	This is the stock remuneration system, which provides the Company's shares acquired by the Trust that was funded by the Company.	•	_	•	_

For details, please refer to "4. Corporate Governance, (4) Remuneration for Directors, etc." in the <u>Annual Securities Report for the 203rd Fiscal Year (April 1, 2024 through March 31, 2025)</u> .



## Remuneration for Directors and Audit & Supervisory Board Members (FY2024)

				Total re	emuneration by type	(JPY millions)		
Officer classification		Total remuneration (JPY millions)	Base salary	Short-term performance- linked remuneration (individual)	Short-term performance- linked remuneration (company level)	ESG-linked remuneration	Medium-to- long-term performance- linked remuneration	Number of subject officers (persons)
	ctors (excluding side Directors)	359	226	19	_	5	108	7
Boa (exc Aud	it & Supervisory rd Members luding Outside it & Supervisory rd Members)	91	91	_	_	-	-	3
Outs	side Officers	108	108	_	_	_	_	9
	Of which Outside Directors	72	72	-	-	-	-	6
	Of which Outside Audit & Supervisory Board Members	36	36	-	-	-	-	3

- Notes: 1. The amounts and numbers of officers in the above table include two Directors who retired from the positions due to the expiry of their terms at the end of the 202nd Annual Shareholders Meeting held on June 26, 2024 as well as amounts of their remuneration.
  - 2.The column of Short-term performance-linked remuneration (company level) shows the payment amount which was determined in June 2024 as compensation for execution of duties in FY2023.
  - 3. The amount of Medium-to-long-term performance-linked remuneration in the above table is calculated by deeming the number of shares corresponding to the number of points granted for the current fiscal year under the stock remuneration program as the remuneration for the year.
  - 4.Short-term performance-linked remuneration (on the company level) falls under the category of performance-linked remuneration. For this remuneration, the Company adopted consolidated operating profit as an indicator to appropriately and clearly reflect the Company's business performance during a relevant fiscal year to the remuneration. The Company's consolidated operating profit in FY2023 was 11,171 million year.
  - 5.ESG-linked remuneration (to be paid from July 2024) falls under the category of performance-linked remuneration. To ensure this remuneration works as an appropriate incentive for achieving sustainability targets, sustainability indicators are used to evaluate achievements. Nominating/Compensation Committee evaluates achievements of targets for sustainability indicators, and judges whether this remuneration elements should be paid or not. For the payment in the current fiscal year, greenhouse gas (GHG) emissions reduction target (Scope 1 and 2)(compared with FY2017) set at 21.2% was used for the evaluation, but we actually reduced GHG emissions by 45.4% (in FY2023).
  - 6.Medium-to-long-term performance-linked remuneration falls under the categories of performance-linked remuneration as well as non-monetary remuneration. For this remuneration, the Company adopted its stock price, in order to appropriately reflect increased corporate value to remuneration amounts, and to share incentives for increasing corporate value with shareholders.

## **Succession Plan**

The Nominating/Compensation Committee deliberates and determines the details of the succession plan for the management.



#### **Succession Plan**

- (1) Based on the Furukawa Electric Group Purpose, Core Values, and a concrete management strategy, a succession plan for the President/CEO is deliberated and determined by the Nominating/Compensation Committee, are annually reviewed by the Committee.
- (2) Each Succession plan for Corporate Vice Presidents is annually reviewed and submitted to the Nominating/Compensation Committee, then the Committee checks an update of the succession plans for Corporate Vice Presidents.
- (3) The Company makes efforts to systematically develop the next generation of executives. Candidates of prospective president and corporate vice presidents selected by succession plans obtain advice from outside consultants, take training for the development of executives, and transfer to a different division to acquire necessary experience.
- > Formulating Succession Plan and Development Plan

## **Cross-Shareholdings**

## **Policy on Cross-Shareholdings**

We hold the shares if they are deemed to be significant from the viewpoint of improving capital efficiency or from need for the Company's business activities, and reduce the shares if they are deemed to be unsuitable for holding. Each year, the BOD examines the appropriateness of holding all listed shares among our cross-shareholdings and discloses a summary of the results of this examination. The verification shall be conducted from a comprehensive perspective, including the creation of business opportunities, the maintenance and strengthening of business relationships and cooperative relationships in business, as well as the comparison of quantitative benefits derived from the holdings of shares with the holding cost calculated based on the market value of shares and cost of capital.

Note: Cross-shareholdings are defined as the shares subject to "investment shares held for purposes other than pure investment purposes" in the Annual Securities Report.

For details, please refer to "4. Corporate Governance, (5) Shareholdings" in the <u>Annual Securities Report for the 203rd Fiscal Year (April 1, 2024 to March 31, 2025)</u>.

# Strengthening Internal Controls

While respecting the management independence of each affiliated company, the Company monitors the overall management status, including compliance and risk management, and provides appropriate management guidance, such as advice and support for establishing compliance systems and internal control systems at each company. Through these efforts, we ensure the soundness of each company's management while striving to strengthen the governance structure and enhance the corporate value of the entire Furukawa Electric Group.

#### Status of Establishment of the Internal Control System

The Company believes that internal control is intended for maintaining/improving the efficiency of execution of duties, ensuring compliance, risk management, information management and group company management, and established and implements the internal control system.

For details, please refer to "4. Corporate Governance, (1) Overview of Corporate Governance" in the <u>Annual Securities Report for the 203rd Fiscal Year (April 1, 2024 to March 31, 2025)</u> and "<u>System for Ensuring the Appropriateness of Operations"</u> 2.

## **Related Data**

> ESG Data (Governance)





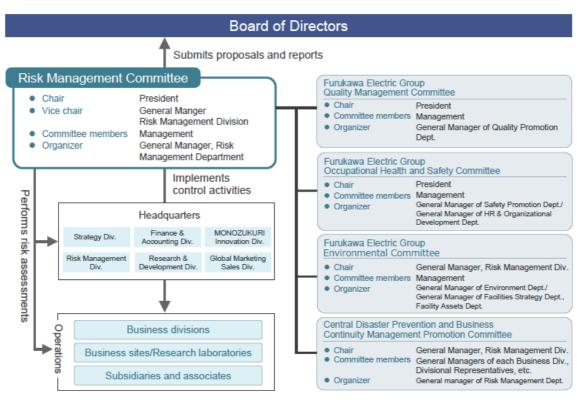
# Basic Approach

Furukawa Electric Group has established the Basic Regulations on Risk Management and Internal Control to comprehensively identify risks in business activities, prevent or mitigate potential losses to an acceptable level, and appropriately address factors that may impact the achievement of strategic objectives, thereby enhancing corporate value, ensuring stable growth, and maintaining sound business operations.

## **Promotion Framework**

The Group has formed the Risk Management Committee chaired by the President, with the General Manager of Risk Management Division serving as Vice Chair and executive-level members serving as committee members. This committee deliberates on issues related to risk management, internal control, and compliance across the Group, while also overseeing and promoting activities carried out by each relevant division. The committee is organized by the General Manager of Risk Management Department and, in principle, convenes twice a year.

