



**FURUKAWA ELECTRIC GROUP
SUSTAINABILITY BOOK**

2024

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Editorial Policy

Since FY2020, the Group has been publishing Integrated Reports and Sustainability Books. Integrated Report is intended mainly for investors and includes medium-to long-term value creation stories from both financial and non-financial perspectives, centered on our Group's vision/strategy and value creation process. On the other hand, Sustainable Book is intended for all stakeholders and provides comprehensive non-financial information including detailed sustainability information and specific activities related to ESG. We hope that the Sustainability Book 2024 will help you understand the Group's view on sustainability and our initiatives/activities on environmental, social, and governance.

Guidelines Referenced

- ISO26000
- GRI Standards
- Environmental Reporting Guidelines 2018

Period Covered

FY2023 (from April 1, 2023 to March 31, 2024)
(note) Includes selected information on past initiatives and activities during FY2024.

Organizations Covered

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

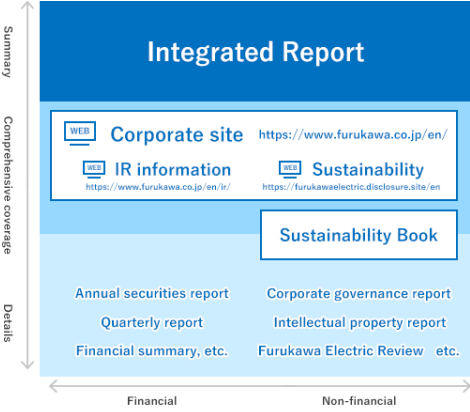
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Inquiry form
<https://www.furukawa.co.jp/en/inquiry/>



Top Message



Establishment of the Furukawa Electric Group Purpose and Our Determination to Achieve It

In FY2024, Furukawa Electric Co., Ltd. celebrates 140 years in business. As the future becomes increasingly difficult to predict, it is important to make management decisions faster and increase employee engagement with the organization. In addition, in order for the Furukawa Electric Group to be widely recognized by stakeholders as a corporate group that contributes to the realization of a truly prosperous and sustainable society, and for our employees to feel pride and job satisfaction, we felt that it was necessary to articulate and disseminate our purpose, so in March 2024 we reviewed our philosophy system and newly formulated the Furukawa Electric Group Purpose.

I think that the Purpose's phrase "composing the core" gives people an opportunity to think about the meanings of words by feeling captivated by them, and provides a good mechanism for encouraging dialogue. Meanwhile, "a brighter world" also reflects the wish of our founder, Mr. Ichibei Furukawa, to "make Japan brighter." So, while this purpose offers freedom and depth of interpretation, the choice of words is suited to the Furukawa Electric Group, and I believe that it strikes at the essence that we must avoid being swept away by current trends.

I believe that by making the purpose the axis for our decision-making and composing the "core" that will take us into the future, and by approaching management with the determination to continue to grow by providing value to all stakeholders through constant innovation, the results we are aiming for will naturally follow toward the achievement of the 2025 Medium-term Plan and Vision 2030.



Results and Progress in My First Year as President Toward the Ideal State by 2030 and Achieving the 2025 Medium-term Plan

FY2023 was the second year, so the halfway mark, of the four-year 2025 Medium-term Plan, and also my first year as President. Unfortunately, our business performance left a lot to be desired, but it was also a year in which we made steady progress toward



achieving Vision 2030, the visionary outlook for our Group in 2030, and the goals of the 2025 Medium-term Plan, a milestone for achieving Vision 2030.

With regard to maximizing revenues in existing businesses, there are still issues to be addressed in each area, but I believe that the direction and action we should take has become clearer. In businesses related to automotive and functional products, in particular, we are beginning to see results from our activities. For example, in the AI and data center markets, our business related to heat radiation and cooling systems is performing well, and we will further expand it by capturing additional demand. In addition, in the business that produces tapes for semiconductor process, our new factory in Mie, in which we have already made investments to boost production, is on schedule with preparations for the start of mass production in FY2025, and we are anticipating growth in the semiconductor market, where a recovery is expected. However, in the Communications Solutions business, we have been slow to respond to growing demand in the AI and data center markets, resulting in a gap in performance with other companies in our industry. We will continue to respond to the recovery in demand in the telecommunications carrier market, but we will also expand revenues by increasing sales of optical fiber and cable, optical components, and so on.

As for building a foundation for creating new businesses, several shoots that should lead to the achievement of Vision 2030 and sustainable growth thereafter have begun to emerge. We are seeing results from building a foundation for the future, such as technology for producing green LP gas and infrastructure-related digital transformation services (Michiten[®], Tetsuten[®]), which have not been among our Group's core businesses until now, Infrastructure Laser[™], as a means of expanding into different markets, and high-temperature superconducting wires with attractive applications such as nuclear fusion power generation. To advance these new businesses, external partnerships are absolutely necessary. We have been collaborating with Tokamak Energy in the United Kingdom on the development of high-temperature superconducting wires for nuclear fusion reactors, which I view as a major achievement.

Shift to the Business Model and Product Portfolio with High Value-added Products and Profitability

Under the 2025 Medium-term Plan, we have been pursuing management with an emphasis on capital efficiency, and so far have completed several rounds of business restructuring, with increasing the value we add to invested capital (FVA or Furukawa Value Added) and ROIC as one of our axes for decision-making. On the other hand, by being conscious of the large granules that are "business" divisions, we tended to lack the essential perspective of whether or not a product group had strengths.



Therefore, after carefully examining the individual product groups in each business, we decided to reorganize our global optical fiber and cable business and metal-type wire business with a greater focus on the perspective of "leveraging our own strengths." The decision to acquire shares of MFOPTEX Co., Ltd. and make it a consolidated subsidiary was also made from the perspective of "leveraging strengths," as it reflected potential technological synergies throughout our Group that could accelerate the development of new businesses such as industrial lasers and life science.

Going forward, we will maintain the question of whether we can leverage our strengths at the product group level as one of the axes for deciding whether to move forward or withdraw. We will be pushing further ahead in shifting to product groups and business models that can deliver added value, or put another way, generate profits. I believe that continuing to generate profits while continuously reviewing our business and product portfolios also means ensuring that our businesses are required by society and customers over the medium to long term, and that this is fundamentally in line with our purpose of "composing the core."



Strengthening the Foundation for ESG Management

We view non-financial elements as a business fundamental that has the potential to generate future financial value, and we are pursuing ESG management under the 2025 Medium-term Plan. As such, we have been steadily developing the foundation for ESG management.

With regard to "Environment," as we move toward our goal of achieving carbon neutrality by 2050, we are beating our targets for the sustainability indicators "GHG emissions reduction rate in business activities" and "ratio of renewable energy use to total electricity consumption." In addition, in accordance with the revision of the Environmental Targets 2030, from FY2024 we have changed the base year for GHG emissions to FY2021, and will be embracing the challenge of achieving even tougher reduction targets.

With regard to "Social," we are addressing strengthening human capital and organizational execution abilities. Based on the idea that what makes a company is its people, to realize our purpose and be sustainable as a company, it is important that the right employees are assigned to the right places, that individuals are motivated and fulfilled at work, and that their own value is recognized and they feel satisfied as a result. "Employee engagement scores" are the visualization of this. In FY2024, we expanded the scope of the survey from the Furukawa Electric to include employees of Group companies in Japan and overseas, and we will strengthen the survey while setting higher targets.

With regard to "Governance," we are steadily advancing initiatives for human rights, such as implementing human rights due diligence and communicating with stakeholders on human rights.

Furukawa Electric Group's Commitment to Sustainable Growth and Transformation

Our group will continue to strengthen and transform our business by creating new technologies, products and services to further earn the trust and meet the expectations of all of our stakeholders. We advance various measures aimed at achieving the ideal state of Vision 2030 and the current 2025 Medium-term Plan. At the same time, based on the Furukawa Electric Group Purpose, I want to make the Furukawa Electric Group a corporate group in which we all work together to pursue businesses that create "a brighter world" and to achieve sustainable growth by "composing the core" with dreams.

Please also refer to the [Integrated Report 2024](#) for details.

President
October 2024

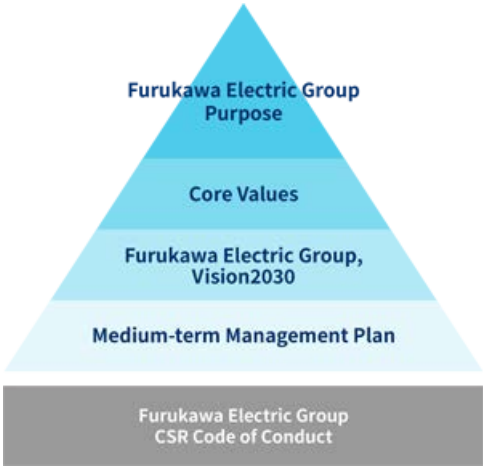


Corporate Philosophy Structure

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 raison d'être, 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.



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 CSR Code of Conduct

> [Full text of The Furukawa Electric Group CSR Code of Conduct](#)

Revised in August 2024

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](#)



Basic Approach to Sustainability

Basic Policy on Sustainability

We have defined the Furukawa Electric Group Vision 2030 (hereinafter, the "Vision 2030") as the ideal state of the Group in 2030. In order to achieve the Vision 2030, we are promoting ESG management, which aims sustainable growth of Furukawa Electric Group and medium- to long-term growth of corporate value and have established the "Furukawa Electric Group Basic Policy on Sustainability" as the basic approach to this goal.

In line with the establishment of the Furukawa Electric Group Purpose, the "Furukawa Electric Group Basic Policy on Sustainability" was partially revised in April 2024.

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

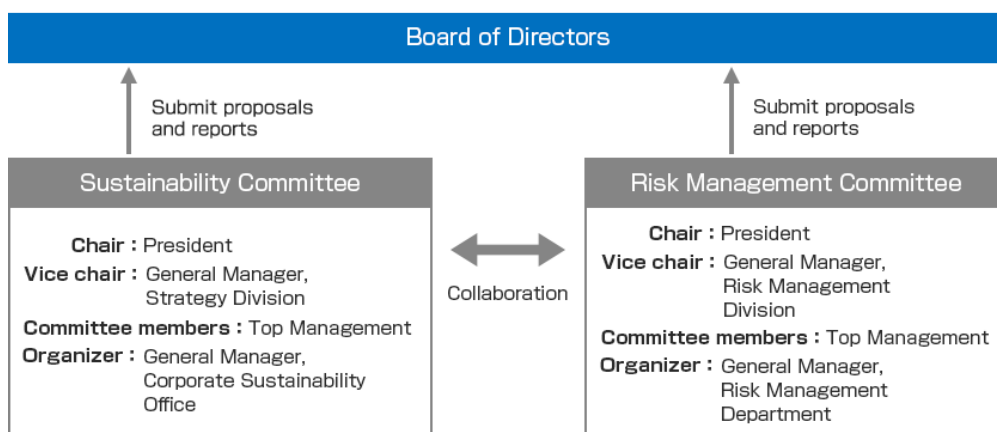
The Furukawa Electric Group will:

- 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.

Sustainability Promotion System

Sustainability Committee was established 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. Corporate Sustainability Office serves as the organizer, 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, among other things, the results of the evaluation of the effectiveness of the Board of Directors and feedback from shareholders and institutional investors.



< Key Discussion Items for the Sustainability Committee >

- Sustainability-related basic policy
- Basic matters and current progress on material issues related to revenue opportunities and risks
- Disclosure of basic information related to sustainability
- SDGs activities and community/social activities
- Other important sustainability issues

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

Board of Directors	November 2018	Formulated the FEG Vision 2030
	November 2018	Formulated the FEG People Vision; medium-term measures of HR Management Dept.
	Nov. 2018–Dec. 2019	Identified material issues
	April 2019	Revised the FEG CSR Code of Conduct
	February 2021	Formulated the FEG Environmental Vision 2050
	July 2021–Aug. 2021	Established the FEG Basic Policy on Sustainability
	May 2022	Set sustainability indicators and targets; reviewed the material issues, added Human Rights and Labor Practices to material issues
	December 2022	Status and direction of personnel measures in the 2025 Medium-term Management Plan
	Mar. 2023–Mar. 2024	Established FEG Purpose
Management Committee	October 2018	Medium-term measures of HR Management Dept.; formulated the FEG People Vision
	Nov. 2018–May 2019	Formulated the FEG Vision 2030
	Nov. 2018–Sept. 2020	Identified material issues and disclosed them
	January 2019	Set the Environmental Targets 2030; applied for an SBT (2°C Targets) initiative certification
	April 2019	Revised the FEG CSR Code of Conduct
	January 2020	Signed the United Nations Global Compact; Formulated the FEG Human Rights Policy; Expressed support for the recommendations of TCFD
	Dec. 2020–Feb. 2021	Formulated the FEG Environmental Vision 2050
	July.–Aug. 2021	Established the FEG Basic Policy on Sustainability
	Nov. 2021–Feb. 2022	Revised the Environmental Targets 2030; applied for an SBT (WB 2°C Targets) initiative certification
	November 2022	Direction of personnel measures based on the concept of human capital management
	Nov.–Dec. 2022	Revised the Environmental Targets 2030; applied for an SBT (1.5°C Targets) initiative certification; purchased renewable energy certificates
	February 2023	Activities to reinforce human capital and organizational execution abilities; disclosed human capital indicators
Sustainability Committee	March 2022	Set sustainability indicators and targets; reviewed the material issues; added Human Rights and Labor Practices to material issues
	September 2022	Established the FEG Responsible Minerals Sourcing Policy
	Sept. 2022–Mar. 2024	Established the FEG Purpose



Sustainability-related Opportunities and Risk Management

For the sustainability-related opportunities and risk management, in the 2025 Medium-term Plan, we have set sustainability indicators (KPIs) and sustainability targets for FY2025 to realize our ideal state in FY2025 in each material issue.

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 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.

> Indicators and Targets

We are also making steady progress in integrating sustainability-related opportunities and risk management into our company-wide management strategy (2025 Medium-term Plan) and company-wide risk management.

< Establishment of the Business Portfolio Review Committee >

To strengthen and create businesses through a focus on capital efficiency, we have established the Business Portfolio Review Committee since FY2022 with the aim of promoting business portfolio transformation with an emphasis on capital efficiency. The Business Portfolio Review Committee, composed of the General Manager of the Strategy Division as chair, the General Manager of the Finance & Accounting Division as vice chair and the General Manager of Global Marketing Sales Division, deliberates on important matters related to business portfolio transformation, such as the positioning of each business in the Medium-term Management Plan, makes proposals and reports to the Management Committee. The General Manager of the Corporate Planning Department is in charge of the secretariat, and it is held three times a year in principle. In FY2023, we started examining our desired business portfolio to achieve the Vision 2030, and we continue to work to materialize the Vision 2030.

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. Toward optimizing the business portfolio, taking into account our current position made visible from the viewpoint of growth (average sales growth rate) and profitability (ROIC spread), our potential for future growth, our competitive status among competitors, and our carbon efficiency (GHG emissions per unit of sales), we will 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 capital in FVA for each business, we have also incorporated ESG factors such as "Climate change" and "Human rights and Labor practice" in addition to financial factors. FVA of each business are reflected and reviewed every year 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 in FY2022.

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

< Integration into company-wide risk management >

As for the Group-wide risk management, we have established the Risk Management Committee, which comprises management as members, with the President as chair and the General Manager of the Risk Management Division as vice chair. The committee is structured to supervise and promote risk management, internal control and compliance. The Committee conducts regular risk assessment to determine what risks exist, and define important risks that require a companywide response. We recognize "climate change," "human resources and organizations" and "human rights and labor practices" related to material issues of risks as key risks from the management perspective and counter these risks.

> Business Risks

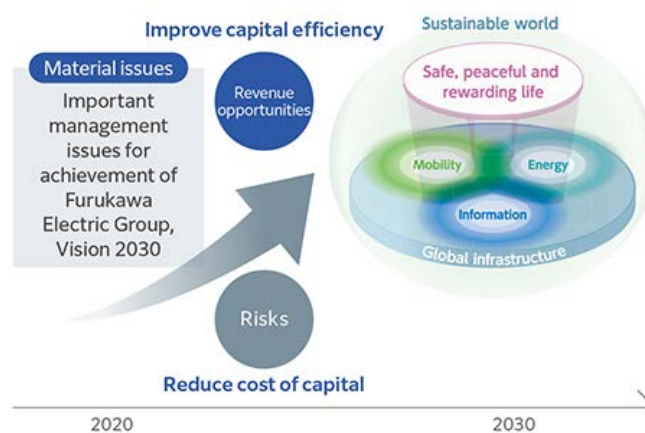
> Risk Management

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. 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.



* 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.

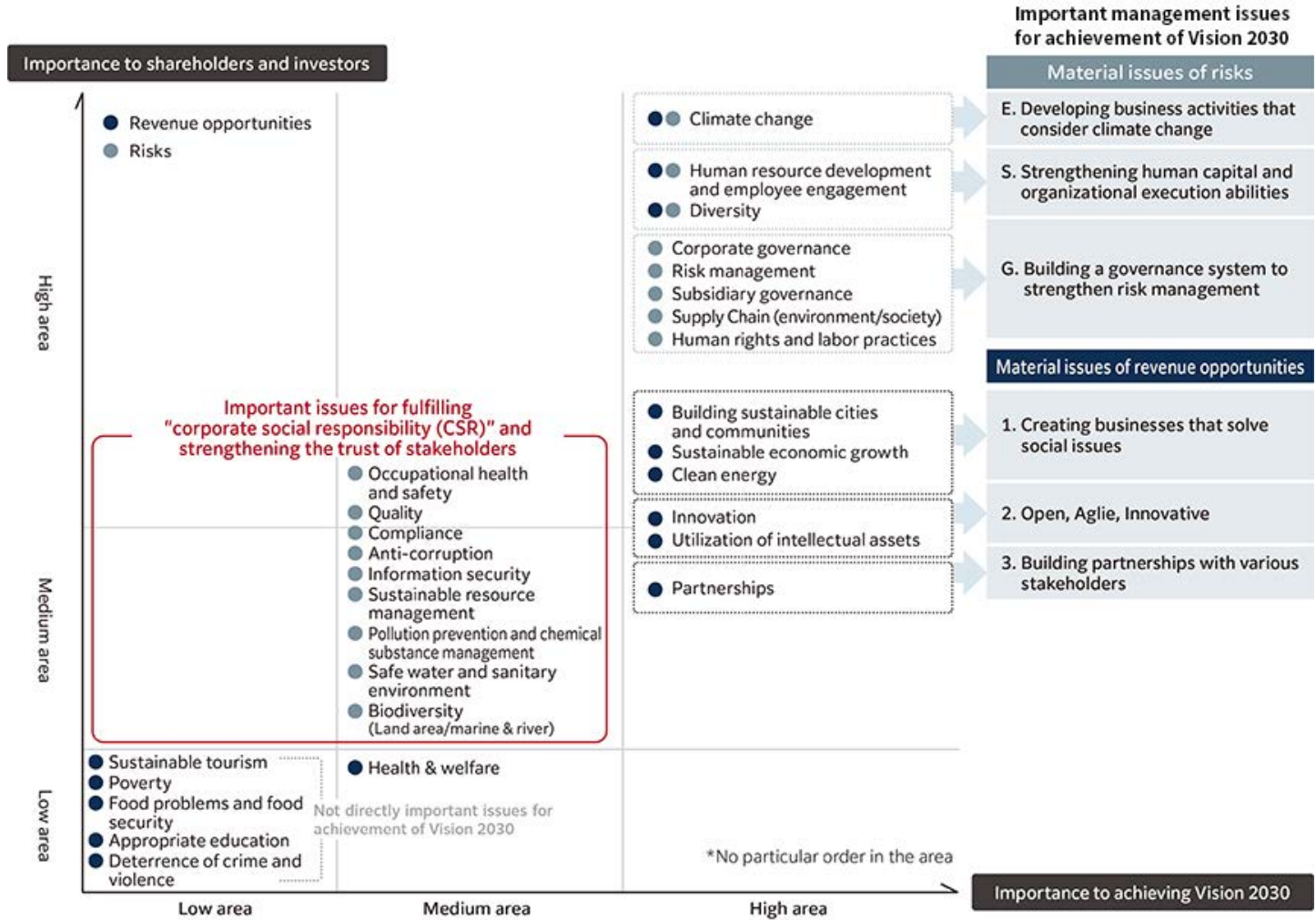
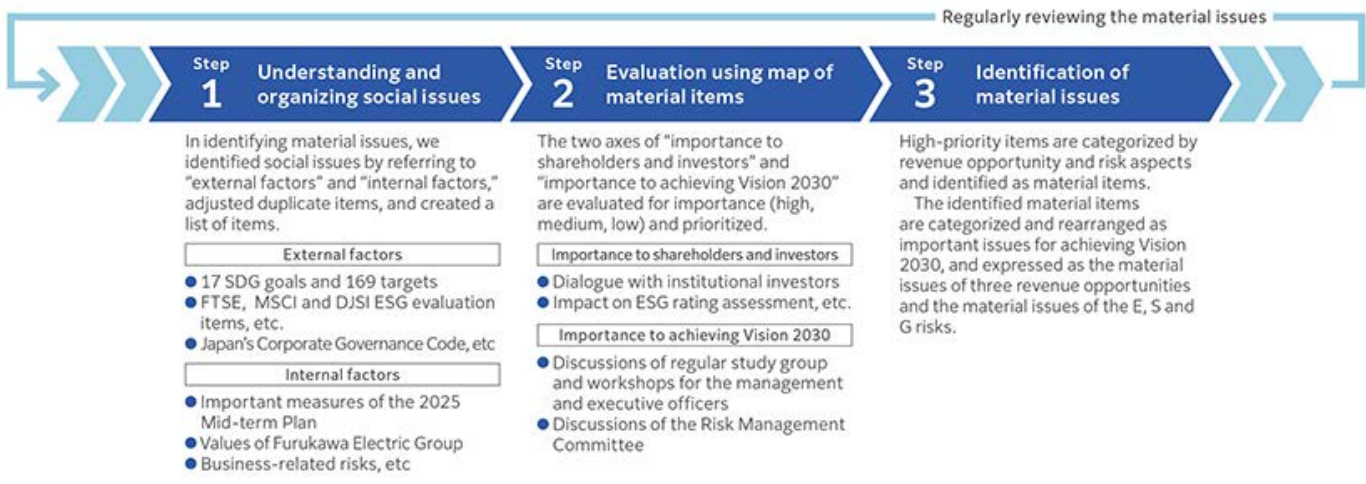
Identifying Material Issues

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 "market-in" and further to the "outside-in" approach, and identified the "creation of businesses that solve social issues" as a material issue. Examples of these include the "creation of businesses that support the next generation infrastructure," which will serve as the foundation of the society anticipated in the Vision 2030, and the "creation of environment-friendly businesses," which contribute to the realization of a carbonfree society and a recycling-based society. We are focusing on the two kinds of examples as sub-material issues of the material issue "creation of businesses that solve social issues." 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 of human capital and organizational execution abilities" as a material issue for social (S) risks. As for a material issue of governance (G) risks, we focus on "building a governance system for strengthening risk management" including corporate governance, group governance, supply chain management as well as human rights and labor practices as sub-material issues.



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

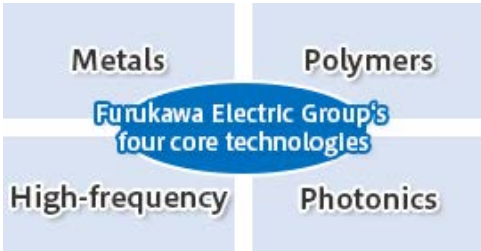
Value Creation Process Directed at Achieving the Vision 2030

Furukawa Electric Group conducts corporate activities based on the Furukawa Electric Group Purpose, the Core Values, and Furukawa Electric Group CSR Code of Conduct. We will surely execute the Medium-term Management Plan 2022–2025 (the “2025 Medium-term Plan”), which is formulated by the dual approach of backcasting from Furukawa Electric Group Vision that defines the ideal state of the Group in 2030 (the “Vision 2030”) and forward-looking from the present.

In the 2025 Medium-term Plan, we defined the ideal state in FY2025 for each identified material issue, formulated measures to realize them, and set sustainability indicators/targets to measure the progress. 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 will stabilize earnings in information, energy and mobility sectors, and realize growth through the strengthening of businesses that solve the social issues, whereby contributing to building a society with infrastructure integrating information, energy and mobility. Specifically, to achieve the targets specified in the 2025 Medium-term Plan, and to expand profits in each business, while focusing on Communications Solutions business in particular, we will continue to optimize allocation of investments from the perspective of profitability and growth potential, and accelerate business management and decision-making, including the review of our business portfolio, with a further focus on the cost of capital.

In addition, toward 2030, we realize a leap through the creation of businesses that solve the social issues including the “creation 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. Specifically, to address the needs of the Beyond 5G society, we will take advantage of our photonics and high-frequency technologies to develop optical semiconductor devices towards the realization of photoelectric fusion which is essential in the next generation information communication environment, thus contributing to realizing the all-optical network and a society with highly efficient energy. We will also proceed with joint R&D of products for nuclear fusion power generation, which contributes to the safe and sustainable energy supply. Furthermore, to contribute to realizing the carbon neutrality, we will continue our R&D activities concerning Green LP gas* which does not use fossil resources. In addition, we will suggest the adoption of our digital solutions for operating/maintaining social infrastructure to our customers, and work on the sophistication of such solutions.

* 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).

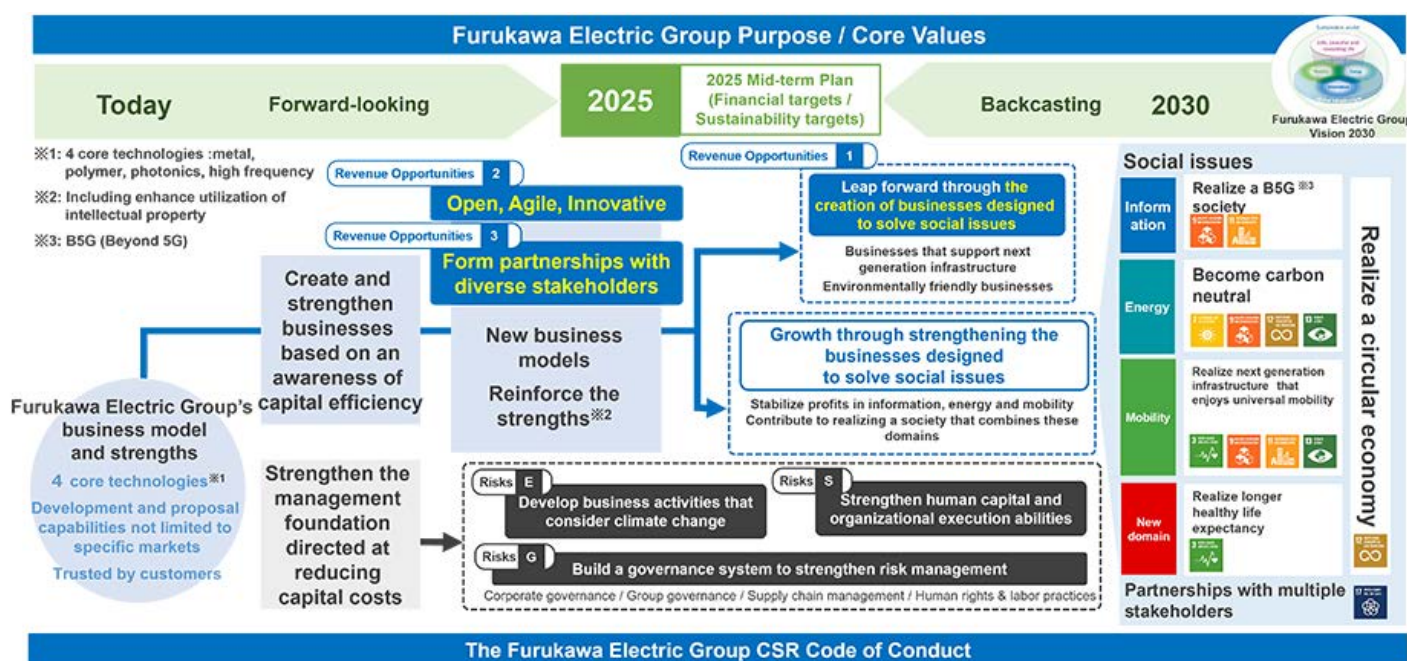
Risks (Strengthen the Management Foundation)

As for “developing business activities that consider climate change,” we formulate a climate-related 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 implement initiatives toward the carbon neutrality.

In addition, as for “strengthening of human capital and organizational execution abilities, we conduct a survey on human capital and organizational execution abilities, including elements related to employee engagement; and by using it as a monitoring tool, we will strengthen our efforts of human capital management based on “Furukawa Electric Group People Vision” which is shared beliefs 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 supply chain management and human rights management.

