

Furukawa Electric Group

Sustainability Book

2020



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The cover expresses that Furukawa Electric Group runs business activities and social contribution to protect human health and the health of the social infrastructure, and support growth. Through these activities, we aim to achieve Furukawa Electric Group's Corporate Philosophy which is "contribution to the realization of a sustainable society."



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Editorial Policy

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

Period Covered

Fiscal 2019, from April 1, 2019 to March 31, 2020)

(note) Includes selected information on past initiatives and activities during fiscal 2020.

Organizations Covered

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

Publication Timeframe

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Editing and Publication

Furukawa Electric Co., Ltd

Corporate Sustainability Office Administration & CSR Division Furukawa Electric Co., Ltd.

2-3, Marunouchi 2-chome, Chiyoda-ku,

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Company Profile

Company Name	Furukawa Electric Co., Ltd.
President	Keiichi Kobayashi
Founded	1884
Established	1896
Paid-in Capital (As of March 31, 2020)	¥69,395 million
Net sales (Years ended March 31, 2020)	<ul style="list-style-type: none">• ¥914,439 million (Consolidated)• ¥440,675 million (Non-Consolidated)
Number of Employees (As of March 31, 2020)	<ul style="list-style-type: none">• 50,232 (Consolidated)• 3,925 (Non-Consolidated)
Head Office	Marunouchi Nakadori Bldg., 2-3,Marunouchi 2-chome, Chiyodaku, Tokyo 100-8322, Japan
TEL	+81-3-3286-3001

TOP Message

Driving the Group enthusiastically and energetically with "passion, persistence, and pride" to contribute to a sustainable society.

Furukawa Electric Group's Corporate Philosophy is "Drawing on more than a century of expertise in the development and fabrication of advanced materials, we will contribute to the realization of a sustainable society through continuous technological innovation."

From our founding in 1884 to the present, we have worked to "protect human health and the health of the social infrastructure, and support growth." To convey, connect and store energy, information and heat, we have developed a wide range of products throughout the world in the infrastructure areas, such as telecommunications and energy, the automotive parts area and the electronics area, leveraging our technologies in four core fields: metals, polymers, photonics and high frequency.

Underlying the philosophy and business activities are the words of Ichibei Furukawa, the founder of Furukawa Group, "Value employees. Value customers. Value new technologies. And contribute to society." For 136 years since the foundation, we have inherited the genes of the Group. We have valued the "three Value", protected, and supported the growth of people and social infrastructure and have done what is useful for society." The founder's belief has a lot in common with the Sustainable Development Goals (SDGs) adopted by the United Nations. As a member of society responsible for the future, we will continue to adhere to this belief.

In 2020, the world is facing the unprecedented crisis of the COVID-19 pandemic. As a result, the world is changing dramatically. In this environment, we value Furukawa Electric Group's Corporate Philosophy and will overcome this crisis. And beyond this crisis, I am certain that Furukawa Electric Group's technologies and products will positively contribute to sustaining a safe, peaceful and rewarding society.

In a world that is shifting rapidly, the Group will continue to change to become a sustainable corporate group to provide safety and expectations to all stakeholders. We will develop the Group enthusiastically and energetically with "passion, persistence, and pride" to contribute to achieving a truly affluent, sustainable society. We hope that we can count on your continued support.



Keiichi Kobayashi

President *Kei Kobayashi*

Corporate Philosophy

CORPORATE PHILOSOPHY

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

MANAGEMENT PHILOSOPHY

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

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

Core Value

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



FURUKAWA ELECTRIC Group Vision

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.



Governance



Corporate Governance

1. Basic Views and Guidelines on Corporate Governance

Basic Views on Corporate Governance

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

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

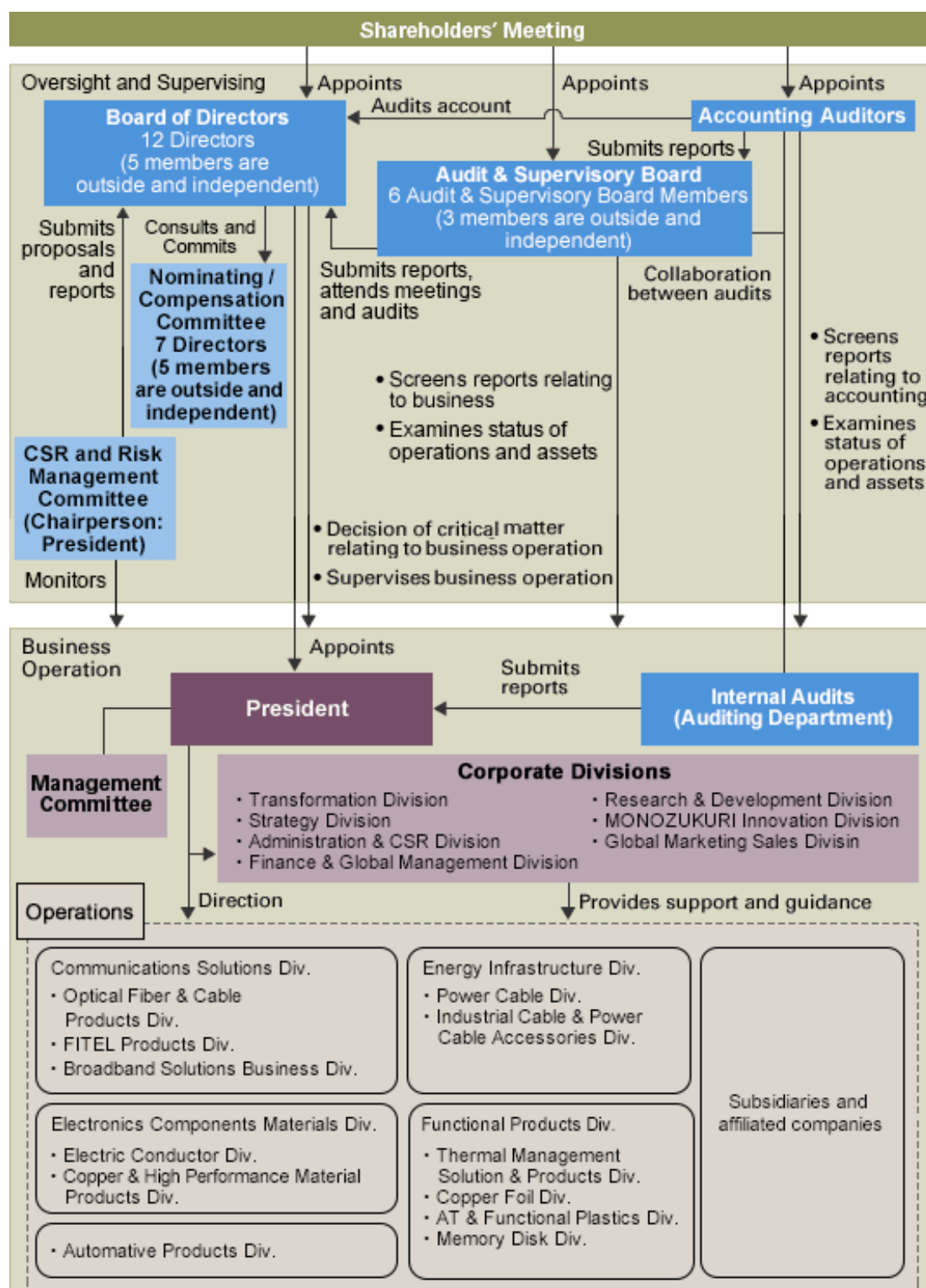
Guidelines on Corporate Governance

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

2. Overview of Corporate Governance System

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

Corporate Governance Organization Chart



(Note) As of June 23, 2020.

Board of Directors

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

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

At present, the board consists of 12 directors with 5 outside and independent directors in order to enhance transparency in decision-making and strengthen its oversight functions over the management taking outside directors' advice and opinion.

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

➤ Medium-term management plan for the period up to 2020, "Furukawa G Plan 2020"

Nominating/Compensation Committee

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

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

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

Audit & Supervisory Board

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

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

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

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

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

Business Operation

President is responsible for management of our whole business operation as a chief executive under the board's oversight.

Our business consists of 12 business divisions, and General Managers of each division are responsible for leading each business operation including subsidiaries and affiliated companies management.

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

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


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

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

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

3. Reinforcing Internal Control

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

For further details, please refer to "Systems for ensuring compliance of directors' execution of duties with laws, regulations and the Articles of Incorporation and soundness of other operations" (PDF 172MB). 

CSR Management

Basic Policy and CSR Code of Conduct

Each of the companies in Furukawa Electric Group develops CSR activities in line with the following Group basic policy.

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

Furukawa Electric Group Basic Policy on CSR (Revised March, 2011)

Based on the Furukawa Electric Group Corporate Philosophy,

- We will operate our businesses in harmony with society and the environment and endeavor to create social value through technological innovation, complying with laws, social norms, and ethics as a member of the international community.
- We will strive to maintain and build sound and friendly relationships with all of our stakeholders and contribute to the sustainable development of society.

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

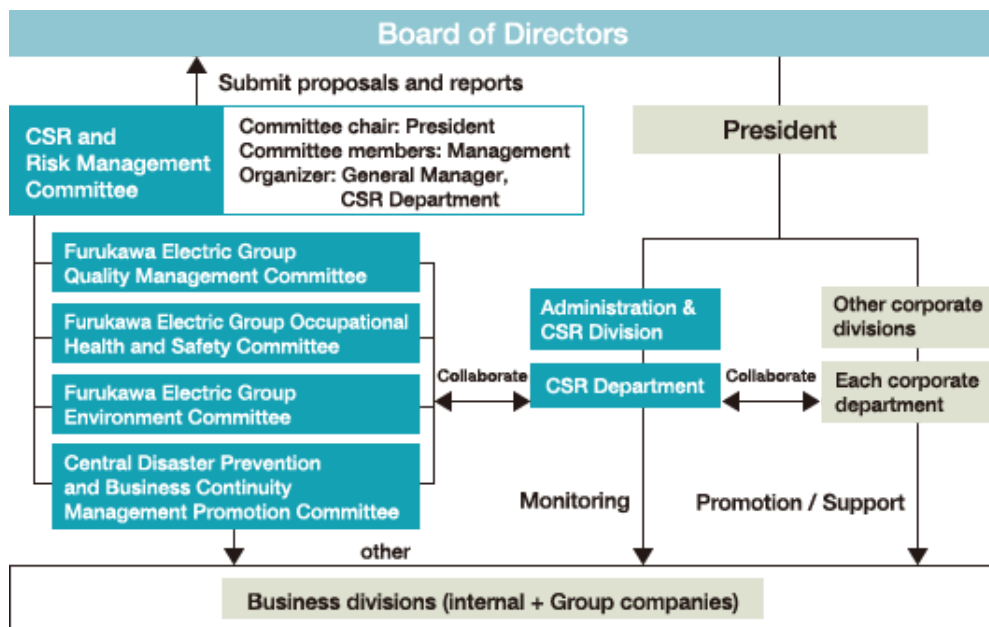
1. Human rights
2. Labor practices
3. Environment
4. Products and services
5. International businesses and transactions
6. Fair competition
7. Relations with customers, partners, and society
8. Management and preservation of Company assets
9. Disclosure of information
10. Duties and obligations of senior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

Basic Approach

In order to contribute to the realization of a sustainable society, we need to understand the social responsibilities of Furukawa Electric Group and implement policies in line with the Basic CSR Policy. We will promote CSR initiatives alongside our business activities so that each and every Group employee is able to take the lead in putting CSR initiatives into practice.

CSR Promotion Framework

Furukawa Electric Group has established the CSR and Risk Management Committee, which comprises members of management, as the structure for supervising and promoting CSR activities throughout Furukawa Electric Group, including risk management, internal control, compliance and social contribution. We have set up the CSR Department within our Administration & CSR Division. This department promotes CSR by facilitating communication among various committees and corporate departments.



Promotion Framework

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



: Achieved



: Partially achieved



: Not achieved

FY 2019			FY 2020
Targets	Results	Achievement	Targets
Enhancement of the compliance function Implementation of the compliance related education in the overseas high risk area	The compliance seminars for the staff worker of the group company were held in China, Indonesia and Vietnam		Thorough Compliance including World Trade and Commerce Compliance seminar focused on Anti-Bribery and Competition law will be planned at South-east Asia area by using the on-line meeting.
Strengthening overseas risk management Expansion of the manuals for countermeasures on emergencies in overseas areas	Emergency response manual for overseas area (for the kidnapping / intimidation / extortion)		Conducting a general risk assessment for the entire group Conduct a general risk questionnaire for the group companies, check the results on the Risk Map, and will make the risk reduction PDCA cycle.
Strengthening the cyber security countermeasures Strengthening the cooperation in the occurrence of cyber incidents and strengthening the countermeasure process for normal times.	Established cyber security manual Incident importance criteria and role of the members were specified		Strengthening cooperation of cyber security measures Establish the cooperation system among the group companies, their control departments of FEC and CSIRT(note)".

(note) CSIRT: The abbreviation of "Computer Security Incident Response Team".

The team is prepared to cope with the occurrence of cyber incidents.

Risk Management

Overview of the Risk Management and its Structure

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

Important Companywide Risks

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

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

BCM (Business Continuity Management) activities

Promotion in obtaining ISO certification

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



Exercise (Mie Works)

Disaster headquarters training at the Head Office

As a part of the Emergency Response Headquarters training for the head office employees, after the safety confirming call training in the initial response training, an industrial doctor lectured on health. Then, an evacuation drill was conducted simulating a fire in the head office building (Marunouchi, Chiyoda-ku). If a fire breaks out, a large number of people will be evacuated from the area, where there is a concentration of office buildings. Considering this, participants expressed opinions about guiding methods and the timing of the roll call. We will examine these opinions to improve our training.



Evacuation guidance training

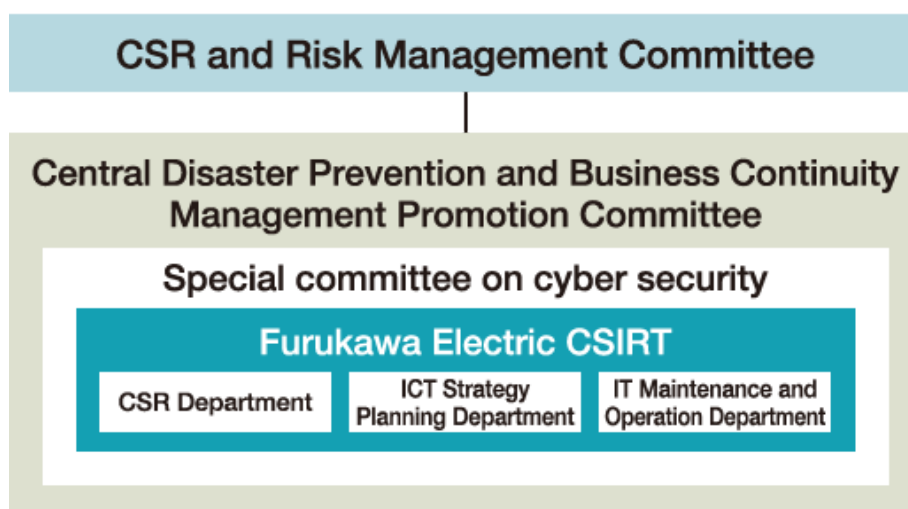
Information Security

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

Cyber security

In response to the cyber security risks that are becoming more sophisticated and serious year after year, from the end of fiscal 2017, we have been implementing the activities of the “Cyber Security Special Committee” consisting of the departments operating the missioncritical tasks and of the activities of the “Furukawa Electric CSIRT^(note 1)” to respond quickly in the event of incident occurrence. The Cyber Security Expert Group conducted an information security risk assessment in accordance with the cyber security management guidelines of the Ministry of Economy, Trade and Industry. In this year’s annual incident exercise, we simulated cyber incidents at the group’s overseas affiliates, and inspected the cooperation of business divisions. Furukawa Electric CSIRT promptly responds to major and minor incidents and works to maintain and improve cyber security. In fiscal 2019, Furukawa Electric CSIRT promptly alerted domestic and overseas affiliates to an increasing volume of business email scams, to Emotet², which had become prevalent in Japan, and to other spam and thoroughly informed them of measures to prevent incidents.