The Group's Risk Management Committee takes a comprehensive view of risks through assessments from both management and operational perspectives and identifies important risks that require company-wide response. Among these, "climate change," "people and organization," and "human rights and labor practices" are recognized as material risks from management perspectives and are addressed accordingly. Additionally, risks deemed particularly critical—such as quality management, occupational health and safety (including employees' health), environment, disaster prevention and business continuity management (BCM)—are managed intensively through dedicated subcommittees established under Risk Management Committee. This structure reinforces our Group-wide risk management system for business operations. In addition to these systems, when making key decisions by the Board of Directors and Management Committee, and through review requests for management approval, potential risks associated with each agenda item are explicitly described in materials and duly considered in the decision-making process.



Risk management promotion System

To identify and prioritize risks that require focused response by evaluating business risks across the entire organization, the Group conducts a comprehensive annual risk assessment. This includes identifying risks and evaluating their likelihood and potential impact (risk assessment) at each organizational unit, such as business divisions, business locations, and subsidiaries and associates. The results are reported to Risk Management Committee. To continuously expand and deepen our risk controls, each responsible department undertakes control activities addressing specific risk items—including those included in the "Business Risks"—and evaluates the outcomes of those activities. A consolidated evaluation of these control efforts is compiled and reported annually to Risk Management Committee.

#### **Business Risks**

#### **Examples of Management Perspective Risks**

Business portfolio

- Creation of new businesses
- Climate change (carbon neutral)

- People and organization
- Political and economic situation
- Human rights and labor practices

#### Examples of Operational Perspective Risks

- Effects of disasters, infectious diseases, etc
- Raw material and fuel price fluctuations
- Research & development and intellectual property
- Environmental pollution and environmental regulations
- Disclosure and brand

- Quality control
- Information system and information security
- Employee health and safety
- Impairment of non-current assets

- Legal violations
- Exchange rate, interest rate and share price fluctuations
- Deteriorated profitability of construction projects
- Capital management

## > <u>View details (Business Risks)</u> □

## **Targets**

Toward "Building a governance system to strengthen risk management," identified as a material issue of risks, we have set "the ratio of follow-up on risk management activities for all risk domains" as a sustainability indicator and target. These are established as part of the sustainability indicators and targets to achieve the "Furukawa Electric Group Vision 2030" and the "Medium-term Management Plan 2022–2025 (2025 Medium-term Plan)."

- The ratio of follow-up on risk management activities for all risk domains (Group): FY2025 100%
- > View the results (Sustainability Indicators and Targets)

## Disaster Prevention and BCM (Business Continuity Management) Activities

Furukawa Electric Group, fully aware of its social responsibility, has formulated a Business Continuity Plan (BCP) and works 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.

The Group is deeply aware of its social responsibility to protect human life and safety from disasters such as fires and earthquakes, and to continue its business operations. We place the highest priority on respect for human life, and continuously make efforts to mitigate damage and prevent secondary disasters as well as compliance with laws and regulations. We aim to clarify the roles of all employees, from management to staff, and to raise the level of our fire and disaster prevention activities in cooperation with the entire Group.

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

- 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.
- 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.

#### **Preparation for a Crisis**

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 Exercise (Head Office and Business Site Collaboration)

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 scenarios, the Company conducts annual collaboration exercises between the head office (emergency response headquarters) and business sites (affected areas). In FY2024, we conducted an exercise assuming a partial failure in the ERP (core information system), connecting business sites and the head office remotely. We categorized the causes of the failure into a "system update" (expected to have a short recovery period) and a "cyberattack" (potentially requiring a longer recovery period), and examined response measures for early restoration in each case. We will steadily address the issues identified during the exercise, enhance employee training, and strive to further strengthen the resilience of critical business continuity.





FY2024 Head Office and Works Collaborative Drill

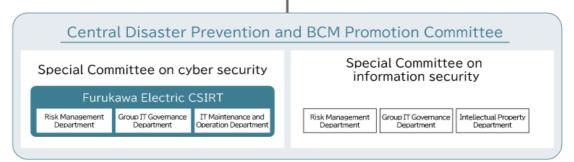
#### **Promotion in Obtaining ISO22301 Certification**

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.

### **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. In response to recent trends in economic security and increasing societal demands for confidential information protection, we established the "Special Committee on information security" in FY2025 to strengthen our confidential information protection system and initiated related activities.

## Risk Management Committee



Information Security Promotion Framework

#### **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 FY 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 FY2024, 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 group-wide global cyber security system.

- \*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**

Regarding the obligation to report to the Personal Information Protection Commission stipulated in the revised Personal Information Protection Law, we have established this in the relevant internal regulations and brought it to the attention of employees during the information security awareness month. In addition, the entire Furukawa Electric Group is taking measures to comply with overseas personal information regulations in China and Vietnam. In China, the Personal Information Protection Law went into effect in November 2021, and we have alerted our offices in China, provided guidance on how to respond, and took action when personal information is transferred from the local site. Subsequently, we confirmed the compliance of personal information in and out of China regarding the Standard Contracts for Cross-border Transfer of Personal Information and related guidelines finalized in March 2024, and we are taking action on this matter at the Company and local offices. In Vietnam, after confirming the implementation of the Personal Data Protection Decree enacted in June 2023, the Furukawa Electric Group formulated a policy to comply with the decree in March 2024, and our local Group companies are currently responding to it.

## **Related Data**

#### ESG Data (Governance)

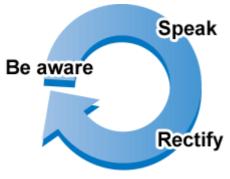
• Ratio of follow-up on risk management activities for all risk domains



# 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" and promotes compliance activities such as in-house education based on the Group CSR Code of Conduct and monitoring of legal violations. Each and every employee is encouraged to perform day-to-day compliance activities in line with our three musts for compliance activities: to "be aware", "speak" and "rectify".



Three Musts for Compliance Activities

#### 1. Be aware

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

#### 2. Speak

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

#### 3. Rectify

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

#### **Furukawa Electric Group CSR Code of Conduct**

Based on the "Furukawa Electric Group Purpose" and "Core Values", this establishes a set of norms for the fundamental actions that officers and employees should take from the perspective of corporate social responsibility (CSR) in conducting corporate activities.

#### > Furukawa Electric Group CSR Code of Conduct

#### **Efforts to Improve Compliance Awareness**

#### **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.

#### **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 Group, from new recruits to directors. At the same time, we hold theme-based group training and e-learning courses, and conduct groupwide compliance education.

#### **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.

#### 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 FY2024, 45 companies in 17 countries had introduced it. We strive to ensure that everyone can raise their voice with confidence. The number of whistleblowing in the Group was 158 in FY2024, 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.

#### **Addressing Compliance-Related Risks**

Our Group has established the "Furukawa Electric Group CSR Code of Conduct," which outlines the fundamental actions that directors and employees should take from a CSR perspective. The Risk Management Committee deliberates on compliance-related issues and implements a system for supervision and promotion.

In FY2024, there were no significant compliance violations requiring external disclosure, nor were there any major legal violations requiring external disclosure, including corruption and bribery.

Regarding political donations, we adhere to the Political Funds Control Act and have a system in place to ensure proper review and operation based on the "Furukawa Electric Group CSR Code of Conduct."