Furukawa Electric Group's Value Creation Process



> [Furukawa Electric Group Vision 2030](#)

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



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	Sustainability indicator		Scope	Result	Target (Reference value)			
					FY2023	FY2023	FY2024	FY2025	FY2030
Revenue opportunity	Creating businesses that solve the social issues	Sales ratio of environmentally friendly products		Group	65.9%	66%	68%	70%	—
	Open, Agile, Innovative/ Building partnerships with various stakeholders	R&D expense growth rate for new businesses (compared to FY2021)	(Compared to FY2021)	Group	121%	125%	125%	125%	—
		Implementation rate of IP landscaping for strengthening the businesses and themes for creating new businesses		Group	77%	45%	100% ^{*1*2}	— ^{*3}	—
Risk	Developing business activities that consider climate change	GHG emissions reduction rate (Scopes 1&2)	(Compared to FY2017)	Group	-45.4%	-21.2%	(-39%) ^{*4}	(-42%) ^{*4}	(-59%) ^{*4}
			(Compared to FY2021)		—	—	-14.0%	-18.7%	-42%
		Ratio of renewable energy use to total consumption		Group	31.6%	12%	25%	30%	—
	Strengthening human capital and organizational execution abilities	Employee engagement scores ^{*5}		Furukawa Electric	63	65	—	—	—
				Group	76	—	77	80	85
		Ratio of female managers		Furukawa Electric	5.4%	5%	6%	7%	15%
		Ratio of mid-career hires in total new hires ^{*6}		Furukawa Electric	48.8%	30% ^{*7}	30% ^{*7}	30% ^{*7}	—
	Building a governance system to strengthen risk management	Ratio of follow-up on risk management activities for all risk domains		Group	100%	100%	100%	100%	—
		Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers		Group	65%	40%	70%	100%	—
		Implementation rate of human rights training for managerial positions		Group	100%	100% ^{*8}	100% ^{*8}	100% ^{*8}	—

*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 Target value for 2025 has been brought forward.

*3 In FY2025, we plan to add and implement an important theme for strengthening business and creating new businesses.

*4 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.

*5 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.

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

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

*8 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.



Stakeholder	Related material issues ■ revenue opportunities ◆ risks	Solving social issues through our business activities	Communication methods
Customers We will not only maintain and improve the quality of the products, operations, and services we provide, but also contribute to solving our customers' issues by developing business activities that leverage the strengths of our Group.	■ Creating businesses that solve social issues ■ Building partnerships with various stakeholders	• Solving issues by leveraging the Group's strengths • Realization of the circular economy	• Dialogue in daily transactions • Dialogue at technology shows and exhibitions • Disseminate information through a company website and sustainability book • CSR survey from customers • Customer factory audit
Partners* We will promote businesses that realize sustainability throughout the supply chain through collaboration with partners while building a sound supply chain in compliance with laws and regulations.	■ Building partnerships with various stakeholders ◆ Building a governance structure to strengthen risk management/ supply chain management, human rights and labor practices	• GHG reduction in the entire supply chain • Human Rights in the Supply Chain • Responsible minerals sourcing • Realization of the circular economy	• Dialogue in daily transactions • Partners' Meeting • Self-assessment questionnaire (SAQ) based on the CSR Procurement Guidelines • Publication of partnership building declaration
Shareholders and investors We will achieve sustainable growth and medium- to long-term growth of corporate value through our business as well as implement appropriate shareholder return measures and information disclosure to shareholders and investors.	◆ Building a governance structure to strengthen risk management/ corporate governance	• Sustainable growth and medium- to long-term growth of corporate value	• Annual general meeting • Briefing for investors • Individual Meeting • Disseminate information through a company website, shareholder newsletters, and integrated reports
Employees We will fulfill our social responsibilities - such as respect for human rights, occupational health and safety, and compliance- and strengthen human capital and organizational execution abilities that lead to increased corporate value through employee engagement.	■ Open, Agile, Innovative ◆ Strengthening of human capital and organizational execution abilities	• Employee engagement • Human resource development and fair evaluation and treatment • Diversity & inclusion	• Internal newsletters, intranet • Management briefings by labor and management and dialogue of human rights due diligence • President's dialogue at each business site • Furukawa E-Survey, a survey to visualize human capital and organizational execution abilities • Activities to instill Furukawa Electric Group Purpose



Stakeholder	Related material issues ■ revenue opportunities ◆ risks	Solving social issues through our business activities	Communication methods
Government, local government, and local community We will fulfill our social responsibilities, -such as compliance with laws and regulations and tax payment obligations- and contribute to solving issues in the international community and local communities through business activities that leverage the Group's strengths.	■ Creating businesses that solve social issues ■ Open, Agile, Innovative ■ Building partnerships with various stakeholders	● Solving issues in the international community and local communities by leveraging the Group's strengths ● Realization of carbon neutrality ● Building a new social infrastructure for regions ● Realization of the circular economy	● Dialogue through economic and industry associations ● Cooperation with government and local government surveys and questionnaires ● Participation in government-related projects ● Cooperation agreements with local governments
Global environment We will contribute to a sustainable global environment by fulfilling our social responsibilities such as environmental conservation and compliance with environmental laws and regulations, and by promoting business activities that regard environmental issues, including climate change, as revenue opportunities.	■ Creating businesses that solve social issues/ creation of environment-friendly businesses ◆ Developing business activities that consider climate change	● Climate Change Mitigation and Adaptation ● Realization of carbon neutrality ● Realization of the circular economy	● Environmental conservation activities through the value chain and climate change response ● Participation in activities of environmental NGOs, NPOs, initiatives, etc. ● Cooperation with clients' ESG initiatives, including environment ● Utilization of renewable energy

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



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	- Formulated the Furukawa Electric Group (FEG) Philosophy (2007) - Revised the FEG CSR Code of Conduct (2011)^{*1}	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

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

*2 Corporate Philosophy of the Group Philosophy is included in the Purpose, and Management Philosophy is consolidated into Core Values.

Governance

Fiscal year	Basic concept, policy, and separation of supervision and execution	Corporate governance	Risk and supply chain management
~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	- Established the Guidelines on Corporate Governance - Established the Independence Standards for the Outside Officers	Started the evaluation of the effectiveness of the Board of Directors from 2015, and the summary of the result was published every year	



Fiscal year	Basic concept, policy, and separation of supervision and execution	Corporate governance	Risk and supply chain management
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^{*4}	
2017		As a process to evaluate the effectiveness of the Board of Directors, the Chairperson conducted the interviews every year.	
2019		- Strengthened the independency of Outside Directors - A female Outside Director was appointed. - Partially revised the directors' compensation scheme^{*5}	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 FEG CSR Procurement Guidelines 3rd edition to 4th edition

^{*3} Aimed for supervising execution by the management, including the President, from a non-executive position

^{*4} Consisted of the basic remuneration, short-term performance-linked remuneration, and medium- to long-term performance-linked remuneration

^{*5} Aimed at strengthening incentives

Social

Fiscal year	Basic concept, policy, and promotion system	Human resource development 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)



Fiscal year	Basic concept, policy, and promotion system	Human resource development and organizational execution abilities	Diversity & Inclusion
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	
2024			Structured the female-Japanese CVP to two at present

Environment

Fiscal year	Basic policy and promotion framework	Climate change and information disclosure
~2014	- Formulated the FEG Basic Environmental Policy (2008) - Established the FEG Environment Committee (2013)	
2018	Set the 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 environmental targets 2030	
2022	Revised the environmental targets 2030	Acquired an SBT(well-below 2°C Targets) initiative certification
2023		- Acquired an SBT(1.5°C Targets) initiative certification - Expressed support for the Task Force on Nature-related Financial Disclosures (TNFD)



Contribution to the SDGs

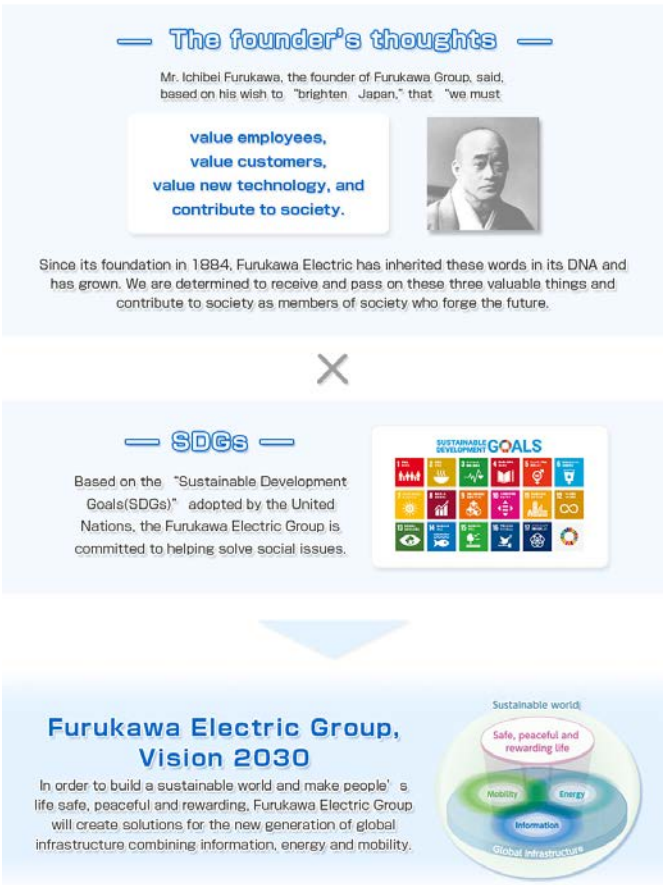
Sustainable Development Goals (SDGs)

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

SDGs and the Furukawa Electric Group Vision 2030

The DNA of the Group is based on the words of the founder Mr. Ichibei Furukawa: "Value employees, value customers, value new technology, and contribute to society." We believe this idea will lead to the ESG management and SDGs adopted by the United Nations. With these thoughts of the founder and the SDGs in mind, we have formulated the Furukawa Electric Group Vision 2030 (hereinafter "Vision 2030"). Vision 2030 shows the ideal state of the Group in 2030 when the SDGs are achieved, considering that we aim to solve international and regional social issues associated with the Group. The Group will achieve Vision 2030 and contribute to the achievement of the SDGs by addressing the important management issues (material issues) that must be addressed in order to achieve Vision 2030.

> Material Issues



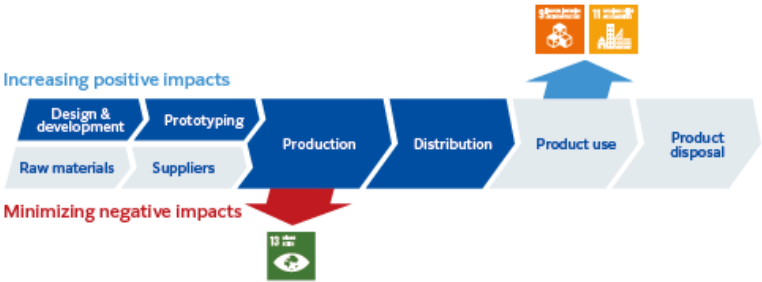
Consideration of SDGs Priority Issues Based on Value Chain Mapping

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

Communications Solutions - Optical fiber & cable products

Increasing positive impacts

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



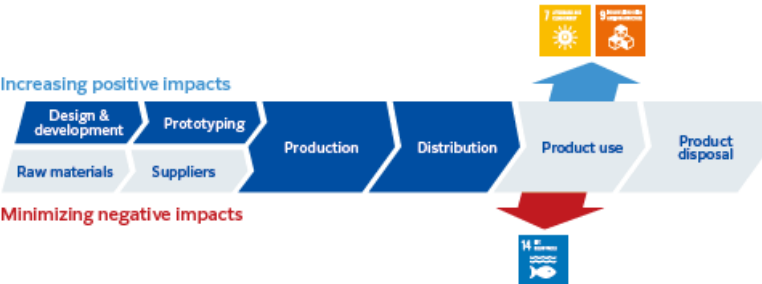
Minimizing negative impacts

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

Energy Infrastructure - Submarine transmission cables for offshore wind power generation

Increasing positive impacts

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



Minimizing negative impacts

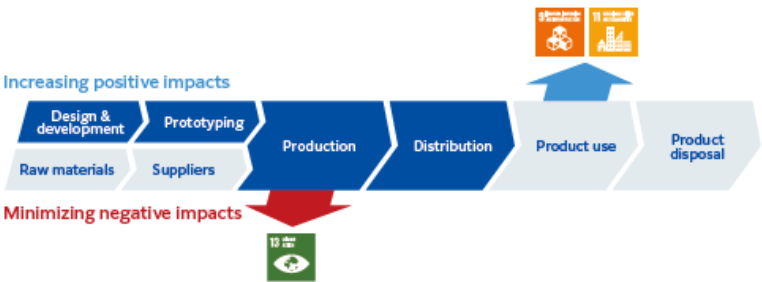
In the process of laying submarine cables, we take care to minimize the impact on the marine environment.



Automotive Products - Aluminum wire harnesses

《Increasing positive impacts》

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



《Minimizing negative impacts》

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

Electronics Component Materials - Oxygen-free copper wire

《Increasing positive impacts》

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



《Minimizing negative impacts》

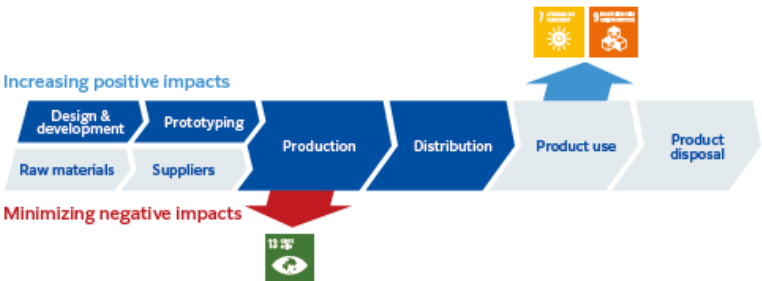
In the manufacturing process, we increase the percentage of recycled copper and make effective use of natural resources.

Functional Products - Thermal products

《Increasing positive impacts》

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

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



《Minimizing negative impacts》

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



Working with Local Communities to Achieve SDGs

Furukawa Electric promotes the following initiatives.

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

Activities to Advance Employees' Understanding of SDGs

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



Environmental Management

Environmental Policy/Environmental Vision2050/Environmental Targets 2030

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 formulated the Furukawa Electric Group Environmental Vision 2050 in February 2021, which looks ahead to the year 2050, in order to recognize long-term environmental issues and promote initiatives to solve them.

Environmental Vision 2050

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

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

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

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

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

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

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

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

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



Environmental 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 withdrawal: Reduce by at least 10% compared to FY2020 (per unit of net sales)
- (2) Efficient use of metals and plastics
 - New material^{*1} consumption: Reduce by at least 10% compared to FY2020 (per unit of net sales)
 - Single-use plastic^{*2} consumption: Reduce by at least 25% compared to FY2020 (total volume)

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

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

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

*3 SBT: Science Based Target.

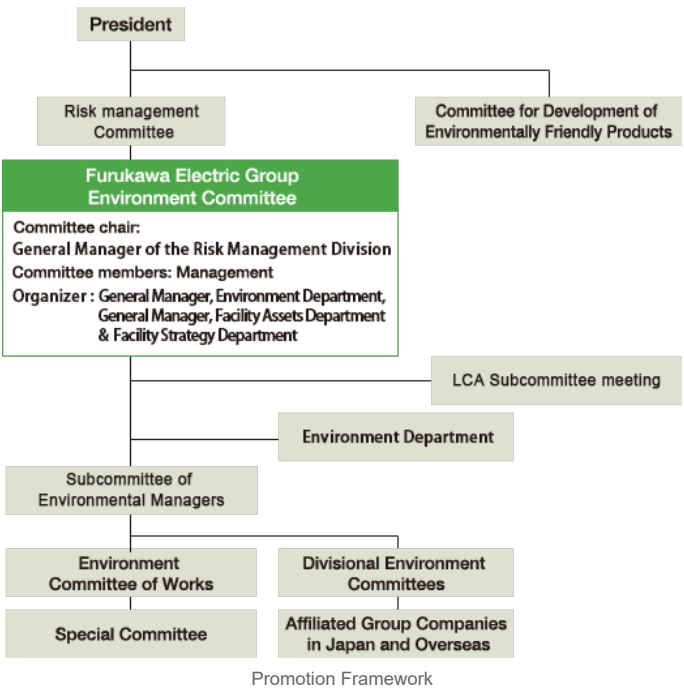
Environmental Management

Environmental Management System

Environmental Management 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 - Scope of the environmental management

International Standard for Environmental Management (ISO14001)

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

> Our works, domestic group companies, and overseas group companies that have acquired ISO14001



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



Environmental Education

Environmental Education System and Environmental Education Programs

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

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

The Group has designated June of each year as Group Environment Month. In FY2023, each employee watched environment-related videos and discussed the environment with people around at their home or workplace. Furthermore, We conducted activities raising environmental awareness including questionnaire surveys on the status of efforts in the workplace and in daily life for the environment, and on the level of awareness of the Environmental Vision 2050, etc. Yokohama Works is independently engaged in "Eco-friendly activities at home" and visualizes the amount of CO₂ reduction in each household's eco-activities. The amount of reduction is increasing every year as the activities spread.

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

Environmental education programs

Environmental Award

Environmental Activity Award System

In FY2010, the Group started the Environmental Activity Awards with the aim of motivational improvement of employees and organizations working on environmental activities. The award was renamed to the ESG Commendations "Environmental Contribution Award" from FY2018, for the purpose of expanding the scope of the award which was focused on global warming prevention measures to all environmental activities, and aimed to raise awareness of the environment and to improve the level of environmental activities. In FY2023, 2 Outstanding Performance Awards, 2 Excellent Performance Awards, and 3 Honorable Mentions were selected. The Outstanding Performance Award was given to a case in which an energy-saving device was installed in air conditioning piping, thereby contributing to the reduction of air conditioning energy use and GHG emissions, and to a case in which material waste in the first part of the extrusion process was collected and reused as raw materials, thereby reducing the amount of new resource input and making a significant contribution to resource recycling.



Outstanding Performance Award

- **Furukawa Precision (Thailand) Co., Ltd.**
Reduction of air conditioning energy use and GHG by introducing energy-saving devices
- **Furukawa Electric LatAm S.A.**
Recovering materials from extrusion process scrap and applying in parts produced by injection molding process.

Excellent Performance Award

- **Optical Fiber and Cable Products Division**
Reduction of city gas consumption
- **AT & Functional Plastics Division**
Optimization of air conditioning system operation

Honorable Mention

- **Copper & High Performance Material Products Division**
Appropriate control of the number of compressors
- **Furukawa FITEL (Thailand) Co., Ltd.**
Installation of solar rooftop to reduce electricity use
- **Furukawa Electric LatAm S.A.**
Plastic free packaging, line Gigalan Green.

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.

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

> [Supply Chain](#)



Environmental Management

International Standard for Environmental Management (ISO14001)

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

The percentage of production sites that have acquired ISO14001* is as follows. (as of July 2024)

- Domestic: 100% (all 6 production sites, all 22 domestic consolidated subsidiaries nationwide)
- Overseas: 76% (34 out of 45 overseas group companies)

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

Furukawa Electric Co., Ltd.

Chiba Works	Nikko Works
Hiratsuka Works	<u>Mie Works</u>
Yokohama Works	Copper Foil Division

Domestic group companies

Okano Electric Wire Co., Ltd.	Foam Kasei Co., Ltd.
KANZACC Co., Ltd.	Furukawa Automotive Systems Inc.
Shoden Seiwa Co., Ltd.	Furukawa Precision Engineering Co., Ltd.
Furukawa Fitel Optical Device CO.,LTD	Furukawa Techno Material Co., Ltd.
Furukawa Industrial Plastics Co., Ltd.	Furukawa Magnet Wire Co., Ltd.
Furukawa Electric Industrial Cable Co., Ltd.	Riken Electric Wire Co., Ltd.
Furukawa Network Solution Corp.*	Furukawa Sangyo Kaisha, Ltd.
Furukawa Electric Power Systems Co., Ltd.	Furukawa Electric Advanced Engineering Co., Ltd.*
Miharu Communications Inc.	Furukawa Electric Ecotec Co., Ltd.*
The Furukawa Battery Co., Ltd.	Furukawa Nikko Power Generation Inc.
NTEC Ltd.	FURUKAWA ELECTRIC BUSINESS & LIFE SUPPORT INC.*

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

Overseas group companies

OFS Fitel, LLC	Furukawa Circuit Foil Taiwan Corporation
Furukawa Mexico S.A. de C.V.	Furukawa Electric Copper Foil Taiwan Co., Ltd.
Furukawa Electric LatAm S.A.	Furukawa FITEL (Thailand) Co., Ltd.
OFS FITEL Deutschland GmbH	Furukawa Automotive Systems (Thailand) Co., Ltd.
Trocellen Italy S.p.A.	SIAM Furukawa Co., Ltd.
Polifoam Plastic Processing Co., Ltd.	Furukawa Precision (Thailand) Co., Ltd.
OFS RUS Fiber Optic Cable Company	Permintex Furukawa Autoparts Malaysia Sdn. Bhd.
Furukawa FITEL Optical Products (Shanghai) Co., Ltd.	Furukawa Automotive Parts (Vietnam) Inc.
Shenyang Furukawa Cable Co., Ltd.	Furukawa Automotive Systems Vietnam Inc.
Suzhou Furukawa Power Optic Cable Co., Ltd.	FURUKAWA ELECTRIC THERMAL MANAGEMENT SOLUTIONS AND PRODUCTS LAGUNA, INC.
Furukawa Electric (Shenzhen) Co., Ltd.	Furukawa Automotive Systems Lima Philippines, Inc.
Furukawa AVC Electronics (Suzhou) Co., Ltd.	FURUKAWA ELECTRIC AUTOPARTS PHILIPPINES INC.
Chongqing Changhua Automobile Harness Co., Ltd.	P.T. Furukawa Optical Solutions Indonesia
Wuhan Furukawa Automotive Systems Co., Ltd.	P.T. Tembaga Mulia Semanan, Tbk.
Furukawa Auto Parts (Huizhou) Co., Ltd.	P.T. Furukawa Automotive Systems Indonesia
Furukawa Automotive Parts (Dong Guan) Ltd.	Furukawa Minda Electric Private Limited
Taiwan Furukawa Magnet Wire Co., Ltd.	PT. FURUKAWA INDOMOBIL BATTERY MANUFACTURING



Environmental Management

Environmental Risk Management**Preventing Soil and Groundwater Pollution**

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

Reducing Fluorocarbons Emissions

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 FY2023 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 FY2023 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 Management

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 FY2023, environmental conservation costs totaled 2.91 billion yen in expenses and 0.64 billion yen in environment-related investments. Compared with the previous year, expenses increased and investments decreased.

> [Environmental Accounting Data](#)

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



Results/Data

Annual Targets and Results

Targets and Results

Indicators			Furukawa Electric Group				
			Base year	FY2023 ^{*5}		Target for FY2024	2025 Mid-term target
				Target	Result		
Reduction of greenhouse gas emissions (Scope1, 2) ^{*1*7}	CO ₂ +SF ₆	FY2017	-21.2%	-45.4%	—	(-42%) ^{*3}	
		FY2021	—	—	-14.0%	-18.7% ^{*4}	
Reduction of greenhouse gas emissions (Scope3) ^{*2}		FY2019	-6%	-11.3%	—	—	
		FY2021	—	—	-8.3%	-11.1% ^{*4}	
Ratio of renewable energy use to total consumption ^{*7}		—	12%	31.6%	25%	30% ^{*4}	
Reduction of water withdrawal (Per unit of net sales)		FY2020	-3%	-24%	-4%	-5%	
Reduction of energy for production (Per unit of net sales)			-3%	-39%	-4%	-5%	
Reduction of transportation energy in Japan (tkm)(Per unit of net sales)			-3%	4.1%	-4%	-5%	
Reduction of total waste in Japan (Per unit of net sales)			-3%	-17%	-4%	-5%	
Reduction of total plastic waste in Japan (Per unit of net sales) ^{*6}			-3%	-28%	-4%	—	
Reduction of VOC emissions in Japan (Per unit of net sales) ^{*6}		the previous fiscal year	-1%	2%	-1%	—	
Environment business promotion	Sales ratio of environmentally friendly products ^{*7}		—	66%	65.9%	68%	70%
	CO ₂ avoided emissions		—	130,000ton-CO ₂	164,000ton-CO ₂	140,000ton-CO ₂	—
Pollution prevention	Prevention of environmental accidents and anomalies	Number of environmental accidents	—	0	0	0	—
		Environmental anomalies	—	3 or less	5	3 or less	—
CDP Score on climate change ^{*8}			—	A	A-	A	—

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

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

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

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

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

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

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

*6 New targets were set in FY2023.

*7 > [Sustainability indicator](#)

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

Result in FY2023

The total greenhouse gas emissions in FY2023 were significantly reduced by 45.4% compared to FY2017. As a measure against climate change, we have actively installed solar power generation systems and switched to electricity derived from renewable energy sources at our factories in Japan and overseas. We also accelerate efforts to reduce greenhouse gas emissions to achieve the Environmental Targets 2030, which was revised in November 2022.

Target for FY2024

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



Results/Data

Material Flow

Environmental Data of the Furukawa Electric Group in FY2023

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

Please see below for a list of all applicable companies.

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

INPUT

Category	Domestic	Overseas	Unit
Raw materials			
Copper	119.6	109.9	1000t
Aluminum	5.8	23.8	1000t
Steel	4.0	10.9	1000t
Glass	—	1.2	1000t
Plastic	23.7	48.4	1000t
Energy			
	5,002	5,861	TJ
Electricity	400	586	GWh
Purchased Electricity (except for renewable energy)	212	527	GWh
Purchased Electricity (renewable energy)	188	59	GWh
Private Power Generation (hydroelectric and solar)	95	4.7	GWh
City gas, Natural gas	13,729	19,287	1000m³
LPG, LNG	9.0	0.4	1000t
Fuel Oil (kerosene, light oil, heavy fuel oil A)	2,426	260	kl
Water			
	9,420	2,328	1000m³
Industrial water	6,633	68	1000m³
Groundwater	2,253	48	1000m³
Tap water	534	2,212	1000m³
Chemical substances			
Volume handled *1	45.0	—	1000t
Packaging *2			
Cardboard, Wood, Paper	2.4	9.7	1000t
Plastic	0.03	4.37	1000t

Furukawa Electric
Domestic group
companies
Overseas group
companies
91 companies



OUTPUT

Category	Domestic	Overseas	Unit
Waste*3			
Total waste generated*4	20.0	18.4	1000t
Final waste disposal	0.3	3.8	1000t
Recycling amount	18.8	14.5	1000t
Atmospheric emissions			
CO ₂	158	293	1000t-CO ₂
SF ₆	42	—	1000t-CO ₂
SO _x	6	—	t
NO _x	63	—	t
Soot	3	—	t
Chemical substances			
Volume emitted	82	—	t
Volume transferred	264	—	t
Water discharge			
	8,233	1,911	1000m³
Public waterways	7,819	364	1000m³
Rivers	7,089	157	1000m³
Sea	712	0	1000m³
Other	18	207	1000m³
Sewer	414	1,547	1000m³
BOD	27	—	t
COD	27	—	t
SS	27	—	t
Volume of water recycled and reused			
	1,100	49	1000m³

*1 PRTR-listed substances

*2 Cardboard, wood, paper, and plastic used in product shipping

*3 Including valuable resources (Japan)

*4 Emissions off-site



Results/Data

Third-Party Verification Report

Furukawa Electric Group works on the improvement of the reliability of environmental data through third-party verification. Data on greenhouse gas emissions (Scope 1,2,3), energy consumption, water usage amount and discharged amount in FY2023 were verified by a third-party. (July 2024)

- > [Greenhouse Gas Emissions \(Scope1,2,3\)](#)
- > [Energy Consumption](#)
- > [Water Usage and Discharge](#)



Our efforts on the products

Environmentally Friendly Products/Life Cycle Assessment (LCA)

Environmentally Friendly Products and the e-Friendly Accreditation System

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

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



Categories of Environmentally Friendly Products

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

Category	Contents
<u>Prevention of global warming</u>	Products with functions that contribute to the reduction or absorption/fixation of the greenhouse gas (GHG) emissions through the entire life cycles, or products that have reduced the greenhouse gas in their manufacturing processes.
<u>Zero emission</u>	Products made from recycled materials, products designed with easy to-recycle components, products made from materials or with design facilitating volume reduction for lowering waste volume, products designed to share common components with other products or products designed as common components.
<u>Elimination of materials that have an impact on the environment</u>	The products that meet one of the followings. 1. Products that do not use the ozone-depleting substances in all their fabrication processes. 2. Products that contain environmentally hazardous substances less than the regulation stated value. 3. Products that do not generate the environmentally hazardous substances exceeding the regulation stated values on using or disposing.
<u>Resource savings</u>	Products that result in overall energy savings by such means as reducing the use of raw materials and components as well as scarce resources, featuring enhanced longevity, allowing easier product and component maintenance, and reducing the use for resources in packaging.