Organizational structure on cyber security



Private information protection

Responding to the 2018 enactment of the General Data Protection Regulation (GDPR) in Europe,³ we reviewed the protection of personal information at domestic and overseas affiliates, particularly at subsidiaries in Europe. Beyond the GDPR, cross-border transfers of personal information are regulated by laws in the state of California in the USA, China and other Asian countries. The departments involved, including the Legal Department, are taking steps to comply with the laws and regulations of the countries.

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

(note 2) Emotet: Malware that is infected by the Word document files attached to emails that impersonate a real organization or person.

If infected, the email information is stolen, and the emails that look more like real emails are created and scattered, such as, by pretending to be a business partner.

(note 3) EEA: European Economic Area. The EU 28 countries and Norway, Iceland and Lichtenstein.

Intellectual Property Risks

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

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

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

Challenges and Future Policy

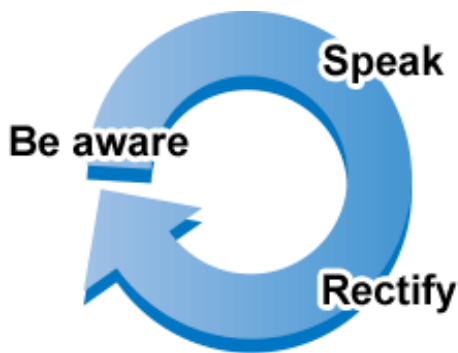
Following our international business development, risks that Furukawa Electric Group faces are becoming more diversified and complicated each year. We particularly recognize that risks inherent in overseas operations—mainly in emerging countries—and risks from the supply chain standpoint are our top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

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

Compliance

Basic Approach

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



Three Musts for Compliance Activities

1. Be aware

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

2. Speak

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

3. Rectify

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

Training and Raising Awareness among Employees

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

Initiatives in Compliance Months

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

Employee Compliance Awareness Surveys

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

Internal Reporting System

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

Security Trade Control

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

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

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

> [古河电工集团禁止行受贿基本方针 \(中文\)](#) 

Requirements of Furukawa Electric Group Anti-Bribery Statement

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

Challenges and Future Policy

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

Supply Chain

Basic approach to procurement

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

Furukawa Electric Group Procurement Policy

1. Fairness and Integrity

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

2. Compliance with Laws and Regulations and CSR Procurement

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

3. Partnership

We always value relationships of mutual trust with our business partners to create new values by collaboration.

We pursue to optimize our procurement conditions from the viewpoint of quality, cost, delivery, technological capabilities and CSR activities.

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

CSR Deployment Guideline

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

- Human Rights and Labor
- Information Security
- Environment
- Contribution to Society
- Fair Trading
- Occupational Health and Safety
- Product Quality and Safety
- Deployment to Suppliers

> [CSR Deployment Guideline \(PDF 103KB\)](#). 

Quality Assurance Guideline

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

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

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

> [合作伙伴质量保证指南\(PDF 312KB\)](#). 

Conducting Training on Subcontracting Transactions

In order to forge sound relationships with business partners through fair transactions that comply with rules and regulations, Furukawa Electric Group provides training for employees on subcontracting transactions. In fiscal 2019, the training courses which have been previously conducted and the employee education which newly incorporates e-learning were conducted, and we aimed to make thoroughly known the contents of the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors.

Partners Meeting and Partners Evaluation Scheme

We carry out partner evaluations for partners (80% of materials and equipment purchase amount) selected based on purchase amount and importance. For fiscal 2019, this meeting was held in June and was attended by 59 main business partners. In addition to the existing “Excellent Partner Awards” and “Group Global Partner Awards”, We have newly established the “Best Effort Partner Award” to evaluate improvement and efforts, and the “Best Performance Award” to evaluate excellent performance, and have incorporated multifaceted evaluations. We also evaluate main business partners on the basis of quality, technology, price, delivery system, degree of social contribution and credit condition, and then, we provide feedback on our findings, in partners meeting. In addition, we discuss the results of our evaluations with them to more closely align our awareness of procurement activities. As part of that, we accelerated the activities of Procurement Logistics in fiscal 2018. By selecting the best means of the transportation within the value chain, such as the effective use of the returning vehicles, we are continuing to deal with the cost reductions, CO₂ reductions during procurements, and “the risks of the soaring logistics costs and becoming difficult to transport”.

In fiscal 2019, we evaluated some 199 business partners and provided feedback to them. Furthermore, we requested ongoing cooperation from business partners on business continuity and stable supply initiatives.

Promoting CSR in procurement activities

We are promoting the ESG procurement activities in mindful of the “Environment” and the “Social” issues. Based on our CSR Deployment Guideline for Business Partners, Existing partner and we are working together to engage in procurement activities with “full legal compliance and fair trading practices”, “consideration for human rights, safety and the environment”, “reduction of an environmental impact” and “elimination of conflict minerals”. We are also continually providing encouragement at partners meeting by explaining the state of our efforts to our business partners, asking for their cooperation with our activities, and so on. We encourage new partners to comply with the CSR Promotion Guidelines at the start of transactions with us.

Value chain BCM (Business Continuity Management)

Furukawa Electric conducts regular questionnaire surveys on its main partners about their BCM measures. In fiscal 2019, we held questionnaire surveys for main partners and placed the results we received from our business partners onto a database. In this way, we have become able to quickly identify which partners are mostly likely to be affected during a natural disaster.

Conflict Minerals (note)

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

In fiscal 2019, we continued the surveys on the usage status of the conflict minerals for the main products of Furukawa Electric and the group companies. At the same time, we are actively promoting the procurement from the smelters certified by the RBA conflict-free smelter program.

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

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

Challenges and Future Policy

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



: Achieved



: Partially achieved



: Not achieved

FY 2019			FY 2020
Targets	Results	Achievement	Targets
<p>Strengthen strategic relationships with partners</p> <ul style="list-style-type: none"> • Ongoing implementation of the partner assessment system and utilization of feedback discussions • Continue to inform partners about the "CSR Deployment Guidelines" • Examination and implementation of measures to strengthen the value chain by utilizing BCM questionnaire surveys and site surveys results • Carry out conflict minerals survey (data update survey) • Promotion of the strategic "Purchasing process" activities in consideration of the value chain. 	<ul style="list-style-type: none"> • Conducted partner evaluations of about 199 main partners and held partners • Introduce our CSR Deployment Guideline by procurement system online • Reviewed and increased the number of supply points (and sometimes recommended to hold inventory) for important products • A conflict materials surveys (data update surveys) was done • CO2 reductions during procurements <p>Number of partners 18 companies in 2018 ⇒ 24 companies in 2019</p>		<p>Promotion of procurement activities that fulfill social responsibility to solve the SDGs</p> <ul style="list-style-type: none"> • Continue partner evaluation system • Continue to inform partners about CSR Deployment Guidelines • Communication with partners with a view to strengthening the Value chain based on the results of BCM questionnaire surveys • Conflict minerals survey (data update survey) • Promotion of the strategic "Purchasing process" activities in consideration of the value chain.

Social



Personnel Management

Personnel Management Policy

We aim to be a creative and dynamic corporate group by utilizing diverse human resources globally. It is fundamental to human resource management to continuously create personnel who can embody Furukawa Electric group philosophy^(note), core value and contribute to strengthening competitiveness.

(note) Please refer to page 5 for “Furukawa Electric Group Corporate Philosophy”.

Medium-term policy

In the 2020 Mid-term Management Plan, we set a mission of pursuing diversity and initiative in order to continue growing in the global markets, improving our ability to respond to changes in the business environment, and realizing greater creativity and execution capabilities in our “people” and “organizations”. We will implement human resource management to support Furukawa Electric Group’s growth strategy through such as enhancement of HR function in Furukawa Electric Group as a whole through penetration of “Furukawa Electric Group Vision for Our People”^(note), fosterage of employee’s voluntary initiative on their career development, improvement of their motivation for competency development.

(note) Please refer to page 31 for “Furukawa Electric Group Vision for Our People”.

Main measures contributing to the Group’s global management

1. Realization of “Successor Training Plan” and strategic placement in important position within group
2. Early selection of candidates and systematic development and arrangement, for the training of the next generation of managers
3. Penetration and establishment of “Furukawa Electric Group Vision for Our People”, promotion of career development support and improvement of personnel system for that purpose
4. Improvement of training curriculum and promotion of human resources exchange, overseas dispatch of young employees
5. Acceleration of diversity management efforts
6. Promotion of productivity improvement and flexible working way through “work style reform”

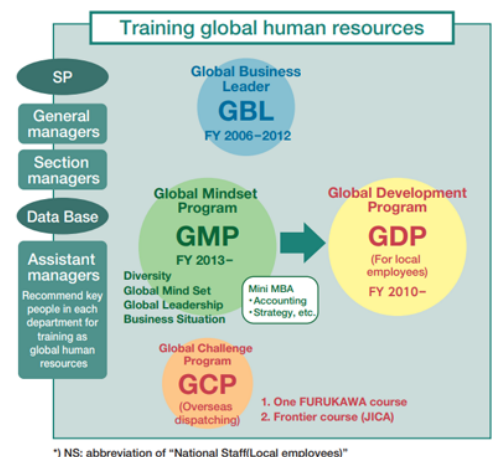
Human Resources Development

Enhancement of Education Program

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

Nurturing Leaders Adapted to the Global Scene

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



Global Human Resources Training System

Project to Improve GENBARYOKU Capabilities

From fiscal 2009, the training targeted for the employees in MONOZUKURI (manufacturing) site is carried out at each of our Plants. In fiscal 2018, training was also provided for each class of workers from freshmen to veterans. In addition, we hold the “MONOZUKURI training” targeting manufacturing staff from our Plants and domestic affiliates and the “all employees participating special programs” at the major plants in many companies in Furukawa Electric Group. More than 3,500 trainees participated in the site strength training. We are aiming to revitalize the “MONOZUKURI power” of the workplace by utilizing the “sight strength” where each thinks and acts on its own.

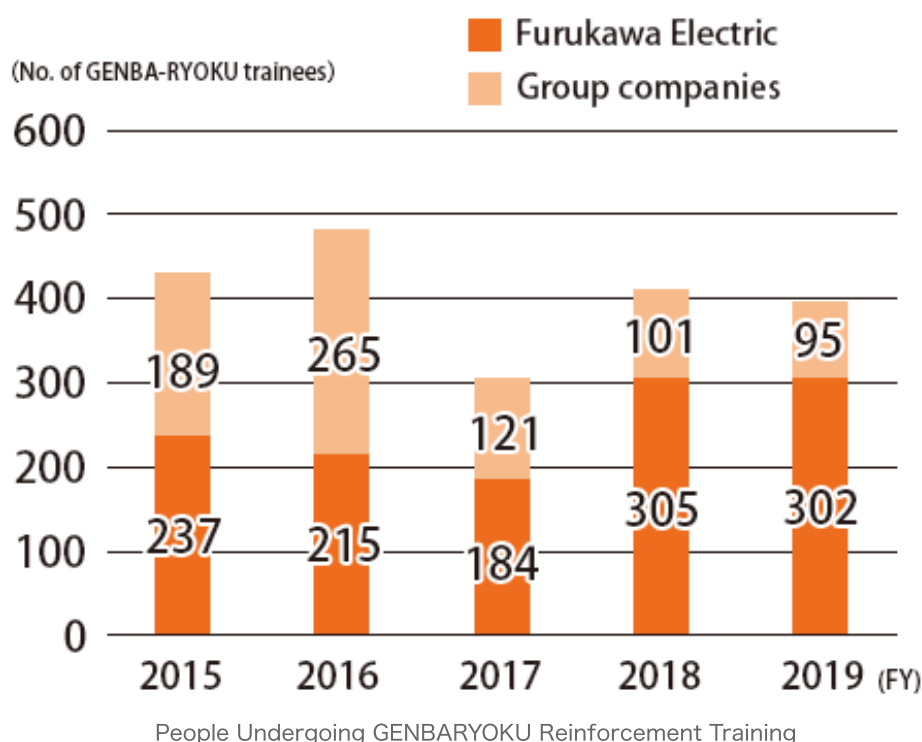


Training for novice technicians. Exercise in work improvement.



Group work on MONOZUKURI staff training for the sight strength.

We are promoting to create a culture which carries out the operation with the common language of “strengthening the GEMBARYOKU”. What’s more, we will strengthen our “MONOZUKURI capabilities” by working together as a united Furukawa Electric Group both in Japan and overseas.



Using Diverse Human Resources

One of our Group's management philosophies is to "nurture human resources at every level, so that we can become a more diverse and creative organization". It is essential for the progress of our Group's global management to create a corporate culture in which more diverse personnel can succeed. In April 2014, we set up a Diversity Promotion Section, and are working on various measures such as organizational mind fostering, women's career formation support, promotion of autonomous work-life management, etc., aiming at building an environment where diverse human resources can be active.

Diversity & Inclusion Activities

In fiscal 2018, our president has announced a message regarding Diversity & Inclusion (D & I) inside and outside the company. We conducted e-learning to prevent harassment and promote understanding of LGBT at 24 companies including domestic affiliates. In addition, we have started dispatching crossindustry training for chief level women, interviews for returning to childcare leave, and delivery of male childcare leave promotion emails.



"Male Leaders' Association Accelerating the Activity of "Shining Women"



Iku-Boss enterprise alliance



"Nadeshiko Brand" logo



"L-Stars" logo

Objectives related to support the success of women in the workplace (Set new target value in fiscal 2018)

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



Cross-Industry Training for Women

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

Work Style Reform

Work style reform activity started in 2015 as Phase 2 from fiscal 2018, with the slogan “Toward a corporate group where each and every employee works with excitement, and collaboration!” We are active on three pillars: “Autonomous work-life management”, “Culture of Learning and Growing one another”, “Practice of Change”. Above all, in the “Practice of Change”, we established a new award, commended good practices that can be used as reference for other departments. We also held a “preceding case seminar” to introduce their activities, and established a dedicated website for providing know-how and exchanging information. In this way, we have implemented measures to recognize good initiatives and share them widely.

