

ESG Briefing

ESG Initiatives Directed at Achieving Furukawa Electric Group Vision 2030

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Furukawa Electric Co., Ltd.

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FURUKAWA ELECTRIC CO., LTD.

Agenda

- 1. Overview of ESG Management and Positioning of the Medium-Term Management Plan**
- 2. Achieving Carbon Neutrality**
- 3. Strengthen human capital management and organizational execution abilities**
- 4. Establish governance structure to strengthen risk management**
- 5. Summary**

Appendix

1. Overview of ESG Management and Positioning of the Medium-Term Management Plan

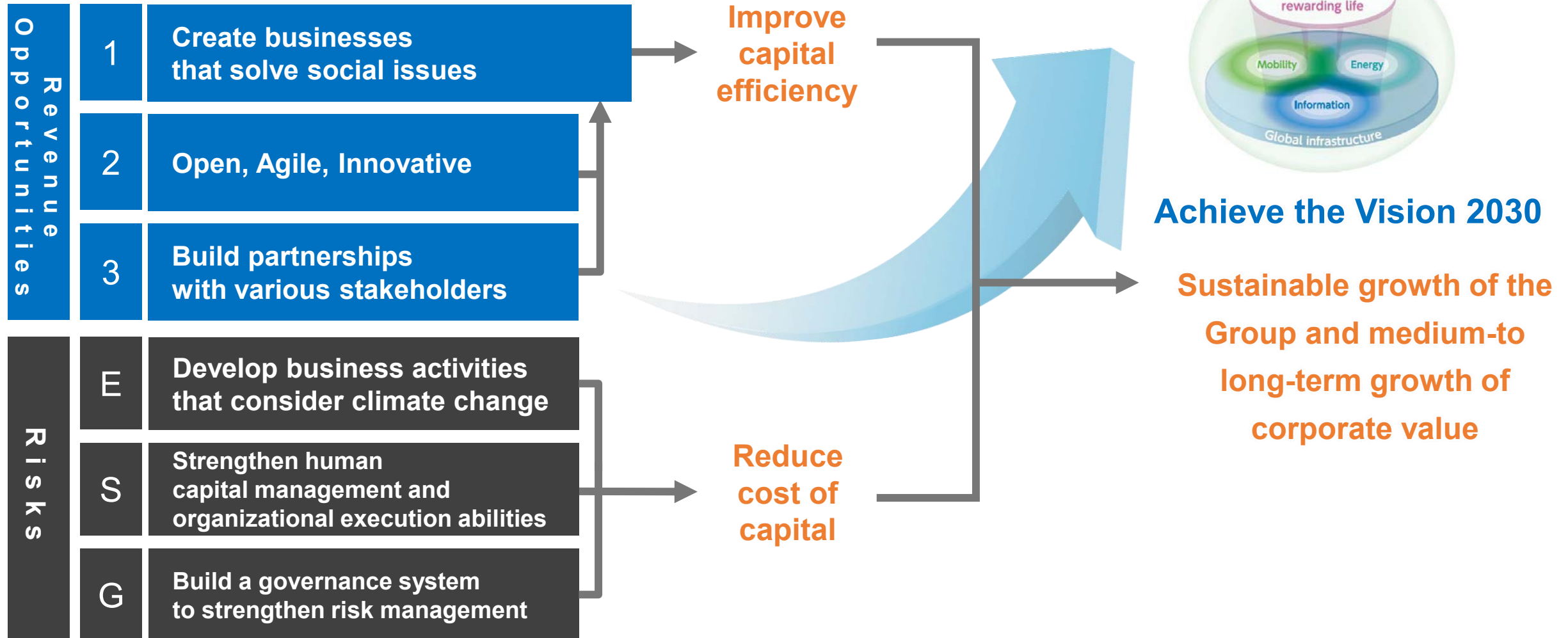
ESG Management Approach :

Management aimed at increasing corporate value over the medium to long term based on ESG (Environmental, Social and Governance) to achieve Vision 2030



Materiality and Enhancement of Corporate Value

Materiality : Important issues for achieving Vision 2030



Value creation process directed at 2030

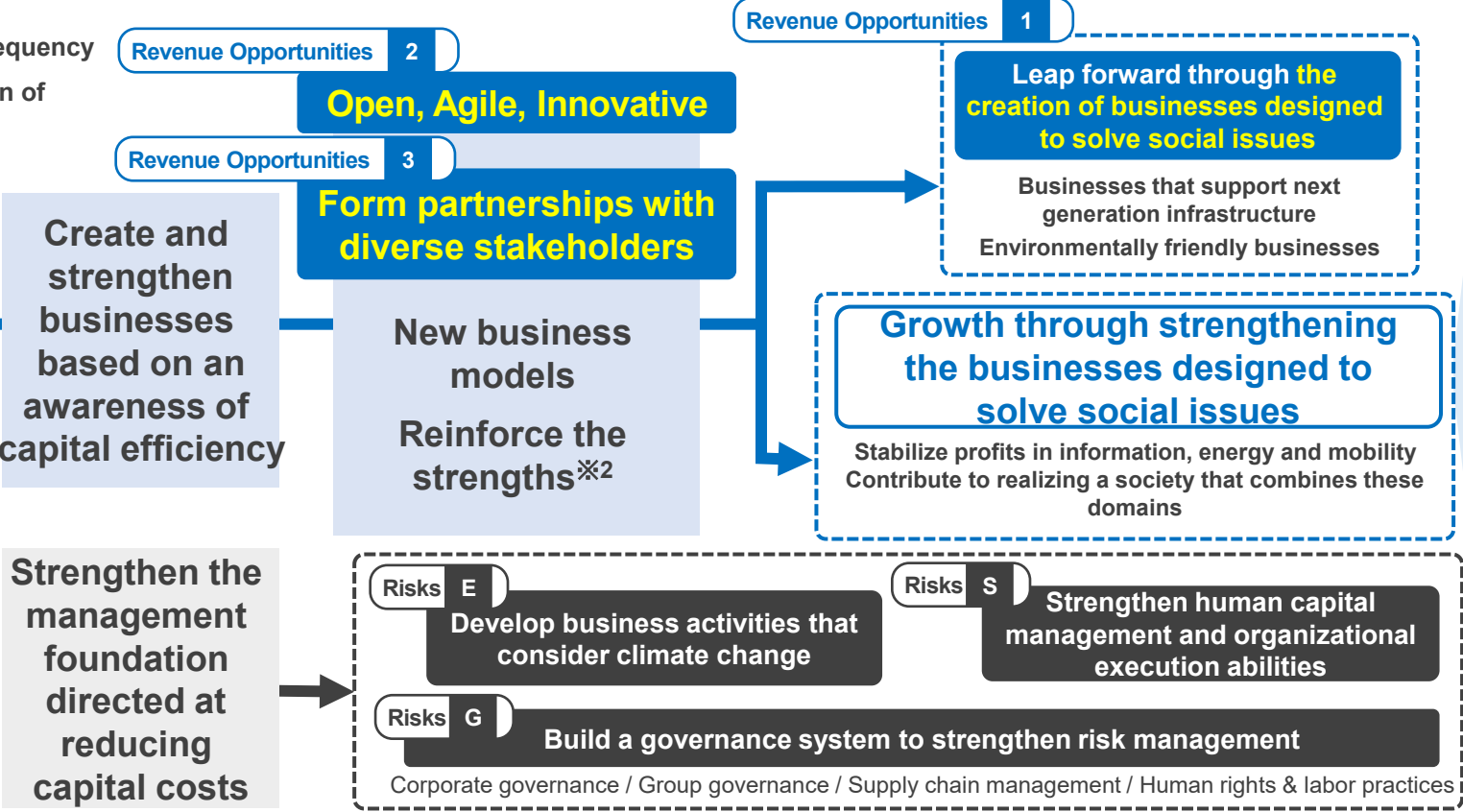
Furukawa Electric Group Corporate Philosophy



- ※1: 4 core technologies :metal, polymer, photonics, high frequency
- ※2: Including enhance utilization of intellectual property
- ※3: B5G (Beyond 5G)

Furukawa Electric Group's business model and strengths

- 4 core technologies※1
- Development and proposal capabilities not limited to specific markets
- Trusted by customers