From Application to Registration: The Registration of Environmentally Friendly Products

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

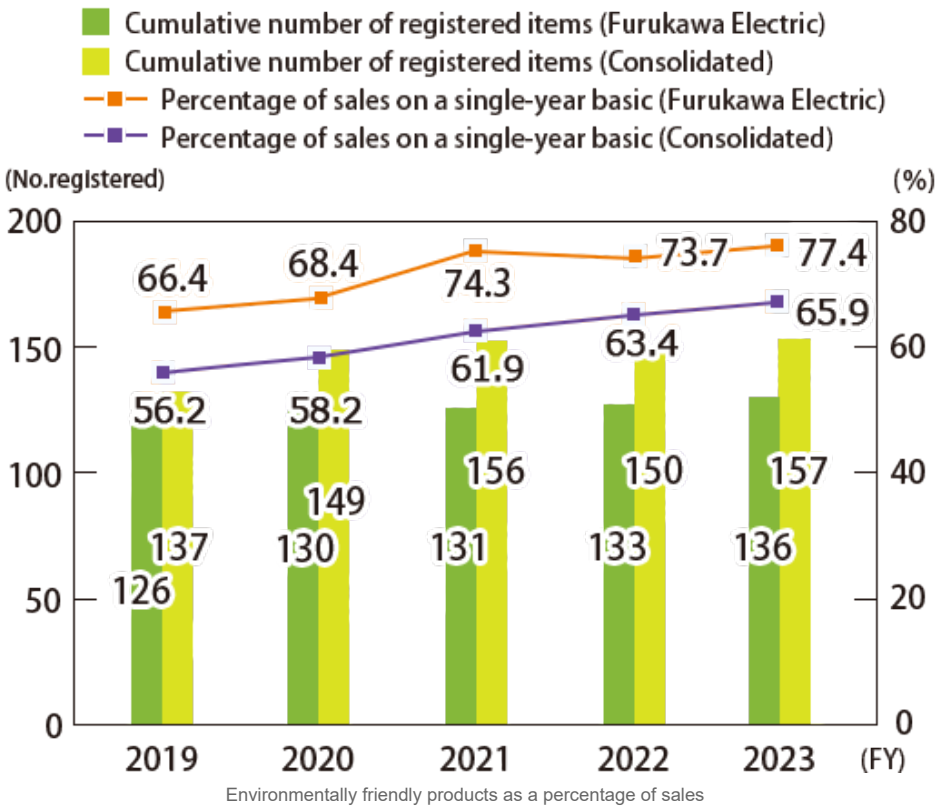
The criteria that products have to meet to be registered as an environmentally friendly product are an overall improvement of environmental performance when compared with existing products based on established evaluation criteria at each stage of the product's lifecycle: the purchase of raw materials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

The flow of environmentally friendly product certification



Expanding Environmentally Friendly Products

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

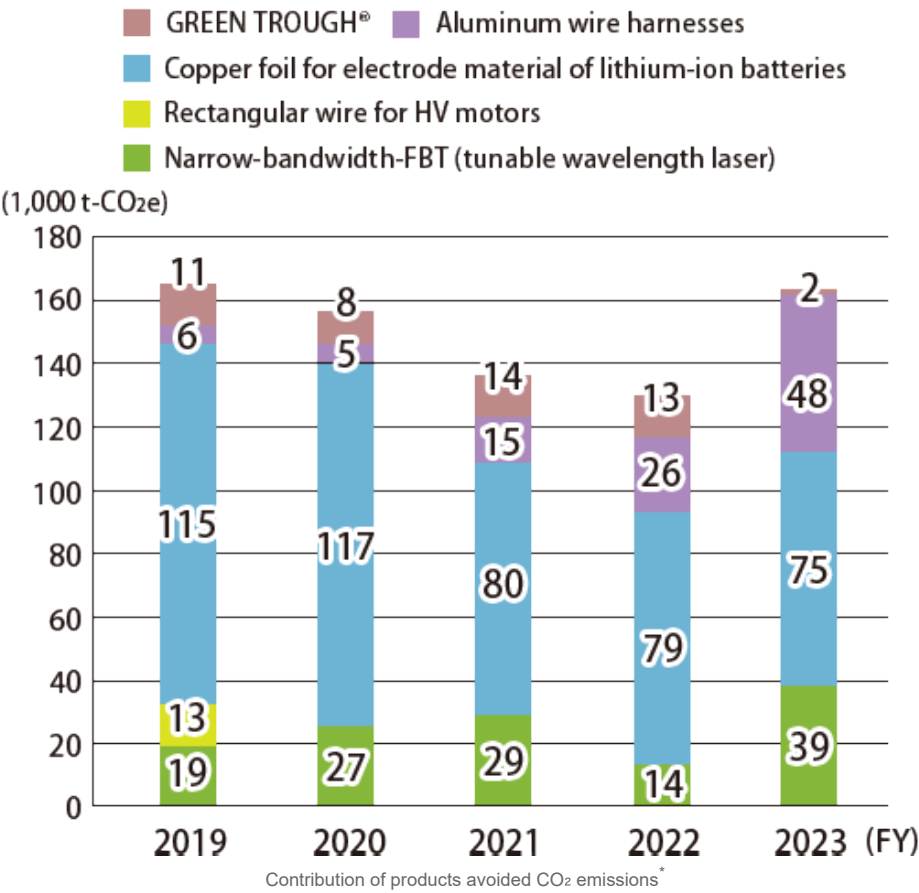


> TOPICS "Copper alloy products/superconducting products manufactured with renewable energy"



Efforts 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 CO₂ emissions, we are working to visualize the avoided CO₂ 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 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.

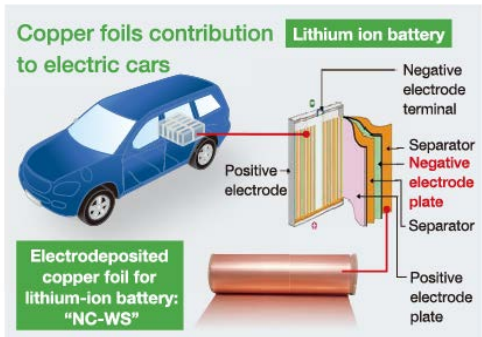


* The scenario was reviewed in FY2023.
* The rectangular magnet wire will be excluded from FY2020 due to business transfer.

> TOPICS: Delivered submarine cable system to Ishikari Bay New Port offshore wind power generation project (only available in Japanese)

We have estimated the avoided emissions for the offshore wind power generation project installed at Ishikari Bay New Port in FY2023.
We will also calculate the avoided emissions for submarine cables for offshore wind power generation, which is expected to expand in the future.

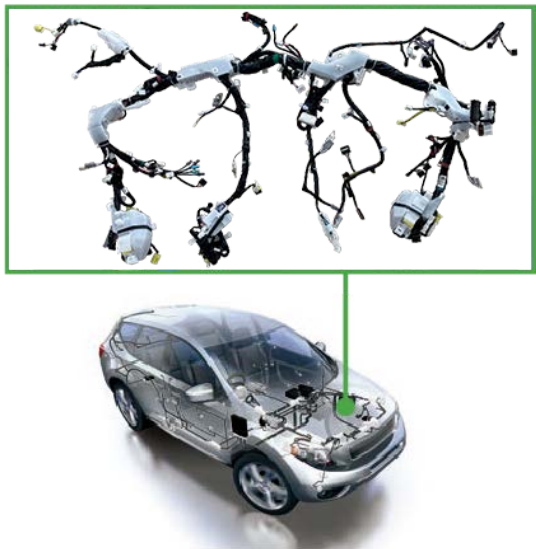
Reduction of CO₂ emissions using copper foil for lithium-ion batteries in electric vehicles.



Reduction of CO₂ emissions by the high power compact Integrated Tunable Laser Assembly (ITLA)



Reduction of CO₂ emissions by aluminum harnesses for automobiles.



Reduction of CO₂ emissions by Recycled cable trough



Contribution to a Carbon-Free Society

Climate Change

Basic Approach to Climate Change

Furukawa Electric Group has formulated the Furukawa Electric Group Environmental Vision 2050, which looks ahead to the year 2050, and has been working to reduce greenhouse gases throughout the value chain as a contribution to a carbon-free society. In particular, we have been working to reduce greenhouse gas emissions (Scope 1 and 2) in our business activities, use renewable energy, save energy at our plants, and reduce CO₂ emissions in our logistics. We also take appropriate preventive measures against physical risks such as heavy rainfall. In order to accelerate our efforts to reduce greenhouse gas emissions toward carbon neutrality, which is the goal of our Environmental Vision 2050, we raised the 2030 greenhouse gas emissions reduction target to SBT1.5°C in November 2022, and obtained SBT1.5°C certification in July 2023. We will continue our efforts to further reduce greenhouse gas emissions.

> [Environmental Policy/Environmental Vision 2050/Environmental Targets 2030](#)

Targets and Performances

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

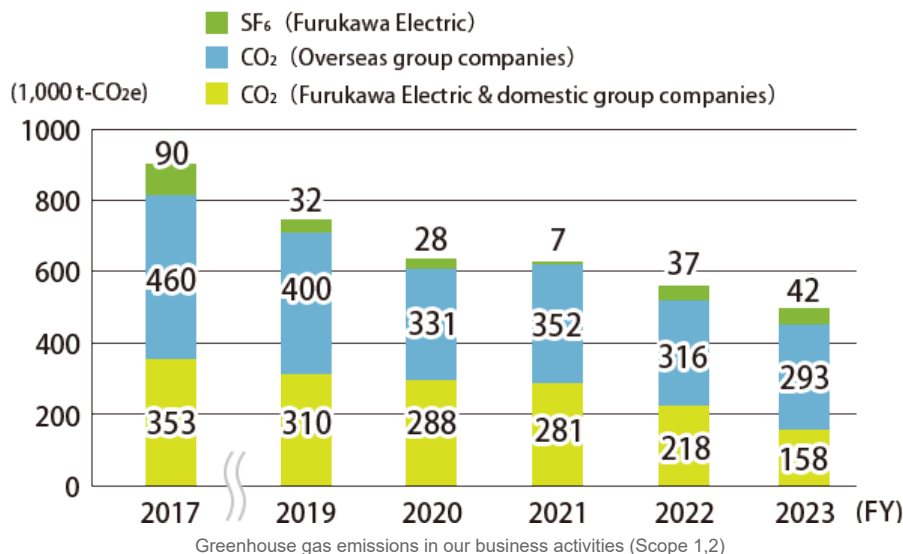
> [Annual Targets and Results](#)

Initiatives

Reduction of Greenhouse Gas Emissions

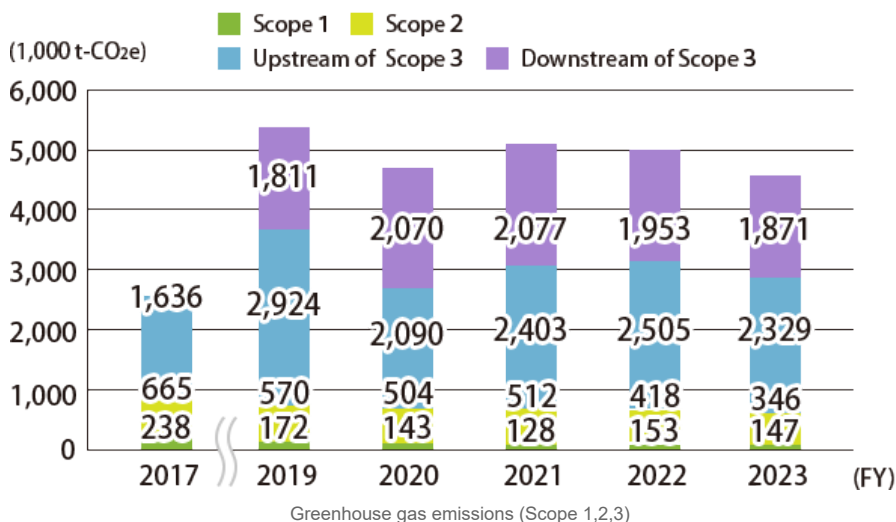
The greenhouse gas emissions of Furukawa Electric Group are mainly energy originated CO₂ emissions and the sulfur hexafluoride (SF₆) emissions.

The CO₂ emissions of the group companies in Japan in FY2023 totaled 158,000 tons-CO₂e, which was 55.2% decrease from FY2017. CO₂ emissions of the overseas group companies totaled 293,000 tons-CO₂e in FY2023, which was a decrease of 36.3% from FY2017. Total greenhouse gas emissions in FY2022 were 493,000 tons-CO₂e, which was a decrease of 45.4% from FY2017.



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

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



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

Use of the Renewable Energy

Usage of hydroelectric and solar power

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

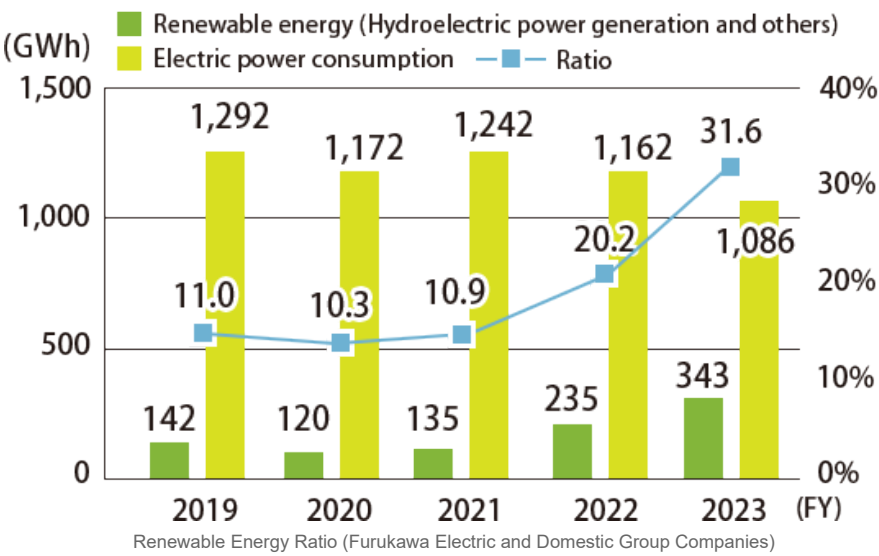


Introduction of electricity derived from renewable energy

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

The ratio of renewable energy use to total consumption in FY2023 was 57.2% for the domestic group companies and 31.6% combined with the overseas group companies. We will continue to work on increasing the ratio of renewable energy usage.

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



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



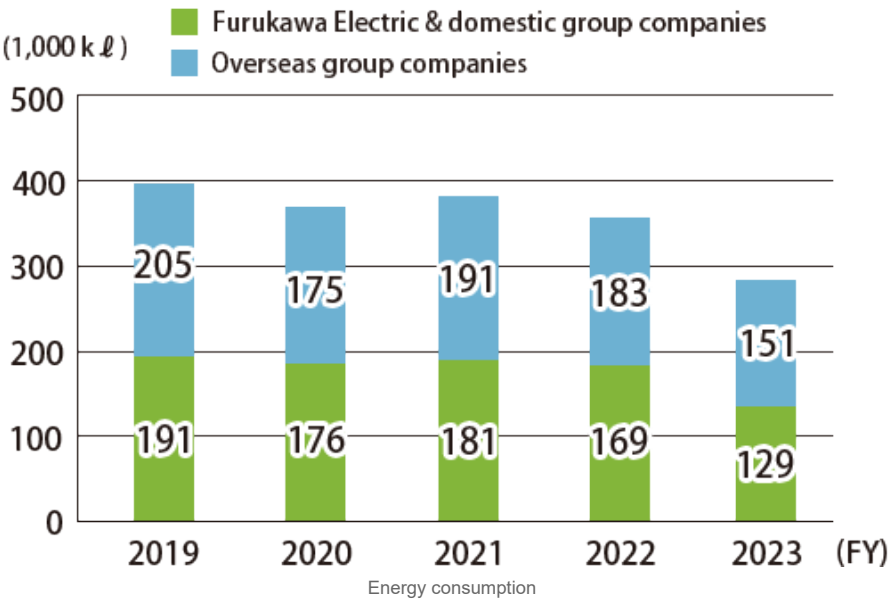
Solar power panels installed in The Furukawa Battery Co., Ltd. (started operation in April 2022)



Hydroelectric power generation in Furukawa Nikko Power Generation Inc.

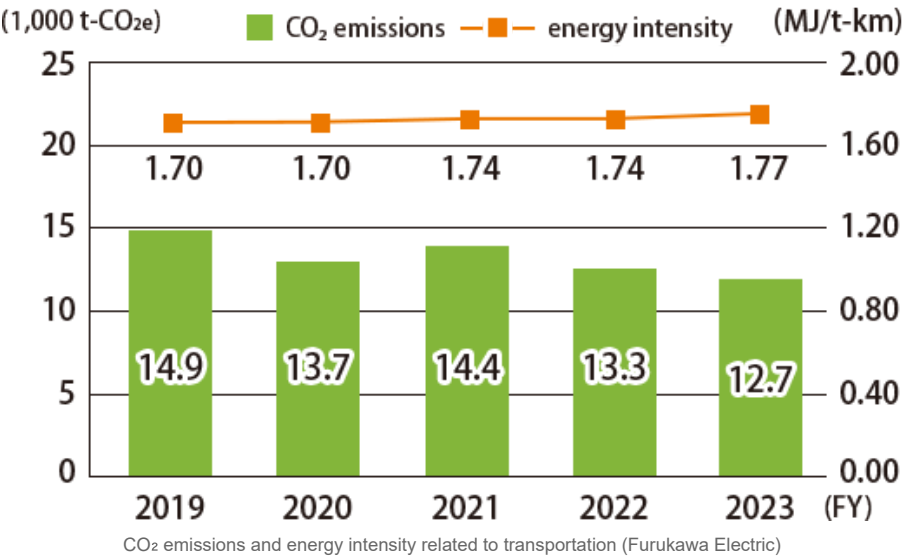
Energy Conservation at Factories

Furukawa Electric Group's energy usage rate was about 20% for fuel and about 80% for electricity. In particular, we achieved energy saving in the manufacturing process with high energy usage ratio. We replaced conventional equipment with more efficient production process and higher efficiency equipment. We implemented measures such as heat insulation of the high temperature section of equipment considering energy balance. We switch to the use of LED for the plant buildings' lighting as planned. In FY2023, we worked on the efficient operation of electric facilities, including the efficient use of heat (improvement of thermal insulation of furnaces and updating of facilities), the introduction of high-efficiency equipment (updating of transformers and introducing inverters), and the shutdown of equipment that did not operate.



Reduction of CO₂ Emissions in Logistics

The domestic group's freight transport volume was 166 million ton-kilometers in FY2023. Furukawa Electric accounted for 104 million ton-kilometers of the total, reduced 11.8% from FY2020, and related CO₂ emissions reduced 7.3% to 12,700 tons -CO₂e. Freight energy intensity increased 4.1% from FY2020. We will continue to promote modal shifts, improve loading ratios, and promote joint distribution.



Internal Carbon Pricing

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



Measures Against the Physical Risks of Climate Change

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

Works	Target	Measures
Hiratsuka	heavy rain	• Development of stormwater reservoirs • Regular cleaning of drainage systems and installation of bypasses to increase drainage capacity • Waterproofing of factory roofs to prevent flooding in the factory
Nikko	heavy snowfall	• Reinforcement work to prevent damage to factory buildings • Installation of snow-melting equipment such as electric heaters to prevent snow accumulation on factory roofs

External Collaboration

Participation in Initiatives

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

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

> [Participation in Initiatives](#)

Collaboration with Industry Associations

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



Consistency with Japanese Government Policy

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

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

Information Disclosure, External Evaluation and Certification

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

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

- > [External Evaluation and Certification](#)

Data

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

Contribution to a Carbon-Free Society

Information Disclosure Based on the TCFD Recommendations

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-related 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.



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



Governance

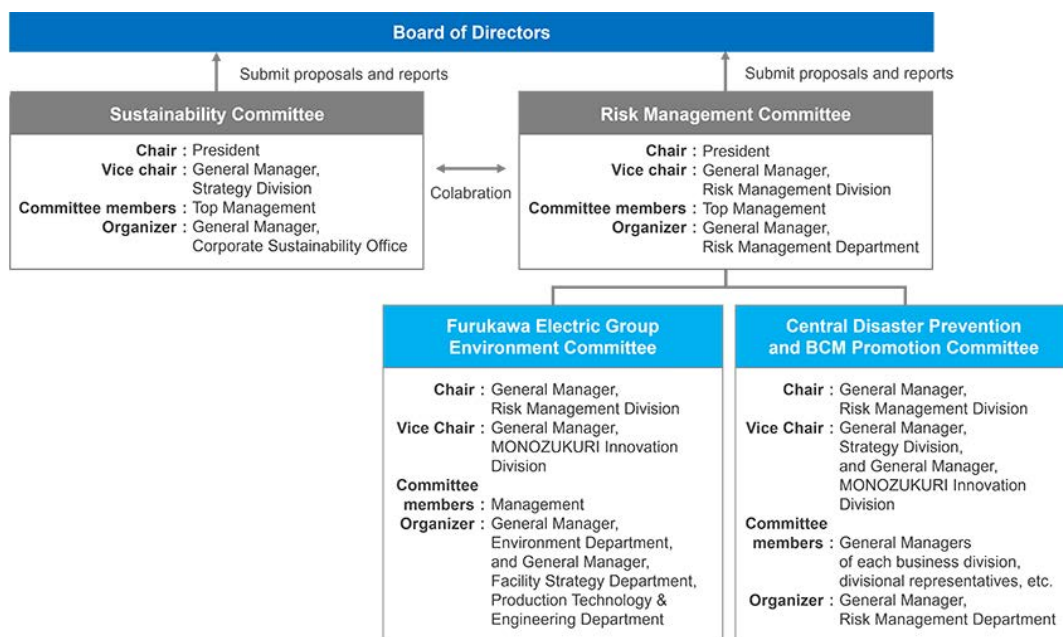
As issues on “Developing business activities that consider climate change,” risk-related material issues, are closely related to management strategy risks of Furukawa Electric Group, they are handled in collaboration with Sustainability Committee, Risk Management Committee, and its special committee, 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.



● Key Discussions on Sustainability within Furukawa Electric Group (FEG)

● Board of Directors

Feb. 2021 Formulated the FEG Environmental Vision 2050

● Management Committee

Jan. 2019 Set the Environmental Targets 2030; applied for an SBT (2°C Targets) initiative certification

Jan. 2020 Expressed support for the recommendations of TCFD

Dec. 2020 – Feb. 2021 Formulated the FEG Environmental Vision 2050

Nov. 2021 – Feb. 2022 Revised the Environmental Targets 2030; applied for an SBT (WB 2°C Targets) initiative certification

Nov. - Dec. 2022 Revised the Environmental Targets 2030; applied for an SBT (1.5°C Targets) initiative certification; and purchased a renewable energy certificate



Strategy

● Businesses for Analysis of Climate-related Risks and Opportunities

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. 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 FTEL Products in FY2023. We continue to expand the target business in each business field step-by-step.

● Process of Identifying Climate-related Risks and Opportunities

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.

● 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.”

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

Short-term	Up to FY2025	Period up to achieving the 2025 Mid-term Plan and sustainability targets
Medium-term	Up to FY2030	Period up to achieving the Vision 2030 and the Environmental Targets 2030
Long-term	Up to FY2050	Period up to achieving the Environmental Vision 2050



• Overview of Scenario Analysis

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

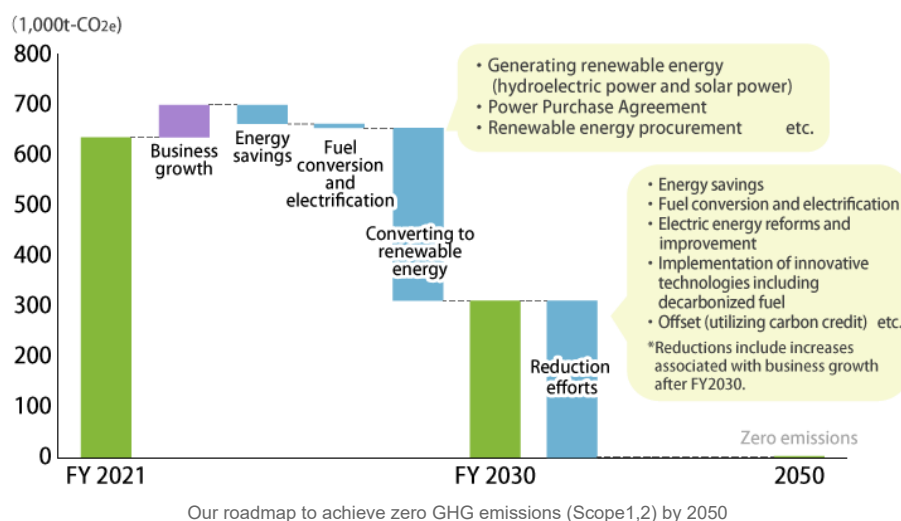


● Furukawa Electric Group's Efforts toward Achieving Carbon Neutrality and Formulation of a Climate-related Transition Plan

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

As part of our climate-related transition plan to achieve the Environmental Vision 2050 and the Environmental Target 2030, we have established a roadmap to achieve zero GHG emissions (Scope1,2) 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 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.)



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, for accelerating development of 5G/B5G along with the surge of communications traffic, we will create new photonics products with strengths of development and proposal capabilities in the communications field and contribute to the simultaneous realization of a high-capacity information communications and a high-efficiency energy society. For technology development to contribute to realizing carbon neutrality through supply and installation of submarine and underground cables indispensable toward expanding the use of renewable energy such as offshore wind power, and expanding the introduction of next-generation energy, we are working to achieve carbon neutrality, contribute to building a social infrastructure that enables “Succession of local resources and local culture for the future”^{(*)1} through the use of green LP gas^{(*)2}, and promote nuclear fusion energy, which is expected to be a next energy source to take the place of fossil fuels, by developing high-temperature superconducting materials.

^{(*)1} Succession of local resources and local culture for the future: This expresses passing on regional resources and cultures to the next generation in addition to local production for local consumption.

^{(*)2} green LP gas: LP gas produced from biogas (methane gas and carbon dioxide produced by fermenting livestock waste and food scraps).



Risk Management

● Climate-related Risks and Opportunities

We have set “GHG emissions reduction rate (Scopes 1&2)”, “Ratio of renewable energy use to total 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-CO₂e in FY2023) 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 company-wide management strategy (under 2025 Mid-term Plan) and company-wide risk management

In order to strengthen and create businesses that solve social issues, we have established the Business Portfolio Review Committee since FY2022 with the aim of promoting business portfolio transformation with an emphasis on capital efficiency. The Business Portfolio Review Committee, composed of the General Manager of the Strategy Division as chair, the General Manager of the Finance & Accounting Division as vice chair and the General Manager of Global Marketing Sales Division, deliberates on important matters related to business portfolio transformation, such as the positioning of each business in the Medium-term Management Plan, makes proposals and reports to the Management Committee. The General Manager of the Corporate Planning Department is in charge of the secretariat, and it is held three times a year in principle. In FY2023, we started examining our desired business portfolio to achieve the Vision 2030, and we continue to work to materialize the Vision 2030.

In order to promote management that emphasizes capital efficiency, we have introduced return on invested capital (ROIC) and Furukawa Value Added (FVA)^(*1) as management indicators to evaluate each business. Toward optimizing the business portfolio, taking into account our current position made visible from the viewpoint of growth (average sales growth rate) and profitability (ROIC spread), our potential for future growth, our competitive status among competitors, and our carbon efficiency (GHG^(*2) emissions per unit of sales), we will 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 capital in FVA for each business, we have also incorporated ESG factors such as “Climate change”^(*3) and “Labor practice” in addition to financial factors. FVA of each business are reflected and reviewed every year and reported to the Management Committee, where it is utilized for business portfolio optimization and allocation of management resources.

*1 Furukawa Value Added (FVA): EVA was customized for our company and introduced as an internal management indicator in FY2022.

*2 GHG (Greenhouse Gas)

*3 Specifically, we take into account GHG emissions and GHG emissions per unit of sales for each business. As for the Group-wide risk management, we have established the Risk Management Committee, which comprises management as members, with the President as chair and the General Manager of the Risk Management Division as vice chair.

The committee is structured to supervise and promote risk management, internal control and compliance. The Committee conducts regular risk assessment to determine what risks exist, and define important risks that require a companywide response. We recognize “climate change,” “human resources and organizations” and “human rights and labor practices” related to material issues of risks as key risks from the management perspective and counter these risks.

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

Metrics and Targets

• Furukawa Electric Group Environmental Vision 2050 (Formulated in March 2021)

Environmental Vision 2050 embraces the contribution to the realization of a sustainable society throughout the value chain through the provision of 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 reduce GHG emissions throughout the value chain, and have set the challenge target of zero GHG emissions from our business activities (Scopes 1&2) by 2050.

• Environmental Targets 2030 (Revised in November 2022)

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)

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.



• Results and Targets

In FY2023, we further promoted the introduction of renewable energy which we have been actively promoting since FY2022. The annual reduction of GHG emissions (Scope 2) from the use of electricity derived from substantial renewable energy introduced in our optical fiber and cable factory at the Mie Works was over 20,000 CO₂e. We also promoted 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 achieved the FY2023 targets, "GHG emissions reduction rate (Scopes 1&2)" and "Ratio of renewable energy use to total consumption. We also achieved the FY2023 target for the "GHG emissions reduction rate (Scope 3)". The reason includes the following: the temporary decrease in production volume due to the impact of market conditions; the promotion of the use of recycled materials as raw materials for production; and the promotion of saving energy when using products.



● Metrics and Results

Metrics ★ : Sustainability indicators	Base year	Result		
		FY2021	FY2022	FY2023
★Sales ratio of environmentally friendly product	-	61.9%	65.0%	65.9%
★Reduction rate for GHG emissions (Scope 1 and 2)	2017	-29.0%	-36.8%	-45.4%
★Ratio of renewable energy to total consumption	-	10.9%	20.2%	31.6%
Reduction rate for GHG emissions (Scope 3)	2019	-1.0%	-6%	-11.3%

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

● Metrics and Targets

Metrics ★ : Sustainability indicators	base year	Target (Reference value)				Challenge target
		FY2023	FY2024	FY2025	FY2030	FY2050
★Sales ratio of environmentally friendly product	-	66%	68%	70%	-	-
★Reduction rate for GHG emissions (Scope 1 and 2)	FY2017	-21.2%	(-39%)*	(-42%)*	(-59%)*	Zero emissions
	FY2021	-	-14.0%	-18.7%	-42%	
★Ratio of renewable energy to total consumption	-	12%	25%	30%	-	-
Reduction rate for GHG emissions (Scope 3)	FY2019	-6%	-	-	-	-
	FY2021	-	-8.3%	-11%	-25%	-

* Starting from FY2024, base year is updated to FY2021; the reduction target value when applied to the former base year of FY2019 is also shown for reference purposes.