Diversity in Hiring

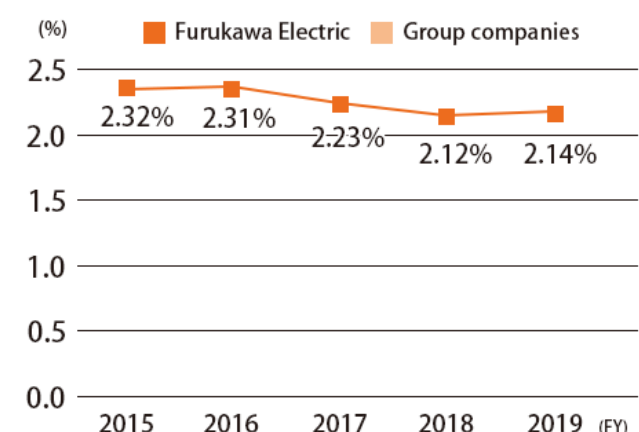
In order to respond to the global development of our business, Furukawa Electric Group has come together to implement a variety of initiatives with the aim of securing human resources. In addition to information exchanges to share know-how on hiring within Furukawa Electric Group, we held Furukawa Electric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

Encouraging Employment of Disabled People

Furukawa Electric has established special subsidiary Furukawa New Leaf in fiscal 2004 for the purpose of improving our employment rate of disabled people. As of March 31st 2019, Furukawa New Leaf employs 40 people who are intellectually challenged. Furukawa New Leaf will actively promote initiatives to improve the employment rate at our Hiratsuka Plant, Chiba Plant, and Mie Plant as activity bases.



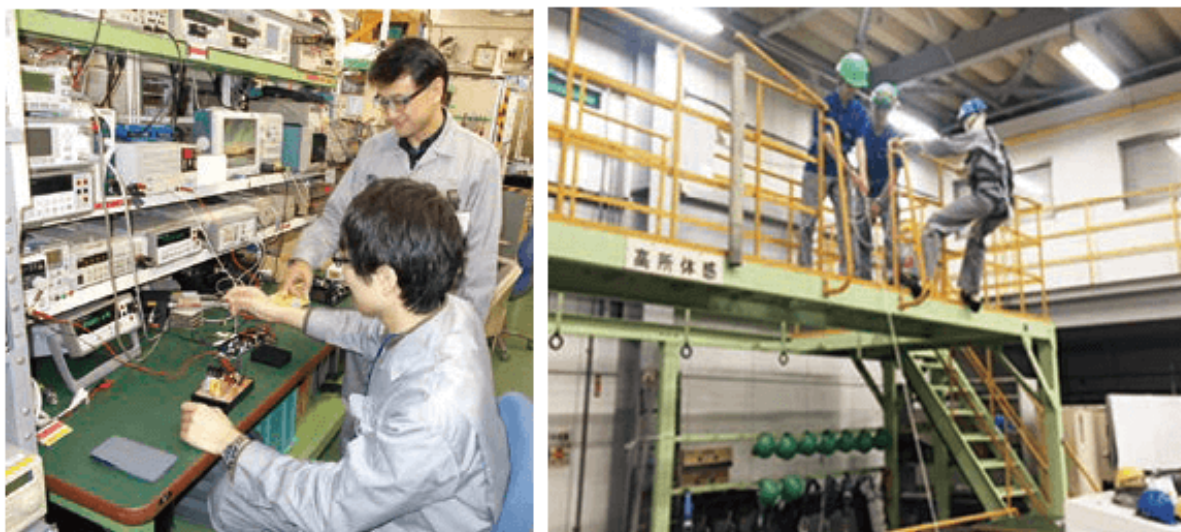
Furukawa New Leaf employees at work



Actual Employment Rate
(From our employment status report on disabled persons)

Internships

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



Internship training

Improving the Working Environment through Labor-Management Opinion Exchanges

Furukawa Electric maintains a basic position that both labor and management should endeavor to engage in sincere discussions, and therefore we focus on issue resolution and deepening mutual understanding. We hold our Central Management Briefings twice annually for public exchanges of opinion between labor and management. We have conducted such meetings for 67 years from fiscal 1952. As of May 2019 we had held these briefings 133 times. Representatives from labor and management exchange frank opinions and share information about a broad spectrum of items at these briefings, such as the business environment, management, and topical matters. We also have in place various committees such as the Personnel System Exploratory Committee and the Committee for Studying Shorter Hours that are designed to improve the working environment, which management and labor discuss on a daily basis. These discussions lead to improvements in various systems and strengthen monitoring functions, such as compliance response and the implementation status of other CSR activities.

Employee Data Book

Please see the URL below for Employee Data Book.

> [ESG Data](#)

Targets and Results (Personnel Development and Working Environment)

😊 : Achieved 😐 : Partially achieved 😞 : Not achieved

2019 Management Plan	Results	Achievement	2020 Management Plan
Strengthening of global human <ul style="list-style-type: none"> Review of the selection criteria for GDP training to obtain high training effect Expansion and improvement of the contents of GMP training 	<ul style="list-style-type: none"> A higher level of training effect was achieved by setting "engagement in strategic work and English proficiency" as the selection criteria for GDP. Achieved further improvement of mutual understanding within the group by reviewing joint training contents of GMP and GDP. 	😊	Strengthening leadership of the directors and above <p>Establishing attitudes and principles of conduct as the Group's Manager and expanding that to all over the group.</p>
Reinforcement of Monozukuri capability <ul style="list-style-type: none"> Implementation of "Monozukuri capabilities" Education Continue to strengthen "Monozukuri capabilities" of affiliated companies (Japan and overseas) (ongoing) 	<ul style="list-style-type: none"> Newly planned and implemented training aimed at improving problem-solving skills for workplace managers Continue to participate in each training from affiliated domestic companies 	😊	Reinforcement of "Monozukuri capabilities" <p>Reviewing the contents of the education by rank Continue to strengthen "Monozukuri capabilities" of affiliated companies (Japan and overseas) (ongoing)</p>
Support for diverse ways of working, and work-life balance <ul style="list-style-type: none"> Introduction of hourly annual leave Promote understanding of unconscious bias to raise awareness of Diversity & Inclusion 	<ul style="list-style-type: none"> Introduced the hourly annual regular leave system. An executive study session was held by inviting an outside lecturer to promote understanding of unconscious bias. 	😊	Support for diverse ways of working, and work-life balance <p>Expansion of telework system Continue to educate for raising awareness of acceptance of diverse human resources and ways of working.</p>

Occupational Health and Safety

Basic Approach to Occupational Health and Safety Management

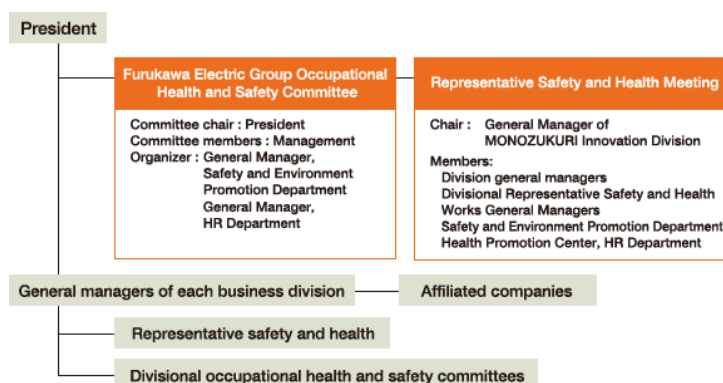
In addition to basic legal compliance, Furukawa Electric Group prioritized initiatives that promote "becoming a safety conscious person" and "realizing fundamental safety." Our basic approach is to aim for zero accidents and zero illness through safety activities focusing on three initiatives, that is,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

Basic Policy on Health and Safety Management

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

Promotion System

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



Promotion Framework

Safety and Health Activities Presentation Meetings

We have been holding presentation meetings on Furukawa Electric Group's safety and health activities and awarding the best with commendations. In fiscal 2019, twelve teams were selected from the SBUs (including four teams from group companies) to give presentations and receive awards from the president.



Furukawa FITEL Optical Products (Shanghai) Co.,Ltd. (FFOS)

Site Inspections by Officers

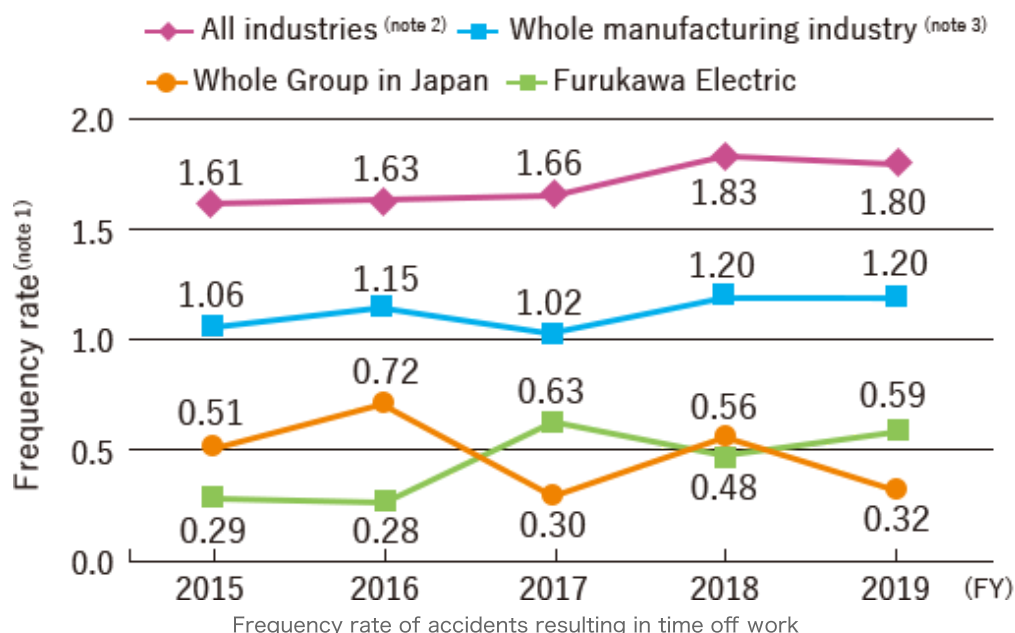
Furukawa Electric's safety officers make site inspections at Furukawa Electric Co., Ltd. and group companies whenever an accident occurs and in accordance with performance in the previous fiscal year. They confirm how appropriate the safety measures are, and check the extent to which these measures have become firmly established. In addition, they exchange opinions with a view to achieving fundamental safety, and work hard to prevent any recurrences. They also conduct visits to domestic and overseas group companies, and exchanged opinions with 12 companies in fiscal 2019.



TOTOKU Electric Co, Ltd. (TTK)

Work Accident Occurrence Status

In terms of its performance in fiscal 2019, Furukawa Electric recorded four “accidents with working loss days”, and failed to meet its target of “zero accidents with working loss days”. The frequency rate of accidents resulting in time off work ^(note 1) increased to 0.59 in Furukawa Electric only but decreased to 0.32 among all Group companies in Japan ^(note 2).



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

(note 2) The calculation for fiscal 2019 covered full-time employees and temporary staff at Furukawa Electric and 34 Group companies in Japan.

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

Meanwhile, the 2019 accident frequency rate for the whole Group including overseas Group companies was 0.6. This included accidents both resulting in and not resulting in time off work.

Please see below for companies included in the calculation.

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

Targets and Results (Accidents)



: Achieved



: Partially achieved



: Not achieved

FY 2019			FY 2020
Targets	Results	Achievement	Targets
Zero “accidents with working loss days”	Four “accidents with working loss days”		Zero “accidents with working loss days”

Healthcare for Employees Working Long Hours

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

Mental Health Education

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

<Mental health education programs>

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

Strengthening Passive Smoking Measures

Since fiscal 2003, the Company has fully embraced efforts to curb the smoking of tobacco and taken steps to prevent exposure to secondhand smoke and promote non-smoking lifestyles. We have achieved the Company-wide goals of no smoking during working hours (FY2017) and no smoking on the premises (FY2020). The smoking rate of male employees decreased from 53.3% in fiscal 2002 to 26.0% in fiscal 2019, an indicator that our initiatives have had a positive impact on the lifestyles and habits of our employees. We will continue to assist smokers as they work to quit smoking.



Non-smoking poster

Initiatives to Improve Health Literacy and Presenteeism

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

Measures to Prevent Falling Accidents

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

Certificated as “Health Management Brand 2019” and “Health Management Superior Corporation 2019”

From 2017 to 2020, 4 years in a row, The Company was certified as “Health Management Brand 2019” selected by Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange, in addition to “Health Management Superior Corporation 2019 (White 500)” which practiced good health management under the METI's health management excellent corporation certification system.

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



White 500 certificate

Quality

Basic Approach

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

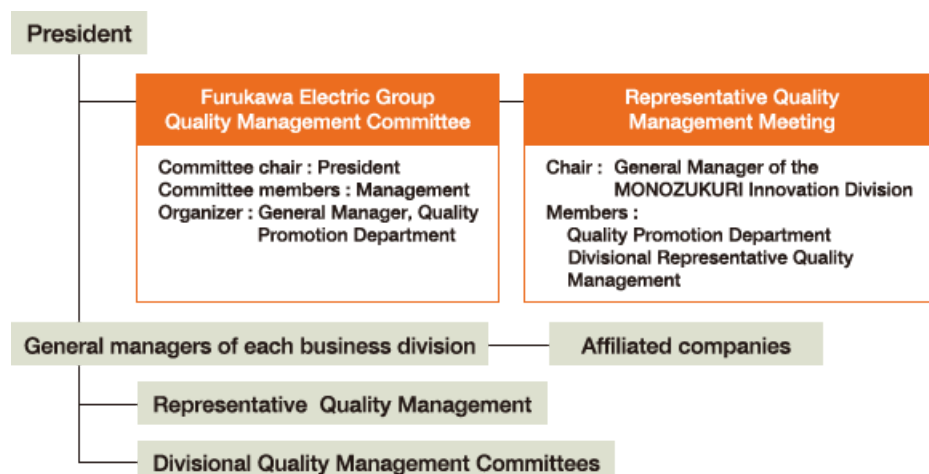
Going forward, we will continue endeavoring to further enhance "MONOZUKURI ability" throughout Furukawa Electric Group by achieving the quality expected by customers, based on a policy of Group-focused management.

Quality Management Policy

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

Organizations for Improving Quality

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



Promotion Framework

Quality Enhancement Project

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

At the end of the fiscal year, the report meeting was held to share improvement and good results for all business divisions.



Activities Reporting Meeting

Risk Free Design (RFD) Project

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

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

In fiscal year of 2019, the third year of this program, we continued to hold the training sessions to improve our ability to promote this concept. Furthermore, as part of the level-based education that was incorporated into the education system, we started training for younger engineers to improve their abilities of the product design.

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



Workshop

Issues and the future policy

In order to achieve the quality expected by customers, two projects will be continuing. The Quality Enhancement Project does not simply address quality improvement themes on a superficial level. The project determines the root causes of problems to improve technology in our fields of business and continues to cultivate human resources who excel at solving problems. The Risk Free Design (RFD) Project will continue to promote training that enhances employees' abilities to identify potential problems, and resolve and prevent them, all before customers use the products. The RFD Project also works to introduce new systems to prevent problems from occurring.