## **Prevention of Corruption and 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)
- > <u>古河电工集团禁止行受贿基本方针(中文)</u> ₱

#### Requirements of Furukawa Electric Group Anti-Bribery Statement Library

- 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.

#### **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 circumvention to countries of concern.

#### **Tax Compliance**

Our Group has established the "Furukawa Electric Group Tax Compliance Policy" as outlined below, aiming to maintain and improve tax compliance among all employees.

#### **Furukawa Electric Group Tax Compliance Policy**

#### 1. Appropriate Tax Awareness

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 proper filing and payment of taxes in compliance with the laws and regulations of each country and jurisdiction is a natural obligation and a method for contributing to society.

#### 2. Compliance Standards

"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."

#### 3. Tax Framework and Organizational Restructuring

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.

#### 4. Maximizing Shareholder Value

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.

#### **Related Data**

ESG Data (Compliance/Risk management)

Governance



# **ESG Data**

## Scope of Aggregation

\* The Scope categories "Domestic group companies" and "Overseas group companies" may differ depending on the data set. For details, please refer to "Scope of Aggregation."

## **Environment** revised in October 2025

#### **Environmental Management**

#### <Environmentally-friendly products>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Cumulative number of registered items	number	Consolidated (Group)	149	156	150	157	167
Percentage of sales on a one-year basis	Percentage (%)	Consolidated (Group)	58.2	61.9	65.0	65.9	74.0

#### **Environmental Accounting**

#### <Environmental conservation costs>

Category	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Business area costs	million yen		1,144	1,238	1,211	1,163	1,129
Upstream/downstream costs	million yen		156	142	137	141	107
Administration costs	million yen	Furukawa Electric	340	312	396	463	567
Research and development costs	million yen	Fulukawa Eleculo	260	222	264	334	305
Social activity costs	million yen		0	1	1	1	1
Environmental remediation costs	million yen		0	0	0	1	0
Total			1,900	1,915	2,009	2,103	2,109
Business area costs	million yen		1,493	1,693	1,558	1,638	1,532
Upstream/downstream costs	million yen		301	268	270	287	264
Administration costs	million yen	Furukawa Electric +	420	419	518	586	714
Research and development costs	million yen	Domestic group companies	358	300	298	390	364
Social activity costs	million yen		1	2	3	3	3
Environmental remediation costs	million yen		0	1	1	3	2
Total			2,573	2,683	2,648	2,907	2,879

#### <Environmental conservation benefits>

Details of benefits	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue from recycling	million yen		244	170	200	388	426
Reduction in waste disposal costs*	million yen	Furukawa Electric	24	132	-111	38	0
Reduction in energy costs*	million yen	i ulukawa Licculo	1,057	-958	-2,424	1,545	970
Reduction in water purchase costs*	million yen		23	6	-13	4	-39
Total			1,348	-650	-2,348	1,975	1,357
Revenue from recycling	million yen		488	531	593	777	1,151
Reduction in waste disposal costs*	million yen	Furukawa Electric +	57	146	46	50	-543
Reduction in energy costs*	million yen	Domestic group companies	2,129	-1,613	-3,541	1,901	1,052
Reduction in water purchase costs*	million yen		86	-4	-13	6	75
Total			2,760	-940	-2,915	2,734	1,735

 $<sup>\</sup>ensuremath{^{\star}}$  Reduction amount compared to previous year; minus figures indicate an increase.



## < Volume of environmental conservation benefits >

Environmental impact	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
	tons	Furukawa Electric	532	539	485	313	275
Volume of industrial waste disposal processed*	tons	Furukawa Electric + Domestic group companies	1,538	1,404	1,484	1,239	1,290
	1,000kl	Furukawa Electric	129	129	122	89	82
Energy consumption (crude oil equivalent)	1,000kl	Furukawa Electric + Domestic group companies	176	181	169	129	122
	1,000 tons	Furukawa Electric	7,871	7,873	7,770	8,292	8,011
Water consumption	1,000 tons	Furukawa Electric + Domestic group companies	9,378	9,168	9,120	9,428	9,221
	tons	Furukawa Electric	236	223	195	205	210
Emissions of volatile organic chemical compounds	tons	Furukawa Electric + Domestic group companies	315	292	250	254	266
	1,000t- CO <sub>2</sub>	Furukawa Electric	197	185	133	83	54
CO <sub>2</sub> emissions	1,000t- CO <sub>2</sub>	Furukawa Electric + Domestic group companies	287	281	218	158	121
	tons	Furukawa Electric	3	2	3	3	3
SOx emissions	tons	Furukawa Electric + Domestic group companies	3	3	6	6	9
	tons	Furukawa Electric	73	66	61	62	62
NOx emissions	tons	Furukawa Electric + Domestic group companies	93	71	62	63	63
	tons	Furukawa Electric	1	3	2	3	3
Soot emissions	tons	Furukawa Electric + Domestic group companies	2	7	3	3	3

<sup>\*</sup> Excluding recycled wastes

## <Environmental-related investments>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
	million yen	Furukawa Electric	985	976	617	499	522
Environment-related investment	million yen	Furukawa Electric + Domestic group companies	1,122	1,321	769	637	1,178



## **Climate Change**

#### <Greenhouse gas (GHG) emission reduction>

	ouse Gas Emis hain (Scope 1,2	sions Throughout the 2, and 3)	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024												
	CO <sub>2</sub>		1,000t-	Furukawa Electric	115	121	116	105	96												
Scope 1	SF <sub>6</sub>		CO₂e 1,000t- CO₂e	Domestic group companies	143	128	153	147	108												
Scope 2			1,000t- CO <sub>2</sub> e	Overseas group companies	504	512	418	346	309												
Scope 1	and 2				647	640	571	493	417												
		Category 1 : Purchased goods and services*			1,656	1,829	1,855	1,820	1,605												
		Category 2 : Capital goods			158	134	154	137	136												
		Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)*			94	123	110	102	97												
	Upstream	Category 4: Upstream transportation and distribution*	1,000t- CO₂e		126	207	323	211	222												
	Category 5 : Waste generated in operations			21	22	18	16	18													
		Category 6 : Business travel*	Furukawa Electric + Domestic group companies +	6	57	12	13	7													
		Category 7 : Employee commuting		+	23	24	24	25	24												
Scope 3		Category 8 : Upstream leased assets															companies	6	7	9	6
		Category 9: Downstream transportation and distribution*		Overseas group companies	9	141	9	23	21												
		Category 10 : Processing of sold products			_	17	16	14	18												
		Category 11: Use of Sold Products*	1.000t-		1,980	1,575	1,587	1,482	1,682												
	Downstream	Category 12 : End-of-life treatment of sold products*	1,000t- CO <sub>2</sub> e		51	57	63	81	92												
		Category 13 : Downstream leased assets			3	4	4	3	4												
		Category 14: Franchises			_	_		_	_												
		Category 15: Investments*	1,000t-		28	283	274	267	152												
_			CO <sub>2</sub> e		4,161	4,480	4,458	4,200	4,087												
Scope 1	, 2, and 3				4,808	5,120	5,029	4,693	4,504												

 $<sup>^{\</sup>star}$  The calculation method was reviewed in FY2023 and recalculated retroactively for FY2021.