> [Sustainability Indicators and Targets](#)



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

					FY2019	FY2020	FY2021	FY2022	FY2023
			CO ₂		139	115	121	116	105
			SF ₆		32	28	7	37	42
		Scope 1		172	143	128	153	147	
		Scope 2		570	504	512	418	346	
		Scope 1+2		742	648	640	571	493	
		Upstream	Category 1 [*]	Purchased goods and services	2,493	1,656	1,829	1,855	1,820
			Category 2	Capital goods	187	158	134	154	137
			Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	112	94	123	110	102
			Category 4 [*]	Upstream transportation and distribution	73	126	207	323	211
			Category 5	Waste generated in operations	22	21	22	18	16
			Category 6 [*]	Business travel	7	6	57	12	13
			Category 7	Employee commuting	23	23	24	24	25
			Category 8	Upstream leased assets	7	6	7	9	6
		Downstream	Category 9 [*]	Downstream transportation and distribution	11	9	141	9	23
			Category 10	Processing of sold products	-	-	17	16	14
			Category 11 [*]	Use of sold products	1,720	1,980	1,575	1,587	1,482
			Category 12 [*]	End-of-life treatment of sold products	50	51	57	63	81
			Category 13	Downstream leased assets	2	3	4	4	3
			Category 14	Franchises	-	-	-	-	-
			Category 15 [*]	Investments	28	28	283	274	267
		Scope 3 [*]			4,735	4,161	4,480	4,458	4,200
Scope 1+2+3				5,477	4,808	5,120	5,029	4,693	

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



Contribution to a Water/Resource Recycling Society

Waste Reduction, Effective Use of Resources

Basic Approach to Efficient Use of Resources

Furukawa Electric Group has incorporated the promotion of resource conservation and recycling into the Basic Environmental Policy and has been working to reduce waste, minimize the use of resources, and recycle.

To accelerate our efforts to promote the use of recycled materials and minimize the impact on ecosystem throughout the value chain, as stated in the Furukawa Electric Group Environmental Vision 2050, we revised the Environmental Targets 2030 in FY2021 and set a reduction target for the single-use plastics used. In this way, we are promoting new initiatives for resource recycling related to plastics to address the growing problem of marine plastic pollution, etc.

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.

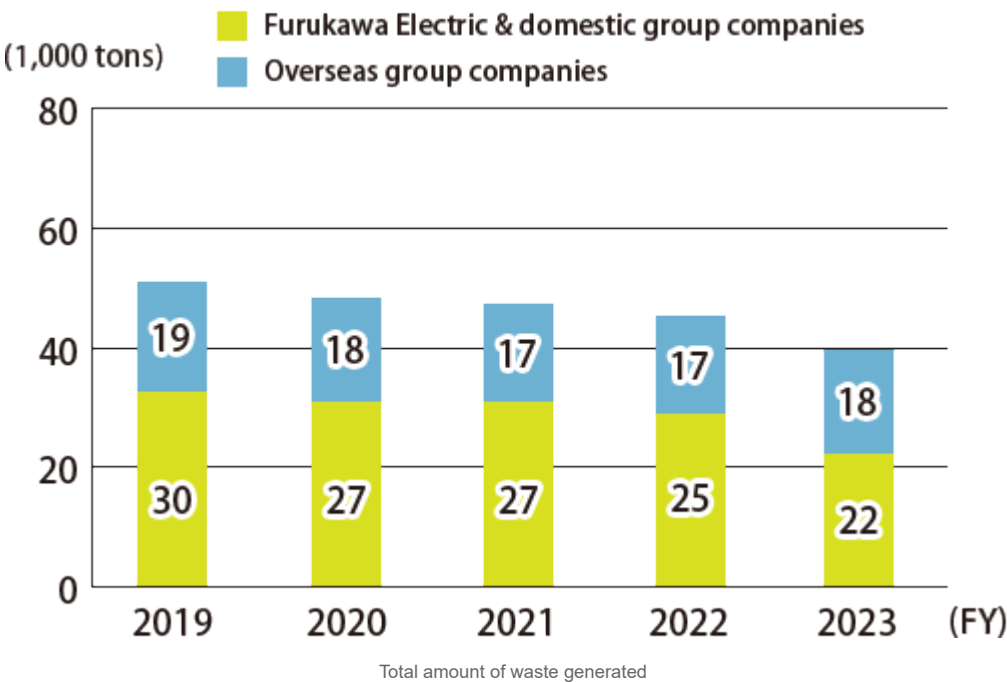
> [Environmental Policy/Environmental Vision2050/Environmental Targets 2030](#)

Targets and Results

Total Waste Generation

Targets and results in FY2023 are shown in "Annual Targets and Results." In FY2023, the total waste generation in Japan (Per unit of net sales) decreased by 17.0% compared to FY2020. We work to reduce the generation of waste in the production process, such as by introducing liquid waste treatment facilities to reduce liquid waste.

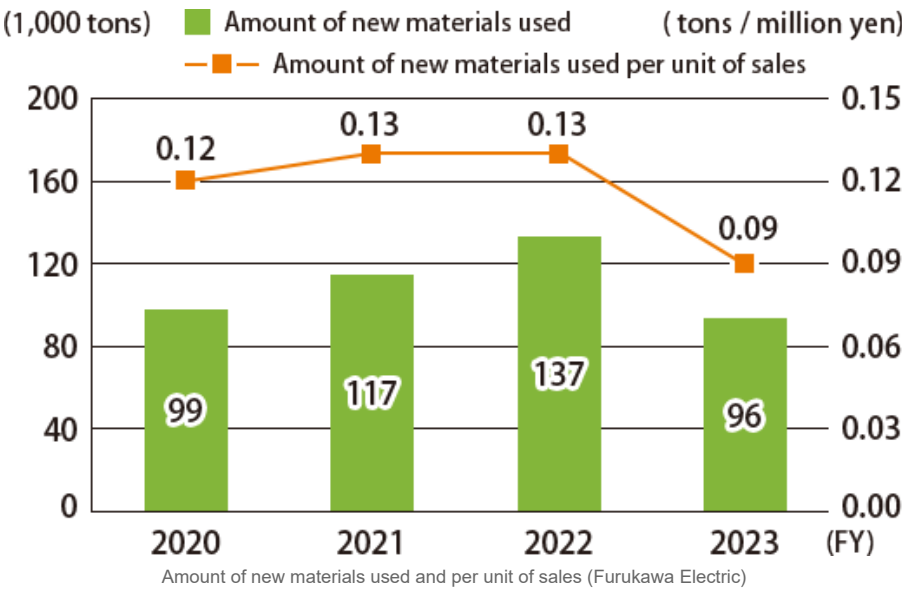
> [Annual Targets and Results](#)





Efforts on Resource Recycling

Activities to make effective use of metals and plastics in FY2023 included increasing the use of recycled materials and reducing the use of new materials (copper, aluminum, steel, and plastic). The amount of new materials used per unit of sales was reduced by 26% (Furukawa Electric) compared to FY2020. The amount of single-use plastics used was also reduced by 6% (Furukawa Electric) compared to FY2020.



Recycling of Plastic Resources

In response to environmental changes surrounding waste from plastic-using products in Japan and overseas, there is a need to promote resource recycling of plastic products, including rationalizing plastic product use. Against this background, the Group focuses on product design stage, packaging design stage, and waste processing stage of the value chain and is promoting activities in the following three areas.

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

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

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

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

Reduction of total amount of plastic waste generated

We have begun the initiative in FY2022 and set the target for FY2023. The total volume of plastic waste generated by Furukawa Electric was 3,630t in FY2023, which was 14.3% decrease from FY2021.



Initiatives

Recycling of Electric Wires and Optical Cables at FETEC

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

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

Research and Development of Recycling Technology at Furukawa Electric

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

Recycling of Copper

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

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

Biodegradable Packaging Materials

In FITEL Products 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.



External Collaboration

The Group participates in the following initiatives for resource conservation.

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

> Participation in Initiatives

Data

- > Raw Materials Data
- > Total Waste Generation Data
- > Total Plastic Waste Generation Data
- > Recycled Resource Volume Data
- > Final Disposal Volume Data
- > Hazardous Waste Generation Data
- > Data on Environmental Conservation Costs Related to Pollution, Waste, and Resource use



Contribution to a Water/Resource Recycling Society

Effective Use of Water Resources

Basic Approach to Efficient Use of Water Resources

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

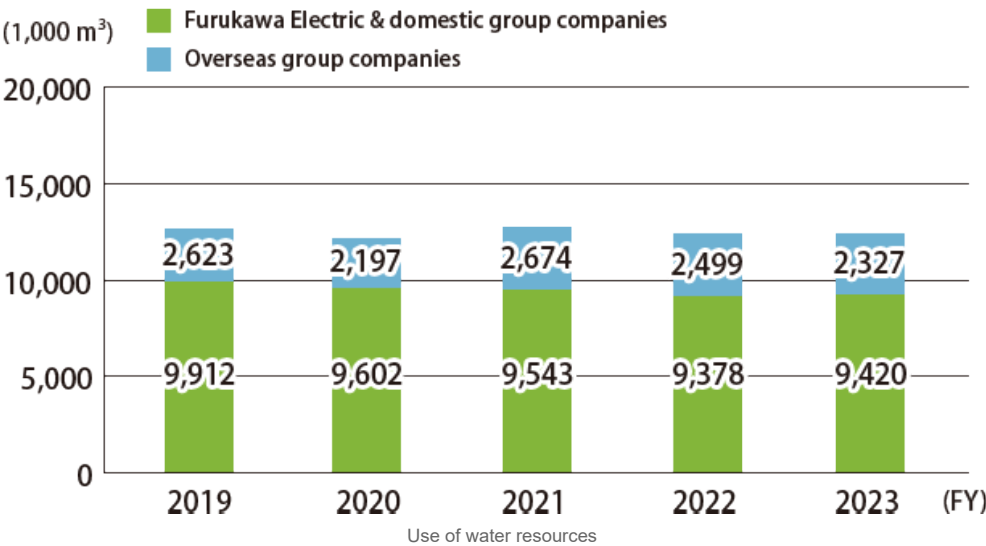
> [Environmental Policy/Environmental Vision2050/Environmental Targets 2030](#)

Targets and Results

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

The total amount of water withdrawal used in FY2023 was decreased compared to FY2020, and the water withdrawal intensity per sales was 1,110m³ /100 million yen, a decrease of 24% compared to FY2020. We will continue to promote the effective use of water resources necessary for production processes and to manage water quality and discharge amount by working on regular checks for water leakage, water-saving, and recycled water usage.

> [Annual Targets and Results](#)





Initiatives

Formulation of Water Management Plan

The Group has established water management plans at the entire Group level and at each business company level, and has been engaged in reduction of water consumption.

Initiatives to Reduce Water Consumption at the FAS Headquarters

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

Efforts to Reuse Treated Water

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

Identification of Water Risk Areas and Water Stressed Areas

The Group has identified water risk areas (flood-hazard area) and water stressed areas (water supply shortages areas) for its major works in Furukawa Electric Group by utilizing municipal hazard maps and World Resources Institute (WRI) AQUEDUCT. As a result, 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 80 million yen in FY 2023.

Data

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



Contribution to a Society that Coexists with Nature

Chemical Substance Management

Basic Approach to Chemical Substance Management

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

> [Environmental Policy/Environmental Vision2050/Environmental Targets 2030](#)

Targets and Results

As a domestic Group activity target for FY2023, we worked to reduce emissions of volatile organic compounds (VOC). In FY2023, emissions of Furukawa Electric and group companies in Japan increased by 2% from the previous year due to increased production. We will continue to take action to control emissions in our production processes and other activities, as well as reduce the use of target substances.

> [VOC Emissions Data](#)

Initiatives

Appropriate Management of Chemical Substances in Manufacturing Processes

We confirm the handling precautions and applicable laws and regulations for chemical substances used in Furukawa Electric Group manufacturing processes using GHS labels and SDS (safety data sheet), and manage these substances accordingly. Additionally, we work to ascertain the amounts of substances handled, transferred, and released in accordance with the PRTR Law^{*1}.

Management of Chemical Substances Contained in Products

Response to Customer Requests

The Group has participated in JAMP^{*2} since 2009, and implement group-wide environmental inspections based on the latest information from the management target substance list of chemSHERPA^{*3} by JAMP, regarding management of chemical substances contained in products. We also monitor trends in laws and regulations covering the chemical substances contained in products and accumulate and update data as it becomes available, allowing us to respond promptly to customer requests.



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

The Group has established a system for managing chemical substances contained in products at its major bases and group companies. We understand tightened regulations on environmental products and environmental risks that need to be mitigated, and take measures depending on their significance.

In response to compliance with REACH Regulation by EU, which is environmental regulations, in FY2023 we have conducted an environmental inspection of our products for the presence of 240 substances up to the 30th update of SVHC list of REACH. Additionally, we respond to chemSHERPA to meet customers' requirements for disclosure of chemical substances.

Green Procurement Activities

With regards to procurement of raw materials, components, and intermediate products used in Furukawa Electric Group products, we confirm that suppliers have established management systems for chemical substances contained in products and evaluate how these systems are being operated, based on Green Procurement Guidelines^{*4} of each business division. We also confirm the survey data of chemical products contained in products based on updated information regarding regulations on chemical substances in products in order to purchase appropriate products.

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

*2 JAMP: Joint Article Management Promotion-consortium

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

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

> Green Procurement Guideline

Data

> Emissions of volatile organic compounds (VOC)

> NOx and SOx emissions

> PRTR substances list



Contribution to a Society that Coexists with Nature

Biodiversity Conservation

Basic Approach to Biodiversity Conservation

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

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

> [Green Procurement Guideline](#)

Furukawa Electric Group Biodiversity Conservation Guidelines

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

Initiatives

Cultivation of the Endangered Plant "*Pulsatilla Cerna*"

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

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

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



Yokohama Works



Chiba Works



Chiba Works



Hiratsuka Works



Furukawa Automotive Systems Inc. (Shiga)



Furukawa Automotive Systems Inc. (Shiga)



Work on the Plastic Pollution

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

> 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.)



Other Activities (FY2023)

- Acorn tree planting (Furukawa Electric Advanced Engineering Co., Ltd)
- Tree planting (Copper Foil Division Furukawa Electric Co., Ltd., Furukawa Battery Co., Ltd.)
- Donation for the laboratory of ornithology (Furukawa Electric Technology Institute Ltd.)
- Reduction of disposable plastic waste by opening a company cafeteria (Suzhou Furukawa Power Optic Cable Co., Ltd.)
- Participation in green projects with public-private partnership (Furukawa Electric Power Systems Co., Ltd.)
- Joining in Ichihara city town beautification program (Chiba Works of Furukawa Electric)

External Collaboration

The Group participates in the following initiatives for biodiversity conservation.

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

> [Participation in Initiatives](#)

Contribution to a Society that Coexists with Nature

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 used the recommended tool to conduct a trial assessment of the dependence and impact on nature. 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.

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

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.

* We refer to our supplier as “partners” who collaborate with us to create value.

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.



Human Rights

Basic Approach to Human Rights

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

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

The Human Rights Working Group, which consists of Strategic HR Management Dept., Risk Management Dept., and Corporate Sustainability Office, regularly discusses human rights-related initiatives, and the results of these discussions are reported to the Sustainability Committee and reflected in initiatives. At the Sustainability Committee meeting in March 2022, human rights and labor practices were added as sub-material issues to the material issue building a governance system to strengthen risk management, and this was reported to the Board of Directors' meeting in May 2022. At the Sustainability Committee meeting in March 2024, we exchanged opinions on human rights risk assessments.

> [Sustainability Policy/Committee](#)

Implementation of 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.

* We refer to our supplier as "partners" who collaborate with us to create value.



Initiatives to Reduce Negative Impacts on Human Rights

For Employees

With regard to employees, we have set harassment in the workplace as an issue to be tackled, analyze the results of instances of whistleblowing and compliance awareness surveys, and make necessary improvement measures. As one of these improvement measures, we have been implementing Discrimination and Harassment Education for individuals working in managerial positions at our Company and at Group companies in Japan and overseas since FY2022. Then, we have set the implementation rate of human rights risk training for managerial positions as a sustainability indicator. In FY2023, we achieved our target of 100% implementation of education on human rights risks for managers globally, and we are aiming to maintain 100% through FY2025.

In FY2024, we will analyze the results of the compliance awareness survey conducted at the end of FY2023 and verify the effectiveness of the improvement measures. We also plan to hold discussions with the managers of each department about the results, and implement improvement measures, as necessary.

For Partners (Suppliers)

For our partners, we have set the ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers as a sustainability indicator, and are working to understand human rights risks in the supply chain. We began surveying 56 of our main business partners in FY2021, and as of the end of FY2023, the SAQ implementation rate was 65% against the target of 40%, and we are aiming for 100% by FY2025. As of the end of FY2023, the results of these surveys have not revealed any serious problems presenting adverse impacts on human rights.

> [Supply Chain](#)

Establishing a Remedy Mechanism

As a point of contact for reporting adverse impacts on human rights, we have established an internal whistleblowing system involving third parties for internal. Further, for external stakeholders, we use the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), established mainly by the CSR Committee of the Japan Electronics and Information Technology Industries Association (JEITA).

In FY2023, there were 104 cases of whistleblowing taking place within our Group, around half of which were related to human resources and labor. Only a limited number of cases, however, were found to involve facts that were exactly as indicated by the whistleblower. All cases, including those where some of the indications made were found to be factual, have been corrected by means of implementing measures serving to prevent recurrence. Moreover, in our Group, we do consider the existence of a certain number of reports to constitute an indication that our Internal Reporting System is functioning.

> [Internal Reporting System for Compliance](#)

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

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 addition, we are working to resolve various issues, such as labor practices, through the Central Management Briefing held twice a year and daily dialogue with our labor union. In FY2024, we held the Central Labor-Management Committee on Human Rights Due Diligence with the labor union for the first time, and we plan to continue holding regular dialogues in the future.

We will reflect the lessons learned through these dialogues in our future measures and further enhance our engagement with stakeholders.



Central Labor-Management Committee on Human Rights
Due Diligence

Participating in the UN Global Compact

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

We also have joined the Global Compact Network Japan and participated in the human rights subcommittees of Global Compact Network Japan, as below.

- Human Rights Due Diligence Subcommittee

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](#)

Targets and Results

Indicators and Targets

Indicator	Scope	FY2023 Result	FY2023 Target	FY2025 Target
Implementation rate of human rights risk training for managerial positions*	Group	100%	100%	100%
Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers*	Group	65%	40%	100%

* > [Sustainability Indicator](#)

Human Resources Management

Human Resources Management

Basic Policy

We have positioned “Furukawa Electric Group Vision for Our People” as our ideal state of people and organization toward achieving “Furukawa Electric Group 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.

* Our Group has updated Furukawa Electric Group's philosophy system and established “Furukawa Electric Group Purpose” in March 2024.
> [Furukawa Electric Group Purpose](#)

Furukawa Electric Group Vision for Our People



Role of the Individual

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

Role of the Leader

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

Principles of Human Resources

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

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.

In FY2023, the Management Committee reported and discussed 14 topics related to personnel policies including engagement, reskilling measures, introduction of internal recruitment from the viewpoint of self-directed career development, the ideal state of organizations, including a review of the standards for establishing organizations.

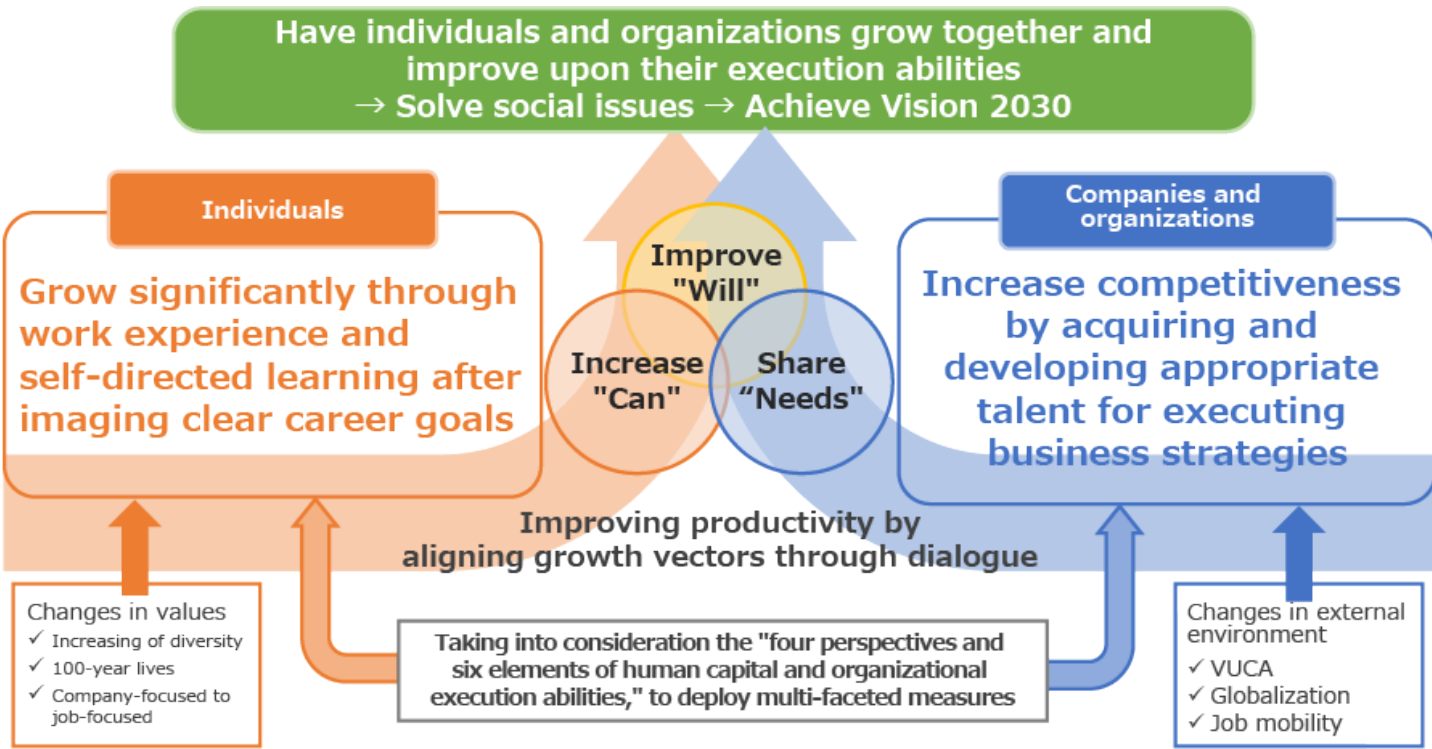
> Key Discussions on Sustainability within Furukawa Electric Group

* HK : Hatarakikata Kaikaku, or work-style reform

Human Resource Management 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”.

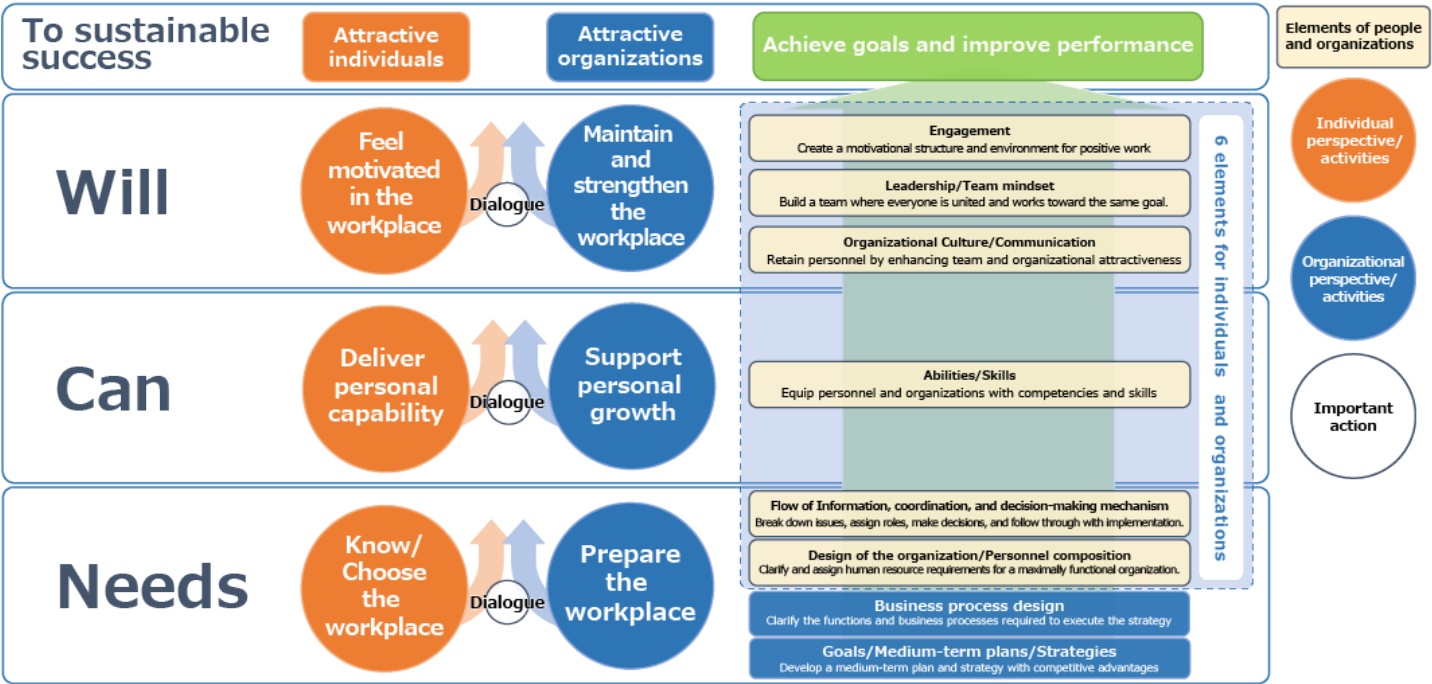
> Furukawa Electric Group Vision 2030





Framework of Specific Activities to Develop People and Organization

To develop individuals and organizations, being attractive individuals and organization are indispensable. An organization creates workplaces where individuals motivate their abilities and pass them on to others, and supports their development so that they can play active roles in the organization. We aim to make individuals feel attracted to the place (organization and working environment) and continue to excel at work, leading to the sustainable growth and success of the organization. To achieve these goals, we will work on people and organization based on six perspectives, grasping the overall image of our activities and promoting conscious remedial measures in the course of our daily business activities.



Management of Risks Related to People and Organizations

Since FY2022, the Group has conducted the Furukawa E-Survey, a survey on human capital and organizational execution abilities. We visualize human capital and organizational execution abilities, and the results are reported and discussed at the Management Committee's annual meetings. We then promote the reduction of risks and capturing of revenue opportunities through the PDS cycle*, in which we reflect improvement measures based on the results in our business activities. In addition, “employee engagement score” in the Furukawa E-Survey is set as a sustainability indicator, and the Sustainability Committee follows up on progress and response measures. 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.

> Measurement and utilization of employee engagement

* PDS cycle : Plan Do See cycle

Indicators and Targets

We set sustainability indicators and targets for “strengthening human capital and organizational execution abilities” aiming to achieve the Furukawa Electric Group Vision 2030 and the Medium-term Management Plan 2022–2025 (the “2025 Medium-term Plan”).



Sustainability indicator	Scope	Result	Target			
		FY2023	FY2023	FY2024	FY2025	FY2030
Employee engagement scores ^{*1}	Furukawa Electric	63	65	—	—	—
	Group	76	—	77	80	85
Ratio of female managers	Furukawa Electric	5.4%	5%	6%	7%	15%
Ratio of mid-career hires in total new hires ^{*2}	Furukawa Electric	48.8%	30% ^{*3}	30% ^{*3}	30% ^{*3}	—

*1 The scope was expanded to cover all group companies in Japan and abroad in FY2023, and the target was changed from the Company's target to the Group's target in FY2024 or after.

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

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

Initiatives

Organizational structure, personnel composition, hiring, and assigning

- **Formulating succession plans and development plans**
- **Improvement of hiring**

Flow of information, coordination, and decision-making mechanism

- **Reviewing the operation of the target management system and following up**
- **"Human rights and labor practice" and responses to risks in the area of labor**

Job skills and work performance

- **Human development**
- **Support for career development**

Communication / organizational culture

- **Promoting diversity & inclusion (D&I)**
- **Promoting health and safety and Health and Productivity Management**
- **Instilling our philosophy**

Leadership and team mind

- **Leadership transformation**

Engagement

- **Measurement and utilization of employee engagement**
- **Overhaul of our compensation system and improvement of satisfaction with evaluations**
- **Strengthening feedback**

Related Data

> [ESG Data \(Social\)](#)

Human Resources Management

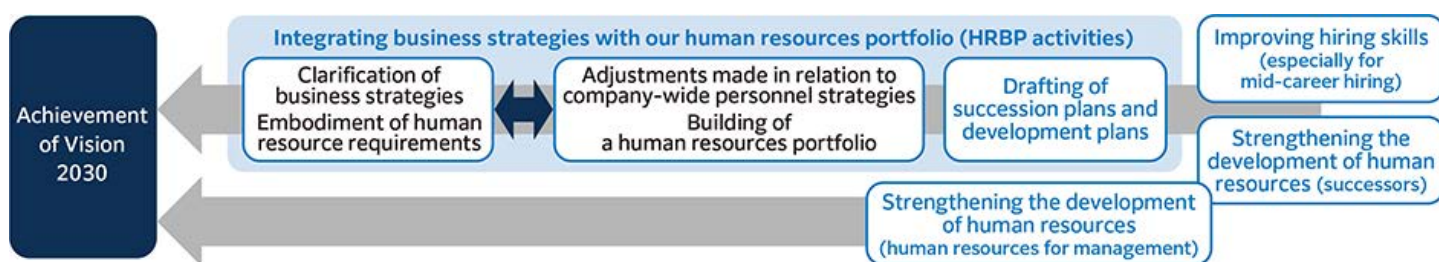
Organization Structure, Personnel Composition, Hiring, and Staff Assignments

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, in which outside directors hold a majority, 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.