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

Targets and Results (Quality)



: Achieved



: Partially achieved



: Not achieved

FY 2019			FY 2020
Targets	Results	Achievement	Targets
Strengthening of fundamental Quality Power Reduce "failure costs" by 10% from fiscal 2018	We have strived to establish the Quality Strengthening Project and its activities and expand and deepen the activities of the RFD Project.		Committed to achieving the quality expected by customers! Reduce "failure costs" by 10% from fiscal 2019


Human Rights

Basic Policy on Human Rights

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

Furukawa Electric Group Human Rights Policy

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

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

Whistleblowing System

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

Participating in the UN Global Compact

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

Subcommittees of Human Rights Due Diligence, Subcommittees of Supply chain

The Group's actions related to human rights

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

Environment



Environmental Policy and Purpose

Furukawa Electric Group Basic Environmental Policy

Basic Philosophy

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

Action Guidelines

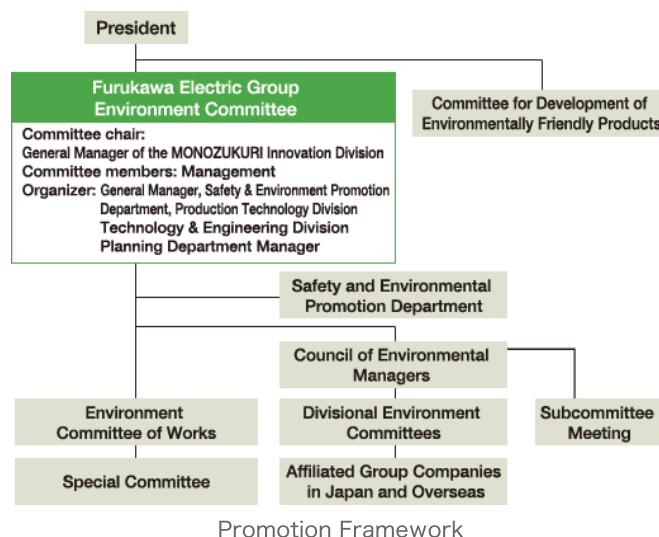
1. We shall comply with environmental laws and regulations as well as the demands of our customers and others, setting ever higher environmental targets as we continuously improve our global environmental conservation efforts.
2. We shall strive to develop products that are friendly to the Earth, and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

Environmental Management

Environmental Management Organization

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

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



Environmental management international standard (ISO 14001)

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

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



Furukawa Electric Co., Ltd.
Mie Works Certificate

Environmental Education

Environmental Education System and Environmental Education Programs

Furukawa Electric Group is engaged in a variety of environmental education activities in order to raise environmental awareness among its employees and help them to share information necessary to conduct the environmental activities of Furukawa Electric Group.

In fiscal 2019, 43 employees attended the ISO14001 internal environmental auditor training for the newly appointed employees. An education by rank, at the beginning of the fiscal, covering the new employee training, the newly appointed managers training and the mid-level MONOZUKURI staff training were conducted.

In the Environmental Month of Jun 2018, the Hazard Prediction activities (KYT: kiken yochi training in Japanese) was conducted as an activity to prevent environmental accident and the irregularities.

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 activity award system

In Furukawa Electric Group, aiming at the improvement of the environmental awareness and the level up in the environmental activities, from fiscal 2010, we started the Environmental Activity Awards, and in fiscal 2018, its name was changed the ESG Awards “Environmental Contribution Award”.

In fiscal 2019, a panel of judges awarded two Excellent awards, one Good award and two Effort awards to the Company. The Excellent awards were given to a project contributing to the reduction of environmental impact through the manufacturing and sale of Green Trough®, a trough made from recycled resin, mainly from waste plastics from containers and packaging, and a project at Mie Works, where greenhouse gas emissions have been reduced significantly through fuel conversion.

Environmental Accounting

Furukawa Electric Group has introduced environmental accounting and works hard to promote efficient and effective environmental activities through the quantitative identification of environmental conservation costs and effects. Collation is implemented in reference to the Ministry of the Environment's "Environmental Accounting Guidelines 2005" and covers Furukawa Electric Co., Ltd. and 21 domestic group companies.

The costs of environmental conservation activities in fiscal 2018 were 2.86 billion yen in expenses and 0.9 billion yen in investments. This represents a 0.04 billion yen increase in expenses and a 0.54 billion yen fall in investments against the previous fiscal year.

Please see below for the details of the companies included in the scope of data collation.

> List of all applicable companies : Environmental Management - Scope of the environmental accounting

Material Flow

Environmental Impact of the Furukawa Electric Group in Fiscal 2018

We tallied data for Furukawa Electric 7 works, 34 domestic group companies, and 54 overseas group companies—a total of 89 companies.

Please see below for a list of all applicable companies.

> List of all applicable companies : Environmental Management - Scope of the environmental management

INPUT

Category	Domestic	Overseas	Unit
Raw materials			
Copper	135.2	161.5	1000t
Aluminum2.9	13.7	32.9	1000t
Iron	2.9	9.6	1000t
Other metals	7.1	0.6	1000t
Glass	—	3.4	1000t
Plastic	34.1	52.2	1000t
Energy			
Electricity	7,391	7,949	TJ
Electricity (purchased electricity)	499	676	GWh
Electricity (hydroelectric electricity)	112	—	GWh
Electricity (solar electricity)	838	3,525	MWh
City gas	16,132	5,094	1000m³
Natural gas	0	20,142	1000m³
LPG	11	2	1000t
Heavy fuel oil A + Kerosene + Light oil	1,034	945	kℓ
Water			
Water	9,912	2,623	1000m³
Surface water	6,502	58	1000m³
Groundwater	2,691	314	1000m³
Tap water	718	2,232	1000m³
Chemical substances			
Volume handled (note 1)	50.3	—	1000t
Packaging (note 2)			
Cardboard + Wood + Paper	2.0	12.6	1000t
Plastic	0.09	5.93	1000t

Furukawa Electric
7 works,
34 domestic group
companies and
54 overseas group
companies



OUTPUT

Category	Domestic	Overseas	Unit
Waste (note 3)			
Total waste generated (note 4)	28.4	16.3	1000t
Final waste disposal	0.4	11.0	1000t
Recycling amount	26.1	5.3	1000t
Atmospheric emissions			
CO ₂	338	456	1000t-CO ₂
SF ₆	49	—	1000t-CO ₂
SO _x	2	—	t
NO _x	76	—	t
Soot	12	—	t
Chemical substances			
Volume emitted	210	—	t
Volume transferred	402	—	t
Wastewater			
Wastewater	9,272	1,983	1000m³
Wastewater Public waterways	8,630	513	1000m³
Rivers	7,678	110	1000m³
Sea	934	0	1000m³
Other	17	403	1000m³
Sewer	642	1,470	1000m³
BOD	32	—	t
COD	37	—	t
SS	47	—	t
Volume of water recycled and reused			
	1,113	53,837	1000m³

(note1) PRTR-listed substances

(note3) Including valuable resources (Japan)

(note4) Emissions off-site

(note2) Cardboard, wood, paper, and plastic used in product shipping

Targets and Performance of Environmental Conservation Activities

Environmental Targets 2030

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

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

(note) SBT: Science Based Target.

Targets and Performance (Environment)

😊 : Achieved 😐 : Partially achieved 😞 : Not achieved

Activity			Furukawa Electric Group (Domestic and overseas)				
			Targets for FY 2019	FY 2019 results	Evaluation	Target for FY 2020	Medium-term target for FY 2025
Contribution of products to avoided environmental impact Base year 2017	Reduction of greenhouse gas emissions (Scope1 &2)(note 1)	CO ₂ +SF ₆	4.5% or more	Reduced 17.9%	😊	6.7% or more	17% Base year 2017
		CO ₂	3.4% or more	Reduced 12.7%	😊	5.0% or more	
	Improvement ratio of renewable energy		0.5% or more	Increased 3.1%	😊	1% or more	3%
	Reduce water withdrawal		2% or more	Increased 1.6%	😓	3% or more	5% Base year 2020
	Reduce production energy		2% or more	Reduced 0.9%	😓	3% or more	5% Base year 2020
	Reduce transportation energy		2% or more	Increased 8.8%	😓	Domestic :3% or more	Domestic :5% Base year 2020
	Reduce total waste		2% or more	Increased 6.1%	😓	Domestic :3% or more	Domestic :5% Base year 2020
Promotion of environmentally friendly business	Improvement sales of environmentally friendly products		50% or more	56.2%	😊	60% or more	
	Contribution of products to avoided environmental impact		90,000 ton-CO ₂ or more	160,000 ton	😊	100,000 ton-CO ₂ or more	
Contamination prevention	Prevention of environmental accidents	Number of accidents	Zero	2	😓	Zero	
		Number of small accidents	3 or less	1	😊	3 or less	
CDP(note 2) SCORE UP (Climate Change)			Score B or more	B	😊	Score B or more	

(note 1) Scope 1: Direct emissions from business sites through the use of fossil fuels, etc.

Scope 2: Indirect emissions through the use of electricity, steam and heat supplied from outside of business sites

(note 2) CDP: CDP is an organization formed from institutional investors for the purpose of managing a project requiring companies to disclose their strategies for climate change and the specific amount of greenhouse gases they generate.

Activities Targets and Performance in Fiscal 2019

Total emissions were reduced by a massive 17.9% from fiscal 2017. Furukawa Electric Group has set a new long-term GHG emissions reduction target (by 2030) versus the fiscal 2017 level, and the target has been certified as SBT. We have also set a fiscal 2019 target versus the fiscal 2017 level in accordance with SBT. In response to climate change, we promoted energy saving and fuel conversion at plants. We also installed solar power generation equipment and promoted a shift in purchased power toward renewable power. In fiscal 2019, total CO₂ emissions at the Group in Japan and overseas fell a massive 17.9% from fiscal 2017 partly due to falls in the operating rate at plants and in the consumption of sulfur hexafluoride.

Activity Targets in Fiscal 2020

In fiscal 2020, we will continue Group-wide efforts to achieve our targets in the final year of the medium-term environment plan. We will execute our plan to address climate change, save energy and introduce solar power in line with our long-term greenhouse gas reduction targets (SBT: Science Based Targets) as we push forward with shifting the power we purchase to renewable energy.

International standards of the environmental management (ISO14001)

International standards of the environmental management (ISO14001)

International standards of the environmental management, ISO 14001 are acquired at 6 works, which have the production function, of Furukawa Electric and 20 domestic group companies. ISO14001 is also acquired at 32 overseas group companies. (As of March, 2020)

Furukawa Electric Co., Ltd.

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

Domestic group companies

- NTEC Ltd.
- Shoden Seiwa Co., Ltd.
- Furukawa Automotive Systems Inc.
- Furukawa Industrial Plastics Co., Ltd.
- Furukawa Electric Industrial Cable Co., Ltd.
- Furukawa Nikko Power Generation Inc.
- Miharuru Communications Inc.
- Okano Electric Wire Co., Ltd.
- TOTOKU Electric Co., Ltd.
- Furukawa FITEL Optical Device Co., Ltd.
- Furukawa Precision Engineering Co., Ltd.
- Furukawa Electric Power Systems Co., Ltd.
- Furukawa Logistics Corp.
- Riken Electric Wire Co., Ltd.
- KANZACC Co., Ltd.
- Foam Kasei Co., Ltd.
- Furukawa Sangyo Kaisha, Ltd.
- Furukawa Techno Material Co., Ltd.
- The Furukawa Battery Co., Ltd.
- Furukawa Magnet Wire Co., Ltd.

Overseas group companies

- Chongqing Changhua Automobile Harness Co., Ltd.
- Furukawa Automotive Parts (Dongguan) Ltd.
- Furukawa Automotive Systems Lima Philippines, Inc.
- Furukawa Circuit Foil Taiwan Corporation
- Furukawa Electric LatAm S.A.
- Furukawa FITEL Optical Products(Shanghai) Co., LTD.
- Furukawa Precision (Thailand) Co., Ltd.
- OFS Sviazstroy-1 Fiber Optic Cable Company
- PT. Furukawa Automotive Systems Indonesia
- Shenyang Furukawa Cable Co., Ltd.
- Taiwan Furukawa Magnet Wire Co., Ltd.
- FE Magnet Wire (Malaysia) Sdn. Bhd.
- Furukawa Automotive Parts(Vietnam) Inc.
- Furukawa Automotive Systems (Vietnam) Inc.
- Furukawa Electric Autoparts Philippines, Inc.
- Furukawa Electric (Shenzhen) Co., Ltd.
- Furukawa Mexico S.A. de C.V.
- OFS Fitel Deutschland GmbH
- Permintex Furukawa Autoparts Malaysia Sdn. Bhd.
- PT. Furukawa Optical Solutions Indonesia
- Siam Furukawa Co., Ltd.
- Thai Fiber Optics Co., Ltd.
- Furukawa Auto Parts (Huizhou) Ltd.
- Furukawa Automotive Systems (Thailand) Co., Ltd.
- Furukawa AVC Electronics (Suzhou) Co., Ltd.
- Furukawa Electric Copper Foil Taiwan Co., Ltd.
- Furukawa FITEL (Thailand) Co., Ltd.
- Furukawa Minda Electric Pvt. Ltd.
- OFS FITEL, LLC
- POLIFOAM MUANYAGFELDOLGOZO KFT
- PT. Tembaga Mulia Semanan, Tbk
- Suzhou Furukawa Power Optic Cable Co., Ltd.

Environmentally Friendly Products

Environmentally Friendly Products and the e-Friendly Accreditation System

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

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



Categories of Environmentally Friendly Products

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

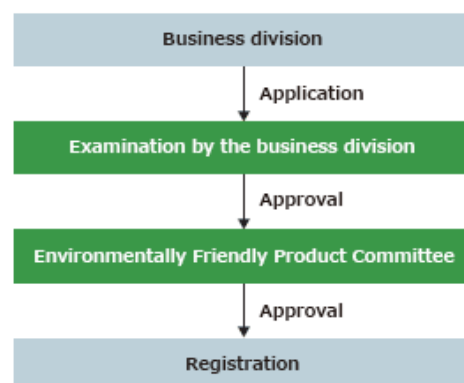
Category	Content
<u>Prevention of global warming</u> (Only available in Japanese)	Products with functions that contribute to the reduction or absorption / fixation of the greenhouse gas (GHG) emissions through the entire life cycle, or products that have reduced the greenhouse gas in its manufacturing processes.
<u>Zero emission</u> (Only available in Japanese)	Products made from recycled materials, products designed with easy to-recycle components, products made from materials or with design facilitating volume reduction for lowering waste volume, products designed to share common components with other products or products designed as common components, products that have reduced waste volume in any one of all manufacturing processes.
<u>Elimination of materials that have an impact on the environment</u> (Only available in Japanese)	The products that meet one of the followings. <ol style="list-style-type: none">1. Products that do not use the ozone-depleting substances in all its fabrication processes.2. Products that contain environmentally hazardous substances less than the regulation stated value.3. Products that do not generate the environmentally hazardous substances exceeding the regulation stated values on using or disposing.
<u>Resource savings</u> (Only available in Japanese)	Products that result in overall energy savings by such means as reducing the use of raw materials and components as well as scarce resources, featuring enhanced longevity, allowing easier product and component maintenance, and reducing the use for resources in packaging.