Greenhouse Gas Emissions (Scope 1&2) Intensity	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Per unit of net sales	t-CO₂e/ million yen	Furukawa Electric  +  Domestic group  companies  +  Overseas group  companies	0.798	0.687	0.535	0.466	0.347
Per unit of production*	1,000t- CO <sub>2</sub> e/ 1,000t	Furukawa Electric  +  Domestic group  companies  +  Overseas group  companies	1.79	1.72	1.54	1.42	1.25

<sup>\*</sup> Calculated based on the unit weight, assuming all primary raw materials(copper, aluminum, steel, glass, plastic) are processed and shipped as products.

CO <sub>2</sub> Emissions and Energy Intensity Related to Transportation	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
CO <sub>2</sub> emissions	1,000t- CO <sub>2</sub> e	Furukawa Electric	13.7	14.4	13.3	12.7	12.6
Energy intensity	MJ/t ⋅ km	Furukawa Electric	1.70	1.74	1.74	1.77	1.78

#### <Energy-related consumption>

		Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
		1,000kl	Furukawa Electric + Domestic group companies	176	181	169	129	122
		1,000kl	Overseas group companies	175	191	183	151	156
Energy Consu	mption	1,000kl	Furukawa Electric  +  Domestic group  companies  +  Overseas group  companies	351	372	352	280	278
	Purchased Electricity (except for renewable energy)	GWh	Furukawa Electric	1,052	1,107	927	743	666
Electricity Consumption	Purchased Electricity (renewable energy)	GWh	Domestic group companies	25	36	138	243	337
Consumption	Private Power Generation (hydroelectric and solar)	GWh	+ Overseas group	95	99	97	100	100
	Total	GWh	companies	1,172	1,242	1,162	1,086	1,103
Renewable En Consumption	nergy Ratio in Electricity	Percentage (%)	Furukawa Electric + Domestic group companies + Overseas group companies	10.2	10.9	20.2	31.6	39.6



## **Waste Reduction and Resource Recycling**

#### < Reduction of waste emissions >

Waste	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Total waste generation*	1,000 tons	Furukawa Electric + Domestic group companies	27	27	25	22	24
	1,000 tons	Overseas group companies	18	17	17	18	21
Total			45	44	42	40	45
Recycled resource volume	1,000 tons	Furukawa Electric + Domestic group companies	22.7	23.3	22.6	18.8	21.3
	1,000 tons	Overseas group companies	7.1	5.2	12.5	14.5	11.1
Total			29.8	28.5	35.1	33.3	32.4
Final disposal volume	1,000 tons	Furukawa Electric + Domestic group companies	0.4	0.3	0.3	0.3	0.3
	1,000 tons	Overseas group companies	12.0	11.5	9.4	3.8	5.2
Total			12.4	11.8	9.7	4.1	5.5

<sup>\*</sup> Includes valuable materials in the total waste generated for domestic operations (Furukawa Electric and domestic group companies) only.

Hazardous waste	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Hazardous waste generation	tons	Furukawa Electric + Domestic group companies	3,427	4,601	3,469	2,984	3,564
	tons	Overseas group companies	1,685	1,144	1,055	888	1,268
Total			5,112	5,745	4,524	3,872	4,832

Plastic waste	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Plastic waste emissions	1,000 tons	Furukawa Electric	4.0	4.2	3.8	3.6	4.1
intensity	t/ 100 million yen	Furukawa Electric	1.01	1.44	1.23	1.22	1.17

<sup>\*</sup> Targets were set in FY2022 and calculated retroactively for FY2020.



## <Reduction of new material use>

		Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
	Copper	1,000 tons	Furukawa Electric + Domestic group companies	124.0	128.6	132.3	119.6	118.9
		1,000 tons	Overseas group companies	119.3	113.7	110.7	109.9	97.6
	Aluminum	1,000 tons	Furukawa Electric + Domestic group companies	8.1	14.5	8.1	5.8	8.7
		1,000 tons	Overseas group companies	12.5	14.4	19.4	23.8	22.3
New material	Steel	1,000 tons	Furukawa Electric + Domestic group companies	4.1	5.6	3.1	4.0	4.2
use		1,000 tons	Overseas group companies	9.0	12.5	11.9	10.9	7.8
	Glass	1,000 tons	Furukawa Electric + Domestic group companies	0	0	0	0	0
		1,000 tons	Overseas group companies	2.5	2.4	2.1	1.2	0.9
	Plastic	1,000 tons	Furukawa Electric + Domestic group companies	32.9	30.9	28.4	23.7	28.7
		1,000 tons	Overseas group companies	48.1	48.8	54.8	48.4	43.7
Total				360.5	371.4	370.8	347.3	332.8

#### **Water Resources**

#### <Reduction of water use>

TROGGOTION	of water use >	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
	Fresh surface water, including rainwater, water from wetland, rivers, and lakes	1,000m³		6,696	6,655	6,689	6,701	6,712
	Brackish surface water/Seawater	1,000m³	Furukawa Electric	0	0	0	0	0
	Groundwater - renewable	1,000m³	+ Domestic group	2,423	2,432	2,288	2,301	2,079
Water Withdrawal	Groundwater - non-renewable	1,000m³	companies	0	0	0	0	0
williarawai	Produced/Entrained wate	1,000m³	+	0	0	0	0	0
	Municipal potable water	1,000m³	Overseas group companies	2,680	3,130	2,900	2,746	2,775
	External wastewater	1,000m³	Companies	0	0	0	0	0
E L	Used quarry water collected in the quarry	1,000m³		0	0	0	0	0
Total				11,799	12,217	11,877	11,748	11,566
	Ocean	1,000m³	Furukawa Electric	710	654	677	712	687
	Surface Water	1,000m³	+	7,451	7,541	7,225	7,301	7,406
Water	Subsurface	1,000m³	Domestic group companies	0	0	0	0	0
Discharge	Sewerage (Off-site water treatment)	1,000m³	+ Overseas group	1,995	2,079	2,177	2,132	2,096
E	Beneficial / other use	1,000m³	companies	0	0	0	0	0
Total				10,156	10,274	10,079	10,145	10,189

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## **Chemical Substance Management**

#### < Chemical substance emissions >

		Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Emissions of v (VOC)	olatile organic compounds	tons	Furukawa Electric + Domestic group companies	315	291	250	254	266
NOx emissions		tons	Furukawa Electric + Domestic group companies	93	71	62	63	66
SOx emissions	3	tons	Furukawa Electric + Domestic group companies	3	3	6	6	5
	Volume handled	tons	Furukawa Electric + Domestic group companies	47,453	47,245	44,790	44,977	43,192
PRTR Target	Volume released	tons	Furukawa Electric + Domestic group companies	53	62	76	82	78
Substances*	Volume transferred	tons	Furukawa Electric + Domestic group companies	214	326	317	264	142
	Volume contained in products / disappeared by combustion	tons	Furukawa Electric + Domestic group companies	47,186	46,857	44,397	44,632	42,972

<sup>\*</sup> Targets substances with a transaction volume of 1 tons or more (0.5 tons or more for Class 1 Designated Chemical Substances).