We also completed formulating succession plans and development plans for general manager level throughout the organizations in FY2023. In FY2024, we will promote periodic discussions between each division and HR division on the formulation of succession plans and the development of manager levels, taking the human resource pipeline of general manager candidates into account.



	Development of candidates for the position of general manager in each organization	Development of personnel working in management (human resources working in management)
Deployment status	Current deployment taking place at Furukawa Electric (scheduled to be completed in FY2024)	Continuing of initiatives
Selection and picking out of talent	Drawing up of succession plans and candidate development plans within each department (completed in FY2023)	In addition to succession plans, external assessments are also utilized to form a talent pool
Development of talent	Systematic organizational transfers for employees and the issuance of missions are planned with regular reviews taking place	Tough assignments and dispatch to external training



Improvement of Hiring

Mid-Career Hiring

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 to 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 also becoming more intense. As part of our efforts to make our company more appealing to students, we have introduced a "course-based hiring" system which 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.

Related Data

- > [Number of employees](#)
- > [Number of employees in managerial positions](#)
- > [Number of candidates for managerial positions \(equivalent of chiefs\)](#)
- > [Number of new hires](#)
- > [Ratio of mid-career hires to total new staff hires](#)



Human Resources Management

Flow of Information, Coordination, and Decision-making Mechanism

Reviewing the Operation of the Target Management System and Following Up

We revised the personnel system in 2021 and reviewed the operation of the target management system. With 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. According to the survey conducted in FY2023 on the FY2022 initial target-setting meeting, more than 90% of employees responded positively, saying that they were able to “understand” or “almost understand” the goal levels required to achieve.

“Human Rights and Labor Practice” and Responses to Risks in the Area of Labor

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.

To reduce risks in the area of labor, we prepared checklists to assess the labor compliance undertaken in accordance with the laws and regulations of the countries where our group operates, establishing a system to periodically check the labor risks across the Group. Also, 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.



Human Resources Management

Job Skills and Work Performance

Human Development

We implement various measures in light of achievement management and business strategies as well as supporting diverse human resources that takes on challenges and is eager to grow.

Education and Training System Chart

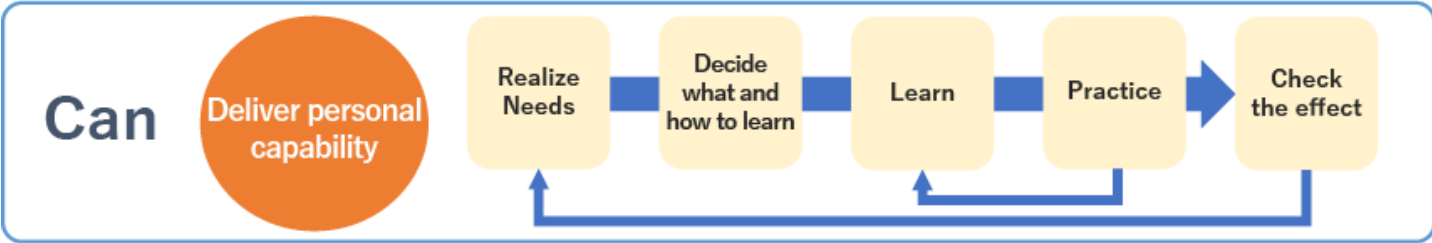
			Senior-level employees and managers		Middle level employees		Entry-level employees		
Training by positions			Training for managers Training for Senior-level employees		Training for Middle-level employees		Research presentation meeting Group training (second half) Group training (first half)		
Global human resources training			Training for Global Mindset Program						
			Training for Global Development Program						
			Leadership training for affiliated companies	Training for employees assigned overseas					
OJT leader system					OJT leader training				
Reinforcement for manufacturing on-site employees					Reinforcement training for manufacturing on-site employees				
Marketing			Intensive course for strengthening the ability to make proposals						
			Intensive course for practicing of marketing						
Open lecture			Furukawa City 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 middle-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	Training for new graduates	
	Environment Dept.		Environmental seminar for affiliated representatives		Advanced seminar for environmental managers	Seminar for environmental auditors	Environmental seminar		
	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						
Healthcare									
Information literacy training									
Support for self-development		Incentive system for obtaining qualifications							
		Online courses							
		Language training							
Cooperation with HR management, interview system, etc.		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							
			Personnel appraisal	FM Carrier Box (Interview system)					
								Follow up on training plans	

Reskilling

The managerial levels and each organization had discussions on visualizing the gap between the current status and the abilities and skills needed from the perspective of the growth of both the company and individual levels to achieve business strategies. As a result, we defined reskilling as “voluntary learning of knowledge and skills necessary for executing work, whether those are new or existing.”

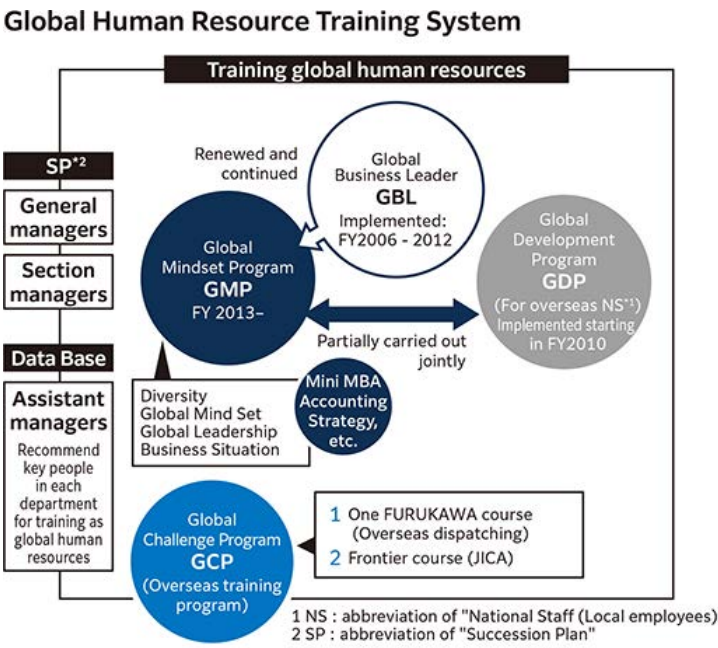
Specifically, to support the process of individual skill acquisition and development (the figure below), we changed the learning environment in which “some individuals learn a uniform set of skills at a predetermined timing, frequency, and location” to “individuals can learn a wide variety of skills anytime, anywhere, and as often as they want. Based on the above, We introduced a new e-learning system that will enable to offer such learning opportunities across the Company in FY2024. This system provides content that allows individuals to learn diverse skills at any time. We will also help individuals learn voluntarily by aligning various training curricula (by positions, by divisions, and by projects) and providing cross-sectional and cross-organizational learning opportunities.

Process of individual skill acquisition and development



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.



OJT Training

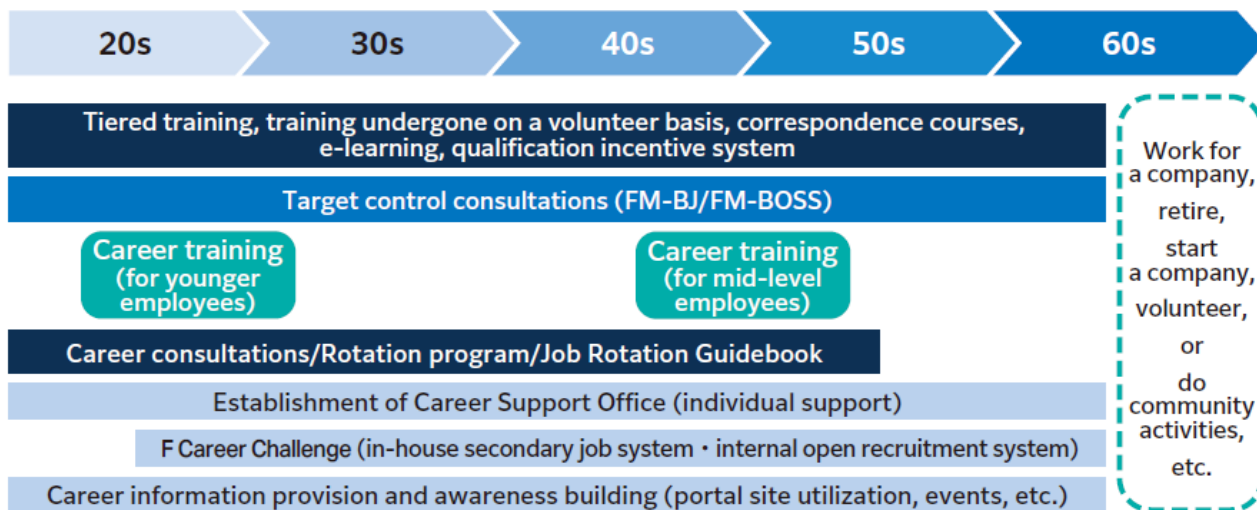
We provide training for creating organizations where human resources are developed for all workplaces that accept new employees. This is because we believe that in order to create an organization that can achieve results as a team, it is essential to improve the overall development capabilities of the 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. Since 2021, there has been an increase in cases of mid-career recruitment, and we also provide similar OJT support outside of the workplace that accepts new employees as training to strengthen ability to train and develop people, through an open recruitment system.

Support for Career Development

Career Support Office

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.



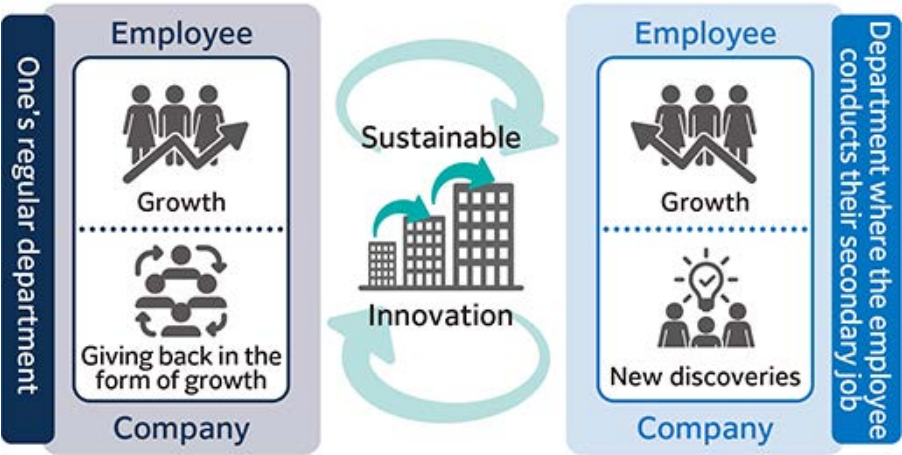
Mechanisms for Individuals to Choose Their Careers (F Career Challenge)

In-House Secondary Job System

Since FY2021, we have been operating an in-house secondary job system. This system allows employees to use up to 20% of their workload to volunteer for participation in projects that interest them and constitutes a mechanism serving to contribute to their own growth, fulfillment, and career development. Since the inception of the system, 112 employees have participated in 48 projects. This system serves as a positive stimulus and impact on both the departments taking on the volunteering employees and the departments sending volunteering employees, along with improving motivation of the volunteering employees themselves.

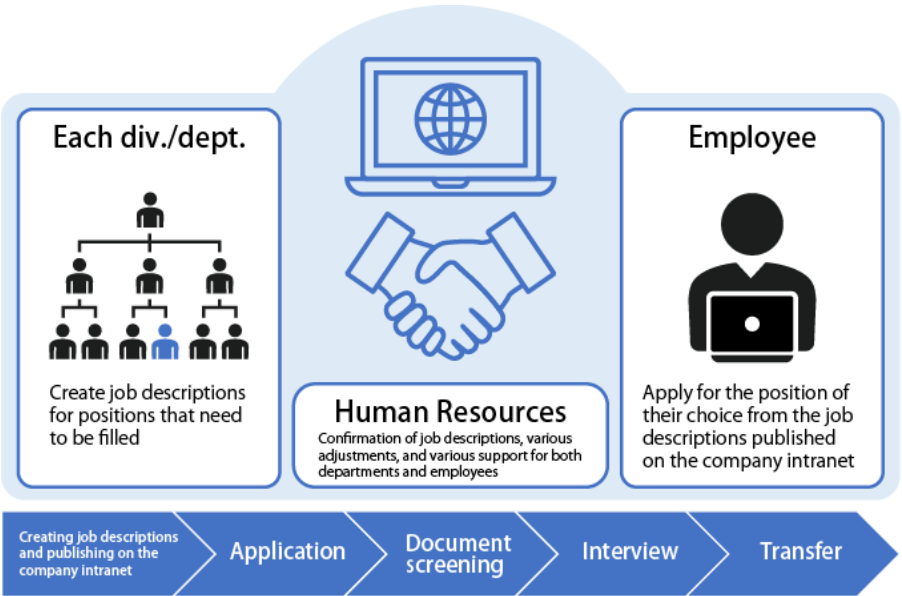
**In-house secondary job system
(voluntary basis)**

- 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.



Internal Open Recruitment System

In order to accelerate the realization of more self-directed careers for our employees, we introduced an internal open recruitment system on a trial basis in FY2023, which allows employees to volunteer for organizational transfers. There were 34 applicants and 10 matches for 57 internal job openings. Based on these results, we have started to introduce this system officially in FY2024.



Related Data

- > [Training costs per employee](#)
- > [Number of employees trained by positions](#)



Human Resources Management

Communication / organizational culture**Promoting Diversity & Inclusion**

Positioning diversity & inclusion (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 developing proactive initiatives across the company.

* HK : Hatarakikata Kaikaku, or work-style reform

> [Diversity & Inclusion](#)**Promoting Health and Safety and Health and Productivity Management**

With regard to employees' health and safety, 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.

> [Occupational health and safety](#)

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

> [Health and Productivity Management](#)**Instilling Our Philosophy**

We have defined the value that we wish to particularly emphasize and enhance even more in order to achieve sustained growth as our “Core Values.” We hold workshops on a regular basis to instill the “Core Values” as well as review them at routine meetings, thereby continuing our efforts toward achieving this goal.

In order for each and every employee to continually take on challenges with pride, the Furukawa Electric Group reviewed its Philosophy system and established the “Furukawa Electric Group Purpose,” which expresses the Group's reason for being, in March 2024. Going forward, we will work on activities to promote the Purpose so that it resonates throughout the entire Group.

> [Furukawa Electric Group Purpose](#)

Human Resources Management

Leadership and Team Mind

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. After four years of the initiative, we have seen positive changes in the awareness and actions of leaders and improved relationships among team members. Going forward, we will accelerate our efforts to further strengthen team capabilities by focusing more on the link between team activities and results.

1 important mindset and 6 action standards





Human Resources Management

Engagement

Measurement and Utilization of Employee Engagement

In FY2022, we launched the Furukawa E-Survey as a survey for gauging employee engagement scores. We set targets based on the score of “sustainable engagement” in the Furukawa E-Survey as a sustainability indicator in the 2025 Medium-term Plan, and will steadily implement a variety of measures.

The overall employee engagement score for FY2023 was 76 for the entire Group and 63 on a non-consolidated basis. In addition to the impact of expanding the scope to include direct workers and overseas affiliates from FY2023, some divisions' scores rose and other divisions' scores fell depending on the business environment and the progress of improvement activities, so there was no significant change overall. In FY2024, we will prioritize improvement activities at the Company and group companies in Japan, and based on the analysis of the survey results, we will accelerate efforts at the Company, with the priority issue of ensuring that general managers and supervisors clearly communicate strategies and targets and that each and every employee is able to make his or her work a personal matter.

The scope of the employee engagement score has been expanded to grasp the status of the entire Group, so the target for FY2024 and beyond, which had been set only for the Company, has been expanded to include the Group. The FY2025 target for the Group is set at 80, with the aim of achieving a high level of engagement throughout the entire Group.

> Sustainability Indicators and Targets

Sustainability indicator	Scope	Result	Target			
		FY2023	FY2023	FY2024	FY2025	FY2030
Employee engagement score	Furukawa Electric	63	65	—	—	—
	Group	76	—	77	80	85

* The scope was expanded to cover all group companies in Japan and abroad in FY2023; we have expanded the targets in and after FY2024 which used to be set only for Furukawa Electric to the entire Group.

Overhaul of Our Compensation System and Improvement of Satisfaction with Evaluations

In December 2021, we revised our personnel treatment system based on the concepts of “promotion of the taking on of challenges,” “simplicity and openness,” and “human resource development,” and we are working to overhaul the compensation system and strengthen its operation to increase job satisfaction for individuals.

- (a) In order to provide a spark for the motivation of each employee when it comes to taking on challenges and healthy competition within the company, the salary system was revised from a seniority-based system of gradual accumulation to a zone-based salary structure with salary increases and decreases based on evaluation of the abilities and attitudes currently being demonstrated.
- (b) We will redefine the communication processes related to our personnel evaluations, and have superiors increase the extent to which individuals are satisfied with their evaluations by conducting evaluations alongside the provision of responsible feedback on areas of improvement, thereby leading to individual growth.



Strengthening Feedback

In reviewing the operation of the target management system in conjunction with the revision of the human resources system in 2021, we were conscious of strengthening feedback to each employee. We have changed our system to have a positive impact on both human resource development and business performance by encouraging employees to set challenging targets at the beginning of the fiscal year and increasing the frequency of support and feedback from superiors during the fiscal year. At fiscal-year-end, we hold interviews between superiors and subordinates based on the performance of daily duties, and provide feedback on positive points alongside points where things can be improved, thereby providing motivation for work in the next fiscal year. In addition, since FY2022, we have been notifying all employees of their performance evaluation scores. We will continue to implement regular monitoring, operate and improve our target management system with a focus on strengthening feedback, so that each individual can proactively take on high targets and feel their own growth and contribution to the organization.

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.



President





Diversity & Inclusion

Basic Approach

Basic Policy

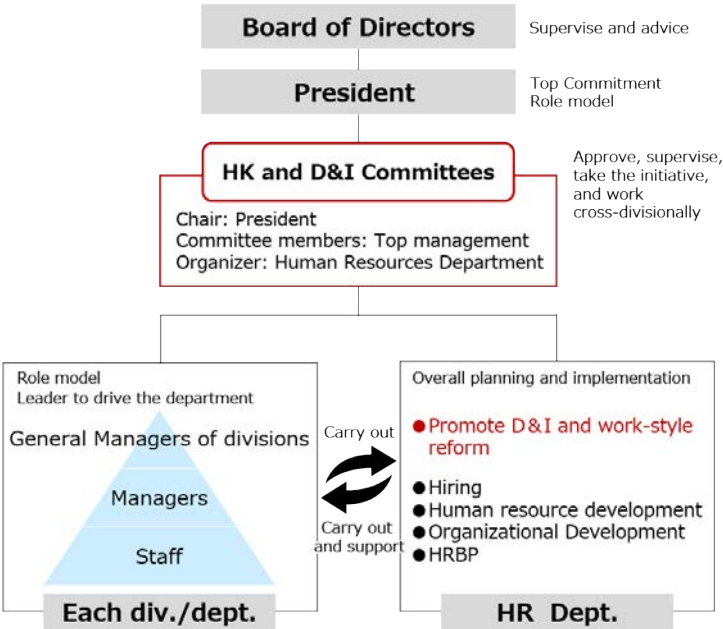
Based on the basic policy on D&I of “secure diverse personnel and support the growth of people who continually take on challenges” Furukawa Electric Group promotes to develop corporate culture that accepts and makes use of diverse human resources.

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



Promoting Women's Careers

We consider it particularly important to ensure diversity in the decision-making level as a foundation for corporate growth, and, setting the ratio of female managers as a sustainability indicator in the 2025 Medium-term Plan. We are working to reach 7% by FY2025.

> [Details](#)

Promoting Employment of People with Disabilities

Not only to fulfill our social responsibilities, but also from the perspective of D&I, which pursues the potential of diverse personnel and organizations as a foundation for corporate growth, we are proactively working to expand the environment in which people with disabilities can work.

> [Details](#)

Employment of Global Talent

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

Employment of Mid-Career Hires

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

> [Human resource management](#) [Improvement of hiring](#)

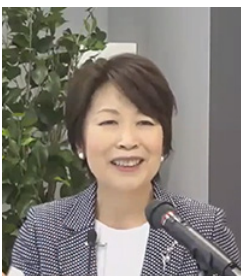
Work-Style Reform

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.

> [Details](#)

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



External Evaluation and Certification on D&I

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

- Awarded as the highest rank "Best Workplace" in "D&I Award 2023" (2021, 2022, and 2023)
- Received "J-Win Diversity Basic Achievement Grand Prize" in "2024 J-Win Diversity Award" (2024)



> [External Evaluation and Certification](#)

Participation in Initiatives on D&I

- > [Male Leaders Coalition for Empowerment of Women \(only available in Japanese\)](#)
- > ["IkuBoss" Enterprise Alliance](#)
- > [Participation in Initiatives](#)



Diversity & Inclusion

Promoting Women's Careers

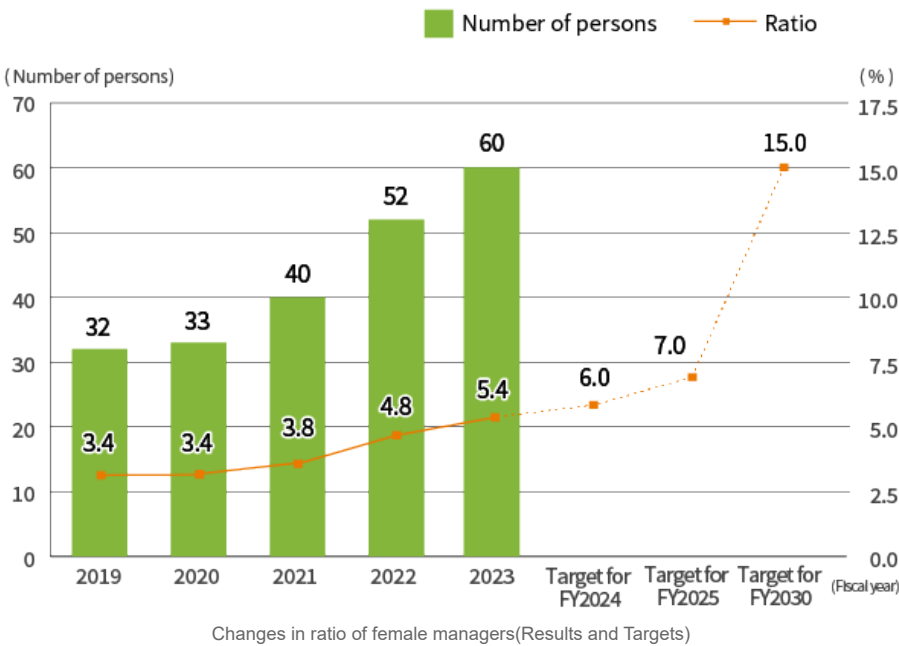
Positioning the low number of female employees as the most important issue, we are strengthening our recruitment of new graduates and mid-career hires in managerial positions.

We are persistently working to maintain and enhance our human resource pipeline starting from the hiring phase to developing and promoting core personnel. Concurrently, we are working to improve the company-wide organizational culture and environment by reforming the leadership of superiors, improving feedback, providing flexible work styles, and supporting autonomous career formation so that women themselves and their superiors can look forward to their career advancement.

Target for Promoting Women's Careers (Ratio of Female Managers)

We have set a target of 7% in the ratio of female managers by FY2025 (Furukawa Electric) as a sustainability indicator in the 2025 Medium-term Management Plan.

> Sustainability Indicators and Targets



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.

> [Reference: Furukawa Electric Platform \(only available in Japanese\)](#)



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.

Riko-challe

Furukawa Electric agreed and held "Science and Engineering Challenge", as known as "Riko-challe", an initiative led by the Gender Equality Bureau of the Cabinet Office, and has been holding corporate experience events since FY2022. We invited junior high and high school students to the Furukawa Electric headquarters for a company introduction, a tour of the company, a technical experience program, and a panel discussion with our senior employees in FY 2023.

> [Reference: Furukawa Electric Platform \(only available in Japanese\)](#)



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.

> Reference: News release The first winner was decided in IEEE Photonics Society "Women in Photonics Excellence Award" (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

- > [Number of employees](#)
- > [Number of employees in managerial positions](#)
- > [Number of candidates for managerial positions \(equivalent of chiefs\)](#)
- > [Number of new hires](#)
- > [Male/female percentage of new graduates](#)



Diversity & Inclusion

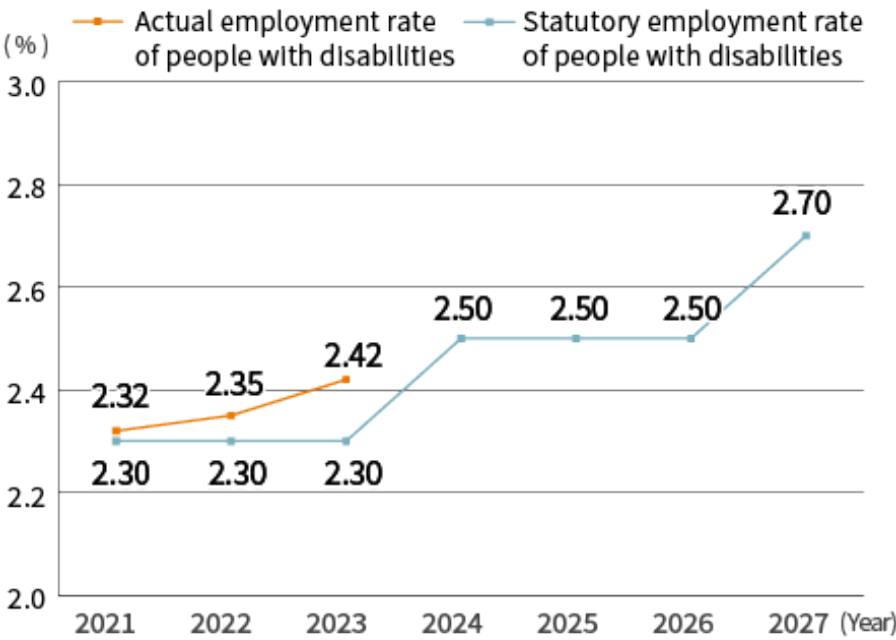
Promoting Employment of People with Disabilities

Not only to fulfill our social responsibilities, but also from the perspective of D&I, which pursues the potential of diverse personnel and organizations as a foundation for corporate growth, we are proactively working to expand the environment in which people with disabilities can work.

While expanding recruitment through Furukawa Electric, our special-purpose subsidiary Furukawa New Leaf Co., Ltd., and each group company and we will further improve the workplace environment and work styles by offering an option to work from home, barrier-free access, etc., to create a more desirable environment for people with disabilities to work in. In FY2023, we added FURUKAWA ELECTRIC BUSINESS & LIFE SUPPORT INC. as an applicable company for expanding the range of jobs for people with disabilities, with the perspective of expanding their recruitment across group companies and considering that the limited number of jobs held by people with disabilities was a priority issue.

Status of Promoting Employment of People with Disabilities

As of June 2023, the actual employment rate of people with disabilities was 2.42%, meeting the statutory employment rate.



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

* 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.



Efforts to Expand Recruitment of People with Disabilities

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](#)

Furukawa New Leaf Co., Ltd.

Company Profile

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

Location

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.

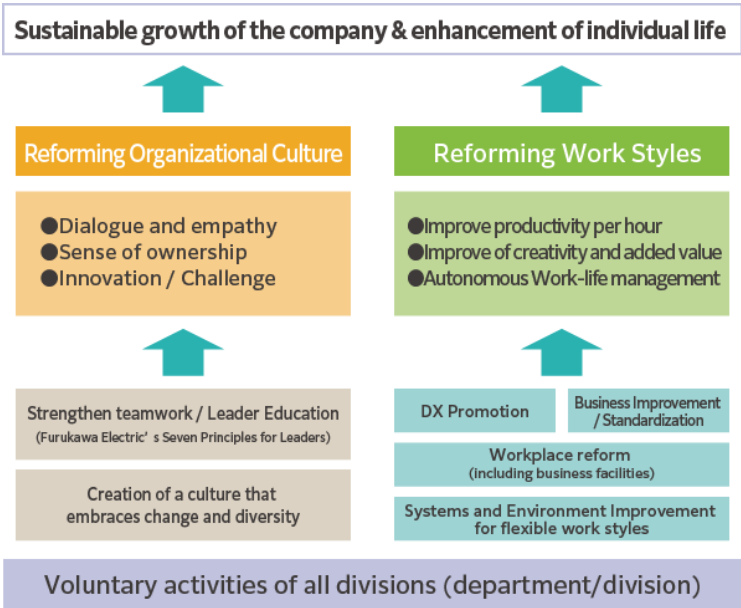
The photo shows employees who are sorting electrical waste. They remove foreign matters so that only good quality products are delivered to customers. Customers will complain if there is any foreign matter in the product. This is why employees work carefully in the sorting process.



Diversity & Inclusion

Work-style Reform

We are promoting a variety of measures, both in terms of “work-style reform” aimed at improving productivity and job satisfaction, and in terms of “organizational culture reform” aimed at promoting the embodiment of Furukawa Electric Group’s Core Values. As measures to support our employees’ personal ambitions and growth, and to enable each one of them to better demonstrate their abilities, 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.



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 PDCA 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.