From Application to Registration: The Registration of Environmentally Friendly Products

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

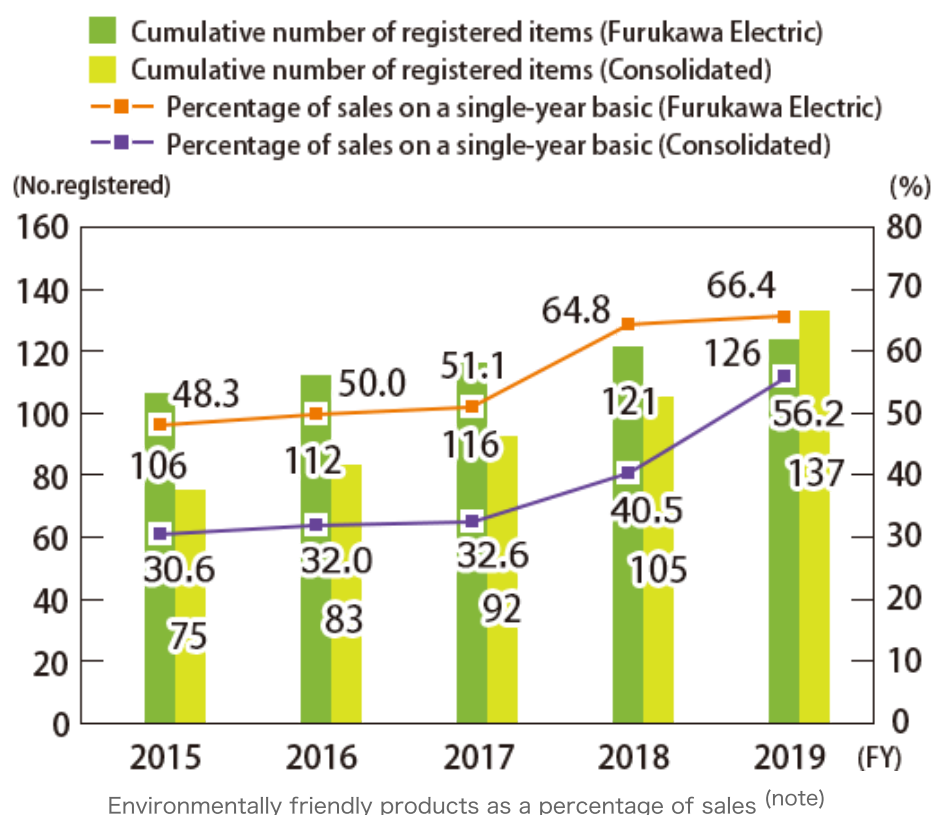
The criteria that products have to meet to be registered as an environmentally friendly product is an overall improvement of environmental performance when compared with existing products based on established evaluation criteria at each stage of the product's lifecycle: the purchase of raw materials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

The flow of environmentally friendly product certification



Expanding Environmentally Friendly Products

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



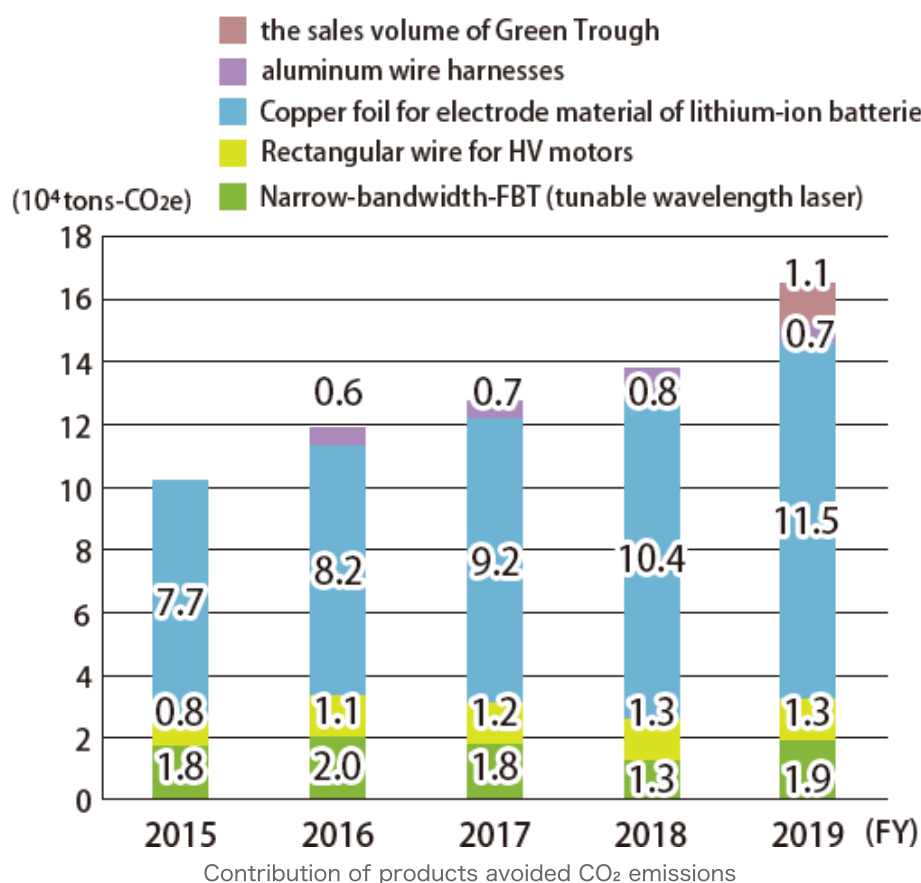
(note) In fiscal 2018, the rule for the environmentally friendly products was revised (The products that reduced the greenhouse gas (GHG) in the manufacturing process, etc.) and was reflected in the aggregate calculation.

Efforts to Contribute to the Environmental Impact Reduction by the Products

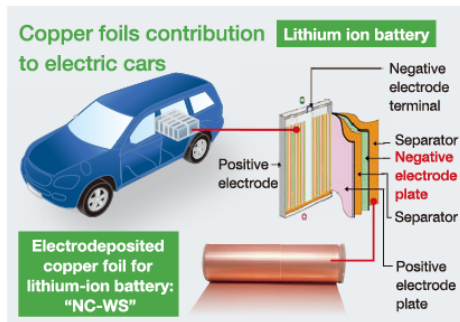
Furukawa Electric Group is working to visualize the reduction amount of CO₂ emission at the final stage of the usage after our components are installed in the customer's products, based on the calculation result of the CO₂ emissions “visualization” of the main products by utilizing the Life Cycle Assessment (LCA).

The total reduction of CO₂ emissions is estimated from the sales volume of semiconductor lasers in the optical communications field, the Group's mainstay product, and the sales volume of new cars in the domestic market in the automobile field, which manufactures copper foil, rectangular wires and aluminum harnesses. This fiscal year, the sales volume of Green Trough®, a trough made from recycled resin, which was used in the fields of rail transportation, roads and renewable energy, was included in the calculation. The overall reduction is estimated to be approximately 160,000 tons of CO₂ per year.

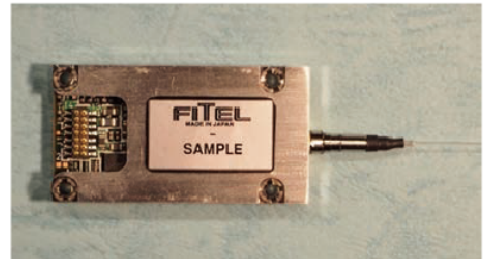
Going forward, we will closely monitor global market trends and strive to increase the sales of products that create social infrastructure integrating information, energy and mobility and to expand the types of products that contribute to the conservation of the environment. Through initiatives like these, we will step up our efforts to address global environmental issues.



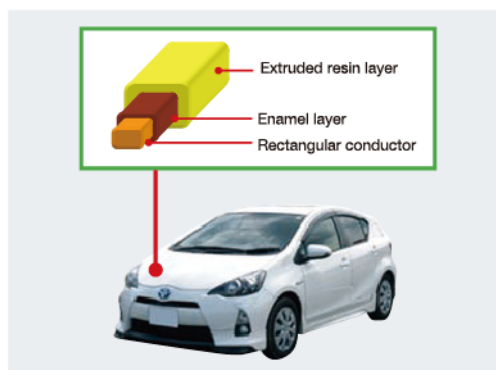
Reduction of CO₂ emissions using copper foil for lithium-ion batteries in electric vehicles.



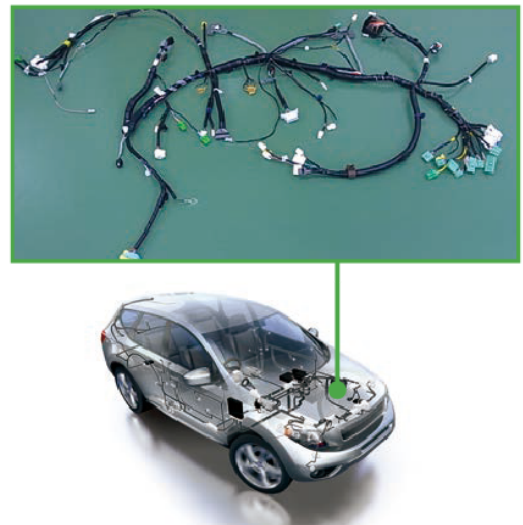
Reduction of CO₂ emissions by the narrow beam linewidth and high power compact Integrated Tunable Laser Assembly (ITLA).



Reduction of CO₂ emissions by the HV rectangular wire for the drive motor in electric vehicles.



Reduction of CO₂ emissions by aluminum harnesses for automobiles.



Reduction of CO₂ emissions by Recycled cable trough



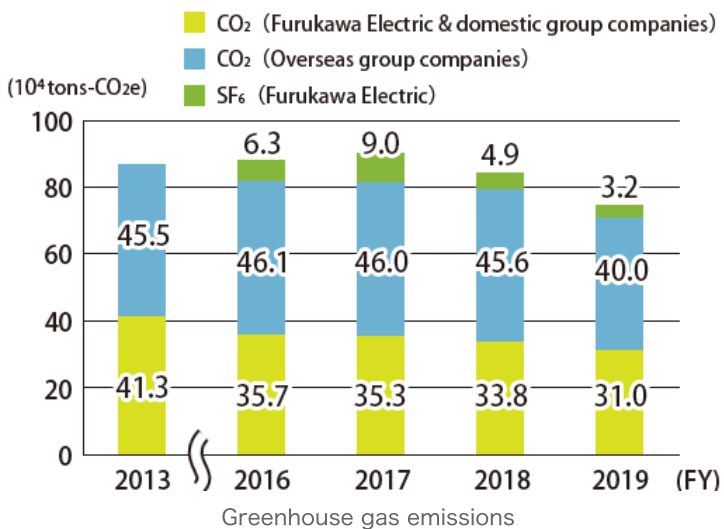
Climate Change

Efforts to Reduce Greenhouse Gas Emissions

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

In fiscal 2019, the CO₂ emissions from Furukawa Electric and the domestic group companies were 310,000 tons-CO₂e, and were reduced by 12.1% compared to those of fiscal 2017. The CO₂ emissions from the overseas group companies were 400,000 tons-CO₂e, and were reduced by 13.2 % compared to those of fiscal 2017. And the sulfur hexafluoride emissions were reduced compared to those of fiscal 2017 due to the progress in the maintenance of the test facilities, etc., and the total greenhouse gas emissions were reduced by 162 thousand tons compared to those of fiscal 2017.

To reduce carbon emissions, the Mie Works in Japan made progress in its fuel conversion initiative. The Copper Foil Division began using solar power generation equipment. Overseas, sites in Mexico, China and India are making progress in their use of solar power. In Europe and the Philippines, contracts for the use of renewable energy are being promoted.



(note) For purchased electricity, the overseas CO₂ emission coefficient for each country provided by the IEA (International Energy Agency) is used.

(note) The Japanese CO₂ emission coefficient is used except for purchased electricity. Emissions of greenhouse gases other than CO₂ are converted to CO₂ emissions using Global Warming Potential (GWP).

Solar power panels installed by FURMEX (started operation in January 2019)

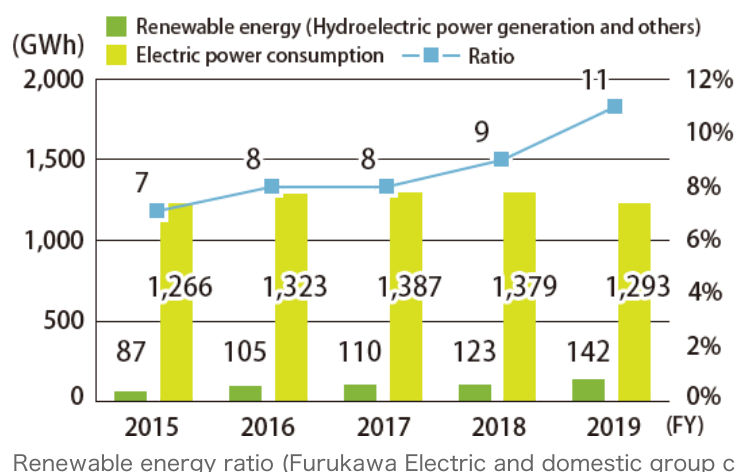


Use of the Renewable Energy

Furukawa Nikko Power Generation Inc. of Furukawa Electric Group possesses the four power plants and is supplying the hydroelectric power. It covers 100% of the power used in Nikko Works and the copper strips are manufactured using the hydroelectric power.

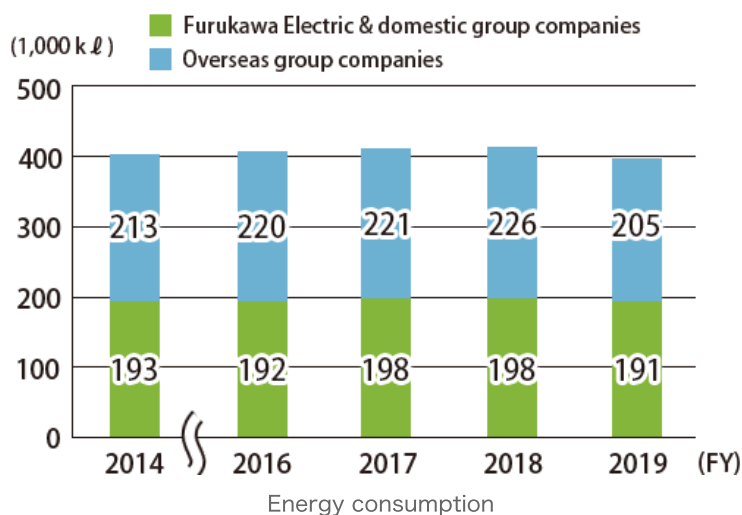
In fiscal 2019, Furukawa Automotive Systems Lima Philippines, Inc., an overseas Group company, has changed to using geothermal power. Furukawa Minda Electric Private and Furukawa Mexico S.A. De C.V., installed and began using solar power generation equipment.

Renewable energy accounted for 18% of the energy used at the domestic Group companies in fiscal 2019. Globally, including overseas operations, renewable energy was 11% of the total energy used. We will strive to increase the percentage of renewable energy that we use.



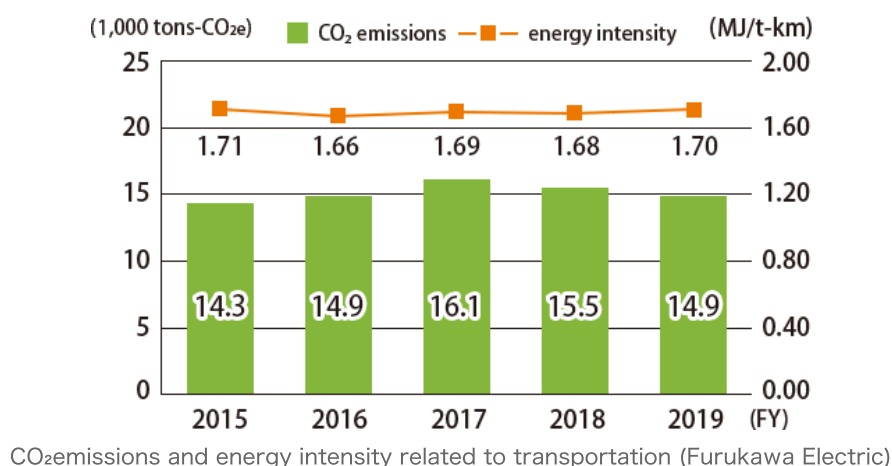
Efforts on Energy Saving in Factories

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



Initiatives in Logistics

The transportation amount in Furukawa Electric Group was 213 million ton-kilometers during fiscal 2019. Among this amount, the Company transported 128 million tonkilometers which was increased by 8.4% in comparison with fiscal 2017, and the CO₂ emissions were increased by 7.6% which is 14,900 tons-CO₂. The specific consumption showed a 0.7% of rise in comparison with fiscal 2017. We will continue to promote modal shift, increase loading ratios and encourage the joint shipping.