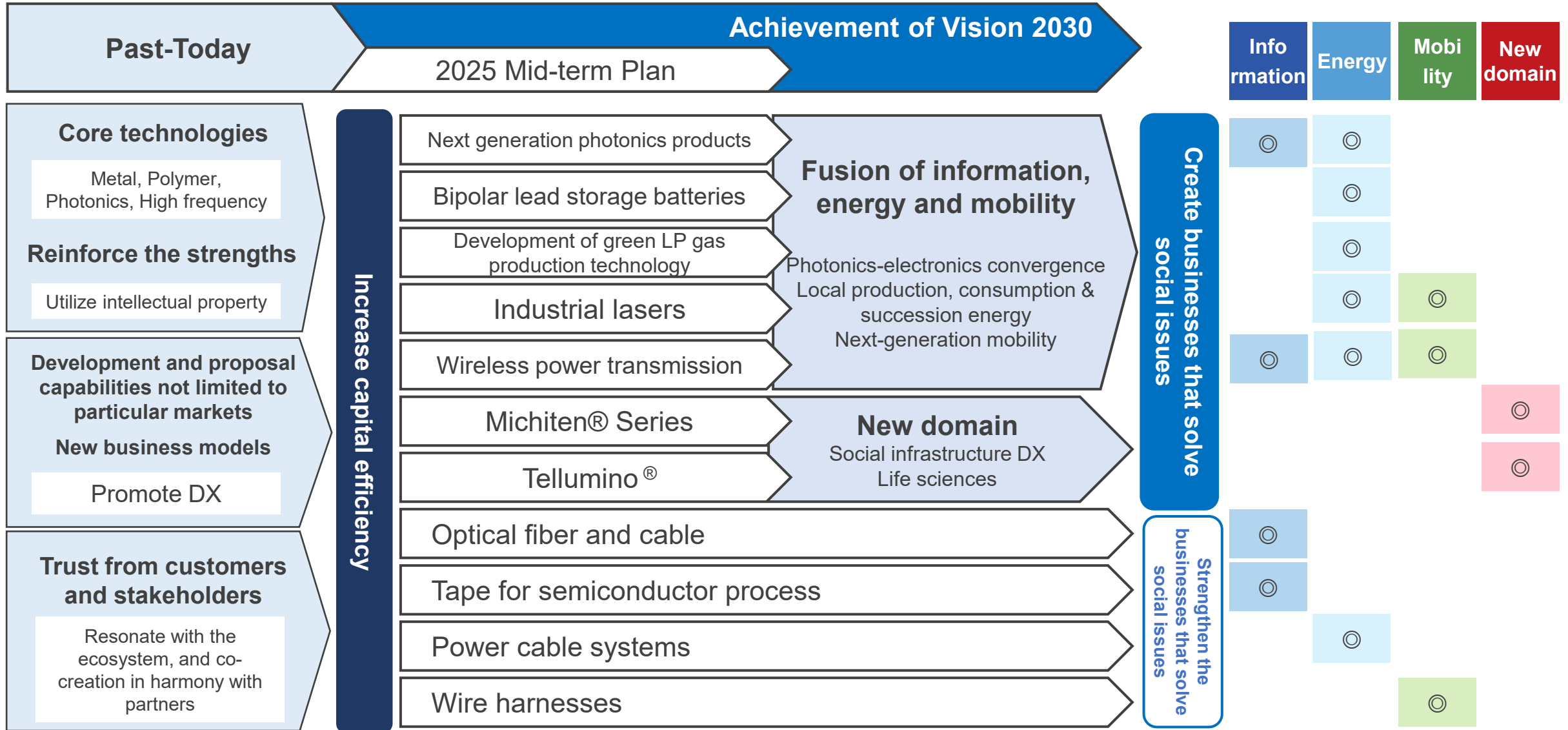
Social issues

Information	Realize a B5G※3 society
Energy	Become carbon neutral
Mobility	Realize next generation infrastructure that enjoys universal mobility
New domain	Realize longer healthy life expectancy
Partnerships with multiple stakeholders	

Realize a circular economy

The Furukawa Electric Group CSR Code of Conduct

Value creation story of Revenue Opportunities and 2025 Mid-term Plan



New initiatives in the 25 Mid-term Plan

~Set sustainability indicators and targets~

Concept of sustainability indicators and targets

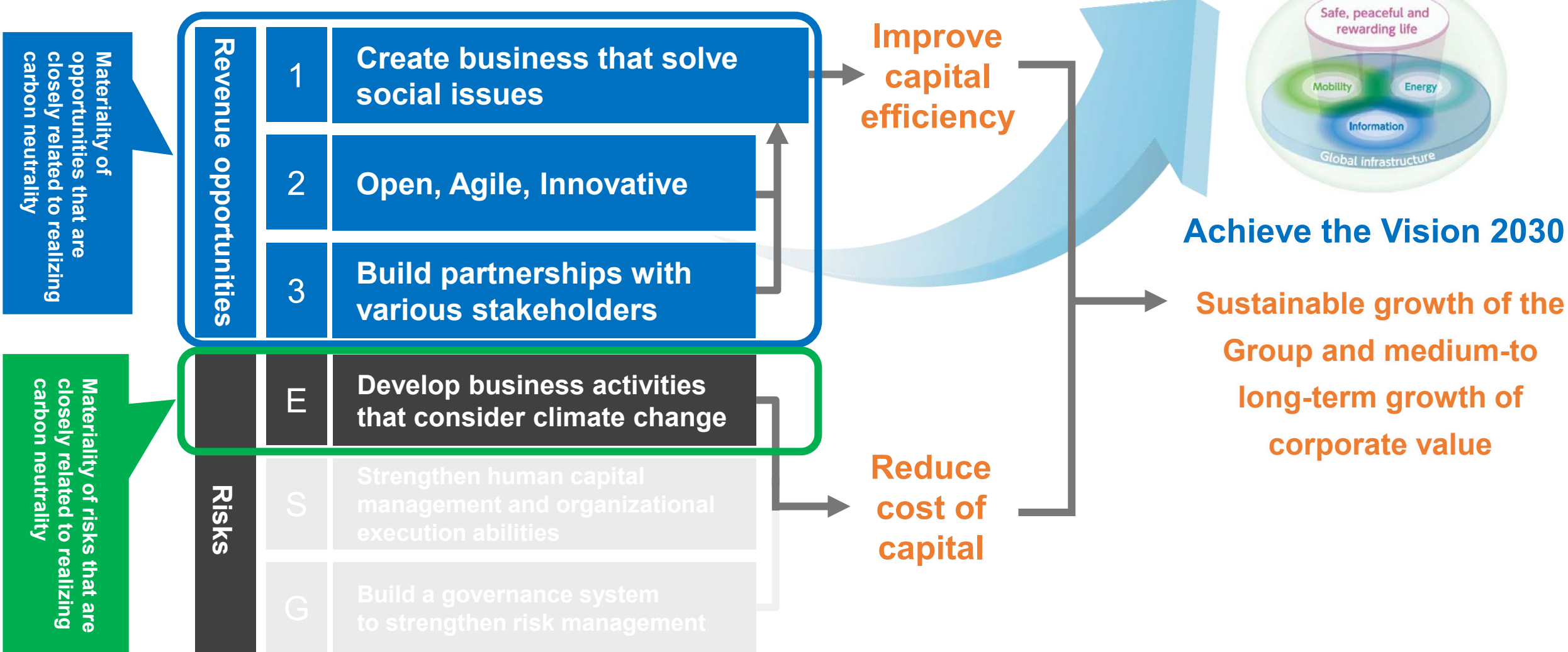
In order to increase corporate value from the perspective of both revenue opportunities and risks, set sustainability indicators (KPI) for the materiality and sustainability targets for FY2025

		FY2021 Actual	FY2022 Progress	FY2022 Target	FY2025 Target	
Revenue opportunities	Create businesses that solve social issues					
	Sales ratio of environmentally friendly products	Consolidated	61.9%	—	64%	70%
	Open, Agile, Innovative/ Build partnerships with various stakeholders					
	R&D expense growth rate for new businesses (compared to FY2021)	Consolidated	<100%>	—	115%	125%
Risks	Implementation rate of IP landscaping for strengthening the businesses and themes for creating new businesses	Consolidated	17%	30% or higher	30%	100%
	Develop business activities that consider climate change					
	GHG emissions reduction rate (Scope 1, 2) (compared to FY2017)	Consolidated	(29.0%)	—	(17.7%)	(28.3%)
	Ratio of renewable energy use to total consumption	Consolidated	10.9%	13% or higher	11.5%	13%
	Strengthen human capital management and organizational execution abilities					
	Employee engagement scores	Non-consolidated	—	65	Start measuring	75 (new setting)
	Ratio of female managers	Non-consolidated	3.8%	—	4.5%	7%
	Ratio of career track hiring among total new staff hiring (Managers, career track employees, non-career track)	Non-consolidated	36%	45% (forecast)	30%	30%
	Build a governance system to strengthen risk management					
	Ratio of follow-up management activities for all risk domains	Consolidated	88%	—	93%	100%
Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers	Consolidated	Non-consolidated 20%	Global 30% or higher	Global 20%	Global 100%	
Implementation rate of human rights risk training for managerial positions	Consolidated	—	Global implementation rate 100%	Start in Japan	Global 100%	

2. Achieving Carbon Neutrality

Materiality closely related to “achieving carbon neutrality”

Materiality : Important issues for achieving Vision 2030



Impact of climate change on the group's businesses

In accordance with the TCFD recommendations, conducted analysis of a “2°C or lower scenario” and “4°C scenario” (※)
 Identified the climate change risks (transitional risks & physical risks) and opportunities, and evaluated the level of impact on the businesses

Impact on the businesses in 2030 (↑↑: Positive impact, ↓↓: Negative impact, →: Minimal impact)