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



Organizational Culture Reform

Leadership Transformation

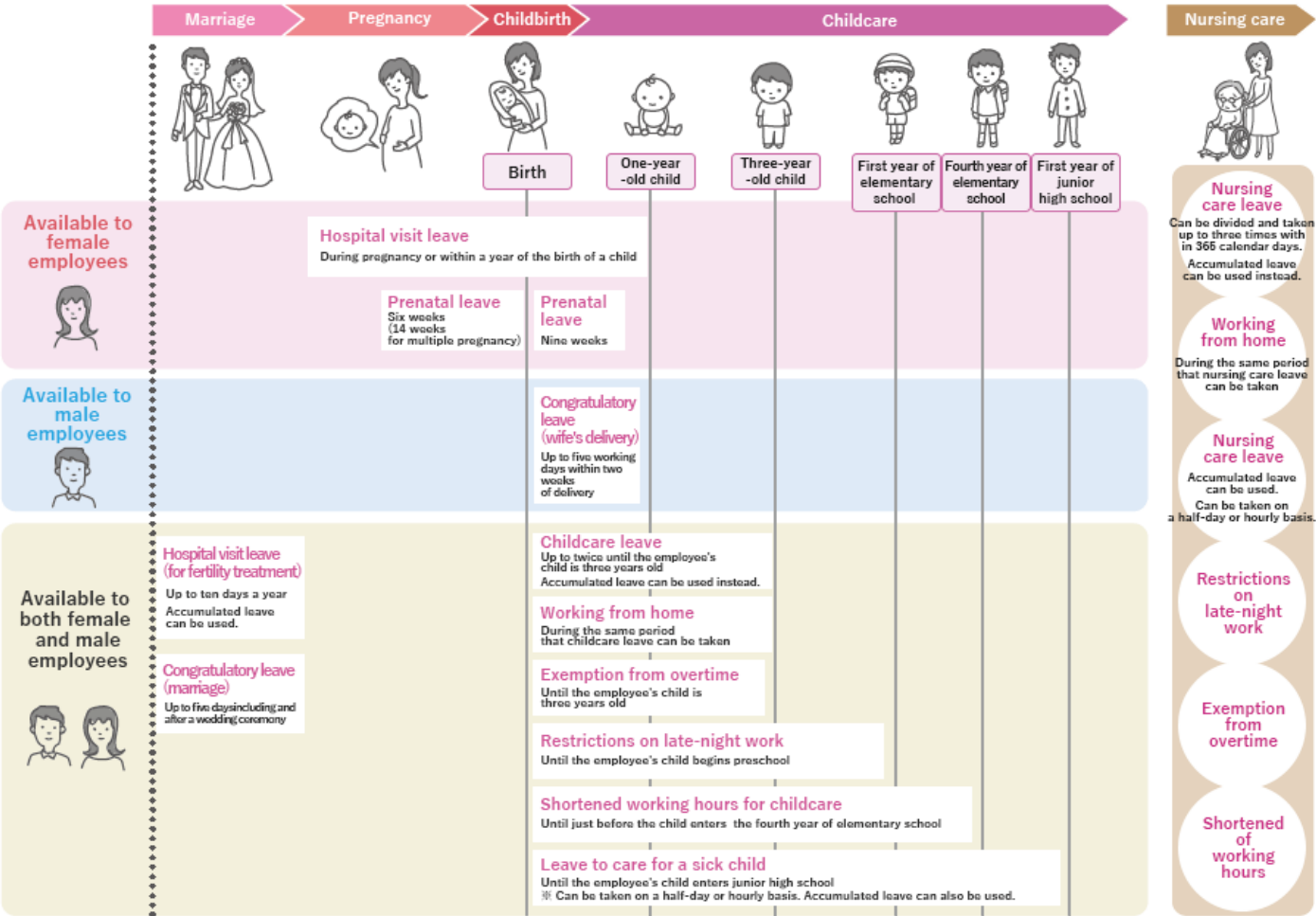
Aiming to become an organization that achieves results as a team, in 2020, we have established the Furukawa Electric way of Seven Principles for Leaders (Furukawa Seven), which consists of one basic mindset and six action principles for a leader to build a good working team. To put these to work, officers 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

We are working on various measures as well as all sorts of systems.

Promotion of male employees' participation in childcare	• Holding of men's childcare discussions • Creation of a handbook on childcare for men • Introduction of interviews with male employees who have taken childcare leave	
Support for balancing work and childcare	• Introduction of seminars for employees taking childcare leave and returning from childcare leave • Interviews before and after childcare leave, and introduction of interview sheets	
Support for balancing work and nursing care	• Holding seminars for nursing care	
Others	• Operation of intranet introducing internal systems and procedures related to support for work-life balance • Introduction of external benefit services	



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."

> [Reference: Furukawa Electric Platform \(only available in Japanese\)](#)



Occupational Health and Safety

Basic Approach

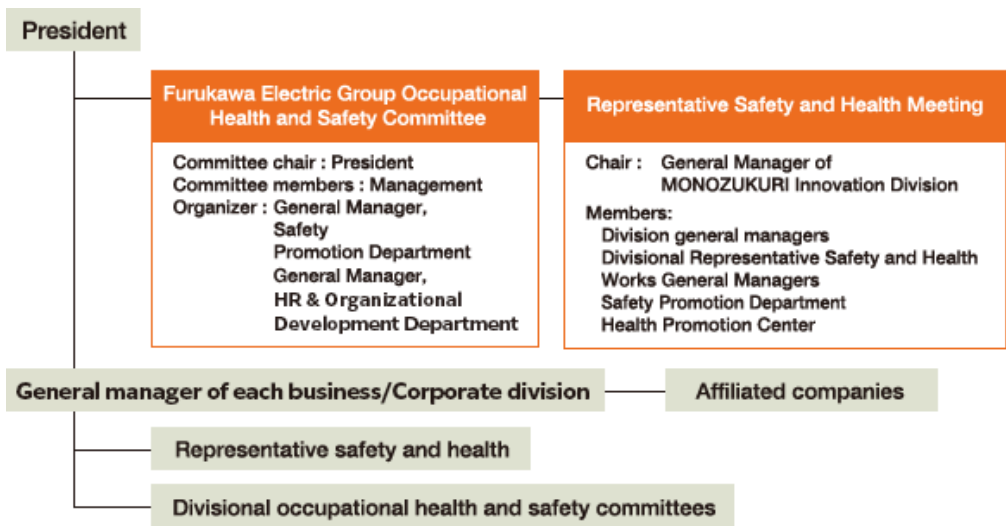
In addition to basic legal compliance, Furukawa Electric Group prioritized initiatives that promote "becoming a safety conscious person" and "realizing fundamental safety." Our basic approach is to aim for zero accidents and zero illness through safety activities focusing on three initiatives, that is,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

Basic Policy on Health and Safety Management

- Endeavor to eradicate accidents by inspections and management in accordance with the Industrial Safety and Health Act.
- Nurture safety conscious persons that can notice and avoid danger by pointing & calling and by complying with rules.
- Realize "fundamental safety" 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.



Promotion System

Safety and Health Activities Presentation Meetings

We hold presentation meetings on Furukawa Electric Group's safety and health activities and awarding the best with commendations. In FY2023, 11 teams were selected from business divisions (including 5 teams from group companies) to give presentations and receive awards from the president.



Safety and Health Activities Presentation

Site Inspections by Officers

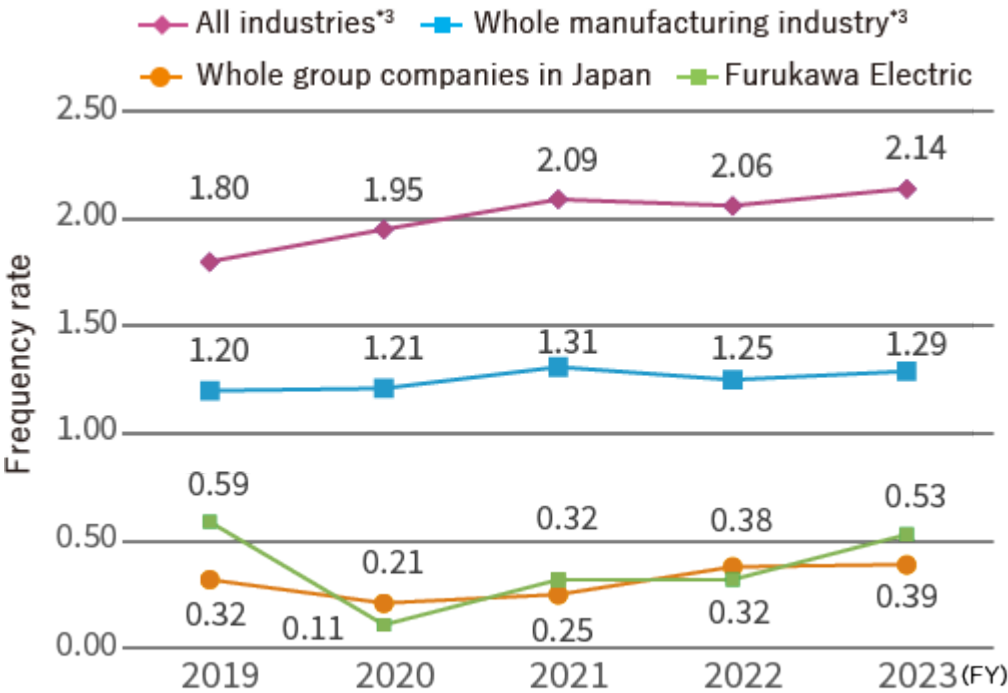
Furukawa Electric's safety officers make site inspections at Furukawa Electric Co., Ltd. and group companies whenever an accident occurs depending on the safety performance in the previous fiscal year. They confirm how appropriate the safety measures are and what extent the measures have become established. In addition, they exchange opinions on how to promote fundamental safety in order to prevent any recurrences. They conducted site inspections of 6 sites in FY2023, and exchanged opinions.



Site inspections by officers

The Status of Work Related Accidents

Furukawa Electric's safety performance in FY2023 was six accidents with lost working days, and failed to meet its target of "zero accidents with lost working days". The frequency rate of accidents resulting in time off work^{*1} was 0.53 in Furukawa Electric, an increase from last year, while 0.39 in all Group companies in Japan^{*2}, about the same level as last year. Meanwhile, the accident frequency rate in FY2023 for the whole Group including overseas Group companies was 0.34. This included accidents both resulting in and not resulting in time off work. We will continue to work on safety and health activities to achieve zero accidents with lost working days.



Frequency rate of accidents resulting in time off work

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

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

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

Targets and Results (Accidents)

	Scope	FY 2023		FY 2024
Number of accidents with lost working days	Furukawa Electric	Target	Result	Target
		Zero	Six	Zero

Health and Productivity Management

We promote Health and Productivity Management in which we strategically address our employees' health management/promotion from a managerial viewpoint.

> [Health and Productivity Management](#)

Health and Productivity Management

Furukawa Electric Group Health and Productivity Management Declaration

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

Furukawa Electric Group Health and Productivity Management Declaration

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.



President



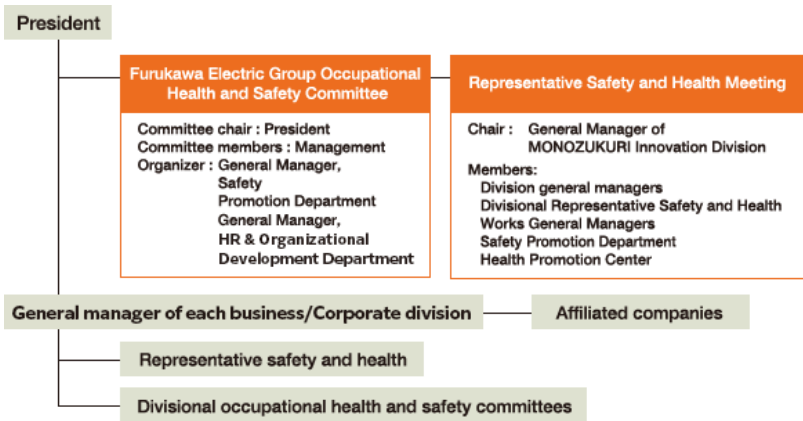


Health and Productivity Management

Health and Productivity Management Promotion System

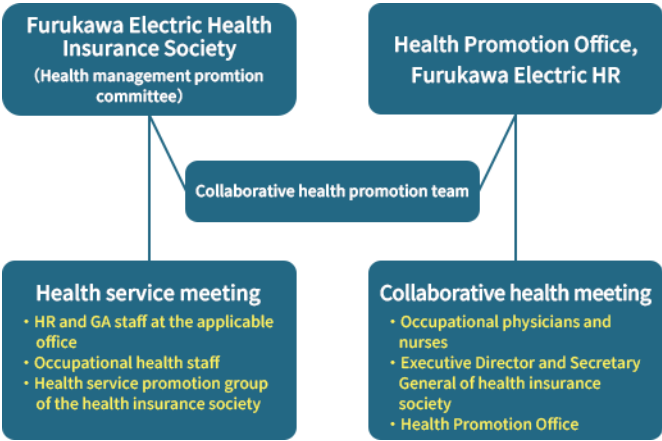
Safety and Health Promotion System

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



Collaborative Health Promotion System

Together with the Furukawa Electric Health Insurance Society, Furukawa Electric has set up a collaborative health promotion team to discuss collaboration between the company's health promotion activities and the society's healthcare business at regular meetings. The company also holds a review meeting to reflect the opinions of occupational physicians and nurses. In addition, in collaboration with the "Health 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 making breakfast-eating habit
- Sep.: Month for improving sleep sufficiency
- Dec.: Month for helping employees have a healthy liver
- Jan.: Month for developing exercise habit

<Efforts at each Furukawa Electric corporate site>

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



Health and Productivity Management

Health Management Guidelines

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

Furukawa Electric Group Health Management Guidelines

Basic Policy

(Strengthening Cooperation with the Health Insurance Society)

Promote mental and physical health by activating the Group's health management activities

Key Issues

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

Furukawa Electric Health Management Guidelines

Basic Policy

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

Goals

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

Key Issue Items

1. Improvement of health literacy
2. Continuation of mental health measures
3. Continuation of measures against metabolic syndrome
4. Maintenance and improvement of physical function
5. Support for smokers to quit smoking and the reduction of smoking rate
6. Thorough measures to prevent heatstroke
7. Responding to the revision of the Industrial Safety and Health Act regarding chemical substance management



Health and Productivity Management

Efforts to Promote Health and Productivity Management**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, physical function, mental health, metabolic syndrome, and smoking cessation, aiming to realize "a company where everyone works vigorously, keeps growing and is proud."

In order to visualize the relationship between the issues we wish to solve through health management and various measures, including the five pillars, we have created a health management strategy map to enhance the effectiveness of our efforts.

Improvement of Business Performance Such as Presenteeism, Etc.

In order to evaluate and analyze business performance, we use the Work Functioning Impairment Scale (WFun) as a presenteeism indicator to calculate the percentage of employees with 21 or more points (moderate or higher). The percentage, which was 24.5% in FY2020, is decreasing to 23.3% in FY 2021, 21.0% in FY 2022, and 19.6% in FY2023. The absenteeism indicator is calculated based on the number of days of absence from work due to long-term illness per employee, which was 5.73, 5.13, 4.81 and 5.68 days during the same four-year period. The work engagement assessment, where the three items of the Utrecht Work Engagement Scale were measured, is shifting 3.09, 2.99, 3.03 and 3.04 points respectively during the same four-year period.

Short Message of Health Declaration

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

Healthcare for Employees Working Long Hours

In accordance with the Guidelines issued by the Labor Standards Bureau, the Ministry of Health, Labour and Welfare, entitled "Measures to be taken by employers to prevent health impairment due to overwork", we strive to manage the health of employees who work long hours by implementing strict limitations on working hours based on the health checkup results and by arranging consultations for such workers with occupational physicians.

Mental Health Measures

Mental health measures started at the Company in FY 2002. We have introduced a counseling system based on an external employee assistance program (EAP) and company-wide mental health education programs, including line-care and self-care training, and have rolled out various mental health education company-wide. We introduced a stress check system in FY2016 in accordance with the revised law. We also provide the opportunity for employees to consult with a doctor.

<Rate of employees undergoing stress check>

FY2019	FY2020	FY2021	FY2022	FY2023
97.7%	97.3%	97.0%	96.1%	96.2%

Strengthening Passive Smoking Measures

The company has been fully implementing measures for smoking prevention including prevention of passive smoking and promotion of smoking cessation since FY 2003. We have achieved the company-wide goals of “no smoking during working hours (FY2017)” and “no smoking on the premises (FY2020).” The percentage of employees who smoke continued a downward trend from 48.2% in FY 2003, reaching 20.3% in FY 2021, 19.7% in FY 2022, and 19.2% in FY 2023 showing that our initiatives have had a positive impact on the lifestyles and habits of the employees. Going forward, we will continue to provide employees with education and consultations by occupational physicians on smoking cessation guidance to help smokers quit smoking.



Smoking cessation poster

Introduction of Measures to Prevent Falling Accidents

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

Support for Sleep Improvement

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

Measures against Infectious Diseases

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

The world has been facing global health challenges caused by the three major infectious diseases: HIV (AIDS), tuberculosis, and malaria since before Covid-19 started spreading. The increase in the number of infected people and deaths is leading to a decline in the labor force, economic stagnation, increased poverty and orphans. It also leads to social problems such as human rights issues of the infected people. The Group plans and implements various training programs to ensure that employees have the appropriate knowledge of these issues, and will proactively respond to these global health issues.



Health and Productivity Management

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

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

The company was also selected as a "Brand for the Health & Productivity Stock Selection 2023", and "Brand for the Health & Productivity Stock Selection 2019" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.





Quality

Basic Approach

Furukawa Electric is certified ISO 9001 on a business unit basis. We have been contributing to society by introducing the processes of ISO9001, and constantly striving to improve quality by standardizing operations in order to provide good products and services from the customers' prospects.

In addition, Furukawa Electric Group is promoting improvement activities to achieve the "quality expected by customers" under the Group's Quality Management Policy. In strengthening "quality compliance" as a major premise, we are promoting the "Quality Enhancement Project" aimed at improving manufacturing quality, and the "Risk Free Design (RFD) Project" aimed at improving design quality in the design and change process.

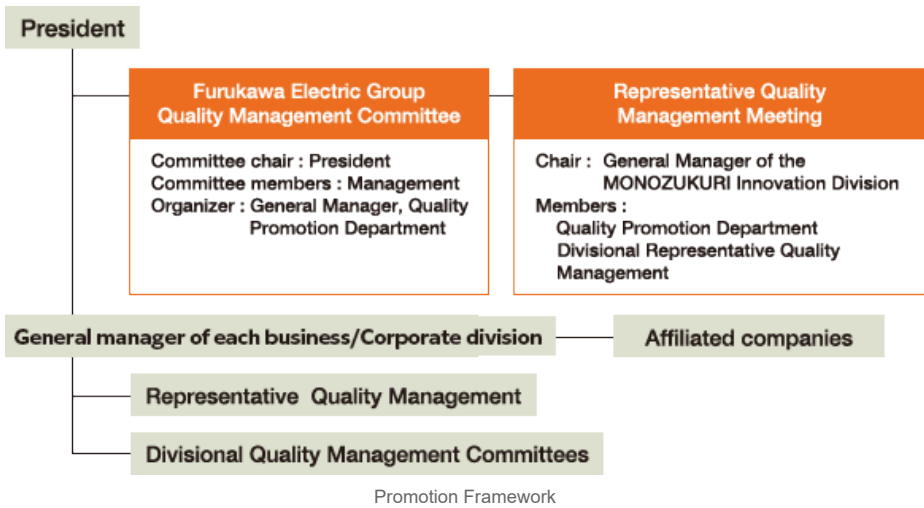
Through the two projects, we are striving to enhance our organization's problem-solving capabilities and improve our "MONOZUKURI ability" so that we can offer products that are attractive to our customers.

Basic Policy on Quality Management

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

Organizations for Improving Quality

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.





Quality Compliance

Thorough quality compliance is a prerequisite for business, and in order to thoroughly eliminate quality irregularities, strong leadership from the top, the creation and implementation of a system, and an effective check function are important.

The Group implements a thorough awareness of compliance under the guidance of top management, establishing a mechanism for developing customer requirements and quality expected by customers, and strengthening periodic inspections, etc. to ensure conformity to legal and regulatory requirements and customer requirements. Each business division and each group company are carrying out activities in line with these projects.

Quality Enhancement Project

For the purpose of improving the manufacturing ability, obtaining the technically valuable knowledge and reducing the failure cost, we are promoting to select the important manufacturing issues in all business divisions and to working to solve the issues. These activities also aim to develop human resources with high problem-solving skills.

At the end of FY2023, the report meeting was held, where all business divisions listened to each other's activity reports, gained insights, and made suggestions to each other on how to improve problem-solving. This was an opportunity to reaffirm the importance of grasping the current status, by first of all taking a closer look at the actual product, rather than repeatedly taking superficial measures to address quality improvement themes. We will continue to promote activities that emphasize the importance of grasping the current status.

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 have continued and implemented training sessions to acquire basic concepts and improve leadership skills, have introduced MIZENBOUSHI(solve and prevent problems) systems and put them into practice. In this way, we have promoted the penetration of this approach. In addition to these activities, we are carrying out self-checking activities to see if problems are solved during the design development and change process, and will continue to promote efforts to improve our problem finding and solving capabilities.

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

Targets and Results (Quality)

FY2023		FY2024
Target	Result	Target
Committed to achieving the quality expected by customers!	We promoted mutual study on how to proceed with problem solving and improved practical skills for MIZENBOUSHI(solve and prevent problems).	Committed to achieving the quality expected by customers!



Local Community Contribution, Social Contribution

Basic Policy

Furukawa Electric Group has continued to conduct social contribution activities that are rooted in the local community. Going forward, we will continue to promote social contribution activities obviously through the main business as one of our ESG management activities, in accordance with Furukawa Electric Group Basic Policy on Social Contribution Activities.

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

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

ESG Award Social Contribution Award

The Group presents the "ESG Awards" every year to recognize the outstanding social contribution and environmental preservation activities and to stimulate activities within the Group. The ESG Awards are divided into two categories: "the Social Contribution Award" for social contribution activities and "the Environmental Contribution Award"* for environmental conservation activities, and are given to Furukawa Electric and the group companies in Japan and overseas. For FY2023, three Excellent Performance Awards, and two Honorable Mentions were selected through a screening process for the "Social Contribution Award".

	Company	Type of Activities	Output
Excellent Performance Award	Imaichi Works, Furukawa Battery Co., Ltd	Living in harmony with the natural environment and local communities	- Continued aluminum can recycling activities in cooperation with facilities for people with disabilities for three years (collected more than 4 tons in total) - Supported people with disabilities and metal recycling activities at the same time while having people with disabilities do all the work from collection to selling, with the profit being used as income for the facilities for people with disabilities
	HQ, Furukawa Automotive Systems Inc.	Living in harmony with the natural environment and local communities	- Conducted evacuation drills, water spraying drills, and fire extinguisher drills in cooperation with the local fire station, and continued zero accidents for 20 years - Received the "Prefectural Governor's Commendation for Excellence" from Shiga Prefecture, which was published in a local PR magazine and contributed to the improvement of the Group's corporate value
	Hiratsuka Works, Furukawa Electric Co., Ltd.	Promoting sport and culture	- Held a baseball tournament named after the Company for two consecutive years at the Hiratsuka Works' baseball field, with the cooperation of youth baseball coaches who work for the Company - Made contribution to the local community, effective use of facilities, and PR through video distribution of the tournament

	Company	Type of Activities	Output
Honorable Mention	Furukawa Precision Engineering Co.,Ltd.	Living in harmony with the natural environment and local communities	Mowed the grass in local parks for over 16 years in cooperation with the local community association in an area with aging population
	OFS Fitel, LLC Sturbridge (the United States)	Living in harmony with the natural environment and local communities	Carried out a variety of volunteer activities for local charitable organizations for more than 15 years

> * ESG Award Environmental Contribution Award

Activities in Each Community

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

Nurturing Future Generations



> Joint production with Gakken Inc.:
We created an educational comic about Optical fiber Cable and donated to elementary schools nationwide. (Furukawa Electric Co., Ltd.)



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



Accepting university internship students since 2015 (FEL*)



Workplace experience programs for junior high school students in Yokohama City since 2017 (Yokohama Works, Furukawa Electric Co., Ltd.)



Art and craft classes for elementary school students using waste materials since 2018 (Furukawa Electric Power Systems Co., Ltd.)



Accepting workplace visits for junior high and high school students since 2019 (HQ, Furukawa Electric Co., Ltd.)



Fundraising running and walking events at local elementary school since 2022 (OFS*)



Donation of wooden pavilions and sporting equipment to local schools in 2023 (FPT*)



Accepting internship students from neighboring universities and high schools in 2023 (FALP*)



Repainting the walls of a local elementary school in 2023 (FAST*)



Accepting local elementary school students for plant tours in 2023 (Riken Electric Wire Co., Ltd.)



Educational activities for recycling at elementary schools in cooperation with neighboring companies in 2023 (FAST*)



Shoe boxes made from scrap wood and their donation to elementary schools in 2023 (FAST*)

Other Activities (FY2023)

- Sponsorship and donations to Japan Student Services Organization and Ashinaga Foundation (Furukawa Elecom Co., Ltd.)
- Support for activities of NPO “Terakoya” free learning support (HQ, Furukawa Electric Co., Ltd.)
- Sponsorship of chemistry and mathematics training camps for university students (FETI*)
- Accepting high school and university students for internships and company visits (FETI*)
- Accepting high school students for company visits (Trocellen)
- Yoga mat donations for universities (Trocellen)
- Accepting residents and nursing student interns (Chiba Works, Furukawa Electric Co., Ltd.)
- Preparing and distributing educational materials on environmental considerations for the employees' children (FEL*)
- Academic enhancement and other programs for children (FEL*)

Promoting Sport and Culture



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



HARD WORK, EVERY DAY.

日本で唯一のアイスホッケーのプロチーム
H.C. 栃木日光アイスバックス

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



The Company donated the former Shigenobu Okuma House and the former Munemitsu Mutsu House, which the Company maintained and managed as reception facilities in Meiji Memorial Oiso House and Garden, to the national government in FY2018. (Furukawa Electric Co., Ltd.)



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



Sponsorship and volunteering at the Yokohama Triathlon since 2012 (Furukawa Battery Co., Ltd)



Cooperation in local soccer tournaments since 2022 (FASM*)



Holding children's baseball tournaments at our company's baseball field (Hiratsuka Works, Furukawa Electric Co., Ltd.)

Other Activities (FY2023)

- Accepting players of JEF United Ichihara Chiba Ladies for employment (Furukawa Sangyo Kaisha, Ltd., Furukawa Electric Business & Life Support Inc.)
- Sponsorship of athletes with disabilities (FEL*)
- Sponsorship for a basketball team, etc. (Trocellen)
- Donation to the Indonesian traditional event (FOSI*)
- Support for Japanese musicians living in Hungary (FETI*)

Living in Harmony with the Natural Environment and Local Communities



Holding a traditional Nikko Waraku Odori dance event since 1914 (Furukawa Electric Co., Ltd).



Fire prevention activities in cooperation with all employees and the local community since before 2000



Employing people with disabilities through a local foundation since 2005 (OFS*)



Mowing in the park in cooperation with the local residents' association since around 2008 (Furukawa Precision Engineering Co., Ltd.)



A variety of volunteer activities for local charitable organizations since before 2009 (OFS*)



Recycling used plastic drums and creating reusable plastic feed for reuse since 2014 (OFS*)



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



Aluminum can recycling and monetizing in support of people with disabilities since 2021 (Furukawa Battery Co., Ltd)



Donation of medicinal plants and fertilizer for local climate change action program since 2021 (FOSI*)



Support for people with disabilities to monetize confectionery sales in collaboration with a local welfare office since 2021 (Furukawa Electric Power Systems Co., Ltd.)



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



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



Pencils and notebooks collected through donations and their distribution to nearby kindergartens in 2023 (FALP*)



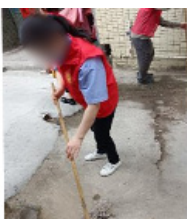
Donation of gifts to the fire station in 2023 (SFPOC)



Environmental activities using the sales of used plastic bottles in 2023 (FASW*)



Repainting white lines on roads and playgrounds in local elementary schools in 2023 (FAST*)



Participation in cleanup activities of local residents' associations in 2024 (FAPH*)



Donation of mattress samples to children with disabilities in 2024(FETI*)

**Other Activities (FY2023)**

- Participation in cleanup activities (Chubu Branch Furukawa Electric Co., Ltd., Furukawa Techno Material Co., Ltd., FESZ*)
- Fundraising for cleanup activities, community exchange events, etc.(Copper Foil Division, Furukawa Electric Co., Ltd.)
- Participation and cooperation in local festivals (Chiba Works and Yokohama Works Furukawa Electric Co., Ltd., MYOJYODENKI Co.,Ltd., Furukawa Electric Business & Life Support Inc.)
- Employees' volunteering for NPO events supporting people with disabilities (Copper Foil Division, Furukawa Electric Co., Ltd.)
- Blood donation (Furukawa Electric Co., Ltd., FALP*,OFS*)
- Donation of used stamps to Chiyoda Ward social welfare council (Furukawa Electric Business & Life Support Inc.)
- Fundraising for food and clothing support for children (FEL*)
- Donations of school and office supplies (FEAP*)
- Water supply assistance to areas where access to clean water is difficult (FASI*)
- Donations of food and goods for local people (FASI*, FASB*)
- Holding projects for environmental conservation and CO₂ emission reduction (FETI*)
- Holding events of hazardous waste recycling and paper waste disposal for local people(OFS*)
- Recycling of plastic and cardboard waste, etc. (SFC*)
- Recycling of plastic bottle caps (Chiba Works Furukawa Electric Co., Ltd., MYOJYODENKI Co., Ltd., Furukawa Electric Advanced Engineering Co., Ltd.)
- Donations to environmental activities of public organizations (FETI*, FOSI*)
- Collection of used disposable heat pads (Kansai Branch Furukawa Electric Co., Ltd.)
- Use of fuel cell vehicles as company cars(Furukawa Electric Co., Ltd.)
- Waste collection and its reuse (OFS*, FEL*, SFPOC*, FESZ*)
- Donation of mattresses to support Ukraine (Polifoam Ltd.)
- Donation of bread, milk, etc. to earthquake refugees and orphans (FASI*)
- Donation for the Noto Peninsula Earthquake (Furukawa Electric Co., Ltd., Furukawa Electric Business & Life Support Inc., Furukawa Elecom Co., Ltd.)
- Donation for Morocco Earthquake (Furukawa Electric Co., Ltd., OFS*)
- Donation for Turkey–Syria Earthquakes (Trocellen)

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

FETI: Furukawa Electric Technology Institute Ltd.