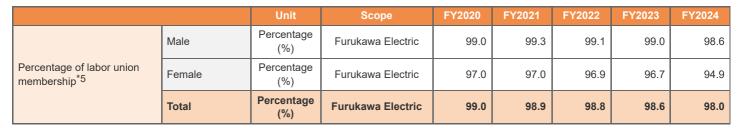
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## **Human Resources Management**

#### <Employee profile >

		Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
	Mala	Persons	Consolidated (Group)	_	_	_	25,383	23,786
Number of employees	Male	Percentage (%)	Consolidated (Group)	_	_	_	48.1	46.5
(consolidated)*1 (Number of employees and	Female	Persons	Consolidated (Group)	_	_	_	27,374	27,381
gender ratio)	Terriale	Percentage (%)	Consolidated (Group)	_	_	_	51.9	53.5
	Total	Persons	Consolidated (Group)	48,449	50,867	51,314	52,757	51,167
		Persons	Furukawa Electric	3,594	3,704	3,735	3,774	3,846
Number of employees	Male	Percentage (%)	Furukawa Electric	88.0	88.0	88.0	87.1	86.8
(Furukawa Electric) *1 (Number of employees and		Persons	Furukawa Electric	490	497	532	561	587
gender ratio)	Female	Percentage (%)	Furukawa Electric	12.0	12.0	12.0	12.9	13.2
	Total	Persons	Furukawa Electric	4,084	4,201	4,267	4,335	4,433
	Regular employees	Persons	Furukawa Electric	_	_	_	4,193	4,238
Number of employees by employment type*2	Non-regular	Persons	Furukawa Electric	_	_	_	142	195
employment type 2	employees (Number and ratio)	Percentage (%)	Furukawa Electric	4.6	3.7	4.5	3.3	4.4
	Male	Persons	Furukawa Electric	931	1,013	1,024	1,055	1,048
	Female	Persons	Furukawa Electric	33	40	52	60	60
	Total	Persons	Furukawa Electric	964	1,053	1,076	1,115	1,108
	Share of women	Percentage (%)	Furukawa Electric	3.4	3.8	4.8	5.4	5.4
Number of employees in managerial positions*3	Male	Persons	Consolidated (Domestic)	_	_	_	1,891	1,950
	Female	Persons	Consolidated (Domestic)	_	_	_	86	96
	Total	Persons	Consolidated (Domestic)	_	_	_	1,977	2,046
	Share of women	Percentage (%)	Consolidated (Domestic)	-	_	_	4.4	4.7
Number of candidates for	Male	Persons	Furukawa Electric	467	463	490	493	529
managerial positions	Female	Persons	Furukawa Electric	53	59	67	79	89
(equivalent of chiefs)	Total	Persons	Furukawa Electric	520	522	557	572	618
	Male	Age	Furukawa Electric	_		44.1	44.3	44.1
Average age*4	Female	Age	Furukawa Electric	_		40.5	40.2	39.9
	Total	Age	Furukawa Electric	_	_	43.7	43.8	43.5
	Male	Years	Furukawa Electric	20.2	19.7	20.3	20.3	19.7
Average years of service	Female	Years	Furukawa Electric	17.2	16.5	16.8	16.2	15.6
	Total	Years	Furukawa Electric	18.8	19.3	19.9	19.7	19.1





<sup>\*1</sup> The numbers of employees are calculated based on the number of personnel employed as of March 31 each year, including those with employment contracts, non-regular employees, and secondees received from other companies. Employees seconded to other companies are excluded. The number and ratio of male and female group employees have been disclosed since FY2023.

- \*3 The number of managers in the consolidated domestic group has been disclosed since FY2023.
- \*4 We began disclosing in FY2022.
- \*5 Including those exempted as defined in the collective agreement.

#### <Hiring and turnover>

			Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
			Persons	Furukawa Electric	200	214	209	232	275
Number of nev	v hires	Male	Percentage (%)	Furukawa Electric	83.7	85.6	80.7	78.9	83.8
(Number of en	nployees and		Persons	Furukawa Electric	39	33	50	62	53
gender ratio)		Female	Percentage (%)	Furukawa Electric	16.3	13.4	19.3	21.1	16.2
		Total	Persons	Furukawa Electric	323	333	340	373	328
		Male	Persons	Furukawa Electric	86	95	79	72	83
	Career-track	Female	Persons	Furukawa Electric	33	24	29	34	31
	and clerical	Total	Persons	Furukawa Electric	119	119	108	106	114
New graduates	positions	Non-Japanese (included above)	Persons	Furukawa Electric	0	0	1	1	2
		Male	Persons	Furukawa Electric	53	52	39	43	53
	Manufacturing workers	Female	Persons	Furukawa Electric	2	1	4	6	5
	Werner.	Total	Persons	Furukawa Electric	55	53	43	49	58
		Male	Persons	Furukawa Electric	31	59	74	83	120
	Career-track	Female	Persons	Furukawa Electric	4	8	17	18	16
	and clerical	Total	Persons	Furukawa Electric	35	67	91	101	136
Mid-career hires	positions	Non-Japanese (included above)	Persons	Furukawa Electric	0	0	4	1	2
		Male	Persons	Furukawa Electric	30	8	17	34	19
	Manufacturing workers	Female	Persons	Furukawa Electric	0	0	0	4	1
		Total	Persons	Furukawa Electric	30	8	17	38	20
		Male	Percentage (%)	Furukawa Electric	1.6	2.6	3.4	3.7	3.5
Turnover rate*		Female	Percentage (%)	Furukawa Electric	1.5	4.8	4.1	2.9	2.9
		Total	Percentage (%)	Furukawa Electric	1.6	2.8	3.5	3.6	3.4

<sup>\*</sup>The calculation method for employee turnover was revised in FY2021. (Prior to FY2020: Number of employees who left during the fiscal year ÷ Number of employees at the start of the fiscal year; From FY2021: Number of employees who left during the fiscal year ÷ Number of employees during the fiscal year)

<sup>\*2</sup> The number of employees by employment type has been disclosed since FY2023. Non-regular employees include rehired, part-time, and fixed-term employees.



#### < Human resource development and training >

Training and developmen	nt	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Training related to talent development	Training costs per employee	Thousand yen	Furukawa Electric	72	71	70	99	117
HR evaluation system		Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Percentage of	Target control system	Percentage (%)	Furukawa Electric	54	66	66	67	67
employees subject to HR evaluation	Absolute and relative evaluations based on ranking	Percentage (%)	Furukawa Electric	100	100	100	100	100

#### <Employee engagement>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Employee engagement score*	Percentage (%)	Furukawa Electric			65	63	63
Employee engagement score	Percentage (%)	Consolidated (Group)	_	_	_	76	72

<sup>\*</sup> Regarding the scope of the survey, we expanded it to include direct workers at each company and have disclosed the group-wide consolidated employee engagement score since FY2023.