Category	Individual climate change risks and opportunities		Impact on the businesses		
			2°C or lower	4°C	
Items for which carbon neutral will have a significant impact on the businesses					
Opportunities	Markets	Increased sales and profits from accelerated implementation of 5G/B5G following the boom in data traffic and shift to smart cities			
		Increased sales and profits from higher demand for telecommunications, semiconductor memory and 5G/smartphone products	↑ ↑	↑	
		Increased sales and profits from higher demand for submarine power cable and enhanced main line networks following the increased installation of renewable energy			
	Products and services	Increased sales and profits from higher demand for vehicle electrification and lighter weight products			
		Increased sales from stronger requests for recycled products and low and carbon-free products in response to CN and CE	↑ ↑	↑	
Risks	Transitional risk	Policies / regulations	Carbon taxes on GHG emissions	↓↓ ↓↓	→
		Markets	Increased renewable energy procurement costs	↓↓ ↓↓	→
			Increased procurement costs due to carbon taxes levied on materials (copper, aluminum, resin)	↓↓ ↓↓	→
	Physical risk	Acute	Damage to buildings due to large-scale abnormal weather events (typhoon, heavy rain, heavy snow, lightning)	→	→
Supply chain disruptions of suppliers and customers due to climate related disasters					
Chronic		Suspended operations due to flooding at coastal production sites	↓	↓↓ ↓↓	
		Suspended operations due to drought	↓	↓↓ ↓↓	

※ Referenced multiple existing scenarios published by the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC)

Furukawa Electric Group initiatives directed achieving carbon neutrality

Refer to the items that will have a large impact on the businesses under the 2°C or lower scenario, and formulate a basic stance toward carbon neutrality

Furukawa Electric Group's basic stance toward carbon neutrality

1. Eliminate or reduce direct CO₂ emissions

2. Eliminate or reduce CO₂ emissions by society

3. Capture or transform the CO₂ that is emitted

2050
(Ultra long-term)

Environmental Vision 2050

- **Scope 1, 2:** Challenge target of zero emissions
- **Value chain:** Reduce overall GHG emissions

2030
(Long-term)

2030 Environmental target

- **Scope 1, 2:** (42%) (compared to FY2021)
- **Scope 3:** (25%) (compared to FY2021)

2025
(Medium-term)

Sustainability target

- **Scope 1, 2:** (28.3%) (compared to FY2017)
- **Renewable energy ratio:** 13%

Materiality of the risks

Realize carbon neutrality



Expanding the use of renewable energy

Enhancement of earning with offshore wind power market expansion and the development of wide-area interconnection lines

Stabilize the earnings in existing businesses

Capture demand for development of power backbone transmission lines, and renewable energy

Strengthen the businesses that solve social issues

Realize B5G society

Establish fully optical networks
Realize a high energy efficient society

Build a foundation for creating new businesses

Development of low power consumption, high performance photonics products

Materiality of the revenue opportunities
(Create businesses that solve social issues)

Building a social infrastructure that enables "local production, consumption & succession"

Local consumption of locally produced energy
Pass on the local resources and culture to the next generation

Develop technology for producing green LP gas using metal Ramune catalyst®

2. Achieving carbon neutrality

Initiatives for acquiring revenue opportunities related to climate change

Strengthening earnings by expanding the use of renewable energy sources

2. Eliminate or reduce CO2 emissions by society



Aiming for a virtuous cycle of carbon neutrality and enhanced profitability in anticipation of the expansion of the offshore wind power generation market and the development of wide-area interconnection lines

Factors in the social issues that should be resolved

- Submarine cable for offshore wind power (implantable type ⇒ floating type)
- Development of new technologies such as dynamic cables
- Large-capacity and long-distance power transmission: extra-high-voltage direct current cables
- Ultra-high voltage, longer length, connection technology



Open, Agile, Innovative Partnerships

NEDO Green Innovation Fund Project
Selected to participate in 3 projects for “Cost Reductions for Offshore Wind Power Generation”

Social issues

Realize carbon neutrality



Realize infrastructure enhancement



Products / Services

Core technologies

Metals

Conductors, armoring, etc.

Polymers

Highly reliable coating technology

Power cable

- Extra-high voltage and high voltage underground power cable, components and installation
- Submarine power cable and installation



Submarine and Underground cable

High voltage DC line

2025 Mid-term Plan :
Tripled domestic sales of renewable energy (FY2021→FY2025)

Development and commercialization of new submarine cable technology for offshore wind power generation

Market growth for offshore wind power

Increase in demand for wide-area interconnection lines due to expansion of renewable energy

Market growth for wide-area interconnections

Expansion of renewable energy diffusion

Strengthening the electric power grid

Creation of next-generation photonics business

2. Eliminate or reduce CO2 emissions by society

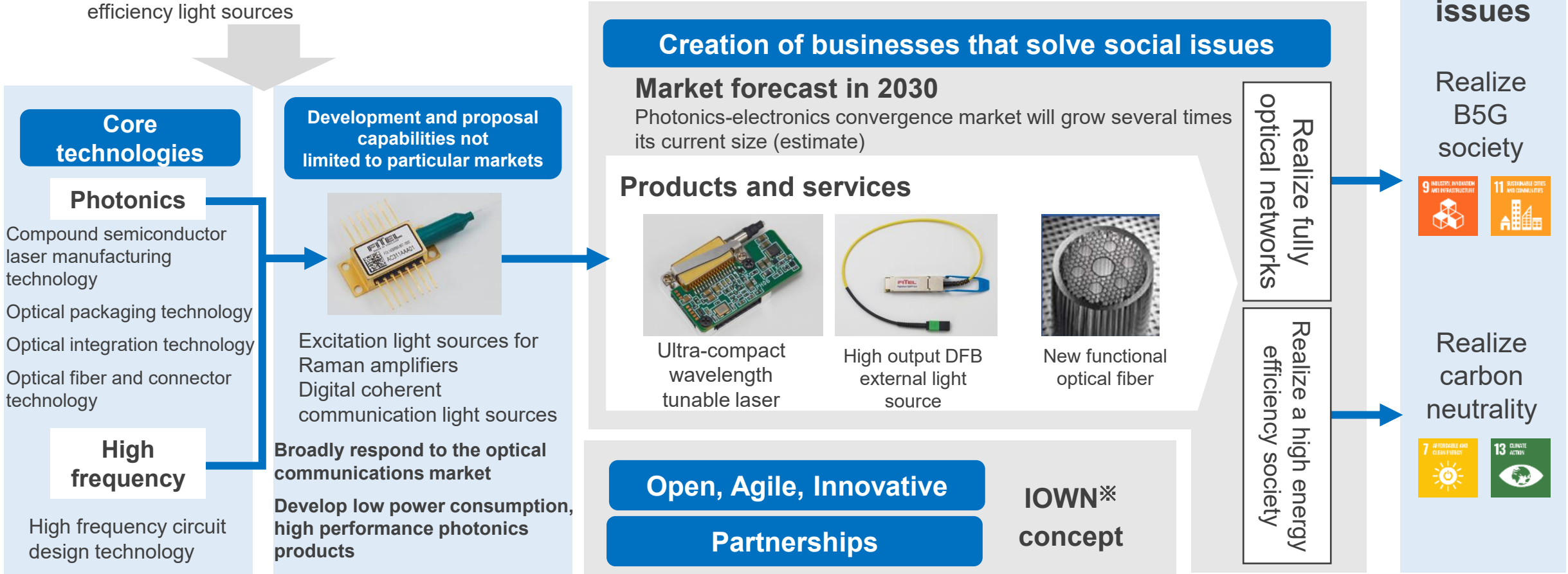


Contributing to the realization of a fully optical network and a highly efficient energy society through the development of high-performance photonics products