FOSI: Furukawa Optical Solutions Indonesia

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

OFS: OFS Fitel, LLC

FASB: Furukawa Sistemas Automotivos do Brasil Ltda.

FALP: Furukawa Automotive Systems Lima Philippines, Inc.

FEAP: Furukawa Electric Autoparts (Philippines) Inc.

FASI: P.T. Furukawa Automotive Systems Indonesia

FEL: Furukawa Electric LatAm S.A.

FPT: Furukawa Precision (Thailand) Co., Ltd.

SFC: Shenyang Furukawa Cable Co., Ltd.

FAPH: Furukawa Auto Parts (Huizhou) Co. Ltd.

SFPOC: Suzhou Furukawa Power Optic Cable Co., Ltd.

FASW: Wuhan Furukawa Automotive Systems Co., Ltd.

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



Donations

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

Fiscal Year	Subject	Monetary Contribution
2011	> <u>The 2011 off the Pacific coast of Tohoku Earthquake in Japan</u>	246 million yen
2018	> <u>The Heavy Rains in Western Japan</u>	1 million yen
2019	> <u>The Typhoons in Japan</u>	7 million yen
2020	> <u>The Heavy Rains in Japan</u>	5 million yen
2023	> <u>Morocco Earthquake</u>	Approx. 11.5 million yen
2024	> <u>Noto Peninsula Earthquake</u>	10 million yen
2024	> <u>Eastern Taiwan Earthquake</u>	Approx. 15 million yen



Corporate Governance

Basic Views and Guidelines on Corporate Governance

Basic Views 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.

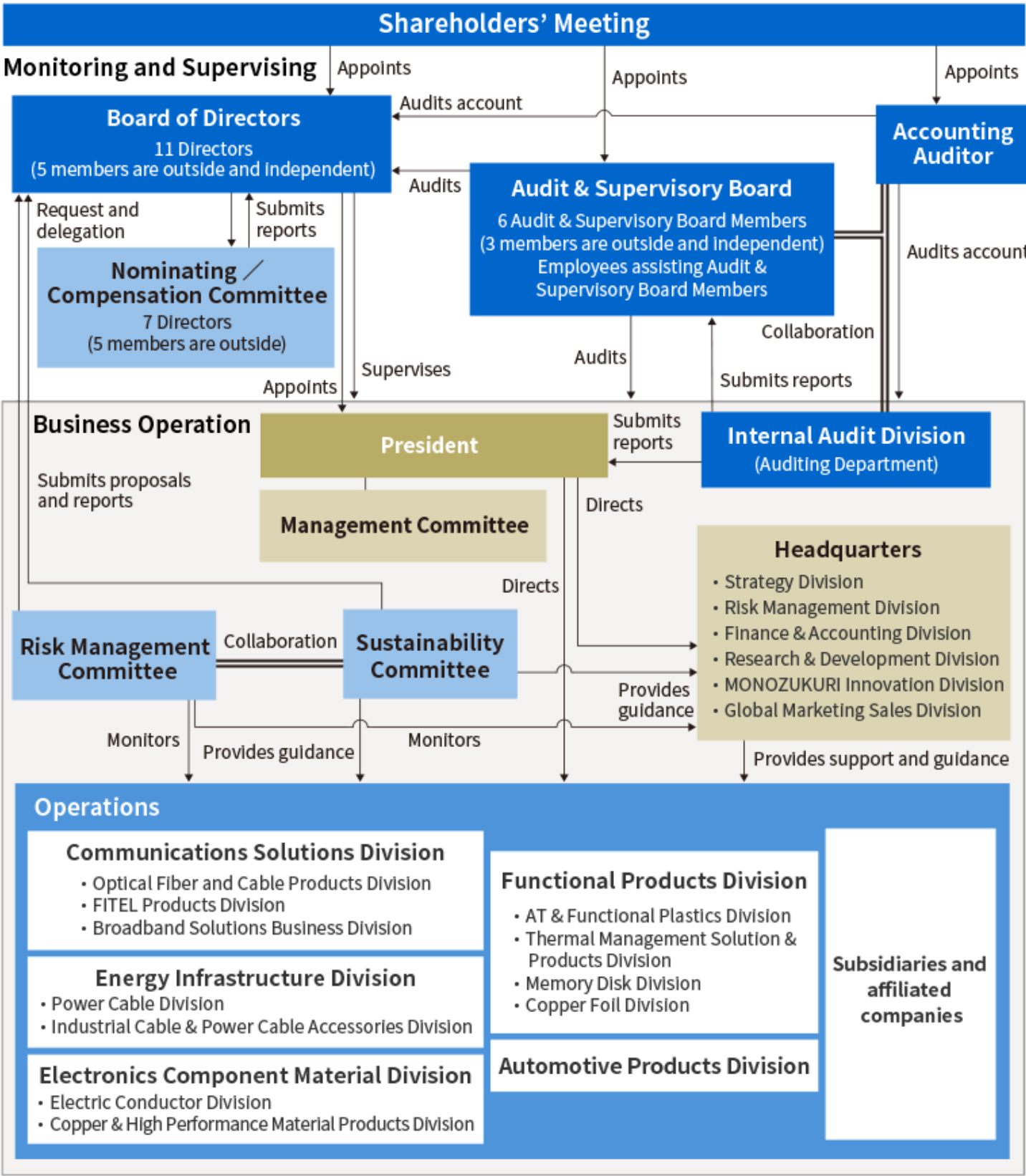
Guidelines on Corporate Governance

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.

Overview of Corporate Governance System

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

Corporate Governance Organization Chart



* As of June 26, 2024.



Monitoring and Supervising

Board of Directors

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

1. Determination of corporate governance-related matters;
2. Establishment and amendment of business strategies and oversight of execution of such strategies and plans;
3. Determination of capital allocation policy-related matters;
4. Appointment and dismissal of the Management team members (including identification of the skills set necessary for Board of Directors as a whole), and determination of their remuneration (including delegation of such roles to Nominating/Compensation Committee);
5. Establishment of an internal control system relating to compliance and financial reporting and risk management systems, and oversight of them;
6. Decision on important business matters;
7. Others prescribed by the applicable laws and regulations etc.

For further details, please refer to “Board of Directors” of Chapter 3, Section 2 of the Guidelines ([Guidelines on Corporate Governance](#)).

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

Effectiveness of the Board of Directors

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

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

Nominating/Compensation Committee

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

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



Audit & Supervisory Board

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

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

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

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

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

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

Business Operation

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

Reinforcing Internal Control

We establish, develop and operate its internal control for the purpose of efficient execution of responsibilities, compliance, risk management, information management and group company management.

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

Corporate Governance Report

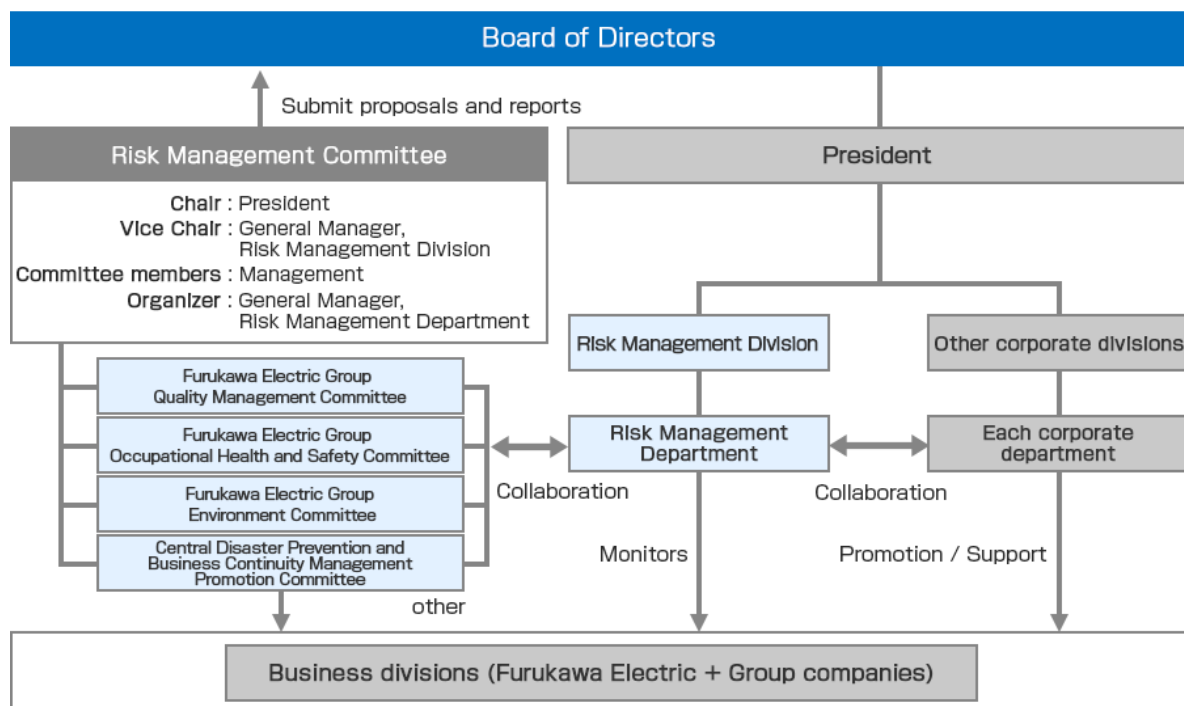
> [Corporate Governance Report \(Updated June 28, 2024\)](#).

Risk Management

Risk Management System

Furukawa Electric Group has established the Risk Management Committee, chaired by the President, vice-chaired by the General Manager of the Risk Management Division, and composed of members from the management level. This committee deliberates on issues related to the Group's risk management, internal controls, and compliance, and has adopted a system for supervision and promotion.

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



Promotion system chart

Overview of the Risk Management and its Structure

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



Examples of Management Perspective Risks

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

Examples of Operational Perspective Risks

- Employee health and safety
- Quality control
- Effects of disasters, infectious diseases, etc

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

In the event of a crisis such as a large-scale disaster, Furukawa Electric Group will establish Emergency Response Headquarters, headed by the president, and Site Response Headquarters that defines each department's roles and clarifies them as necessary. We have prepared an initial response manual, stockpiled necessary supplies, and established a system for communication and safety confirmation, and conduct periodic drills.

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.

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

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

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.



Promotion in Obtaining ISO Certification

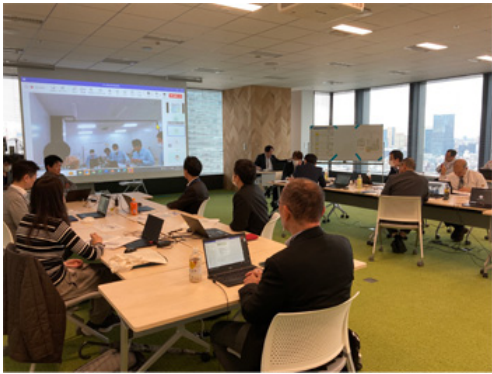
In order to strengthen the business continuity activities, we are actively working to obtain ISO22301 certification, the international standard for the business continuity management systems (BCMS). So far our “laser diode products business” (Chiba Works), “copper wire products business” (Mie Works), and “copper and copper alloy products (the original products) business”(Nikko Works), have acquired the certification.



BCM exercise

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

In the event that a business site suffers extensive damage due to a natural disaster, etc., it is necessary to smoothly coordinate with the head office's emergency response headquarters and work as a team to achieve business restoration as quickly as possible. To prepare for such events, we conduct an annual drill to ensure coordination between the head office (emergency response headquarters) and business sites (affected areas). In FY2023, we conducted an exercise by connecting the site and the head office remotely, on the assumption that an earthquake caused an information and telecommunications network failure in the Copper Foil Division. The emergency headquarters in the affected area, the plant, the emergency response headquarters(head office), and the Marketing and Planning Departments participated in the exercise to verify the effectiveness of the current recovery process, concerning the investigation of the cause of the information and telecommunications network failure, measures for early recovery, and alternative production in the event of a prolonged failure. We will steadily improve the issues identified in the exercise and promote employee training to further strengthen the resilience of critical business continuity.



FY2023 cooperation exercise between head office and disaster area
(at the headquarters meeting room)



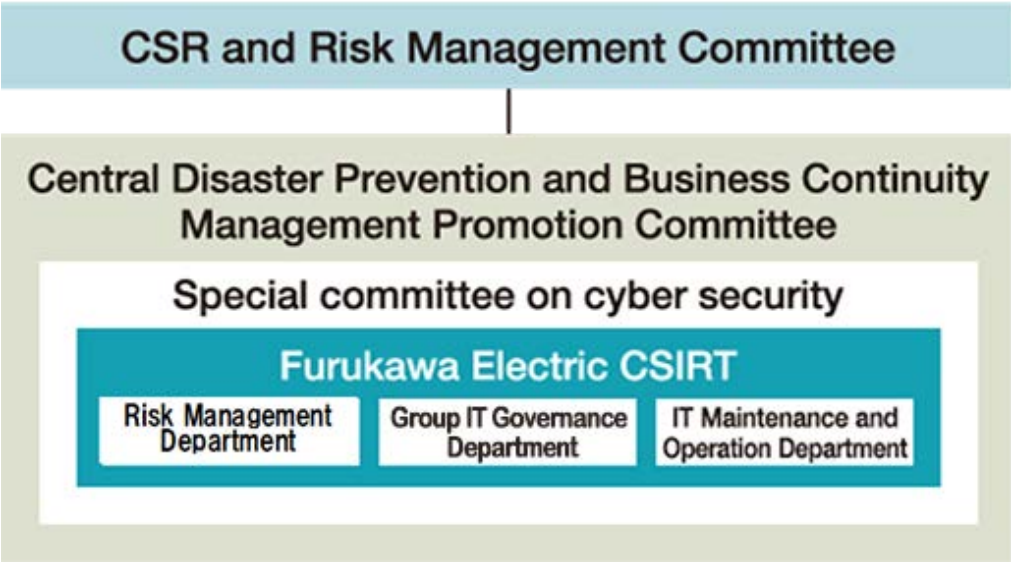
Information Security

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

Cyber Security

As a technical measure against cyber security risks, which are becoming more sophisticated and serious every year, we introduced an EDR system*1 in FY2021, which monitors the behavior of PCs and other terminals and blocks unauthorized external communications, in place of conventional anti-virus software. As an organizational measure, in 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 FY2023 continuing from FY2022, we conducted cyber incident response training in collaboration with the CSIRT organizations of several domestic affiliates. In the future, we intend to expand the training to other major group companies, aiming to establish a global cyber security system for the Group.

Organizational structure on cyber security



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

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

Personal Information Protection

Regarding the obligation to report to the Personal Information Protection Commission stipulated in the revised Personal Information Protection Law, we brought this to the attention of employees again at the information security awareness month (February 2024) as well as established in the relevant internal rules. In addition, the entire 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 Group formulated a policy to comply with the decree in March 2024, and our local group companies are currently responding to it.

Challenges and Future Policy

Following our international business development, risks that the Group faces are becoming more diversified and complicated each year. We particularly recognize that risks inherent in overseas operations— mainly in emerging countries—and risks from the supply chain standpoint are our top priority issues as well as addressing geopolitical risks and economic security, and we will strengthen our countermeasures against them. While assessing changes in the environment in the future, we will implement necessary countermeasures in a prompt and flexible manner.

Indicators and Targets

In the Furukawa Electric Group Medium-term Management Plan 2022-2025 (2025 Medium-term Plan), we set a sustainability indicator and target of “building a governance system to strengthen risk management/group governance.”

Sustainability indicator	Scope	Result			Target		
		FY2021	FY2022	FY2023	FY2023	FY2024	FY2025
Ratio of follow-up on risk management activities for all risk domains	Group	88%	100%	100%	100%	100%	100%

> [Sustainability Indicators and Targets](#)



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".



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

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 FY2023, 45 companies in 17 countries had introduced it. The number of whistleblowing in the Group was 104 in FY2023, of which approximately half were related to human resources and labor relations. Only a limited number of them turned out to be true as pointed out. However, all of them, including parts of them turned out to be true, have been corrected through the implementation of preventive measures. The Group recognizes the whistleblowing system functions well based on the fact that there was a certain number of whistleblowing.

Security Trade Control

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

Anti-Bribery

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



> [Furukawa Electric Group Anti-Bribery Statement \(English\)](#)

> [古河电工集团禁止行受贿基本方针（中文）](#)

Requirements of Furukawa Electric Group Anti-Bribery Statement

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

Tax Compliance Policy

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 the timely report 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.



Supply Chain

Basic Approach to Procurement

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

Furukawa Electric Group Procurement Policy

- 1. Fairness and Integrity
We are open to any and all business partners in accordance with the principle of free competition and we all act with fairness and integrity.
- 2. Compliance with Laws and Regulations and CSR Procurement
Toward the realization of a sustainable society, we conduct our procurement activities considering environment preservation and safe operation in comply with all applicable laws and regulations and we do fulfill our corporate social responsibility.
- 3. Partnership
We always value relationships of mutual trust with our business partners to create new values by collaboration. We pursue to optimize our procurement conditions from the viewpoint of quality, cost, delivery, technological capabilities and CSR activities.

*Furukawa Electric Group refers to our suppliers as “partners” who collaborate with us to create value.

Procurement Guidelines

Furukawa Electric Group CSR Procurement Guidelines

Furukawa Electric Group believes that it is important to address corporate social responsibility (CSR) throughout the supply chain, including suppliers, in order to achieve sustainable business development. In working together with our partners to promote CSR, we have compiled our basic ideas into the Furukawa Electric Group CSR Procurement Guidelines. In August 2024, we revised the Furukawa Electric Group CSR Procurement Guidelines to the 4th Edition in order to promote activities and respond to changes in social requirements with reference to the RBA Code of Conduct 8.0, etc.

Items of CSR Procurement Guidelines

- LABOR
- HEALTH AND SAFETY
- ENVIRONMENT
- ETHICS
- PRODUCT QUALITY AND SAFETY
- INFORMATION SECURITY



- BUSINESS CONTINUITY PLANS
- MANAGEMENT SYSTEMS
- CONTRIBUTION TO SOCIETY

> [CSR Procurement Guidelines 4th edition](#)

Furukawa Electric Group Green Procurement Guideline

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

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.

Items of Green Procurement Guideline

- INTRODUCTION
- FURUKAWA ELECTRIC GROUP BASIC ENVIRONMENTAL POLICY
- FURUKAWA ELECTRIC GROUP ENVIRONMENTAL VISION 2050
- SCOPE OF APPLICATION
- TERM DEFINITION
- REQUEST TO THE PARTNERS
- GREEN PROCUREMENT OF OFFICE SUPPLIES / WORK SUPPLIES, etc.
- OPERATION OF THE GREEN PROCUREMENT GUIDELINE

> [Green Procurement Guideline](#)

Quality Assurance Guidelines

Furukawa Electric Group aims to improve customer satisfaction continuously by establishing a quality management system with our partners. Therefore, the concepts of quality control are brought together in the Quality Assurance Guidelines.

Items of Quality Assurance Guidelines

- Requirements with Respect to Quality Assurance and Securing Resources
- Processes of Ordering, Design, Development, Change, Purchase, and Manufacturing
- Audits and Management of Nonconforming Products by Partners

> [Quality Assurance Guidelines for Partners](#)

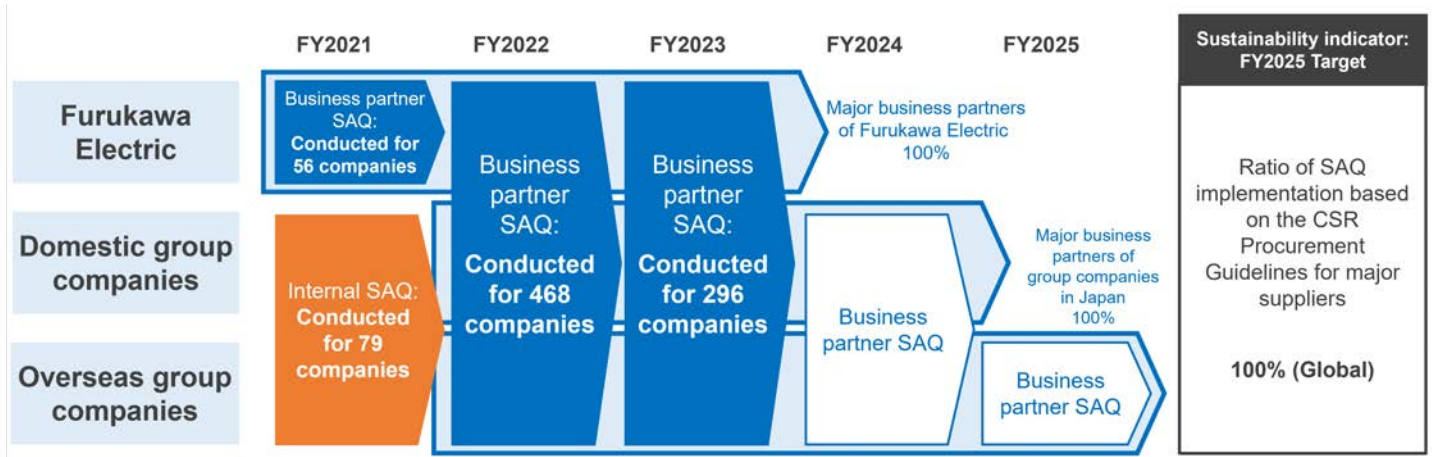
> [合作伙伴质量保证指南](#)

Initiatives

Promoting CSR Procurement Activities

The Group promotes CSR procurement activities taking into account the environment and society, and published CSR Procurement Guidelines. In August 2024, we revised the Furukawa Electric Group CSR Procurement Guidelines to the 4th edition, with reference to the RBA Code of Conduct 8.0, etc. This was to promote CSR procurement activities in response to changes in social demands. We ask new partners for agreement to comply with our CSR Procurement Guidelines as a prerequisite for starting business with us. Based on our CSR Procurement Guidelines, we work together with existing partners to ensure strict compliance with laws and regulations and fair trade, consideration for human rights, safety, and the environment, reduction of environmental impact, and Responsible Mineral Sourcing in our procurement activities. We also hold an annual Partners Meeting to directly explain our CSR Procurement Guidelines and our environmental and social policies, targets, and initiatives to our partners, and to provide ongoing encouragement to them.

As a risk survey for existing partners, 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. In FY2023, we expanded the scope of coverage to include partners of Group companies in Europe and the United States, in addition to Group companies in Japan and Asia. 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 addition, 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.

- > [Internal Reporting System for Compliance](#)
- > [Inquire about human rights \(Jump to JaCER's Form\)](#)



Co-creation with Our Partners

<Partner Evaluation and Award System>

We conduct evaluations of partners when it comes to partners selected based on purchase amounts and importance (80% of the material and equipment purchase amount). We evaluate our partners on the basis of quality, technology, price, delivery system, social and environmental contribution, creditworthiness, etc., and provide feedback on the results of the evaluation in interviews, while also exchanging opinions on the evaluation results and aligning our mind on procurement activities. In 2023, we evaluated 230 partners and provided them with feedback on the results. Moreover, we are requesting continued cooperation in their efforts to ensure business continuity and a stable supply. In addition to the Outstanding Partner Award, Group Global Partner Award, Best Performance Award and Special Award, the Environmental Award is presented in recognition of achievements in the environment, and thus multifaceted efforts are evaluated.

<Holding Partners Meeting>

At the annual Partners Meeting, we explain our group procurement policy and our CSR Procurement Activities directly to our partners in order to deepen their understanding of our company. In FY2023, the event was held in June in a hybrid format combining online distribution and an in-person awards ceremony with 54 major partners attending at the event.

<Greenhouse Gas Emission Reduction Initiatives>

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 CO₂ 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.

Responsible Minerals Sourcing

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

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

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

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



Collaboration with External Organization

In order to prevent or mitigate the adverse effects associated with mining of minerals in conflict- or high-risk areas, we have joined the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA) in addition to making our own efforts. Thus, we are working to resolve issues related to conflict minerals in the world, and through intra-industry collaboration, to improve supply chain research activities.

Supply Chain BCM (Business Continuity Management)

Furukawa Electric conducts regular surveys on its main partners about their BCM measures. In FY2023, we held surveys for main partners and placed the results we received onto a database. In this way, we are building a system that enables us to quickly identify partners that are likely to be affected in the event of a disaster, and implementing measures such as establishing multiple procurement bases for important 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 FY2023, we conducted employee training through e-learning to ensure everyone is informed.

Indicators and Targets

We have set sustainability indicators and targets for “Building a governance system to strengthen risk management/Group Governance” in the Medium-Term Management Plan.

Indicator	Scope	Result			Target		
		FY2021	FY2022	FY2023	FY2023	FY2024	FY2025
Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers	Group	Furukawa Electric 20%	Global 34%	Global 65%	Global 40%	Global 70%	Global 100%

> Sustainability Indicators and Targets



Related Data

Indicator	Unit	Scope	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Number of communications with suppliers on important items in the SAQ	Companies	Furukawa Electric	-	-	-	5	20	25
		Domestic group companies	-	-	-	-	34	34
		Overseas group companies	-	-	-	-	38	38
		Total	-	-	-	5	92	97

> ESG Data (Social)



Participation in Initiatives

Participation in Initiatives

United Nations Global Compact

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



The Ten Principles of the UN Global Compact

Human Rights

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

Labour

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

Environment

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

Anti-Corruption

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

The Sustainable Development Goals (SDGs)

"Furukawa Electric Group Vision 2030" was formulated to provide clarity for the group's business domains based on the "Sustainable Development Goals (SDGs)". The Sustainable Development Goals (SDGs), set in 2015 by the United Nations Summit and intended to be achieved by the year 2030, are a collection of 17 global goals and 169 targets.

> [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 the Environment, Reduction of GHG emissions "COOL CHOICE"

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



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

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





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



External Evaluation and Certification

SRI Index, ESG Index

FTSE Blossom Japan Index Series

Furukawa Electric Group was selected as a constituent of the FTSE Blossom Japan Index Series (as of June 2024).
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.



> [FTSE Blossom Japan Index Series](#)

MSCI Nihonkabu ESG Select Leaders Index

Furukawa Electric Group was selected as a constituent of the MSCI Nihonkabu ESG Select Leaders Index (as of June 2024).
The MSCI Nihonkabu ESG Select Leaders Index is an ESG index used by the Government Pension Investment Fund (GPIF). It is one of the leading indices for ESG investment.

2024 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

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S&P/JPX Carbon Efficient Index

Furukawa Electric was selected as a constituent of the S&P/JPX Carbon Efficient Index (as of June 2024).
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. (as of June 2024)



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

Furukawa Electric was selected as a constituent of the Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J) as of December 2023.

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

CDP

Furukawa Electric Group has responded to the CDP questionnaire about climate change since FY2008 and about water security since FY2013. In FY2023, 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" of the 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” under the Female Participation Promotion Act, Ministry of Health, Labour and Welfare

Furukawa Electric received Eruboshi third stage certification in April 2016.



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

Furukawa Electric received Kurumin certification in 2015.



Diversity & Inclusion "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).



Diversity & Inclusion "D&I Award 2023"

For the third year in a row, Furukawa Electric has received the "Best Workplace" Accreditation, which is the highest certification rank, in the D&I Award 2023, which recognizes companies that lead Diversity and Inclusion (D&I) in Japan.





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

Furukawa Electric was certified by the Ministry of Economy, Trade and Industry as one of the Health & Productivity Management Organizations in 2024.



Digital Transformation Certification of Ministry of Economy, Trade and Industry

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



NIKKEI SDGs Management, Smart Work Management Survey

Furukawa Electric received "4.0 stars" in the 5th NIKKEI SDGs management survey.



Furukawa Electric also received "3.5 stars" in the 7th NIKKEI Smart Work management survey.



Awards

The following is a summary of awards and recognitions from local governments, academic societies, customers, etc. from FY2022.