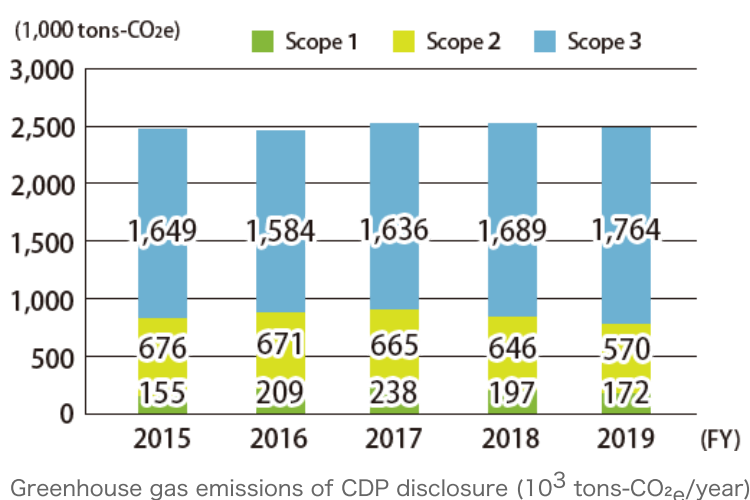


Internal Carbon Pricing

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

Measures to Disclose Environmental Information

Furukawa Electric Group has been answering to enquiries from CDP, which is representing our institutional investors, on CDP climate change since fiscal 2008 and on CDP water since fiscal 2013. In fiscal 2019, our CDP climate change score was B and CDP water score was B. As a response to the customers utilizing the CDP supply chain program, in order to maintain and improve the CDP scores, we will continue to expand the environmental information disclosure contents and make the reliability higher. Due to the cooperation of those involved, we received an A rating from the CDP Supplier Engagement Rating in fiscal 2019. We also continue our participation in the environmental information disclosure infrastructure development project of the Ministry of the Environment and continue our collaboration with The Japanese Electric Wire & Cable Makers' Association and the Japan Copper and Brass Association.



Greenhouse gas emissions are verified by a third party. The fiscal 2019 results regarding sulfur hexafluoride in Scope 1 and Categories 1, 2, 3, 6 and 7 of Scope 3 were verified by third parties. The base year was fiscal 2017. Parts of the water resources evaluation also underwent third-party verification.



Verification Statement of Greenhouse Gas Assertions

Water Resources

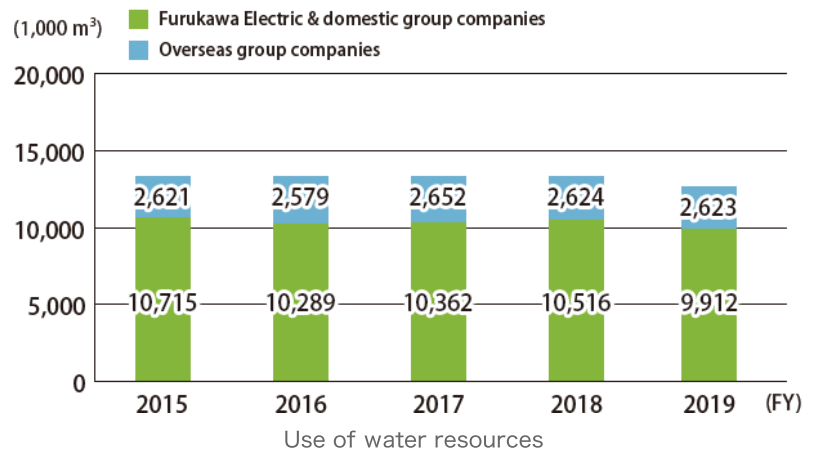
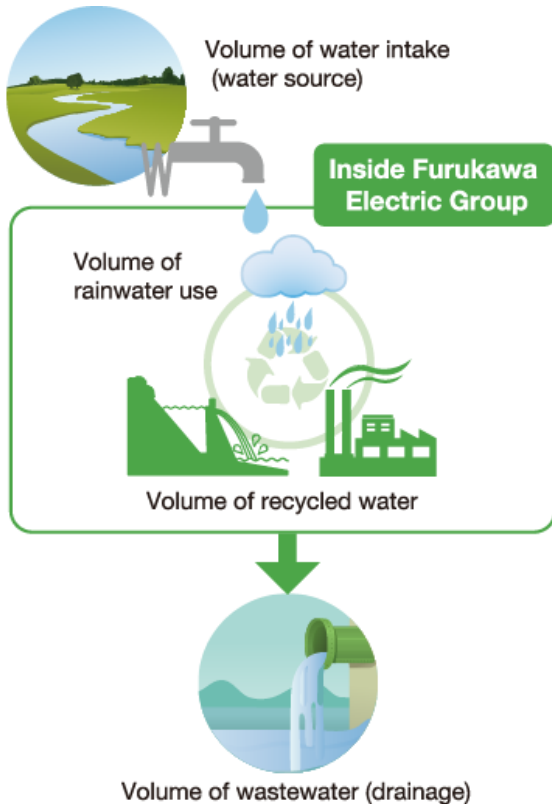
Effective Utilization of Water

Since fiscal 2013, Furukawa Electric Group has promoted effective water utilization as one of the activities targets and making efforts to grasp the amounts of the water intake and wastewater for each site. Since fiscal 2015, we have taken action for the reduction of the water intake amount per sales unit. In fiscal 2019, the water intake amount per sales unit of Furukawa Electric domestic group was 2,110 m³/100 million yen, increased by 2.6% compared with fiscal 2017. For Furukawa Electric overseas group, the water intake per sales unit was increased by 1.9% compared with fiscal 2017.

Though, Furukawa Electric Group will continue to use water resources necessary for the production processes, Furukawa Electric Group will continue to make efforts to save water and recycle usage, and manage the water quality and the waste water volume.

In the information disclosure regarding the water resource management of CDP Water, utilizing AQUEDUCT of World Resource Institute (WRI) to identify water risks at major sites in Furukawa Electric Group and 5 sites were selected.

In every year, the risk assessments including water resources have been conducted, and their improvement is progressing with incorporating them into the BCM plan.



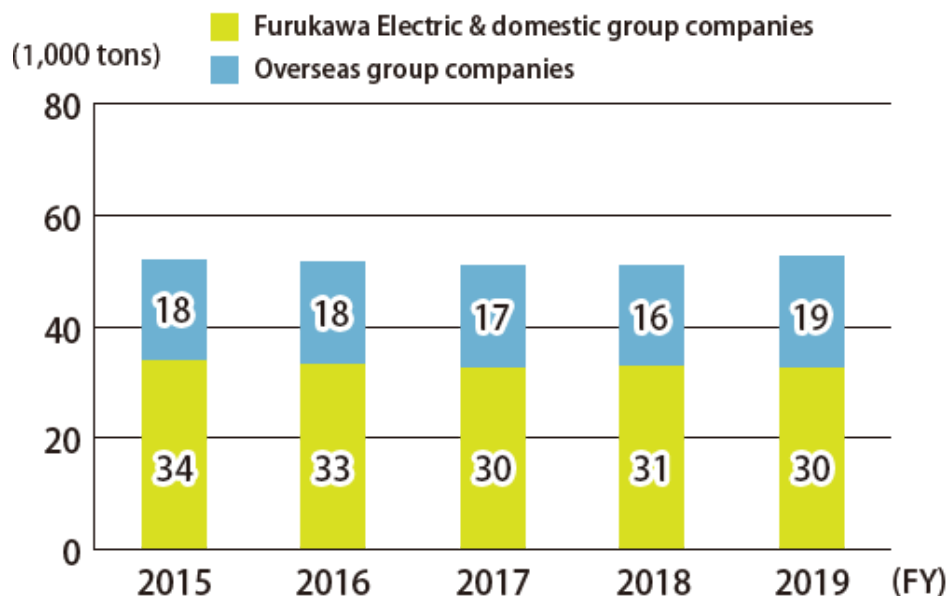
Reducing Waste

Initiatives in the Waste Reduction

In fiscal 1993 Furukawa Electric Group started the efforts to increase the waste recycling, and since fiscal 2001 the zero emissions activities have been promoted. And, since fiscal 2014, the activities aiming at the total waste output reduction, including the valuable resources have been promoted.

In fiscal 2019, per sales unit in Furukawa Electric and the domestic group companies was increased by 6.1% compared to those of fiscal 2017. We limit the waste generated in the production process. The Hiratsuka Works has introduced combustion-type exhaust gas decomposition equipment and has significantly reduced the amount of industrial waste from its exhaust gas treatment equipment.

We will continue our efforts to the effective use and the recycling of the resources including the raw materials aiming at the sustainable resource flow.



Chemical Substance Management

Green Activities

Response to Customer Requests

Furukawa Electric Group has participated in JAMP^(note 1) since 2009, and is implementing simultaneous environmental examinations based on the latest information from the JAMP management target substance list related to management of chemical substances contained in products. We also monitor trends in laws and regulations covering the chemical substances contained in products and compile and update data as it becomes available, allowing us to respond promptly to customer requests.

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

Furukawa Electric Group establishes a management system for chemical substances contained in products for major operational bases and affiliated companies, strengthens the environmental product regulations and grasps the environmental risk that should be lowered, and implements measures depending on their importance.

In response to the EU's REACH regulation on environmental products, in fiscal 2019, environmental inspections were carried out regarding 205 substances, including the 22 Substances of Very High Concern (SVHC). In order to respond to the customer's request, we will proceed to shift to the Chemical information SHaring and Exchange under Reporting Partnership in supply chain (chemSHERPA) which is the information transmission scheme of chemical substances contained in products.

Green Procurement Activities

Items that will be used in our products are purchased adequately based on the Green Procurement Guidelines of our operational division, by evaluating the suppliers' system on the management of chemical substances contained in products and its management status as well as by confirming the data of chemical substances contained in products.

Chemical Substance Management Activities

Furukawa Electric Group undertakes voluntary initiatives to reduce emissions of harmful chemical substances. In particular, we make every effort to actively reduce emissions of volatile organic compounds (VOC), one cause of photochemical smog.

Emissions from the domestic group in fiscal 2019 increased by 12% of the previous fiscal year due to a review of the calculation method. We will continue our efforts to reduce the usage amount of the targeted substances along with the suppression of the emissions from the production processes and others.

Appropriate Management of Chemical Substances

At Furukawa Electric Group, we confirm the properties and applicable laws and regulations regarding all chemical substances we use during the manufacturing process on their Safety Data Sheets (SDSs) and administrate them. And in accordance with the PRTR Act^(note2) we continue to strive to keep records of the amount handled, transported and discharged of the relevant substances.

(note 1) JAMP: Joint Article Management Promotion-consortium

(note 2) Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Environmental Risk Management

Preventing Soil and Groundwater Pollution

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

PCB Management

Furukawa Electric Group identifies the volume of high-concentration PCB-containing equipment at Furukawa Electric Co., Ltd.'s works and at the bases of our group companies, and carries out appropriate storage and management.

Currently, the processing is sequentially carried out according to the plan of Japan Environmental Storage & Safety Corporation, and the processing has been completed at some of our business sites. We are conducting the analysis and the surveys of the equipment that have the potential to contain a low concentration PCB, and those found to be the low concentration PCB contained equipment shall be properly kept, managed and disposed of while making consideration for storage-related risks. Furthermore, we will proceed the disposal at an early stage according to the equipment updating schedule.

Compliance with Environmental Laws and Other Regulations

Furukawa Electric Group regularly confirms environmental laws and other regulations to determine items requiring compliance. We ensure compliance in a number of ways, such as by conducting on-site patrols to check the state of compliance. We follow official journals and other sources of information to stay updated on revisions to environmental legislation and ensure that our response is thorough.

We maintain voluntary control limits and manage operations appropriately to ensure compliance with the Air Pollution Control Law and the Water Pollution Control Law.

In fiscal 2019, in order to prevent the environmental accidents and irregularities, the hazard prediction activities were conducted. In addition, the out-of-service refrigeration facilities were checked about their handling status and the facilities and equipment that handle the hazardous chemical substances were inspected again. We will continue the appropriate handling of the hazardous chemical substances.

We also conduct annual checks for conceivable, clear environmental impact to prevent environmental accidents or prevent widespread impact in the event of an accident.

According to our survey on the status of our regulatory compliance, we were not in material violation of any regulations.

Please see below for our response to the asbestos problem.

> [Response to Asbestos Concerns](#)

Biodiversity Conservation

Biodiversity Conservation Initiatives

Furukawa Electric Group has included biodiversity conservation measures in our Basic Environment Policy. We have formulated and are applying Furukawa Electric Group comprehensive guidelines in relation to initiatives aimed at protecting biodiversity. While registering with the JBIB (Japan Business Initiative for Biodiversity) and gaining a better understanding, our Group company Furukawa Research, Inc. started the cultivation activity of *Pulsatilla cernua* designated as an Endangered Species II ^(note 1), on a premise of Yokohama Works. In fiscal 2016, the plant was provided to Hiratsuka Works and Chiba Works and the cultivation activities are also implemented.

(note 1) Endangered Species II is a category of species for which the danger of extinction is becoming more serious.