Factors in the social issues that should be resolved

Small, high speed, high output, high efficiency light sources

Trust from stakeholders



※ IOWN: Innovative Optical and Wireless Network

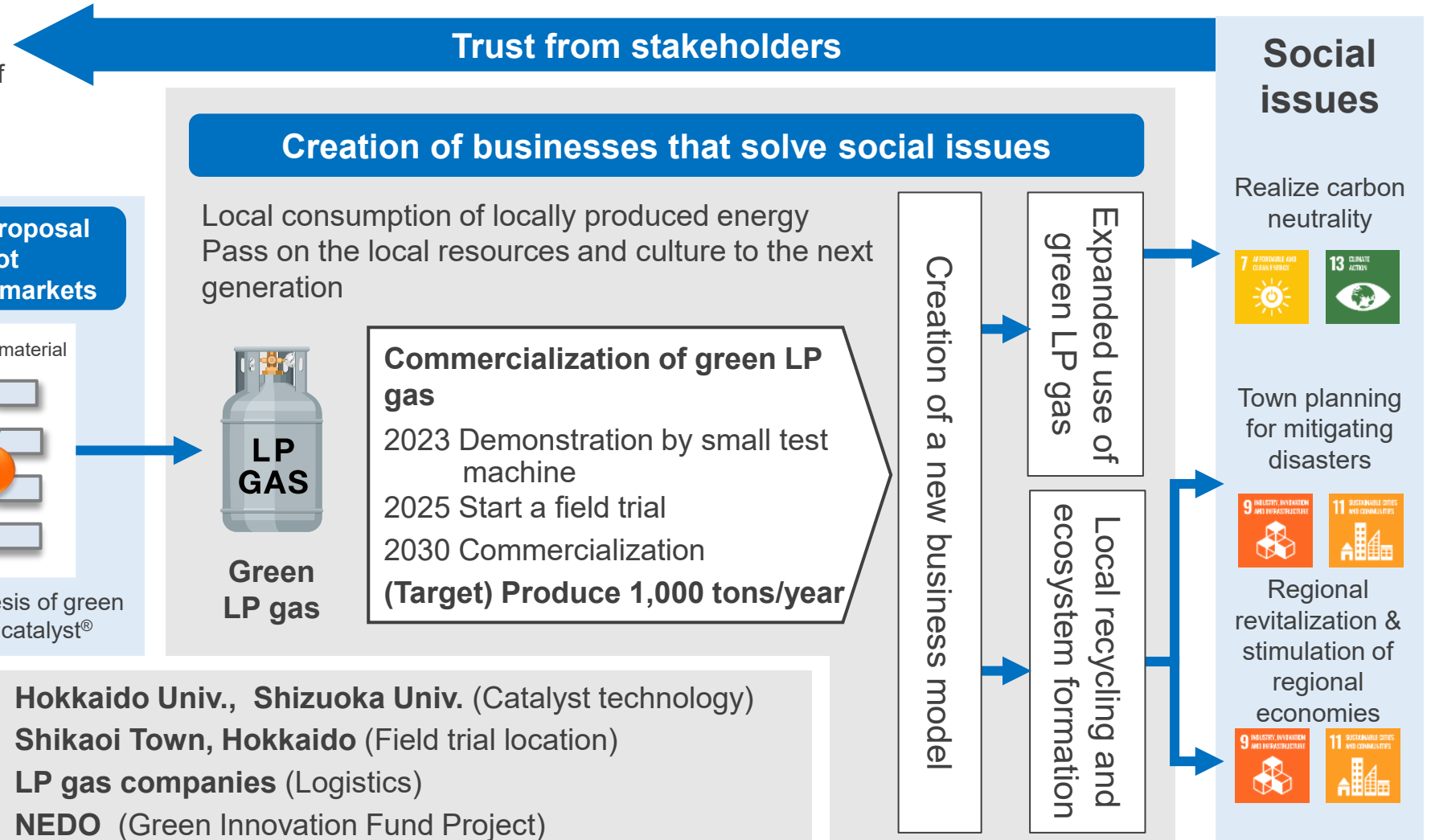
Create a new business model through green LP gas

3. Capture or transform the CO2 that is emitted

Through the increased use of green LPG, establish social infrastructure that will enable the local consumption of locally produced energy and passing down the rich local resources to the next generation

Factors in the social issues that should be resolved

Effective use of local resources, and realization of carbon neutrality and a recycling-based society



Core technologies

Metals

Supported metal catalysts technology

Polymers

Material processing technology

Development and proposal capabilities not limited to particular markets

Several nm Porous material

Catalyst

Technology for the synthesis of green LP gas using Ramune catalyst®

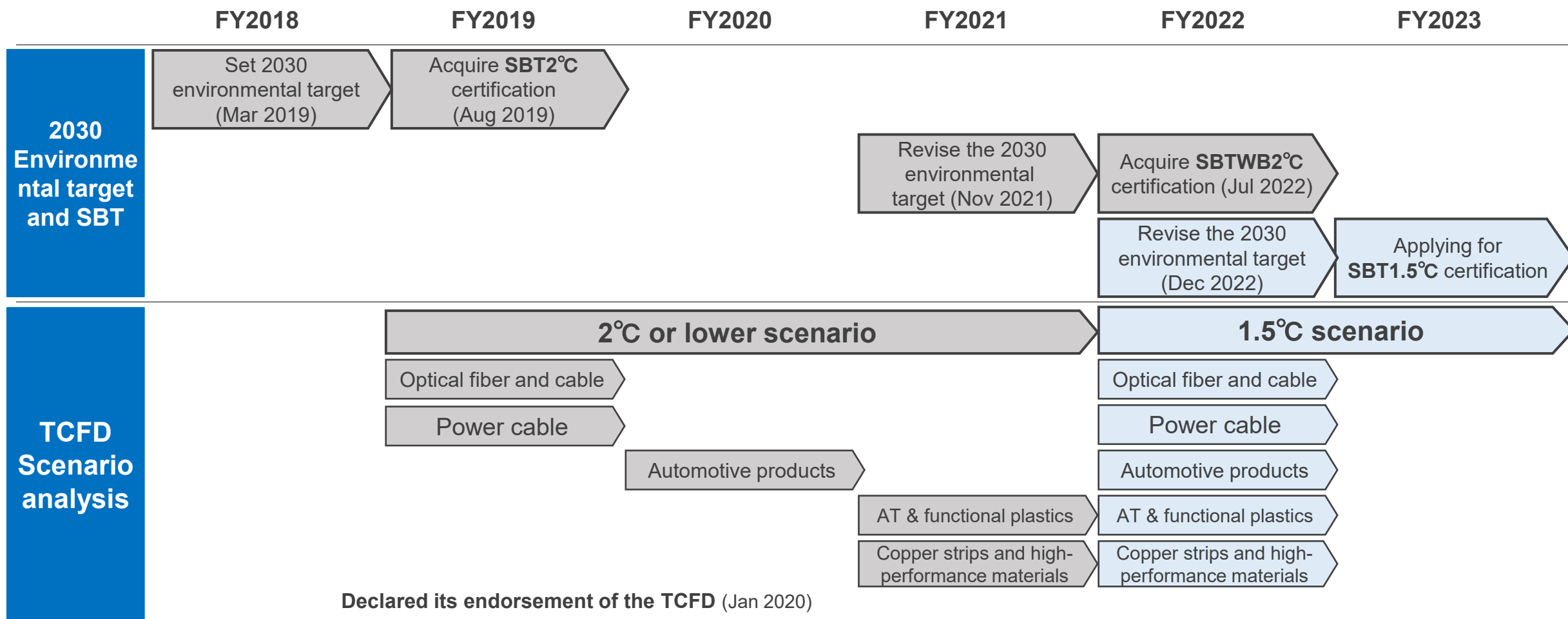
- Open, Agile, Innovative**
- Hokkaido Univ., Shizuoka Univ. (Catalyst technology)
 - Shikaoi Town, Hokkaido (Field trial location)
- Partnerships**
- LP gas companies (Logistics)
 - NEDO (Green Innovation Fund Project)

2. Achieving carbon neutrality

Initiatives for reducing GHG emissions

Strengthen the initiatives for reducing GHG emissions

To accelerate carbon neutral efforts, revised 2030 Environmental Target (greenhouse gas emission reduction target) and applied for SBT 1.5°C certification. Also started to address the 1.5°C scenario of TCFD.



※ Disclosure of information in accordance with the TCFD recommendations

<https://furukawaelectric.disclosure.site/en/themes/199>

GHG emissions (Scope1, 2)

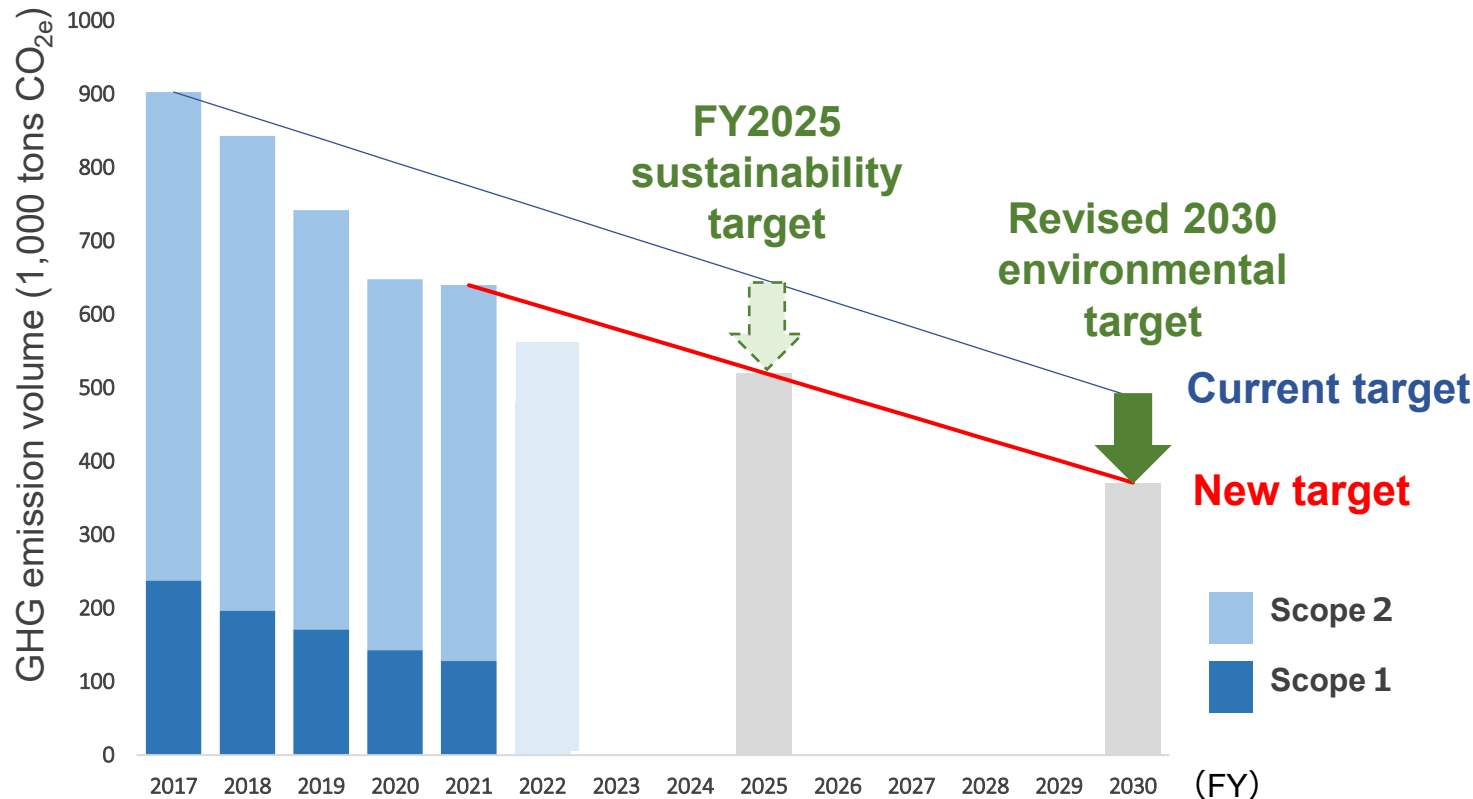
1. Eliminate or reduce direct CO₂ emissions