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



ESG Data

Environment revised in October 2024

Environmental conservation costs(Unit: million yen)

Furukawa Electric

Category	Key activity and the outcome	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Business area costs	Installation and maintenance of equipment for exhaust and wastewater treatment, energy saving, recycling, solar power generation, etc., waste disposal, various types of recycling, soil contamination surveys, etc.	1,145	1,144	1,238	1,211	1,163
Upstream/downstream costs	Packaging with eco-friendly materials, collection and reuse of cable drums, etc.	175	156	142	137	141
Administration costs	Environmental management system operation (operation of committees, audits, etc.), measurement and monitoring of environmental impact, and environmental education, etc.	329	340	312	396	463
Research and development costs	Research and development for environmental conservation, such as energy savings and alternatives to hazardous substances.	281	260	222	264	334
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	2	0	1	1	1
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	1	0	0	0	1
Total		1,933	1,900	1,914	2,009	2,102

Domestic group companies

Category	Key activity and the outcome	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Business area costs	Installation and maintenance of equipment for exhaust and wastewater treatment, energy saving, recycling, solar power generation, etc., waste disposal, various types of recycling, soil contamination surveys, etc.	535	348	455	347	476
Upstream/downstream costs	Packaging with eco-friendly materials, collection and reuse of cable drums, etc.	211	145	126	133	146
Administration costs	Environmental management system operation (operation of committees, audits, etc.), measurement and monitoring of environmental impact, and environmental education, etc.	128	80	107	122	123
Research and development costs	Research and development for environmental conservation, such as energy savings and alternatives to hazardous substances.	46	97	78	34	57
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	3	1	1	3	2
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	0	0	1	1	3
Total		924	673	768	640	806



Furukawa Electric + Domestic group companies

Category	Key activity and the outcome	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Business area costs	Installation and maintenance of equipment for exhaust and wastewater treatment, energy saving, recycling, solar power generation, etc., waste disposal, various types of recycling, soil contamination surveys, etc.	1,681	1,493	1,693	1,558	1,638
Upstream/downstream costs	Packaging with eco-friendly materials, collection and reuse of cable drums, etc.	386	301	268	270	287
Administration costs	Environmental management system operation (operation of committees, audits, etc.), measurement and monitoring of environmental impact, and environmental education, etc.	457	420	419	518	586
Research and development costs	Research and development for environmental conservation, such as energy savings and alternatives to hazardous substances.	327	358	300	298	390
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	5	1	2	3	3
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	1	0	1	1	3
Total		2,857	2,573	2,682	2,648	2,908

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

Furukawa Electric

Details of benefits	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue from recycling	248	244	170	200	388
Reduction in waste disposal costs	-150	24	132	-111	38
Reduction in energy costs	64	1,057	-958	-2,424	1,545
Reduction in water purchase costs	8	23	6	-13	4
Total	171	1,348	-650	-2,346	1,974

Domestic group companies

Details of benefits	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue from recycling	239	244	361	393	390
Reduction in waste disposal costs	-46	33	14	156	12
Reduction in energy costs	77	1,072	-654	-1,118	356
Reduction in water purchase costs	-32	63	-11	0	2
Total	237	1,412	-290	-569	760

Furukawa Electric + Domestic group companies

Details of benefits	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue from recycling	487	488	531	593	777
Reduction in waste disposal costs	-196	57	146	46	50
Reduction in energy costs	141	2,129	-1,613	-3,541	1,901
Reduction in water purchase costs	-24	86	-4	-13	6
Total	408	2,760	-940	-2,915	2,735



Environmental conservation benefits

Furukawa Electric

Environmental impact	Unit	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Volume of industrial waste disposal processed *	tons	369	532	539	485	313
Energy consumption (crude oil equivalent)	1,000 kℓ	139	129	129	122	89
Water consumption	1,000 tons	7,987	7,871	7,873	7,770	8,292
Emissions of volatile organic chemical compounds	tons	236	236	223	195	205
CO ₂ emissions	1,000 t-CO ₂ e	213	197	185	133	83
SO _x emissions	tons	4	3	2	3	3
NO _x emissions	tons	47	73	66	61	62
Soot emissions	tons	3	1	3	2	3

Domestic group companies

Environmental impact	Unit	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Volume of industrial waste disposal processed *	tons	1,106	1,006	864	999	926
Energy consumption (crude oil equivalent)	1,000 kℓ	52	47	53	48	40
Water consumption	1,000 tons	1,878	1,507	1,295	1,350	1,136
Emissions of volatile organic chemical compounds	tons	120	79	68	55	49
CO ₂ emissions	1,000 t-CO ₂ e	97	90	95	85	75
SO _x emissions	tons	0	0	1	3	3
NO _x emissions	tons	20	20	5	1	1
Soot emissions	tons	0	0	4	0	0

Furukawa Electric + Domestic group companies

Environmental impact	Unit	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Volume of industrial waste disposal processed *	tons	1,474	1,538	1,404	1,484	1,239
Energy consumption (crude oil equivalent)	1,000 kℓ	191	176	181	169	129
Water consumption	1,000 tons	9,865	9,378	9,168	9,120	9,428
Emissions of volatile organic chemical compounds	tons	356	315	292	250	254
CO ₂ emissions	1,000 t-CO ₂ e	310	287	281	218	158
SO _x emissions	tons	4	3	3	6	6
NO _x emissions	tons	67	93	71	62	63
Soot emissions	tons	3	2	7	3	3

* Excluding recycled wastes



Investment and research costs (Unit: million yen)

Furukawa Electric

Investment and research costs	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Total investment	18,736	14,195	14,352	16,408	16,864
Of which, environment-related investment	1,139	985	976	617	499
Total research costs	10,455	9,779	10,077	10,970	12,126

Domestic group companies

Investment and research costs	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Total investment	7,004	8,325	7,075	3,867	5,640
Of which, environment-related investment	234	137	345	152	138
Total research costs	1,974	1,799	2,816	1,694	1,634

Furukawa Electric + Domestic group companies

Investment and research costs	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Total investment	25,740	22,520	21,427	20,275	22,504
Of which, environment-related investment	1,374	1,122	1,321	769	637
Total research costs	12,429	11,578	12,893	12,664	13,760

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

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Cumulative number of registered items	126	130	131	133	136
	Percentage of sales on a one-year basis	66.4	68.4	74.3	73.7	77.4
Furukawa Electric (consolidated)	Cumulative number of registered items	137	149	156	150	157
	Percentage of sales on a one-year basis	56.2	58.2	61.9	65.0	65.9



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

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric Group	Scope1		172	143	128	153	147
	Scope2		570	504	512	418	346
	Scope3 [*]		4,735	4,161	4,480	4,458	4,200
	Upstream	Category 1 : Purchased goods and services [*]	2,493	1,656	1,829	1,855	1,820
		Category 2 : Capital goods	187	158	134	154	137
		Category 3 : Fuel- and energy-related activities [*]	112	94	123	110	102
		Category 4 : Upstream transportation and distribution [*]	73	126	207	323	211
		Category 5 : Waste generated in operations	22	21	22	18	16
		Category 6 : Business travel [*]	7	6	57	12	13
		Category 7 : Employee commuting	23	23	24	24	25
		Category 8 : Upstream leased assets	7	6	7	9	6
	Downstream	Category 9 : Downstream transportation and distribution [*]	11	9	141	9	23
		Category 10 : Processing of sold products	-	-	17	16	14
		Category 11 : Use of sold products [*]	1,720	1,980	1,575	1,587	1,482
		Category 12 : End-of-life treatment of sold products [*]	50	51	57	63	81
Category 13 : Downstream leased assets		2	3	4	4	3	
Category 14 : Franchises		-	-	-	-	-	
Category 15 : Investments [*]		28	28	283	274	267	
Total			5,477	4,808	5,120	5,029	4,693

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

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
CO ₂	139	115	121	116	105
SF ₆	32	28	7	37	42

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


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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
CO ₂ (Furukawa Electric + domestic group companies)	310	288	281	218	158
CO ₂ (Overseas Group Companies)	400	331	352	316	293
SF ₆ (Furukawa Electric)	32	28	7	37	42
Total of Scope 1 and 2	742	648	640	571	493

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric Group	0.811	0.798	0.687	0.535	0.466

CO₂ emission and energy intensity related to transportation

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	CO ₂ emissions (1,000 t-CO ₂ e)	14.9	13.7	14.4	13.3	12.7
	Energy intensity (MJ/t-km)	1.7	1.7	1.74	1.74	1.77

Energy consumption (Unit: 1,000 kL)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric + domestic group companies	191	176	181	169	129
Overseas Group Companies	205	175	191	183	151
Total	396	351	372	352	280

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Purchased Electricity (except for renewable energy)	499	468	480	343	212
Purchased Electricity (renewable energy)	0	0	2	99	188
Private Power Generation (hydroelectric and solar)	113	93	97	94	95
Total Electricity Consumption	612	561	579	536	495
Renewable energy ratio (%)	18.5	16.6	17.1	36	57.2


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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Purchased Electricity (except for renewable energy)	1,150	1,052	1,107	927	743
Purchased Electricity (renewable energy)	26	25	36	138	243
Private Power Generation (hydroelectric and solar)	116	95	99	97	100
Total Electricity Consumption	1,292	1,172	1,242	1,162	1,086
Renewable energy ratio (%)	11	10.2	10.9	20.2	31.6

Water withdrawal (Unit: 1,000 m³)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fresh surface water, including rainwater, water from wetland, rivers, and lakes	6,560	6,696	6,655	6,689	6,701
Brackish surface water/Seawater	0	0	0	0	0
Groundwater - renewable	3,005	2,423	2,432	2,288	2,301
Groundwater - non-renewable	0	0	0	0	0
Produced/Entrained water	0	0	0	0	0
Municipal potable water	2,969	2,680	3,130	2,900	2,746
External wastewater	0	0	0	0	0
Used quarry water collected in the quarry	0	0	0	0	0
Total	12,534	11,799	12,217	11,877	11,747

Water discharge (Unit: 1,000 m³)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Ocean	821	710	654	677	712
Surface Water	7,753	7,451	7,541	7,225	7,301
Subsurface	0	0	0	0	0
Sewerage (Off-site water treatment)	2,084	1,995	2,079	2,177	2,132
Beneficial / other use	0	0	0	0	0
Total	10,658	10,156	10,274	10,079	10,144

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric + domestic group companies	1,111	1,100	1,100	1,101	1,100
Overseas Group Companies	58	59	52	50	49



Raw materials (Unit: 1,000 tons)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric + domestic group companies	Copper	135.2	124	128.6	132.3	119.6
	Aluminum	13.7	8.1	14.5	8.1	5.8
	Steel	2.9	4.1	5.6	3.1	4
	Glass	0	0	0	0	0
	Plastics	34.1	32.9	30.9	28.4	23.7
Overseas Group Companies	Copper	161.5	119.3	113.7	110.7	109.9
	Aluminum	32.9	12.5	14.4	19.4	23.8
	Steel	9.6	9	12.5	11.9	10.9
	Glass	3.4	2.5	2.4	2.1	1.2
	Plastics	52.2	48.1	48.8	54.8	48.4

Total waste generation (Unit: 1,000 tons)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric + domestic group companies	30	27	27	25	22
Overseas Group Companies	19	18	17	17	18
Total	49	45	43	42	40

* Total amount of waste generated in Japan includes valuable resources

Total volume of plastic waste generated

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Amount of emissions (Unit: 1,000 tons)	-	4	4.2	3.8	3.6
	Per unit of net sales (t/hundred million yen)	-	1.01	1.44	1.23	1.22

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

Recycled resource volume (Unit: 1,000 tons)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric + domestic group companies	26.6	22.7	23.3	22.6	18.8
Overseas Group Companies	6.1	7.1	5.2	12.5	14.5



Final disposal volume (Unit: 1,000 tons)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric + domestic group companies	0.4	0.4	0.3	0.3	0.3
Overseas Group Companies	12.8	12	11.5	9.4	3.8

Hazardous waste generation (Unit: tons)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric Group	6,427	5,112	5,745	4,524	3,619

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	236	236	223	195	205
Domestic group companies	120	79	68	55	49
Total	356	315	291	250	254

NOx and SOx emissions (Unit: tons)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric + domestic group companies	NOx	67	93	71	62	63
	SOx	4	3	3	6	6

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

No.	Substance	Volume handled	Volume released	Volume transferred	Volume contained in products/ disappeared by combustion
1	Zinc and its compounds	4.5	-	0.5	4.1
31	Antimony and its compounds	365.1	0.2	37.4	327.6
53	Ethylbenzene	86.9	0.8	22.6	63.5
71	Ferric chlorides	6.0	-	-	6.0
75	Cadmium and its compounds	108.9	-	30.6	78.3
80	Xylene	142.1	1.4	22.4	118.3
82	Silver and its water-soluble compounds	2.1	-	0.9	1.2
86	Cresol	170.0	0.1	23.2	146.8
87	Chromium and trivalent chromium compounds	6.9	-	-	6.9
Total		44,977	82	264	44,632



No.	Substance	Volume handled	Volume released	Volume transferred	Volume contained in products/ disappeared by combustion
88	Hexavalent chromium compounds	3.7	-	3.1	0.6
132	Cobalt and its compounds	4.8	-	-	4.8
144	Inorganic cyanide compounds (Excluding complex salt and cyanate)	2.2	0.8	0.7	0.7
213	N,N-dimethylacetamide	485.6	0.1	7.6	477.9
272	Copper salts (water-soluble)	4,863.8	0.1	18.9	4,844.8
296	1,2,4-trimethylbenzene	6.1	-	-	6.0
300	Toluene	187.9	73.3	43.1	71.5
308	Nickel	420.1	-	11.3	408.8
309	Nickel compounds	100.4	-	15.1	85.3
332	Arsenic and its inorganic compounds	5.7	-	0.1	5.6
333	Hydrazine	5.8	-	-	5.8
349	Phenol	125.1	0.1	16.6	108.4
355	Bis (2-ethylhexyl) phthalate	120.5	-	-	120.5
374	Hydrogen fluoride and its water-soluble compounds	5.0	0.1	2.2	2.7
384	N-propyl bromide	2.1	2.1	-	-
405	Boron and its compounds	3.2	-	0.6	2.6
412	Manganese and its compounds	3.7	-	-	3.7
413	Phthalic anhydride	2.2	-	-	2.2
438	Methylnaphthalene	12.9	-	-	12.9
601	Octamethylcyclotetrasiloxane	159.2	-	-	159.2
629	Cyclohexane	1.1	0.7	-	0.5
667	Silicon carbide	2.7	-	1.7	0.9
697	Lead and its compounds	37,389.6	0.4	5.4	37,383.7
705	Bis(2,2,6,6-tetramethyl-4-piperidyl) sebacate	1.5	-	-	1.5
731	Heptane	1.5	1.5	-	-
746	N-Methyl-2-pyrrolidone	168.5	-	-	168.4
Total		44,977	82	264	44,632

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


Social revised in October 2024

Number of employees

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male	Number of people	3,548	3,594	3,704	3,735	3,774
		Percentage (%)	90	88	88	88	87
	Female	Number of people	377	490	497	532	561
		Percentage (%)	10	12	12	12	13
	Total	Number of people	3,925	4,084	4,201	4,267	4,335

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

Number of employees in managerial positions

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male	Number of people	908	931	1,013	1,024	1,055
		Percentage (%)	97	97	96	95	94.6
	Female	Number of people	32	33	40	52	60
		Percentage (%)	3.4	3.4	3.8	4.8	5.4
	Total	Number of people	940	964	1,053	1,076	1,115

Number of candidates for managerial positions (equivalent of chiefs)

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male	Number of people	458	467	463	490	493
		Percentage (%)	91	90	89	88	86
	Female	Number of people	44	53	59	67	79
		Percentage (%)	8.8	10	11	12	14
	Total	Number of people	502	520	522	557	572

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	4.30	4.59	3.69	4.45	3.38

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

Employment rate of people with disabilities (Unit: %)

	2019	2020	2021	2022	2023
Furukawa Electric	2.14	2.09	2.32	2.35	2.42

* As of June 1 of each year



Share of non-Japanese employees (Unit: %)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	-	-	-	0.5	0.5

* We began disclosing in FY2022.

Percentage of labor union membership (Unit: %)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male	97.6	99.0	99.3	99.1	99.0
	Female	99.3	97.0	97.0	96.9	96.7
	Total	99.1	99.0	98.9	98.8	98.6

* Including those exempted as defined in the collective agreement

Average age (Unit: years)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male	-	-	-	44.1	44.3
	Female	-	-	-	40.5	40.2
	Total	-	-	-	43.7	43.8

* We began disclosing in FY2022.

Average years of service (Unit: years)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male	20.8	20.2	19.7	20.3	20.3
	Female	18.2	17.2	16.5	16.8	16.2
	Total	19.4	18.8	19.3	19.9	19.7

Average wages by employment category

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	All employees	Average of male workers (Unit: thousand yen)	-	-	-	7,015	6,972
		Average of female workers (Unit: thousand yen)	-	-	-	4,850	4,923
		Average of all workers (Unit: thousand yen)	-	-	-	6,750	6,708
		Female/ male (Unit:%)	-	-	-	69.1	70.6
	Regular employees	Average of male workers (Unit: thousand yen)	-	-	-	7,110	7,051
		Average of female workers (Unit: thousand yen)	-	-	-	4,943	4,989



			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
		Average of all workers (Unit: thousand yen)	-	-	-	6,845	6,784
		Female/ male (Unit:%)	-	-	-	69.5	70.8
	Non-regular employees	Average of male workers (Unit: thousand yen)	-	-	-	4,964	4,652
		Average of female workers (Unit: thousand yen)	-	-	-	2,912	2,695
		Average of all workers (Unit: thousand yen)	-	-	-	4,704	4,427
		Female/ male (Unit:%)	-	-	-	58.7	57.9%

* We began disclosing in FY2022.

Number of new hires (Unit: persons)

				FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	New graduates	Career-track and clerical positions	Male	80	86	95	79	72
			Female	31	33	24	29	34
			Total	111	119	119	108	106
			Non-Japanese	0	0	0	1	1
		Manufacturing worker	Male	49	53	52	39	43
			Female	1	2	1	4	6
			Total	50	55	53	43	49
	Mid-career hires	Managers, career-track, and clerical positions	Male	34	31	59	74	83
			Female	4	4	8	17	18
			Total	38	35	67	91	101
			Non-Japanese	-	-	-	4	1
		Manufacturing worker	Male	43	30	8	17	34
			Female	0	0	0	0	4
			Total	43	30	8	17	38
	Total		Male	206	200	214	209	232
			Male (%)	85.1	83.7	86.6	80.7	78.9
			Female	36	39	33	50	62
			Female (%)	14.9	16.3	13.4	19.3	21.1
			Total	242	239	247	259	294


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

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Career track and clerical positions	Male	72	72	80	73	74
		Female	28	28	20	27	26

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

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Including manufacturing workers		34	27	30	41.7	47.3
	Excluding manufacturing workers		26	23	36	45.7	48.8

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

Turnover rate (Unit: %)

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male		1.8	1.6	2.6	3.4	3.7
	Female		0.8	1.5	4.8	4.1	2.9
	Total		1.7	1.6	2.8	3.5	3.6

*1 The calculation method has changed since FY2021;

Number of employees who resigned/retired during the fiscal year (A) ÷ Number of employees enrolled during the fiscal year.

(Before FY 2020 ; (A) ÷ number of employees enrolled on the first day of the fiscal year.)

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

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

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Direct work		26.0	20.1	27.8	24.8	22.6
	Indirect work		20.9	22.9	23.9	23.2	22.3
	Total		23.2	21.2	25.2	23.8	22.4

Use of regular annual leave (Unit: days)

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Days carried over per person (A)		21.5	20.7	21.2	21.1	20.5
	Days granted per person (B)		23.9	23.8	23.7	23.6	23.5
	Days acquired per person (C)		15.4	13.1	14.0	15.6	16.1
	Acquisition rate (C÷B) (%)		64.4	55.2	59.1	66.0	68.5



Ratio of childcare leave taken

			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male	Ratio of childcare leave taken (%) *2	-	-	-	60.0	103
		Number of persons who had newborns (persons)	-	-	-	75	66
		Number of persons who took childcare leave (persons) *2	-	-	-	45	68
		Average number of days of leave (days) *3	-	-	-	38	25
	Female	Ratio of childcare leave taken (%) *2	-	-	-	100.0	93.8
		Number of persons who had newborns (persons)	-	-	-	10	16
		Number of persons who took childcare leave (persons) *2	-	-	-	10	15
		Average number of days of leave (days) *3	-	-	-	417	345

*1 From FY2022, forms were revised. For information on FY2022 and earlier, please refer to "Ratio of childcare leave taken (Old format)" in Sustainability Book 2023.

*2 From FY2023, the ratio of childcare leave taken is calculated as "the number of persons who started taking childcare leave during the current fiscal year / the number of persons who had newborns." Until FY2022, it was calculated as "the number of persons currently taking childcare leave / the number of persons who have newborns," so the FY2022 results in the table have been revised to conform to the FY2023 calculation standard. In addition, persons who took maternity leave are not included in the number of persons who took childcare leave.

*3 Figures from FY2023 present "the average number of days of leave taken by persons who returned to work in the current fiscal year." Since the figures for FY2022 presented "the average number of days of childcare leave taken by persons in the current fiscal year," the FY2022 results in the table have been revised to conform to the FY2023 calculation standard.

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

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male	1	0	3	0	2
	Ratio of employees returning to work (%)	100	-	100	-	50
	Female	1	0	0	0	0
	Ratio of employees returning to work (%)	100	-	-	-	-
	Total	2	0	3	0	2
	Ratio of employees returning to work (%)	100	-	100	-	50

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



Number of employees taking volunteer leave (Unit: persons)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male	1	0	0	0	0
	Female	0	0	0	0	0
	Total	1	0	0	0	0

Number of employees taking refreshment leave (Unit: persons)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Male	161	124	124	120	87
	Female	17	26	11	12	7
	Total	178	150	135	132	94
	Employees who have reached 25 years of service	179	119	98	99	80

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

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

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Target control system	39	54	66	66	67
	Absolute and relative evaluations based on ranking	100	100	100	100	100

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	72	72	71	70	68



Number of employees trained by positions (Unit: persons)

	Lecture	Target	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Executive training	Newly appointed officers (full-time, part-time)	9	6	7	7	3
	Training for section managers	New section managers and managers ^{*1} ^{*2} ^{*4}	93	88	63	263	293
	Training for key employees	Newly appointed managers and specialist employees ^{*1}	65	0 ^{*3}	85	52	74
	New employee training	New employees ^{*1} ^{*2}	109	108	119	107	107

*1 Furukawa Electric and employees dispatched to other companies

*2 Human rights education included in the lecture

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

*4 Total number of employees who took each program

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

Category	Target	Subject	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Seminar in Japan	Furukawa Electric and group companies in Japan	Compliance and bribery regulations	654	709	833	No seminar offered ^{*1}	1,458
Seminar in overseas	Overseas group companies	Competition law compliance and bribery regulations	44 (Vietnam)	12 (Singapore)	29 (Malaysia)	47 (Mexico)	43 (Taiwan)
E-learning program ^{*2}	Furukawa Electric, group companies in Japan and overseas	Competition law compliance	0	0	0	3,656	0
		Bribery regulations	0	0	0	3,637	0

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

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

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric + Domestic group companies	557	1,176	1,103	1,265	3,146

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric + Domestic group companies	997	1,255	779	323	423



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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	1,890	1,490	1,484	1,858	2,833

Number of employees receiving health training (Unit: persons)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Total number of people per year	6,271	7,391	6,626	9,684	15,106
	Total time per year (Unit: Hour)	2,929	2,803	1,944	3,277	2,195

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	302	71	76	94	81
Domestic group companies	95	12	131	12	37
Total	397	83	207	106	118

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

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	83	80	60	80	80

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

Frequency rate of accidents resulting in time off work

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	0.59	0.11	0.32	0.32	0.53
Domestic group companies	0.32	0.21	0.25	0.38	0.39

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

Number of deaths among regular employees

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	0	0	0	0	0

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

Number of deaths among non-regular employees

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	0	0	0	0	0

* Contractors not included



Number of communications with suppliers on important items in the SAQ(Unit: companies)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Furukawa Electric	-	-	-	5	20	25
Domestic group companies	-	-	-	-	34	34
Overseas group companies	-	-	-	-	38	38
Total	-	-	-	5	92	97

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

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Number of evaluated suppliers (Main Suppliers)	199	198	248	260	230
	Number of suppliers attended at the Partners Meeting	59	- ^{*1}	57	58	54
	Number of suppliers tried CO ₂ reduction by Procurement logistics ^{*2}	21	22	20	20	19

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

*2 The calculation method was reviewed in FY2024 and recalculated retroactively for FY2019.

Governance Revised in October 2024

Number of directors (Unit: Persons)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Furukawa Electric	Directors	12	12	11	11	11	11
	Outside directors	5	5	5	5	5	5
	Independent directors	5	5	5	5	5	5
	Female directors	1	1	1	1	1	1

* As of the end of each year, however, as of June 26 for fiscal 2024.

Number of Audit & Supervisory Board members (Unit: Persons)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Furukawa Electric	Audit & Supervisory Board members	6	6	6	6	6	6
	Outside members	3	3	3	3	3	3
	Independent members	3	3	3	3	3	3
	Female members	0	1	1	1	1	1

* As of the end of each year, however, as of June 26 for fiscal 2024.



Number of Executive officers (Unit: Persons)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Furukawa Electric	Executive officers	25	27	27	25	23	27
	Female executive officers	1	1	2	1	1	2
	Foreign executive officers	3	3	3	2	2	2

* As of April 1st of each year

Number of Senior Fellows (Unit: Persons)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Furukawa Electric	Senior Fellows	2	1	1	3	3	2

* As of April 1st of each year

Others Revised in October 2024

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

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Sales by region	Japan	495,658	435,195	461,450	517,358	511,296
	China	75,059	82,777	100,457	104,326	103,443
	Asia (except Japan,China)	183,033	141,029	190,877	224,931	242,820
	North and Central America	78,302	78,179	91,716	127,793	120,569
	South America,Europe and others	82,386	74,418	85,994	91,915	78,400
Consolidated sales		914,439	811,600	930,496	1,066,326	1,056,528
Overseas sales		418,781	376,403	469,046	548,967	545,232
Overseas sales ratio (%)		45.8	46.4	50.4	51.5	51.6

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

Number of patent rights (Unit: patents)

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furukawa Electric	Domestic patents	4,523	4,388	4,423	4,364	4,455
	Overseas patents	2,910	2,976	3,160	3,225	3,333
Total		7,433	7,364	7,583	7,589	7,788

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



Reference Data

Occupational Health and Safety

- Scope of the frequency rate of accidents resulting in time off work (as of March 31, 2024)

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.

Environmental Management - Scope of the environmental management (as of March 31, 2024)

30 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.*	The Furukawa Finance and Business Support Co., Ltd.
Myojodenki Co., Ltd.	Essex Furukawa Magnet Wire Japan Co., Ltd.*	NTT Devices Optech Corporation*

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



60 Overseas group companies

OFS Fitel, LLC	Furukawa Auto Parts (Huizhou) CO., Ltd.
American Furukawa, Inc.	Furukawa Automotive Parts (Dong Guan) Ltd.
SuperPower Inc.	Furukawa Shanghai, Ltd.
Furukawa Wiring Systems Mexico, S.A. de C.V.	Furukawa Electric Hong Kong Ltd.
Furukawa Mexico S.A. de C.V.	Taiwan Furukawa Magnet Wire Co., Ltd.
Furukawa Automotive Systems Mexico S.A. de C.V.	Furukawa Circuit Foil Taiwan Corporation
Furukawa Industrial Colombia, SAS	Furukawa Electric Copper Foil Taiwan Co., Ltd.
Furukawa Electric LatAm S.A.	Taiwan Furukawa Electric Co., Ltd.
Furukawa Industrial Optoelectronica Ltda.	Furukawa FITELE (Thailand) Co., Ltd.
Furukawa Sistemas Automotivos do Brasil Ltda.	Thai Furukawa Unicom Engineering Co., Ltd.
Furukawa Industrial LatAm S.A. Sucursal Argentina	Furukawa Automotive Systems (Thailand) Co., Ltd.
Furukawa Electric Europe Ltd.	Furukawa Automotive Systems Asia Pacific Co., Ltd.
OFS FITELE Deutschland GmbH	SIAM Furukawa Co., Ltd.
Trocellen GmbH	Furukawa Precision (Thailand) Co., Ltd.
OFS Fitel Denmark Aps	Furukawa (Thailand) Co., Ltd.
Trocellen Italy S.p.A.	Trocellen S.E.A. Sdn. Bhd.
Furukawa Electric Autoparts Central Europe, s.r.o	Permintex Furukawa Autoparts Malaysia Sdn. Bhd.
Polifoam Plastic Processing Co., Ltd.	Furukawa Electric Singapore Pte. Ltd.
Furukawa Electric Institute of Technology Ltd.	Furukawa Automotive Parts (Vietnam) Inc.
OFS RUS Fiber Optic Cable Company	Furukawa Automotive Systems Vietnam Inc.
Furukawa Electric Morocco SARL	Furukawa Automotive Systems Vinh Long Vietnam Inc.
Furukawa FITELE Optical Products (Shanghai) Co., Ltd.	FURUKAWA ELECTRIC THERMAL MANAGEMENT SOLUTIONS AND PRODUCTS LAGUNA, INC.
Shenyang Furukawa Cable Co., Ltd.	Furukawa Automotive Systems Lima Philippines, Inc.
Suzhou Furukawa Power Optic Cable Co., Ltd.	Furukawa Electric Autoparts Philippines Inc.
Tianjin Jinhe Electric Engineering Co., Ltd.	Furukawa Automotive Systems Design Philippines, Inc.
Furukawa Electric (Shenzhen) Co., Ltd.	P.T. Furukawa Optical Solutions Indonesia
Furukawa AVC Electronics (Suzhou) Co., Ltd.	P.T. Tembaga Mulia Semanan, Tbk.
Furukawa Automotive Systems Management (Shanghai) Co., Ltd.	P.T. Furukawa Automotive Systems Indonesia
Chongqing Changhua Automobile Harness Co., Ltd.	Furukawa Minda Electric Private Limited
Wuhan Furukawa Automotive Systems Co., Ltd.	P.T. FURUKAWA INDOMOBIL BATTERY MANUFACTURING



Environmental Management - Scope of the environmental accounting (as of March 31, 2024)

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.		

FURUKAWA ELECTRIC CO., LTD.

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