## D&I / Work-style Reform

#### <Diversity & inclusion>

Conversity & inclusion >							
Promotion of women's careers and workforce diversity	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Patie of famale workers in managerial positions	Percentage (%)	Furukawa Electric <sup>*1</sup>	3.4	3.8	4.8	5.4	5.4
Ratio of female workers in managerial positions	Percentage (%)	Consolidated (Domestic)*2	_	_	_	4.4	4.7
Ratio of female workers in candidates for managerial positions (equivalent of chiefs)	Percentage (%)	Furukawa Electric	10.0	11.0	12.0	13.8	14.4
Ratio of mid-career hires in total new staff hires	Percentage (%)	Furukawa Electric	23.0	36.0	45.7	48.8	54.4
Share of non-Japanese employees*3	Percentage (%)	Furukawa Electric	_	_	0.5	0.5	0.6

<sup>\*1</sup> Exclude secondees received from certain affiliates.

<sup>\*3</sup> We began disclosing in FY2022.

Employment of people with disabilities	Unit	Scope	2020年	2021年	2022年	2023年	2024年
Actual employment rate of people with disabilities*	Percentage (%)	Furukawa Electric	2.09	2.32	2.35	2.42	2.61

<sup>\*</sup> As of June 1 of each year.

<sup>\*2</sup> The scope of the consolidated domestic group has been disclosed since FY2023.

Data



#### <Gender pay gap >

Average pay by employment	type	Unit	Scope	2020年	2021年	2022年	2023年	2024年
	Average of male employees	Thousand yen	Furukawa Electric	_	_	7,015	6,972	7,149
	Average of female employees	Thousand yen	Furukawa Electric			4,850	4,922	5,228
All employees	Average of all employees	Thousand yen	Furukawa Electric	_	1	6,750	6,707	6,895
	Pay gap	Percentage (%)	Furukawa Electric	_	_	69.1	70.6	73.1
	(Female/ male)	Percentage (%)	Consolidated (Domestic)	_	_	60.1	65.0	65.1
	Average of male employees	Thousand yen	Furukawa Electric	_		7,110	7,050	7,248
	Average of female employees	Thousand yen	Furukawa Electric	_	_	4,943	4,988	5,282
Regular employees	Average of all employees	Thousand yen	Furukawa Electric	_	1	6,845	6,783	6,985
	Pay gap	Percentage (%)	Furukawa Electric	_	_	69.5	70.8	72.9
	(Female/ male)	Percentage (%)	Consolidated (Domestic)	_	_	64.2	71.2	71.8
	Average of male employees	Thousand yen	Furukawa Electric	_	_	4,964	4,652	5,103
	Average of female employees	Thousand yen	Furukawa Electric	_	_	2,912	2,694	3,616
Non-regular employees	Average of all employees	Thousand yen	Furukawa Electric	_	_	4,704	4,426	4,985
	Pay gap	Percentage (%)	Furukawa Electric	_	_	58.7	57.9	70.9
	(Female/ male)	Percentage (%)	Consolidated (Domestic)	_	_	42.6	61.6	57.1

#### <Working hours\*1 >

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Total actual working hours (per employee, monthly average)*2	Hours	Furukawa Electric	_	_	_	163.0	163.4
Overtime hours (per employee, monthly average)	Hours	Furukawa Electric	21.2	25.2	23.8	22.4	23.4

<sup>\*1</sup> Calculated based on regular employees.

#### <Leave and absence system>

Leave and absonice system			_					
Leave taken		Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
	Days granted	Days	Furukawa Electric	23.8	23.7	23.6	23.5	23.3
Regular annual leave*	Days acquired	Days	Furukawa Electric	13.1	14.0	15.6	16.1	15.8
Regular annual leave	Acquisition rate	Percentage (%)	Furukawa Electric	55.2	59.1	66.0	68.5	67.9

<sup>\*</sup> Calculated based on regular employees. Annual paid leave is granted at 20 days up to a maximum of 25 days depending on years of service (an additional 5 days beyond the statutory maximum of 20 days).

<sup>\*2</sup> We began disclosing in FY2022.

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Childcare and	l nursing care l	leave utilization	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
		Ratio of childcare leave	Percentage (%)	Furukawa Electric	_	_	60	103.0	77.2
		taken*2	Percentage (%)	Consolidated (Domestic)	_	_	_	45.8	70.4
		Number of	Persons	Furukawa Electric	_	_	75	66	101
	Male	employees who gave birth	Persons	Consolidated (Domestic)		_	_	212	186
		Number of	Persons	Furukawa Electric	_	_	45	68	78
		employees who took childcare leave*2	Persons	Consolidated (Domestic)	_	_	_	97	131
Childcare		Average number of days of leave*3	Days	Furukawa Electric	_	_	38	25	50
leave*1		Ratio of childcare leave	Percentage (%)	Furukawa Electric	_	_	100	93.8	115.4
		taken*2	Percentage (%)	Consolidated (Domestic)		_	_	98.1	105.0
		Number of	Persons	Furukawa Electric	_	_	10	16	13
	Female	employees who gave birth	Persons	Consolidated (Domestic)	_	_	_	53	40
		Number of	Persons	Furukawa Electric	_	_	10	15	15
	employees who took childcare leave* <sup>2</sup>	Persons	Consolidated (Domestic)	_	_	_	52	42	
		Average number of days of leave*3	Days	Furukawa Electric	_	_	417	345	384
	Mala	Number of employees who took nursing care leave*4	Persons	Furukawa Electric	0	3	0	2	2
	Male	Ratio of employees returning to work	Percentage (%)	Furukawa Electric	_	100	_	50	100
Nursing care	Female	Number of employees who took nursing care leave*4	Persons	Furukawa Electric	0	0	0	0	1
leave	Terriale	Ratio of employees returning to work	Percentage (%)	Furukawa Electric	_	_	_	_	100
	Total	Number of employees who took nursing care leave*4	Persons	Furukawa Electric	0	3	0	2	3
		Ratio of employees returning to work	Percentage (%)	Furukawa Electric	_	100	_	50	100

<sup>\*1</sup> We revised the disclosure method in FY2022. For data prior to FY2022, please refer to "Ratio of childcare leave taken (Old format)" in the Sustainability Book 2023.

Note that employees taking maternity leave are not included in childcare leave figures.

<sup>\*2</sup> In FY2023, we revised the calculation standard to "Acquisition Rate = Number of employees starting childcare leave in the fiscal year ÷ Number of employees who gave birth," with FY2022 results retroactively adjusted. (Prior to FY2022, calculated based on the number of employees on childcare leave.)



- \*3 In FY2023, we revised the calculation standard to "Average number of days taken by employees returning to work in the fiscal year," with FY2022 results retroactively adjusted. (Prior to FY2022, calculated based on the average number of days taken by employees on childcare leave.)
- \*4 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).

### Human Rights / Supply Chain

#### <Education and training>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Implementation rate of human rights training for managerial positions	Percentage (%)	Consolidated (Group)	_	_	100	100	100
Number of employees trained in the Subcontract Act	Persons	Consolidated (Domestic)	1,176	1,103	1,265	3,146	4,608

#### <CSR procurement>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Ratio of SAQ implementation for major suppliers	Percentage (%)	Consolidated (Group)	_	20*1	34	65	85
	Companies	Furukawa Electric	_	_	5	20	10
Number of communications with partners*2 on important items in the SAQ	Companies	Domestic group companies*3	_	_	_	34	27
	Companies	Overseas group companies*3	_	_	_	38	13
Number of major partners*2 evaluated through environmental and social monitoring	Companies	Furukawa Electric	198	248	260	230	249
Number of suppliers attended at the Partners Meeting	Companies	Furukawa Electric	_*4	57	58	54	51
Number of suppliers tried CO <sub>2</sub> reduction by Procurement logistics	Companies	Furukawa Electric	22	20	20	19	19

<sup>\*1</sup> Conducted solely for Furukawa Electric in FY2021.