2030 Environmental target

GHG emissions from business activities (Scope 1, 2)
 (Current) Reduce by at least 46% compared to FY17 → **(Revised) Reduce by at least 42% compared to FY21**

Furukawa Electric Group total GHG emissions (Scope 1, 2)



Common initiatives for Scope1 & 2

- Conserve energy during manufacturing, increase efficiency and reduce the amount of energy used
- Revise the product designs, and reduce the product size and weight

Scope 1 initiatives

- Switch fuels (Shift to town gas & LNG, use heat as a source of electric power)

Scope 2 initiatives

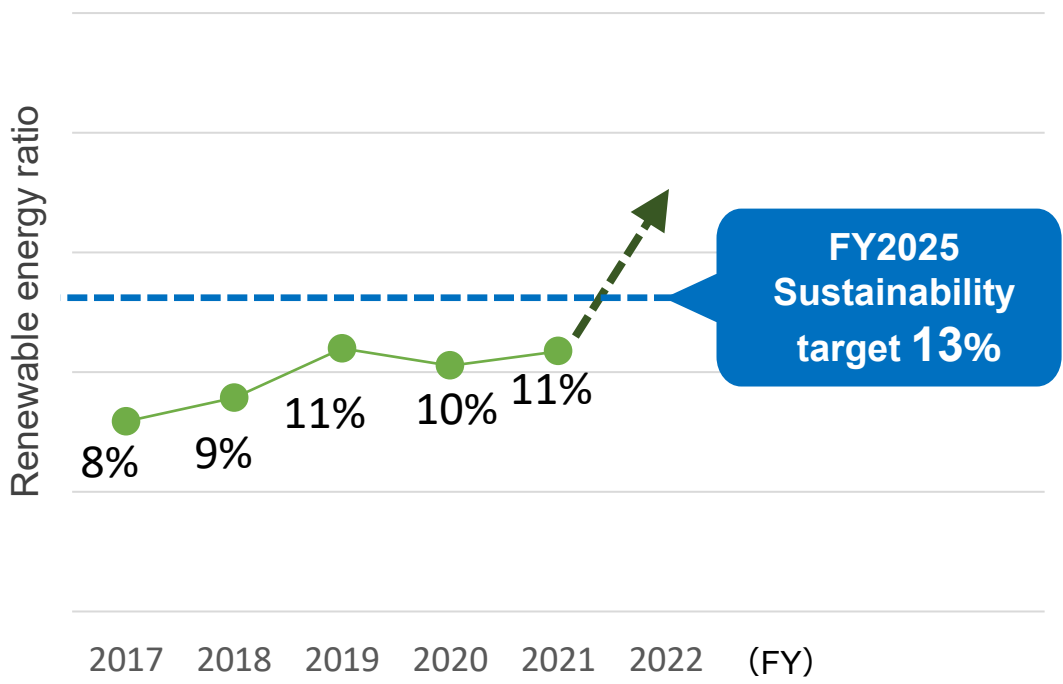
- Continue to use hydroelectric power
- Install solar panels
- Use electric power generated from renewable energy

Sustainability indicator

Ratio of renewable energy to electricity consumption

FY2025 sustainability target: 13% → **Considering raising the target**

Ratio of renewable energy to electricity consumption



● **Install solar panels**

- January 2022 Furukawa AS head office started generating solar power
- From FY2023 Start generating solar power at affiliated companies in Japan and overseas

● **Use electric power generated from renewable energy**

- Shift to 100% green energy at the plants
- April 2022 Copper Foil Division (Imaichi East Plant)
 - October 2022 Thermal Management Solution & Products Division (Philippines plant)
 - October 2022 AT & Functional Plastics Division (Hiratsuka Plant)

- Installation of renewable energy has progressed since 2022, and it is expected to greatly exceed the FY2025 sustainability target
- Considering revising the FY2025 sustainability target

GHG emissions (Scope3)

1. Eliminate or reduce direct CO₂ emissions

2. Eliminate or reduce CO₂ emissions by society

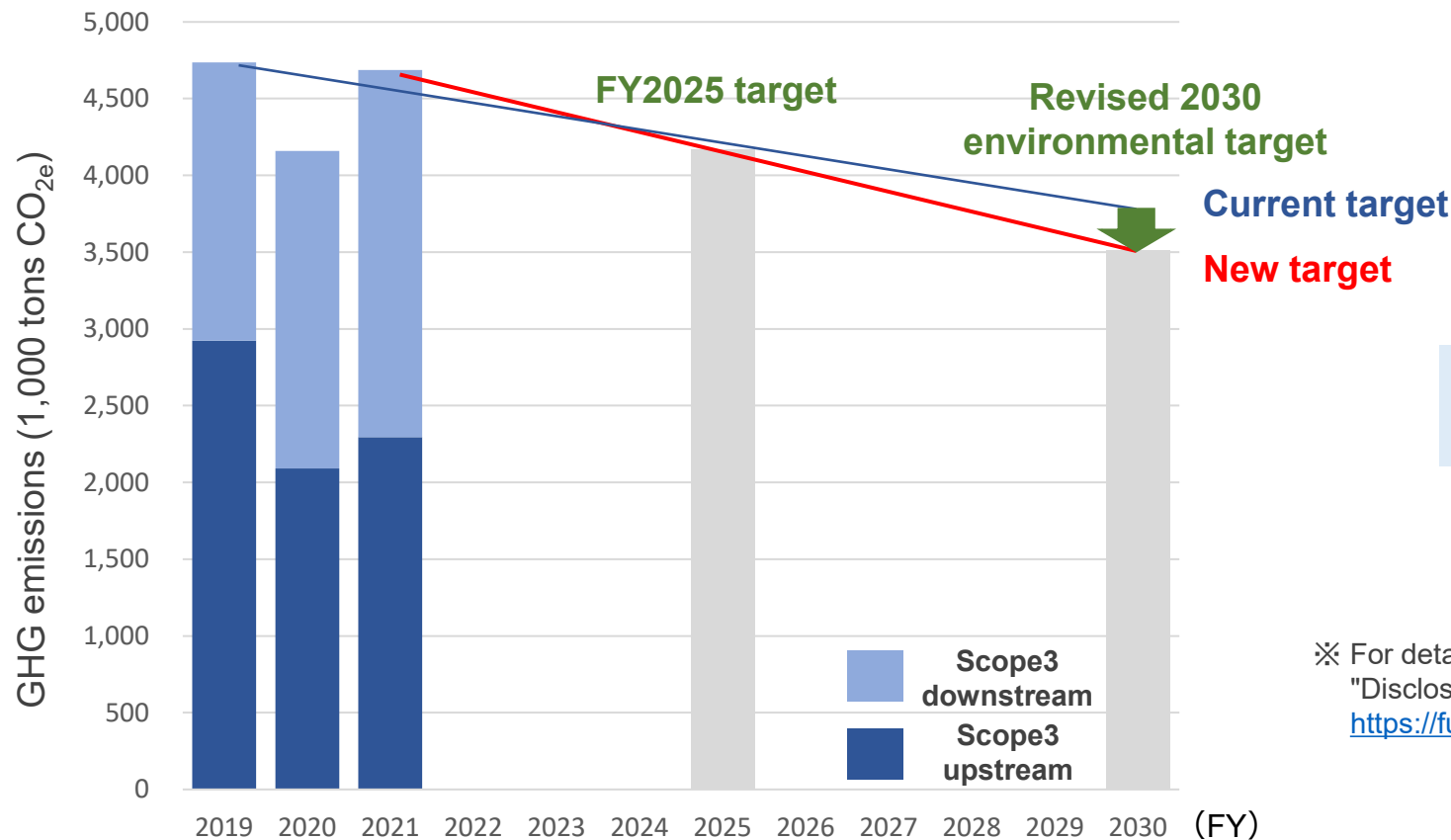


2030 Environmental target

GHG emissions in the value chain (Scope 3):