Cultivation activity of *Pulsatilla cernua*

Yokohama Works



Chiba Works



Hiratsuka Works



Furukawa Electric Group Biodiversity Conservation Guidelines

1. Evaluate the effects that our business activities have on the ecosystem, and minimize the harmful effects while maximizing the beneficial ones
2. To sustainably use resources and conserve biodiversity, consider more than ever the need to carry out measures against climate change, conserve resources, recycle and reduce environmentally hazardous substances
3. Carry out activities in collaboration with local communities to conserve biodiversity

Library



Environmental conservation costs(Unit: million yen)

Furukawa Electric

Category	Key activity and the outcome	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Business area costs	Pollution prevention (air pollution, etc) energy conservation, waste disposal, etc.	936	1,133	1,191	1,180	1,145
Upstream/ downstream costs	Recovery of packaging, drums, etc.	189	163	152	175	175
Administration costs	Environmental management system auditing, environmental impact monitoring, etc.	331	332	354	331	329
Research and development costs	Dvelopment of environmentally friendly products, research into alternatives for harmful substances	338	278	171	286	281
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	2	2	2	2	2
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	1	1	1	3	1
Total		1,797	1,909	1,871	1,977	1,933

Domestic group companies

Category	Key activity and the outcome	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Business area costs	Pollution prevention (air pollution, etc) energy conservation, waste disposal, etc.	961	510	492	476	535
Upstream/ downstream costs	Recovery of packaging, drums, etc.	110	243	245	210	211
Administration costs	Environmental management system auditing, environmental impact monitoring, etc.	102	117	138	136	128
Research and development costs	Dvelopment of environmentally friendly products, research into alternatives for harmful substances	84	93	62	60	46
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	6	5	5	4	3
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	4	4	8	0	0
Total		1,268	972	950	886	924

Furukawa Electric + Domestic group companies

Category	Key activity and the outcome	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Business area costs	Pollution prevention (air pollution, etc) energy conservation, waste disposal, etc.	1,897	1,643	1,683	1,656	1,681
Upstream/ downstream costs	Recovery of packaging, drums, etc.	299	406	397	385	386
Administration costs	Environmental management system auditing, environmental impact monitoring, etc.	433	449	492	467	457
Research and development costs	Dvelopment of environmentally friendly products, research into alternatives for harmful substances	422	371	233	346	327
Social activity costs	Tree planting, local community cleaning activities, donations, etc.	8	7	7	6	5
Environmental remediation costs	Environmental impact assessments, cleanup of polluted soil, etc.	5	5	9	3	1
Total		3,065	2,881	2,821	2,863	2,857

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 2015	FY 2016	FY 2017	FY 2018	FY2019
Revenue from recycling	199	474	296	159	248
Reduction in waste disposal costs	18	-4	-54	117	-150
Reduction in energy costs ^(note)	1,499	1,089	-925	-531	64
Reduction in water purchase costs	-15	18	4	3	8
Total	1,701	1,577	-680	-252	171

Domestic group companies

Details of benefits	FY 2015	FY 2016	FY 2017	FY 2018	FY2019
Revenue from recycling	304	213	284	334	239
Reduction in waste disposal costs	18	9	-69	-55	-46
Reduction in energy costs	607	420	274	-80	77
Reduction in water purchase costs	-7	-9	39	-16	-32
Total	922	633	528	183	237

Furukawa Electric + Domestic group companies

Details of benefits	FY 2015	FY 2016	FY 2017	FY 2018	FY2019
Revenue from recycling	503	687	580	493	487
Reduction in waste disposal costs	36	5	-123	62	-196
Reduction in energy costs	2,106	1,509	-651	-611	141
Reduction in water purchase costs	-22	9	43	-13	-24
Total	2,623	2,210	-152	-69	408

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

Environmental conservation benefits

Furukawa Electric

Environmental impact	Unit	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Volume of industrial waste disposal processed ^(note 1)	tons	115	351	115	336	369
Energy consumption (crude oil equivalent)	1,000 kℓ	126	128	137	139	139
Water consumption ^(note 2)	1,000 tons	8,792	8,304	8,175	8,427	7,987
Emissions of volatile organic chemical compounds	tons	172	196	210	203	236
CO ₂ emissions	1,000 tons-CO ₂	219	217	229	226	213
SO _x emissions	tons	46	14	1	1	4
NO _x emissions	tons	220	45	32	56	47
Soot emissions	tons	10	5	3	12	3

Domestic group companies

Environmental impact	Unit	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Volume of industrial waste disposal processed ^(note1)	tons	1,276	1,444	1,170	1,943	1,106
Energy consumption (crude oil equivalent)	1,000 kℓ	62	64	61	58	52
Water consumption ^(note2)	1,000 tons	1,923	1,985	2,187	2,088	1,878
Emissions of volatile organic chemical compounds	tons	100	108	120	115	120
CO ₂ emissions	1,000 tons-CO ₂	132	140	123	112	97
SO _x emissions	tons	1	1	0	0	0
NO _x emissions	tons	3	10	22	20	20
Soot emissions	tons	0	2	1	0	0

Furukawa Electric + Domestic group companies

Environmental impact	Unit	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Volume of industrial waste disposal processed ^(note1)	tons	1,391	1,795	1,285	2,279	1,474
Energy consumption (crude oil equivalent)	1,000 kℓ	188	192	198	197	191
Water consumption ^(note2)	1,000 tons	10,715	10,289	10,362	10,516	9,865
Emissions of volatile organic chemical compounds	tons	272	304	330	318	356
CO ₂ emissions	1,000 tons-CO ₂	351	357	352	338	310
SO _x emissions	tons	46	15	1	2	4
NO _x emissions	tons	222	55	55	76	67
Soot emissions	tons	10	6	4	12	3

(note 1) Excluding recycled wastes

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

Investment and research costs (Unit: million yen)

Furukawa Electric

Investment and research costs	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total investment	6,394	8,490	11,919	14,775	18,736
Of which, environment-related investment	304	658	1,055	571	1,139
Total research costs	7,520	7,507	8,780	9,367	10,455

Domestic group companies

Investment and research costs	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total investment	2,592	3,403	4,873	6,231	7,004
Of which, environment-related investment	669	338	390	332	234
Total research costs	594	1,967	2,245	2,371	1,974

Furukawa Electric + Domestic group companies

Investment and research costs	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total investment	8,986	11,893	16,792	21,006	25,740
Of which, environment-related investment	973	996	1,445	903	1,374
Total research costs	8,114	9,474	11,025	11,738	12,429

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

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	Cumulative number of registered items	106	112	116	121	126
	Percentage of sales on a one-year basis	48.3	50.0	51.1	64.8	66.4
Furukawa Electric (consolidated)	Cumulative number of registered items	75	83	92	105	137
	Percentage of sales on a one-year basis	30.6	32.0	32.6	40.5	56.2

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

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric ^(note) + domestic group companies	10,715	10,289	10,362	10,516	9,912
Overseas Group Companies	2,621	2,579	2,652	2,624	2,623
Total	13,336	12,868	13,014	13,140	12,535

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

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric + domestic group companies	16,920	9,095	9,494	9,272	8,591
Public water area	16,451	8,491	8,754	8,630	7,978
Rivers	15,248	7,684	7,789	7,678	7,138
Oceans	1,185	787	949	934	821
Other	18	20	17	17	19
Sewerage	469	604	740	642	613
Overseas Group Companies	1,654	1,913	1,715	1,983	1,871
Public water area	475	379	417	513	729
Rivers	243	105	108	110	350
Oceans	0	0	0	0	0
Other	232	274	309	403	378
Sewerage	1,179	1,534	1,298	1,470	1,142

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric + domestic group companies	1,121	1,118	1,113	1,113	1,111
Overseas Group Companies	24,983	31,703	37,121	53,837	57,775

Raw materials (Unit: 1,000 Tons)

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric + domestic group companies	Copper	165.2	168.5	177.8	145.6	135.2
	Aluminum	7.1	7.0	6.7	7.6	13.7
	Steel	2.3	2.5	2.2	2.6	2.9
	Other metals	3.7	4.8	5.3	5.9	7.1
	Glass	0.0	0.0	0.0	0.0	0.0
	Plastics	31.2	32.7	33.2	33.7	34.1
Overseas Group Companies	Copper	168.2	167.6	180.4	188.5	161.5
	Aluminum	26.5	30.0	39.3	56.9	32.9
	Steel	7.6	11.4	9.7	9.4	9.6
	Other metals	0.0	1.1	0.9	0.8	0.6
	Glass	3.0	3.4	3.8	3.6	3.4
	Plastics	40.1	40.5	41.7	54.1	52.2

Greenhouse gas emissions (Unit: x10⁴ tons CO_{2e})

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
CO ₂ (Furukawa Electric + domestic group companies)	35.1	35.7	35.3	33.8	31.0
CO ₂ (Overseas Group Companies)	48.1	46.1	46.0	45.6	40.0
SF ₆ (Furukawa Electric) ^(note)	—	6.3	9.0	4.9	3.2
Total	83.2	88.1	90.3	84.3	74.2

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

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Renewable energy ratio (Hydroelectric power generations and others)	87	105	110	109	113
Electric power consumption	583	619	644	643	613
Renewable energy ratio (%)	15	17	17	17	18

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Renewable energy ratio (Hydroelectric power generations and others)	87	105	110	123	142
Electric power consumption	1266	1323	1387	1379	1293
Renewable energy ratio (%)	7	18	8	9	11

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric + domestic group companies	0.2	0.3	0.4	0.4	0.4
Overseas Group Companies	10.3	9.2	12.0	11.0	12.8

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric + domestic group companies	31.5	30.5	26.8	26.1	26.6
Overseas Group Companies	8.1	5.2	5.2	5.3	6.1

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric + domestic group companies	34	33	30	31	30
Overseas Group Companies	18	18	17	16	19
Total	52	51	47	47	49

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

NO_x and SO_x emissions (Unit: Tons)

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric + domestic group companies	NO _x	222	55	55	76	60
	SO _x	46	15	1	2	2

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	172	196	210	203	236
Domestic group companies	100	108	120	115	120
Total	272	304	330	318	356

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

		FY 2015	FY 2016	FY 2017	FY 2018	F 2019
Furukawa Electric Group	Scope1 (note)	155	209	238	197	172
	Scope2	676	671	665	646	570
	Scope3	1,649	1,584	1,636	1,689	1,764
Total		2,480	2,464	2,539	2,533	2,506

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

Energy consumption (Unit: 1,000 kℓ)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric + domestic group companies	188	192	198	198	191
Overseas Group Companies	223	220	221	226	205
Total	411	412	419	424	396

CO₂ emission and energy intensity related to transportation

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	CO ₂ emissions (1,000 tons-CO ₂ e)	14.3	14.9	16.1	15.5	14.9
	Energy intensity (MJ/t-km)	1.71	1.66	1.69	1.68	1.70

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric + domestic group companies	0.781	0.793	0.702	0.678	0.660
Overseas Group Companies	1.131	1.173	0.991	0.924	0.897

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

Substance No.	Substance	Volume handled	Volume released	Volume transferred	Volume contained in products/ disappeared by combustion
1	Zinc and its compounds	4.5	0.0	0.5	4.1
31	Antimony and its compounds	394.4	0.2	27.8	366.4
53	Ethylbenzene	89.2	0.8	13.9	74.5
71	Ferric chlorides	32.6	0.0	0.0	32.6
75	Cadmium and its compounds	90.8	0.0	15.8	74.9
80	Xylene	109.4	2.8	18.7	88.0
82	Silver and its water-soluble compounds	2.2	0.0	0.8	1.4
86	Cresol	353.4	5.9	38.6	308.9
87	Chromium and trivalent chromium compounds	9.2	0.0	0.0	9.1
88	Hexavalent chromium compounds	4.8	0.0	3.7	1.0
132	Cobalt and its compounds	3.9	0.0	0.2	3.7
144	Inorganic cyanide compounds (Excluding complex salt and cyanate)	1.5	0.2	0.6	0.7
213	N,N-dimethylacetamide	846.1	21.4	25.4	799.3
255	Decabromodiphenyl ether	78.3	0.0	0.2	78.1
272	Copper salts (water-soluble)	5,050.3	0.1	17.9	5,032.3
296	1,2,4-trimethylbenzene	11.4	0.4	0.0	11.0
300	Toluene	192.4	85.3	32.1	74.9
304	Lead	9,038.1	0.2	0.3	9,037.6
305	Lead compounds	33,034.4	0.2	2.2	33,032.0
308	Nickel	401.6	0.0	2.2	399.3
309	Nickel compounds	79.0	0.0	11.6	67.4
332	Arsenic and its inorganic compounds	13.7	0.0	0.0	13.7
333	Hydrazine	7.1	0.0	0.0	7.1
349	Phenol	261.9	4.9	27.9	229.2
355	Bis (2-ethylhexyl) phthalate	120.2	0.0	0.0	120.2
374	Hydrogen fluoride and its water-soluble compounds	21.7	0.2	18.8	2.8
384	N-propyl bromide	1.8	1.8	0.0	0.0
392	N-hexane	1.3	0.3	0.2	0.9
405	Boron and its compounds	16.3	0.7	0.6	15.0
412	Manganese and its compounds	6.1	0.0	0.0	6.1
413	Phthalic anhydride	5.4	0.0	0.0	5.4
438	Methylnaphthalene	18.1	0.0	0.0	18.1
Total		50,301.2	125.3	260.0	49,915.9

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

Employee turnover rate by gender (Unit: %)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Male	2.10	1.16	1.02	1.17	1.80
Female	1.00	1.79	0.86	1.62	0.83
Total	2.00	1.22	1.01	1.21	1.71

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

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Clerical and technical staff	Male	28	45	61	73	80	86
	Female	8	15	31	31	31	33
	Total	36	60	92	104	111	119
	Foreign nationals	0	0	1	0	0	0
Manufacturing worker	Male	0	0	15	46	49	53
	Female	0	0	0	0	1	2
	Total	0	0	15	46	50	55

Ratio of labor union membership (Unit: %)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Male	99.9	99.7	98.5	97.4	97.6
Female	97.6	97.8	98.3	99.4	99.3
Total	99.7	99.5	98.5	99.1	99.1

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Direct work	24.85	24.86	27.97	27.19	26.04
Indirect work	19.40	19.66	19.25	19.33	20.95
Total	22.30	22.47	23.50	23.17	23.18

Regular annual leave (Unit: Days)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Days carried over per person (A)	22.6	22.6	20.8	18.3	21.5
Days granted per person (B)	23.9	24.1	24.3	24.0	23.9
Days acquired per person (C)	13.6	13.9	14.7	15.2	15.4
Acquisition rate (C÷B) (%)	56.9	57.7	60.3	63.2	64.4

(note) Regular annual leave is calculated as leave taken between September 16 and September 15 of the following year.