#### Occupational Health and Safety / Health

#### <Status of occupational accidents>

		Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
	Number	number	Furukawa Electric	1	2	3	4	3
Lost-time accidents*1	Frequency rate of accidents resulting in time off work*2	Percentage (%)	Furukawa Electric + Domestic group companies	0.17	0.25	0.30	0.35	0.26
Number of Fatalities*3	Regular employees	Persons	Furukawa Electric	0	0	0	0	0
Number of Fatalities 9	Non-regular employees*4	Persons	Furukawa Electric	0	0	0	0	0

<sup>\*1</sup> Lost-time accidents refer to incidents requiring 4 or more days of absence.

#### <Education and training on occupational safety and health>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Number of participants in occupational health and safety training*	Persons	Furukawa Electric	1,490	1,484	1,858	2,833	3,126

<sup>\*</sup> We conduct various education and training programs on occupational health and safety, and calculate the cumulative number of participants.

#### < Health and Productivity Management >

<sup>\*2</sup> Furukawa Electric Group refers to our suppliers as "partners" with whom we co-create value.

<sup>\*3</sup> Domestic and overseas group companies included in consolidation, excluding Furukawa Electric.

<sup>\*4</sup> Canceled due to precautions against the spread of COVID-19.

<sup>\*2</sup> Frequency rate = (Number of casualties / Total actual work hours) x 1,000,000

<sup>\*3</sup> Non-work-related injury or illness are not included.

<sup>\*4</sup> Contractors are not included.



#### Governance revised in October 2025

#### **Corporate Governance**

#### <Status of officers>

Status of d	irectors*1,2		Unit	Scope	FY2025
		Total	Persons	Furukawa Electric	11
		Outside directors (independent officers)	Persons	Furukawa Electric	6
		Female directors	Persons	Furukawa Electric	2
Directors		Share of women	Percentage (%)	Furukawa Electric	18.2
		Total	Persons	Furukawa Electric	3
	Audit and supervisory committee members	Outside directors (independent officers)	Persons	Furukawa Electric	2
		Female directors	Persons	Furukawa Electric	1

<sup>\*1</sup> As of the end of June.

<sup>\*2</sup> The Company transitioned from a Company with a Board of Corporate Auditors to a Company with an Audit & Supervisory Committee on June 25, 2025. Please refer to the table below for the status prior to the transition (up to FY2024).

Status of directors a Board Members (up	and Audit & Supervisory to FY2024) <sup>*1,2</sup>	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
	Total	Persons	Furukawa Electric	12	11	11	11	11
Directors	Outside directors (independent officers)	Persons	Furukawa Electric	5	5	5	5	5
	Female directors	Persons	Furukawa Electric	1	1	1	1	1
	Total	Persons	Furukawa Electric	6	6	6	6	6
Audit & Supervisory Board Members	Outside directors (independent officers)	Persons	Furukawa Electric	3	3	3	3	3
	Female directors	Persons	Furukawa Electric	1	1	1	1	1
Share of female directors and Audit & Supervisory Board Members		Persons	Furukawa Electric	11.1	11.8	11.8	11.8	11.8

<sup>\*1</sup> As of the end of June of each year.

<sup>\*2</sup> The Company transitioned from a Company with a Board of Corporate Auditors to a Company with an Audit & Supervisory Committee on June 25, 2025. Please refer to the table above for the status after the transition (FY2025).

Status of exec	cutive officers and s*1	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
	Total	Persons	Furukawa Electric	27	27	25	23	27	29
Executive officers	Female executive officers (included above)	Persons	Furukawa Electric	1	2	1	1	2	3
55515	Foreign executive officers (included above)	Persons	Furukawa Electric	3	3	2	2	2	3
Senior Fellows	3	Persons	Furukawa Electric	1	1	3	3	2	4

<sup>\*1</sup> As of the end of June of each year.

## > Corporate Governance

Social

Data



## Compliance / Risk Management

#### <Compliance>

Reports and violations	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Number of whistleblowing	Number	Consolidated (Group)	_	_	_	104	158
Number of competition law violations	Number	Consolidated (Group)	_	_	_	0	0

Compliance training			Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees taking domestic seminars*1		Persons	Consolidated (Domestic)	709	833	_	1,458	_	
Training on anti- corruption (including	Number of e taking overs	mployees eas seminars	Persons	Consolidated (Overseas)*2	12	29	47	43	11
bribery) and Competition law compliance	Number of employees taking e-	Anti- corruption (including bribery)	Persons	Consolidated (Group)	_	_	3,637	_	4,844
	learning*1	Competition law compliance	Persons	Consolidated (Group)	_	_	3,656	_	4,791
Training on security trade control	Number of e		Persons	Consolidated (Domestic)	1,255	779	323	423	409

<sup>\*1</sup> We launched e-learning in FY2022 and changed the format so that domestic seminars and e-learning are held in alternate years.

#### <Risk Management>

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
The ratio of follow-up on risk management activities for all risk domains	Percentage (%)	Consolidated (Group)	_	88	100	100	100

<sup>\*2</sup> The event is held annually in a country or region where the consolidated overseas group companies operate. In FY2024, it was held in China.



## Others Revised in October 2025

#### **Intellectual Property**

#### Utilization of intellectual property>

IP landscape	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Implementation rate of IP landscaping for strengthening the businesses and themes for creating new businesses	Percentage (%)	Consolidated (Group)	_	17	40	77	100*

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

#### <IP portfolio>

Number of intellectual pro	operty rights held	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
	Total	Number	Furukawa Electric	5,107	5,175	5,106	5,205	5,253
Number of rights held in Japan	Research (included above)	Number	Furukawa Electric	_	475	509	553	614
ospa	4 business units* (included above)	Number	Furukawa Electric	_	2,964	2,864	2,962	3,018
	Total	Number	Furukawa Electric	3,725	3,869	3,893	3,954	4,032
Number of foreign rights held	Research (included above)	Number	Furukawa Electric	_	327	400	436	525
	4 business unit* (included above)	Number	Furukawa Electric	_	1,995	1,998	2,080	2,103

<sup>\*</sup> Total of Optical Fiber and Cable Products Division, Power Cable Division, Automotive Products Division, and AT & Functional Plastics Division, including optical fiber and cable, power cable systems, wire harnesses, and tape for semiconductor manufacturing.

## **Research and Development**

#### <R&D expenses >

	Unit	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
R&D expenses	100 million yen	Consolidated (Group)	202	208	233	245	254
R&D expense growth rate for new businesses*	Percentage (%)	Consolidated (Group)	_	Base year	116	121	125

<sup>\*</sup> Growth rates are calculated based on FY2021 as the reference year.