(Current) Reduce by at least 20% compared to FY19 → (Revised) Reduce by at least **25%** compared to FY21

Furukawa Electric Group total GHG emissions (Scope 3)



Scope 3 Initiatives

- Joint procurement activities with partners
- Initiatives for recycling-based production activities
- Initiatives that contribute to reducing environmental impact through the products
- Revise the product design and increase yield

Information disclosure about Scope 3 emissions

- From FY2020, started disclosing information on GHG emissions by category

※ For details on GHG emissions by Scope 3 category, please refer to our website "Disclosure/Indicators and Targets in line with TCFD Recommendations".
<https://furukawaelectric.disclosure.site/en/themes/199>

Future actions to achieving carbon neutrality in 2050

Promote each initiative centered on the materiality of the revenue opportunities and risks

Achieve Vision 2030

Revenue opportunities

- Acquire revenue opportunities related to climate change
 - Create and strengthen businesses that solve social issues

Risks

- GHG emission reductions
 - Further consider and install renewable energy
 - Strengthen the recycling-based production activities



Realize carbon neutrality in 2050

2030 Environmental target

Indicator (★: Sustainability indicator)	Scope	FY2021 Actual	FY2022 Interim	FY2022 Target	FY2025 Target	FY2030 New environmental target	FY2050 Challenge target
★ Sales ratio of environmentally friendly products	Consolidated	61.9%	—	64%	70%	—	—
★ GHG emissions reduction rate (Scope 1, 2)	Consolidated	(29.0%) <small>(compared to FY2017)</small>	—	(17.7%) <small>(compared to FY2017)</small>	(28.3%)※ <small>(compared to FY2017)</small>	(42%) <small>(compared to FY2021)</small>	Zero emissions
★ Ratio of renewable energy to total consumption	Consolidated	11%	13% or higher	11.5%	13%※	—	—
GHG emissions reduction rate (Scope 3)	Consolidated	(1%) <small>(compared to FY2019)</small>	—	(4%) <small>(compared to FY2019)</small>	(10%) <small>(compared to FY2019)</small>	(25%) <small>(compared to FY2021)</small>	—

※ Considering revising following the change to the FY30 target.

3. Strengthening human capital management and organizational execution abilities

Basic thinking on human capital

In order to strengthen human capital management directed at achieving Vision 2030, promote the materiality “Strengthen human capital management and organizational execution abilities”.

Basic policy toward achieving Vision 2030

Based on the **Furukawa Electric Group People Vision**,

- Secure diverse personnel and support the growth of the people who continually take on new challenges
- Aim to become a corporate group in which each employee plays a leading role and can work with a feeling of pride and excitement
- Create a culture of “carrying through to completion as a team” within the Furukawa Electric Group

Furukawa Electric Group People Vision

Basic thinking about the people working in the group



Human capital management strategy in the 2025 Mid-term Plan

- Realize the management strategy and business strategy, and Support increasing the execution ability of the organization and employees
- Strengthen governance together as a group

Classify into the following 4 perspectives and 6 elements, and implement measures

	Awareness / mindset / culture	Actions / systems
Individuals	Engagement	Abilities / Skills
Organization	Leadership / Team mindset	Design of the organization / Personnel composition
	Organizational culture / Communication	Flow of information, coordination and decision making mechanism

Overall image of “Strengthen human capital management and organizational execution abilities”

Directed at promoting the human capital management initiatives, establish a framework made up of 4 perspectives and 6 elements, and grasp the overall image of the activities.

Start to revise the indicators and targets.

Focus points for this briefing

Perspective		Element	FY2022 activities	Indicators
Individuals Organization	Awareness / mindset / culture	Engagement	<ul style="list-style-type: none"> Conduct a Furukawa E-survey and establish a framework for improvement activities 	<ul style="list-style-type: none"> Engagement score (Result of Furukawa E-survey) Turnover ratio Male / female ratio (employees, managers, etc.) Number of people with a disability and employment ratio
		Leadership / Team mindset	<ul style="list-style-type: none"> Leadership transformation activity (Furukawa Seven) Promote the advancement of female employees and hiring of persons with a disability 	
		Organizational culture / Communication	<ul style="list-style-type: none"> Promote “work style reform” aimed at increasing productivity and work-related satisfaction Start to strengthen the framework for health-oriented management 	
Individuals Organization	Actions / systems	Abilities / Skills	<ul style="list-style-type: none"> Expand the programs for improving execution ability groupwide Enhance career training and establish a system for consultations on career formation 	
		Design of the organization / Personnel composition	<ul style="list-style-type: none"> Expand the succession plan to division managers Enhance career track hiring activities 	
		Flow of information, coordination and decision making mechanism	<ul style="list-style-type: none"> Promote feedback through the revision of the target management system 	

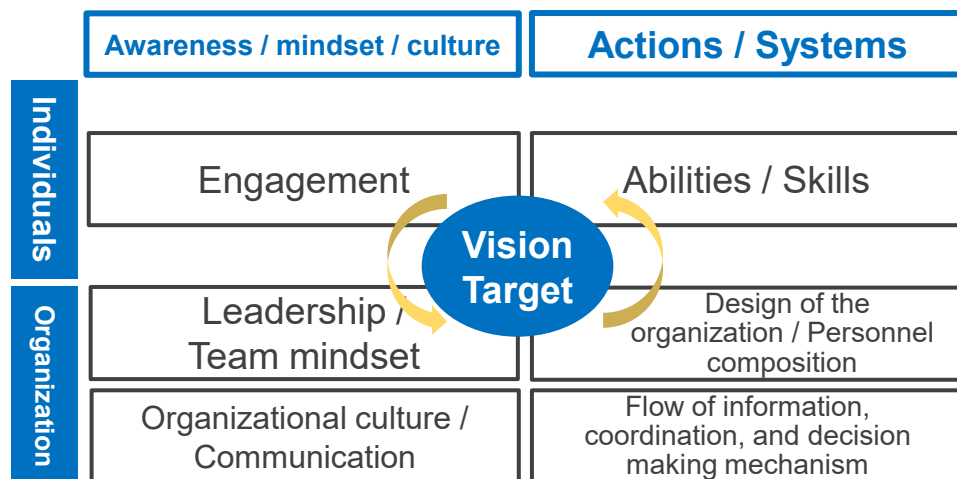
Conduct the “Furukawa E-Survey” on human capital management and organizational execution abilities, including employee engagement elements.

Make the current status of employees and the organization visible, and formulate and execute improvement measures based on the results of the survey.

Employee engagement

Employee engagement is one of the six elements involved in the human capital management strategy.

All six of the elements are strongly interrelated, so within the business activities, aim to increase employee engagement by conducting the PDS* cycle with an awareness of these six elements.

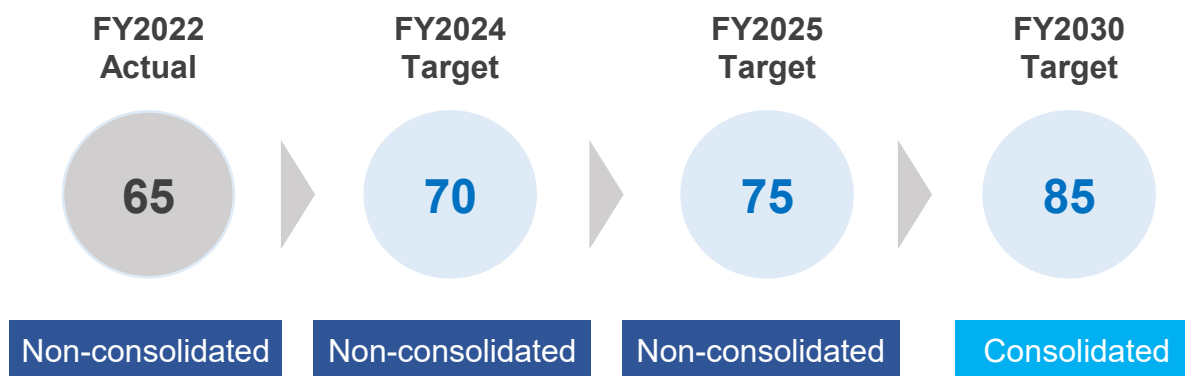


*PDS : Plan, Do, See

- Set “Employee engagement scores” as a sustainability indicator in the 2025 mid-term plan
- As the target for 2030, aim to achieve high employee engagement groupwide

Indicators and targets

Sustainability indicator: Employee engagement scores



【Organization × Awareness / mindset / culture】

Organizational culture

Through the promotion of diversity and inclusion (D&I) and changes in the organizational culture, including transforming leadership, create an organization in which diverse “individuals” are accepted and can succeed.