People taking volunteer leave (Number of employees)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Male	1	2	0	0	1
Female	0	0	0	0	0
Total	1	2	0	0	1

People taking refresh leave (Number of employees)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Male	90	125	152	178	161
Female	10	16	15	25	17
Total	100	141	167	203	178

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

People taking maternity/paternity leave (Number of employees)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Male	3	7	27	21	25
Ratio of employees returning to work (%)	100	100	100	100	100
Female	22	28	12	10	10
Ratio of employees returning to work (%)	100	100	100	100	90
Total	25	35	39	31	35
Ratio of employees returning to work (%)	100	100	100	100	97

People taking nursing care leave (Number of employees)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Male	1	0	0	0	1
Ratio of employees returning to work (%)	100	—	—	—	100
Female	0	0	0	0	1
Ratio of employees returning to work (%)	—	—	—	—	100
Total	1	0	0	0	2
Ratio of employees returning to work (%)	100	—	—	—	100

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	1.40	2.77	3.38	4.04	4.30

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

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	Target control system	42	42	42	41	39
	Absolute and relative evaluations based on ranking	100	100	100	100	100

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	—	—	109	114	72

(note) Calculated from FY2017

Number of male and female employees

			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	Male	Number of people	2,976	3,338	3,350	3,465	3,548
		Percentage (%)	92	91	91	91	90
	Female	Number of people	275	313	335	351	377
		Percentage (%)	8	9	9	9	10

Number and percentage of managers by gender

			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	Male	Number of people	844	911	905	929	908
		Percentage (%)	97	97	97	97	97
	Female	Number of people	23	26	31	31	32
		Percentage (%)	3	3	3	3	3

(note) Key employees or higher

Employment rate of disabled persons (Unit: %)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Real employment rate	2.32	2.31	2.23	2.12	2.14

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	83	83	83	83	83

(note) Works having production departments

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	962	979	1,001	1,345	1,890

Frequency rate of accidents resulting in time off work

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	0.29	0.28	0.63	0.48	0.59
Domestic group companies	0.51	0.72	0.30	0.56	0.32

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

Number of deaths among regular employees

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	0	0	0	0	0

(note) Personal injury and disease not included

Number of deaths among non-regular employees

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	0	0	0	0	0

(note) Contractors not included

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	237	215	184	305	302
Domestic group companies	189	265	121	101	95
Total	426	480	305	406	397

Number of complaints regarding products and services

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	1.00	0.89	0.79	0.63	0.58

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

Number of employees receiving health training

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	Total number of people	536	2,073	3,707	7,109	6,271
	Total time (Unit: Hour)	1,072	2,451	3,111	3,584	2,929

(note) Only mental health training is counted from FY2013 to FY2015

(note) All health related training is counted from FY2016 onwards

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

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	Number of evaluated suppliers (Main Suppliers)	157	196	199	213	199
	Number of suppliers attended at the Partners Meeting	94	57	55	57	59
	Number of suppliers tried CO2 reduction by Procurement logistics	2	4	7	20	24

Education by hierarchy (Units: Person)

Lecture	Target	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Executive training	Newly appointed officers (full-time, part-time) (note 1)	23	23	18	6	9
Training for section managers	New section managers and managers (note 2) (note 3)	42	52	79	69	93
Training for key employees	Newly appointed managers and full-time employees (note 2)	43	42	49	53	65
New employee training	New employees (note 2) (note 3)	36	57	92	104	109

(note 1) Furukawa Electric

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

(note 3) Human rights education included in the lecture

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Number of participants to seminars in Japan Furukawa Electric + Japan group companies	269	306	246	541	654
Number of participants to seminars overseas Overseas Group Companies	30 (Shanghai)	40 (Bangkok)	38 (Jakarta)	128 (Philippines, Tianjin, Shenzhen and Shanghai)	44 (Vietnam)

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

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric Group	Subcontract Act	505	670	627	532	557
	Security trade control	594	671	853	1,125	997

Number of directors (Units: Person)

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Furukawa Electric	Directors	12	12	12	12	12	12
	Outside directors	4	5	5	5	5	5
	Independent directors	2	3	3	3	5	5
	Female directors	0	0	0	0	1	1

(note) As of the end of the fiscal year, however, as of June 23, 2020 in fiscal 2020

Others

Revised September 2020

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

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric Group	Japan	469,617	453,317	510,663	521,281	495,658
	China	90,336	82,039	96,911	94,006	75,059
	Asia (except Japan and China)	166,516	155,983	193,059	213,260	183,033
	North and Central America	73,980	82,302	84,746	72,677	78,302
	South America, Europe and others	74,429	69,701	81,952	90,364	82,386
Total		874,879	843,344	967,333	991,590	914,439
Overseas sales		405,262	390,027	456,669	470,309	418,781
Overseas sales ratio (%)		46.3	46.2	47.2	47.4	45.8

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

Number of patent rights (Unit: patents)

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Furukawa Electric	Domestic patents	4,478	4,619	4,644	4,605	4,523
	Overseas patents	2,247	2,289	2,507	2,712	2,910
Total		6,725	6,908	7,151	7,317	7,433

External Evaluation

SRI Index • ESG Index

Environmental, Social and Governance Practices

FTSE4Good Index Series/FTSE Blossom Japan Index

Furukawa Electric was selected as a constituent of the FTSE4Good Index Series and the FTSE Blossom Japan Index for the first time. (As of June 2020)

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



	2017	2018	2019	2020
FTSE4Good Index Series				● First time
FTSE Blossom Japan Index				● First time

Social (Empowerment of Women)

MSCI Japan Empowering Women Index (WIN)

Furukawa Electric is selected as a constituent of the MSCI Japan Empowering Women Index (WIN). (As of June 2020)

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

2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

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

	2017	2018	2019	2020
MSCI Japan Empowering Women Index (WIN)	●		●	●

Environmental (GHG Reduction)

S&P/JPX Carbon Efficient Index

Furukawa Electric is selected as a constituent of the S&P/JPX Carbon Efficient Index. The Company's decile classification in the capital goods category, which is in the mid impact group, is 7. The carbon disclosure status is "Disclosed." (As of June 2020)

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



Environmental, Social and Governance Practices

SOMPO Sustainability Index

Furukawa Electric is selected as a constituent of the SOMPO Sustainability Index of SOMPO Asset Management Co., Ltd.
(As of June 2020)



ESG evaluation, certification

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

CDP

Furukawa Electric has responded to the CDP questionnaire about climate change since fiscal 2008 and has responded to the questionnaire about water security since fiscal 2013. In the 2019 CDP Climate Change and Water Security surveys, the Company achieved Management Level B. In the CDP Supplier Engagement Rating (SER), the Company was rated A (Supplier engagement leaderboard). (As of February 2020)



	2016	2017	2018	2019
Climate change	B	C	B-	B
Water security	C	B	B-	B
Supply chain	C	B-	A-	A

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

Environmental (GHG Reduction)

SBT (Science Based Targets)

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



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

Social (Empowerment of Women)

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

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



	2015	2016	2017	2018	2019	2020
The Nadeshiko				● First time		●

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

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



Social (Cultivation of the Next Generation)

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

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



Social (Health Management)

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

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



	2015	2016	2017	2018	2019	2020
Health Management					● First time	

Health & Productivity Management Organization, White 500, 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 (White 500) for the fourth consecutive year in 2020 as an excellent company promoting health management.

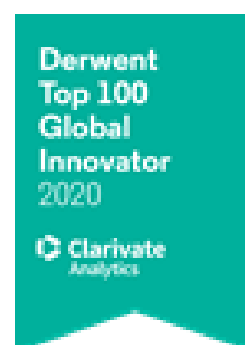


	2017	2018	2019	2020
Health & Productivity Management Organization, White 500	●	●	●	●

Other (Intellectual Property)

Derwent Top 100 Global Innovators 2020

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



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

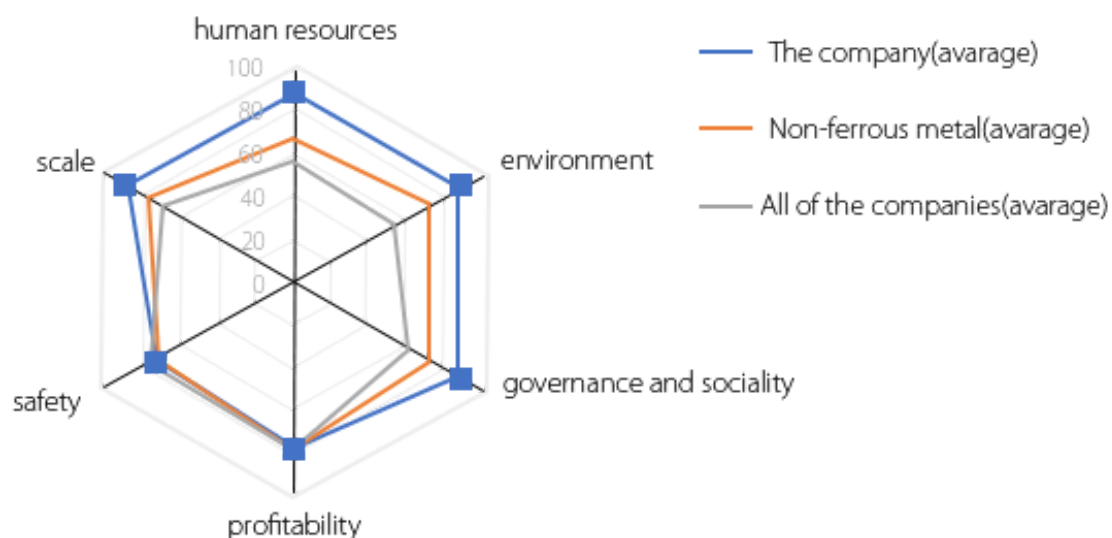
> Furukawa Electric Awarded “Top 100 Global Innovators 2018-19” - Selected in the Top 100 Global Innovative Companies and Research Organizations in Strategic Intellectual Property Activities -

Toyo Keizai CSR Ranking

2020 CSR Ranking

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

(Source: Toyo Keizai Inc. 2020 CSR Ranking (14th) Report)



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

Participation in Initiatives

Participation in Initiatives

Environment, Social, Governance

United Nations Global Compact

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



The Sustainable Development Goals (SDGs)

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

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



Environment

Task Force on Climate related Financial Disclosure TCFD

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



> [News Release](#)

The Ministry of the Environment "COOL CHOICE"

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



Social

National Federation of UNESCO Associations in Japan

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



Main participating organizations

Corporate members of Keidanren (Japan Business Federation) (As of 2 June 2020)

Chairman of the Japan Copper and Brass Association (As of 18 June 2020)

Director of the Japanese Electric Wire & Cable Makers' Association (As of 5 June 2020)

Councilor of the National Federation of UNESCO Associations in Japan (As of 26 June 2020)

Reference data

Occupational Health and Safety Scope of the frequency rate of accidents resulting in time off work (FY2019, as of March 2020)

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

Environmental Management Scope of the environmental management (FY2019, as of March 2020)

32 Domestic group companies		
NTEC Ltd.	Okano Electric Wire Co., Ltd.	Okumura Metals Co., Ltd.
KANZACC Co., Ltd.	Shoden Seiwa Co., Ltd.	TOTOKU Electric Co., Ltd.

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

58 Overseas group companies	
American Furukawa, Inc.	Chongqing Changhua Automobile Harness Co., Ltd.
FE Magnet Wire (Malaysia) Sdn. Bhd.	Furukawa (Thailand) Co., Ltd.
Furukawa Auto Parts (Huizhou) Co., Ltd.	Furukawa Automotive Parts (Dongguan) Ltd.
Furukawa Automotive Parts (Vietnam) Inc.	Furukawa Automotive Systems (Thailand) Co., Ltd.
Furukawa Automotive Systems Lima Philippines, Inc.	Furukawa Automotive Systems Mexico S.A. de C.V.
Furukawa Automotive Systems Vietnam Inc.	Furukawa AVC Electronics (Suzhou) Co., Ltd.
Furukawa Cabos e Acessorios Ltda.	Furukawa Circuit Foil Taiwan Corporation
Furukawa Electric (Shenzhen) Co., Ltd.	Furukawa Electric Autoparts Central Europe s.r.o.
Furukawa Electric Autoparts Philippines Inc.	Furukawa Electric Copper Foil Taiwan Co., Ltd.
Furukawa Electric Europe Ltd.	Furukawa Electric Hong Kong Ltd.
Furukawa Electric Institute of Technology Ltd.	Furukawa Electric LatAm S.A.
Furukawa Electric Morocco SARL	Furukawa Electric Singapore Pte. Ltd.
Furukawa FITEL (Thailand) Co., Ltd.	Furukawa FITEL Optical Products (Shanghai) Co., Ltd.
Furukawa Industrial S.A. Sucursal Argentina	Furukawa Metal (Thailand) Public Co., Ltd.
Furukawa Mexico S.A. De C.V.	Furukawa Minda Electric Pvt. Ltd.
Furukawa Precision (Thailand) Co., Ltd.	Furukawa Shanghai, Ltd.

58 Overseas group companies

Furukawa Wiring Systems Mexico S.A. de C.V.	HT Italia Holding S.r.l.
Jiangsu OFS Hengtong Optical Technology Co., Ltd.	OFS Fitel Denmark Aps
OFS FITEL Deutschland GmbH	OFS Fitel, LLC
OFS RUS Fiber Optic Cable Company	P.T. Furukawa Automotive Systems Indonesia
P.T. Furukawa Optical Solutions Indonesia	P.T. Tembaga Mulia Semanan, Tbk.
Permintex Furukawa Autoparts Malaysia Sdn.Bhd.	Polifoam Plastic Processing Co., Ltd.
Shenyang Furukawa Cable Co., Ltd.	Siam Furukawa Co., Ltd.
SuperPower Inc.	Suzhou Furukawa Power Optic Cable Co., Ltd.
Taiwan Furukawa Electric Co., Ltd.	Taiwan Furukawa Magnet Wire Co., Ltd.
Thai Fiber Optics Co., Ltd.	Thai Furukawa Unicom Engineering Co., Ltd.
Tianjin Jinhe Electric Engineering Co., Ltd.	Trocellen GmbH
Trocellen Italy S.p.A.	Trocellen S.E.A. Sdn. Bhd.
Wuhan Furukawa Automotive Systems Co., Ltd.	Xin Furukawa Metal (Wuxi) Co., Ltd.

Environmental Management Scope of the environmental accounting (FY2019, as of March 2020)

21 Domestic group companies

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

Community

Local Community Contribution, Social Contribution

Basic Policy

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

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

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

ESG awards Social Contribution Award

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

Outstanding Performance Award

Furukawa Electric LatAm S.A (Brazil)

Donating food and hygiene products to neighboring households in response to problems associated with the new coronavirus infection

Excellent Award

Furukawa Sangyo Kaisha, Ltd. (FSK)

A wide range of activities such as inviting elementary school students and people of the welfare facilities to the Nikko Ice Bucks game and donating to orphanages

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

Supporting workshops for elementary school students and social studies classes at local elementary schools in cooperation with local governments

Activities in different regions

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

	Furukawa Electric Co., Ltd. Locations and Divisions						Domestic subsidiaries and affiliates				Overseas subsidiaries and affiliates																	
Types of activities	Chiba	Nikko	Hiratsuka	Mie	Yokohama	Copper tube	Copper foil	Sales management	Furukawa Nikko Power Generation Inc.	Meisei Electric Co., Ltd.	Furukawa Automotive Systems Inc.	Furukawa Techno Material Co., Ltd.	Furukawa Precision Metal Industrial Co., Ltd.	FALP (Philippines)	FEAP (Philippines)	FAPH (China)	FASW (China)	FESZ (China)	SFC (China)	FAST (Thailand)	FPT (Thailand)	TFOC (Thailand)	TFU (Thailand)	FCFT (Taiwan)	FFT (Taiwan)	FEL (Brazil)	FOSI (Indonesia)	PFAM (Malaysia)
Cultivation of the next generation Nurturing future generations Promoting sport and culture Living in harmony with the natural environment and local communities	●	●	●	●	●		●		●		●	●		●	●		●	●			●		●	●	●	●		
Encouragement of sports and culture Holding and supporting sports classes, invitation to sports classes Holding and supporting festivals and others			●	●		●			●		●			●	●	●	●	●					●			●		●
Harmony with nature and communities Participation in local environmental beautification activities Plant tours for residents Participation in local trade shows and others	●							●	●	●	●	●	●		●	●	●	●	●	●			●	●	●			●
Support and cooperation Support and donation to people affected by earthquakes Support for environmental funds and blood donation and others	●	●	●	●	●		●	●			●	●		●	●	●	●	●	●	●	●	●	●	●		●	●	●
Evaluation and opinions of outside organizations, external commendations Commendations from national, prefectural and municipal governments Commendations from companies and other organizations and others	●														●	●	●	●		●		●			●			
Other social contribution activities Actions for biodiversity and others	●	●	●		●		●					●		●	●								●	●		●		●

Nurturing future generations

In fiscal 2019, we conducted the activities listed below.



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



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



The Company participates in trainings for "teachers at private companies of the Keizai Koho Center" and provided training for teachers.

Promoting sport and culture



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



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



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

Living in harmony with the natural environment and local communities

In fiscal 2019, the Group conducted a variety of social contribution activities in many different regions.



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



Held a Nikko Waraku Odori dance event (Furukawa Electric).



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



Donated to the people who do not have housing facilities. (Furukawa Electric LatAm)



Donated to areas affected by volcano eruptions. (Furukawa Electric Autoparts (Philippines))



Cooperation in blood donation (Furukawa FITEL (Thailand))

FURUKAWA ELECTRIC CO., LTD.

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