# **Scope of Aggregation**

**Environment** 

## **Environment**

## **Environmental Management**

#### Scope of the environmental management (as of March 31, 2025)

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

<sup>\*</sup> Locations located at the offices of Furukawa Electric and its group companies are subject to environmental management.

59 Overseas group companies				
Lightera LLC.	Lightera Denmark ApS.			
Furukawa Electric Morocco SARL	Lightera LatAm S.A.			
Furukawa Industrial Optoelectronica Ltda.	Furukawa Industrial LatAm S.A. Sucursal Argentina			
P.T. Lightera Telecommunication Indonesia	Furukawa FITEL (Thailand) Co.,Ltd.			
Furukawa Fitel Optical Products(Shanghai) Co., LTD.	Thai Furukawa Unicomm Engineering Co., Ltd.			
Shenyang Furukawa Cable Co.,Ltd.	Suzhou Furukawa Power Optic Cable Co., Ltd.			
Tianjin Furukawa Power Component Co., Ltd.	PT Tembaga Mulia Semanan Tbk			
Taiwan Furukawa Magnet Wire Co., Ltd.	Furukawa Precision (Thailand) Co.,Ltd.			
Trocellen GmbH	Trocellen Italia SpA.			
Polifoam Plastic Processing Co. Ltd.	Trocellen S.E.A. Sdn. Bhd.			
Trocellen Automotive Hungary Co., Ltd.	Furukawa Avc Electronics (SuZhou) Co.,Ltd.			
Furukawa Electric Thermal Management Solutions and Products Laguna, Inc.	Taiwan Furukawa Electric Co., Ltd.			
Furukawa Circuit Foil Taiwan Corporation	Furukawa Electric Copper Foil Taiwan Co.,Ltd.			
Furukawa Automotive Systems (Thailand) Co.,Ltd	Furukawa Wiring Systems Mexico, S.A. de C.V.			
PT. 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			



59 Overseas group companies				
Furukawa Automotive Parts (Vietnam) Inc.	Furukawa Automotive Parts (DongGuan) Ltd.			
Furukawa Auto Parts (Huizhou) Ltd.	Furukawa Mexico S.A. De C.V.			
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 Private Limited			
Furukawa Automotive Systems Vĩnh Long Viet Nam	Furukawa Automotive Systems Management (Shanghai) Co.,Ltd.			
Furukawa Sistemas Automotivos do Brazil LTDA.	Furukawa Automotive Systems Design Philippines Inc.			
Furukawa Automotive Systems Asia Pacific Co., Ltd.	American Furukawa, Inc.			
Siam Furukawa Co.,Ltd.	PT Furukawa Indomobil Battery Manufacturing			
SuperPower Inc.	Furukawa Electric Institute of Technology Ltd.			
Furukawa (Thailand) Co., Ltd.	Furukawa Electric Europe Ltd.			
Furukawa Electric Hong Kong Ltd.	Furukawa Electric Singapore Pte. Ltd.			
Furukawa Shanghai Ltd.				

#### Scope of the environmental accounting (as of March 31, 2025)

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

## Social

#### **Occupational Health and Safety**

## Scope of the frequency rate of accidents resulting in time off work (as of March 31, 2025)

27 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 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.	Furukawa Electric Business & Life Support Inc.	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.		
Miharu Communications Inc.	Myojodenki Co., Ltd.	Riken Electric Wire Co., Ltd.		



## **External Evaluation and Certification**

#### Inclusion in SRI and ESG Indexes

#### FTSE4Good Index Series / FTSE Blossom Japan Index Series

Furukawa Electric Group was selected as a constituent of the FTSE4Good Index Series and the FTSE Blossom Japan Index Series.

The FTSE Blossom Japan Index Series is 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









FTSE Blossom Japan Sector Relative Index

#### **S&P/JPX Carbon Efficient Index**

Furukawa Electric was selected as a constituent of the S&P/JPX Carbon Efficient Index. The S&P/JPX Carbon Efficient Index is an ESG index used by the Government Pension Investment Fund (GPIF). It is one of the leading indices for ESG investment.



#### **SOMPO Sustainability Index**

Furukawa Electric was selected as a constituent of the SOMPO Sustainability Index of SOMPO Asset Management Co., Ltd.







Furukawa Electric was selected as a constituent of the Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J). Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J) is selected as an index for ESG investment by the Government Pension Investment Fund (GPIF).

> MorningstarJapan ex-REIT Gender Diversity Tilt Index □

### **ESG Evaluation, Certification Status**

#### CDP

Furukawa Electric Group has responded to the CDP questionnaire about climate change since FY2008 and about water security since FY2013. In FY2024, we were scored climate change A, water security A-, and supplier engagement 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", Ministry of Economy, Trade and Industry

Furukawa Electric was selected by the Ministry of Economy, Trade and Industry (METI) as a "Zero-Emissions Challenge Company" in October 2020.





#### "Eruboshi" Certification, Ministry of Health, Labour and Welfare

In accordance with Act on Promotion of Women's Participation and Advancement in the Workplace from Ministry of Health, Labour and Welfare, it certifies companies that meet certain criteria and have excellent implementation status of initiatives. Furukawa Electric received third stage (highest rating) certification in April 2016.



#### "Kurumin" Certification, Ministry of Health, Labour and Welfare

Minister of Health, Labour and Welfare certifies companies that meet certain criteria as "excellent supportive environment for childcare" for their workplaces that facilitate a good balance between work and life.

Furukawa Electric was certified in 2007, 2010, and 2015.



#### 2024 J-Win Diversity Award

Furukawa Electric received "J-Win Diversity Basic Achievement Grand Prize" for 2024 in the Basic Category of the Company Prize. "The J-Win Diversity Award" is given to companies that prove measurable results and exceptional leadership in addressing the advancement of women in the workplace, hosted by Japan Women's Innovative Network (NPO J-Win).



#### "Outstanding Organizations of KENKO Investment for Health", Ministry of Economy, Trade and Industry

Furukawa Electric was certified as "2025 Outstanding Organizations of KENKO Investment for Health" by the Ministry of Economy, Trade and Industry.





## Digital Transformation Certification, 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.



## **NIKKEI Sustainable Management Survey**

Furukawa Electric was certified as 3.5 stars in the NIKKEI Sustainable Management Survey, both the "SDGs Edition" and the "Smart Work Edition", conducted by Nikkei Inc.





# 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;

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.

## **WE SUPPORT**





#### 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.

#### > Contribution to 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



#### Japan Climate Initiative

Furukawa Electric is a member of the Japan Climate Initiative (JCI). JCI is a network committed to strengthening communication and exchange of strategies and solutions among Japanese companies, local governments and NGOs that are implementing climate actions in Japan. As a global company, Furukawa Electric Group will continue to actively develop measures against climate change and promote efforts to realize a decarbonized 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.



#### **Task Force on Nature-related Financial Disclosures**

Furukawa Electric Group endorsed the Task Force on Nature-related Financial Disclosures (TNFD), and participated in TNFD forum in November 2023, which supports its activities. We will promote the preparation of nature-related disclosure in line with TNFD recommendations to strengthen the relationship of trust with our stakeholders.



#### **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)
Chairperson of the Japan Copper and Brass Association
Director of the Japanese Electric Wire & Cable Makers' Association