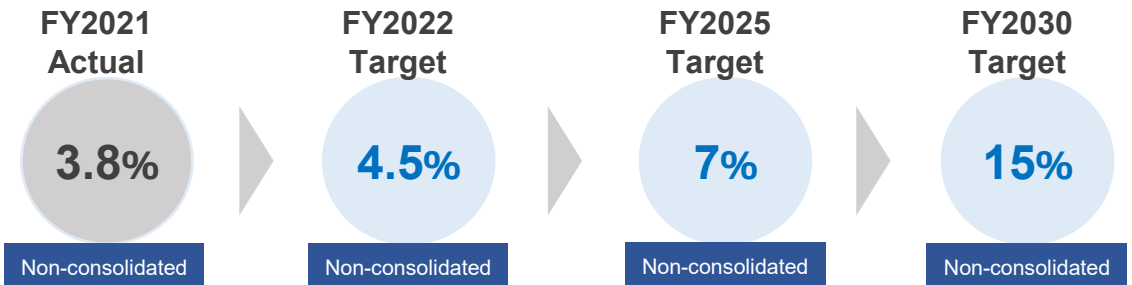
Promote diversity and inclusion (D&I)

As the foundation for corporate growth, aim to expand diversity

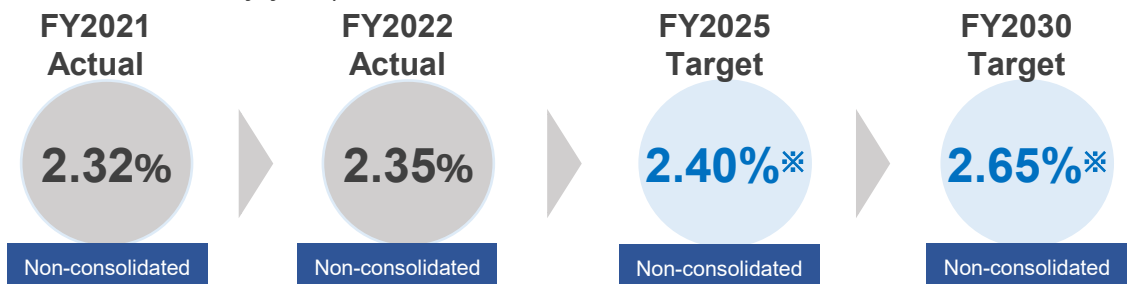
Women	<ul style="list-style-type: none"> Position the low number of female employees as the most important issue, and work to <u>enhance the pipeline from hiring through the training of core personnel</u>
Persons with a disability	<ul style="list-style-type: none"> <u>Stably achieve the statutory employment rate</u>, and along with fulfilling the social responsibility, actively promote such employment including from the perspectives of D&I through employment and contributing to society
Work style reform	<ul style="list-style-type: none"> As the organizational foundation for accepting and utilizing diverse personnel, <u>create a workplace environment that offers a feeling of work-related satisfaction and good balance with life events</u>

Indicators and targets

Sustainability indicator: Ratio of female managers



Employment ratio of persons with a disability (As of June 1 every year)

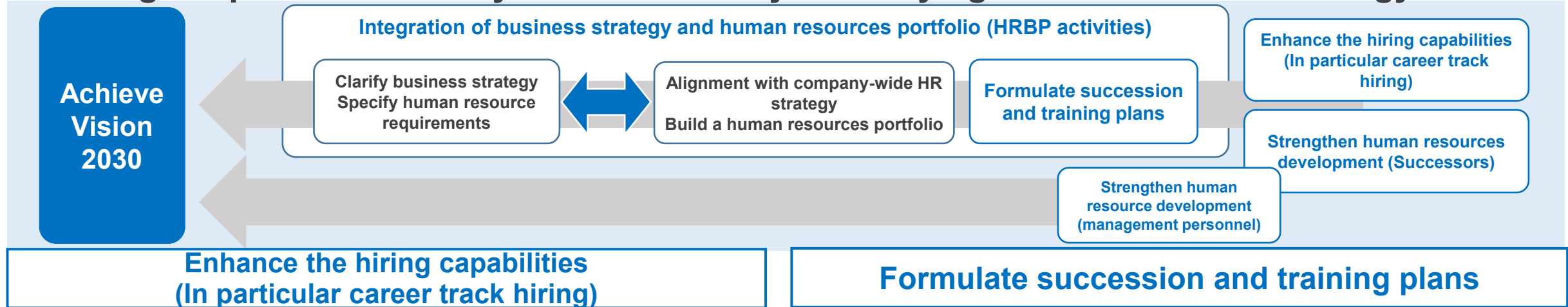


* Revision is under consideration due to the change in the statutory employment rate.

【Organization x Actions/ systems】

Design of the organization / Personnel composition

Directed at achieving Vision 2030, broadly expand personnel training and hiring with the aim of securing the personnel and systems necessary for carrying out the business strategy.



Enhance the hiring capabilities (In particular career track hiring)

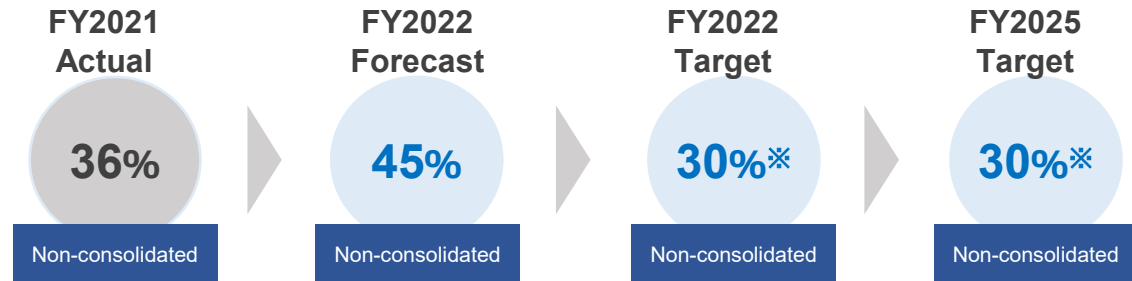
With a focus on career track hiring, strengthen the hiring methods and resources

Formulate succession and training plans

In addition to the existing executive level, expand on a non-consolidated basis to include division managers

Indicators and targets

Sustainability indicator: Ratio of career track hiring among total staff hiring (Managers, career track, non-career track)



*This means maintaining about 30% in each year

	Train division manager candidates in each organization	Train executive management (executive management personnel)
Status of implementation	Implementing on a non-consolidated basis (Plan to complete in FY2024)	Ongoing initiative
Personnel screening and selection	Formulate a succession plan in each division and a training plan for candidate personnel	In addition to the succession plan, shape the candidate pool through the use of external assessments
Training	Planned personnel transfers, planned assignment of missions and regular reviews	Tough assignments & send to external training

Future responses toward strengthening “human capital management and organizational execution abilities”

Perspective	Element	Directed at FY2025
Individuals	Engagement	<ul style="list-style-type: none"> Promote continuous improvement activities based on the survey
Organization	Awareness/ mindset/ culture	<ul style="list-style-type: none"> Enhance group rollout of the leadership transformation activity Accelerate the initiatives for achieving the targets for the advancement of women and employment of disabled persons Rollout the work style reform activities in the workplace Further promote health oriented management
	Leadership / Team mindset	
Individuals	Abilities / skills	<ul style="list-style-type: none"> Prepare a program for enhancing the execution ability of individuals Enhance the career formation support system
	Organizational culture / communication	
Organization	Design of the organization / Personnel composition	<ul style="list-style-type: none"> Make the personnel structure visible and revise its operation Continuously revise the operation and establishment of the new human resource system
	Flow of information, coordination and decision making mechanism	

Routinize the PDS cycle with an awareness of the 6 elements

Increase medium to long-term corporate value
Achieve Vision 2030



Indicator (★: Sustainability indicator)	Extent	FY2021 Actual	FY2022 Interim	FY2022 Target	FY2025 Target	FY2030 Target
★Employee engagement scores	Non-consolidated	—	65 Actual (Non-consolidated)	Start measuring	75 (Non-consolidated)	85 (Group)
	Consolidated	—	—	—	—	—
★Ratio of female managers	Non-consolidated	3.8%	—	4.5%	7%	15%
Ratio of female manager candidates (equivalent to team leaders)	Non-consolidated	11%	—	—	15%	20%
Ratio of female new hires	Non-consolidated	20%	—	—	40%	40%
Employment ratio of persons with a disability	Non-consolidated	2.32%	2.85% Actual	—	2.40%※1	2.65%※1
★Ratio of career track hiring among total new staff hiring (Management, career track, non-career track)	Non-consolidated	36%	45% Forecast	30%※2	30%※2	—

※1 Revisions are under consideration due to changes in the statutory employment rate. ※2 Means maintaining about 30% in each year

4. Build a governance system to strengthen risk management

Summary of the progress in FY22 for the materiality of governance

- **Corporate governance**

- Introduce FVA (value added to the invested capital) for corporate officer remuneration
- Reduction of policy shareholdings

- **Group governance**

- Sale of shares of consolidated subsidiaries and listed companies (TOTOKU Electric Co., Ltd.)

- **Focus points for this briefing**

- **Supply chain management**

- Conduct self-assessment questionnaires (SAQ) based on the CSR Procurement Guidelines
- Set forth a responsible minerals sourcing policy

- **Human rights and labor practices**

- Start human rights due diligence



Reduce cost of capital



Achieve Vision 2030

Sustainable growth and higher medium to long-term corporate value

4. Build a governance system to strengthen risk management

Initiatives for human rights and supply chain management

Promote human rights management based on the 3 requirements of companies indicated in the UN Guiding Principles on Business and Human Rights.

Set forth a human rights policy

- Set forth the “Furukawa Electric Group Human Rights Policy” (Jan. 27, 2020)
- Communicate within the group “Human rights day, human rights week and message from the Strategy Division General Manager” in line with the international Human Rights Day (Dec. 10)
- Use the intranet to start to more firmly establish the “human rights initiatives” within the group (from FY2022)

Focus points for this briefing

Implement human rights due diligence

- Reported the “Envisioned human rights issues” at the Sustainability Committee meeting (Mar. 7, 2022)
- Designated “employees” and “business partners (customers)” as the priority stakeholders for human rights due diligence

Establish a mechanism for remedy

- Joined JaCER (Japan Center for Engagement and Remedy on Business and Human Rights) as a regular corporate member
- Established a link to the “Human rights complaint desk (JaCER complaint desk)” on the company’s homepage (also establishing at group companies)

Overall image of human rights due diligence

Designated “Employees” and “Business partners (customers)” as the priority stakeholders for human rights due diligence

	Envisioned human rights issues	Main initiatives	Progress in FY2021-FY2022	Sustainability indicator: FY2025 Target
Employees	<ul style="list-style-type: none"> ● Discrimination and harassment in the workplace 	<ul style="list-style-type: none"> ● Investigate human rights risks through whistleblower reports and compliance awareness surveys ● Provide education on human rights risks targeting managers at Furukawa Electric and group companies in Japan and overseas 	<ul style="list-style-type: none"> ● Identified the issues based on survey results, etc., and implement remedial measures ● FY2022 education theme is discrimination / harassment. ● 100% global implementation 	<p>Implementation rate of human rights training for managerial positions: 100% (Global)</p>
Business Partners	<ul style="list-style-type: none"> ● Insufficient understanding of the human rights risks in the supply chain ● Human rights risks related to responsible minerals sourcing 	<ul style="list-style-type: none"> ● Conduct self-assessment questionnaires (SAQ) based on the CSR Procurement Guidelines (3rd Edition) 	<ul style="list-style-type: none"> ● FY2021: Conducted for 79 group companies in Japan and overseas and 56 major business partners. Confirmed there are no severe negative impacts on human rights. ● FY2022: Conduct for approx. 500 major business partners of Furukawa Electric and group companies in Japan and overseas 	<p>Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers: 100% (Global)</p>

Response to discrimination and harassment

Request improvement to each division and group company

FY2021

- Conducted a compliance awareness survey
- Identified the issues based on survey results, etc., and implement remedial measures

FY2022

- Head of each division and group company is holding discussions with the Human Rights WG secretariat with the aim of promoting improvement and responses to the issues identified
- Messages from division heads and company presidents are being sent out and educational measures are being developed with the intention of encouraging learning and awareness of the issues identified

FY2023

- Plan to verify the improvement and benefits through compliance awareness surveys and other means.

Conduct education and training

FY2022

- By linking with the initiatives carried out during the annual compliance month, aim to further establish among all employees and the organization.
- Implement “discrimination & harassment” e-learning targeting managers at group companies in Japan and overseas. 100% global implementation rate.

Course begins with a message from the president (in Japanese, English or Chinese)



FY2023

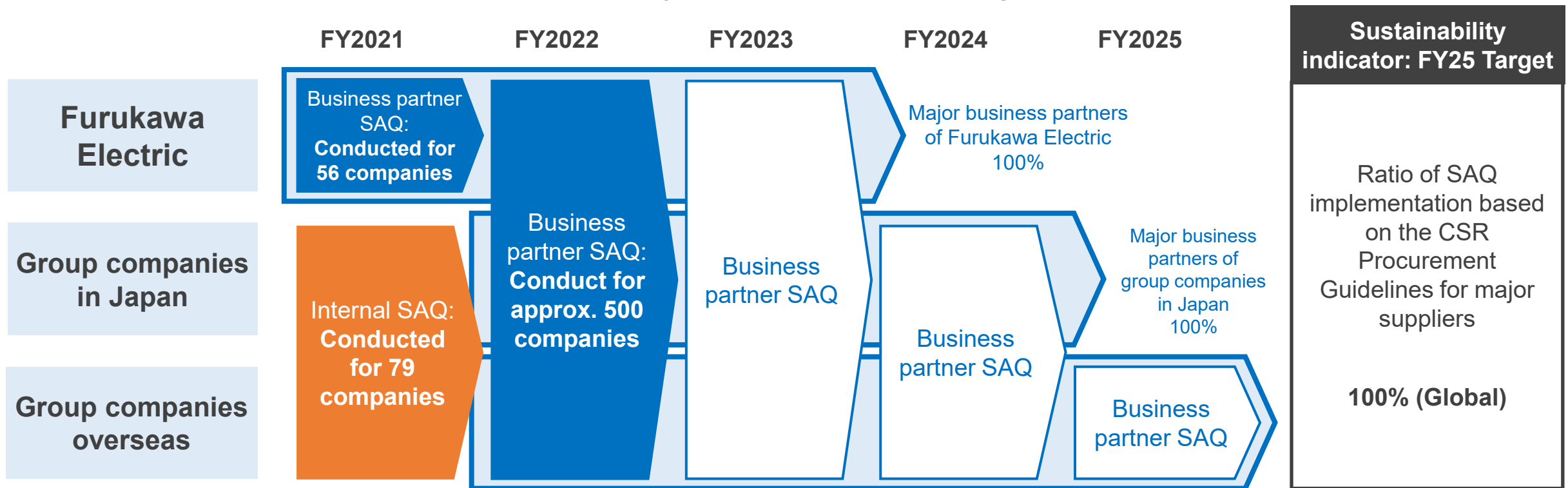
- Plan to continue the e-learning.

Initiative for minimizing the negative impacts on human rights

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

Framework for expanding the scope of the subject business partners

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



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 compliance with all applicable laws and regulations and we do fulfill our Corporate Social Responsibility.

3

Partnership

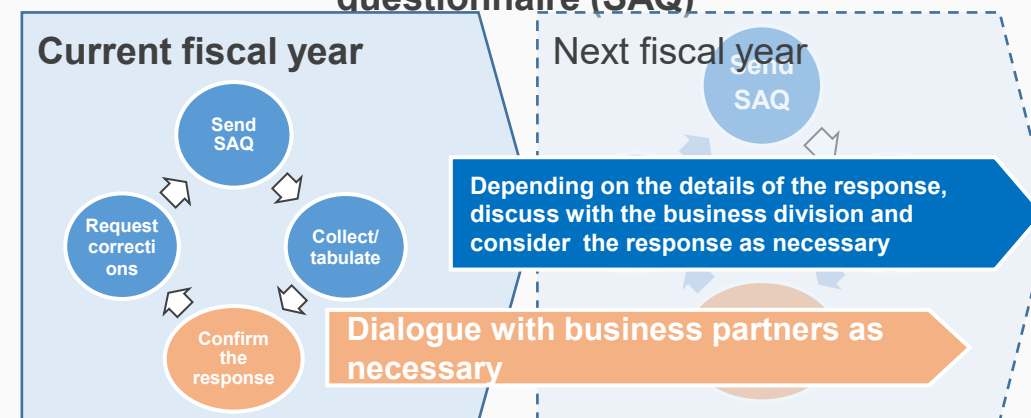
We always value relationships of mutual trust with our business partners to create new value by collaboration. We pursue to optimize our procurement conditions from the viewpoint of quality, cost, delivery, technological capabilities and CSR activities.

Furukawa Electric Group Responsible Minerals Sourcing Policy

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

- Expand the SAQ based on the CSR Procurement Guidelines.
- Steadily implement CSR procurement through dialogue with business partners.
- Enhance and promote the initiatives involving the supply chain that are being conducted for the environment and carbon neutrality in particular.

Steps involved in conducting the self-assessment questionnaire (SAQ)



- Set forth the Furukawa Electric Group Responsible Minerals Sourcing Policy. (Sept. 13, 2022)
- Currently considering the enhancement of the internal structure for minerals procurement.

5. Summary

Overall ESG

- Status of progress of the sustainability indicators in FY22

Environment

- Initiatives for realizing carbon neutrality
- Revised Environmental Targets 2030

Social

- Status of implementing the Furukawa E-Survey, including employee engagement
- Promotion of diversity and inclusion (D&I)
- Status of progress of enhancing the hiring capabilities and formulating succession and training plans

Governance

- Status of human rights due diligence and conducting SAQ based on the CSR Procurement Guidelines
- Initiatives directed at expanding the scope of the subject business partners
- Set forth a responsible minerals sourcing policy

Thank you very much for your attention

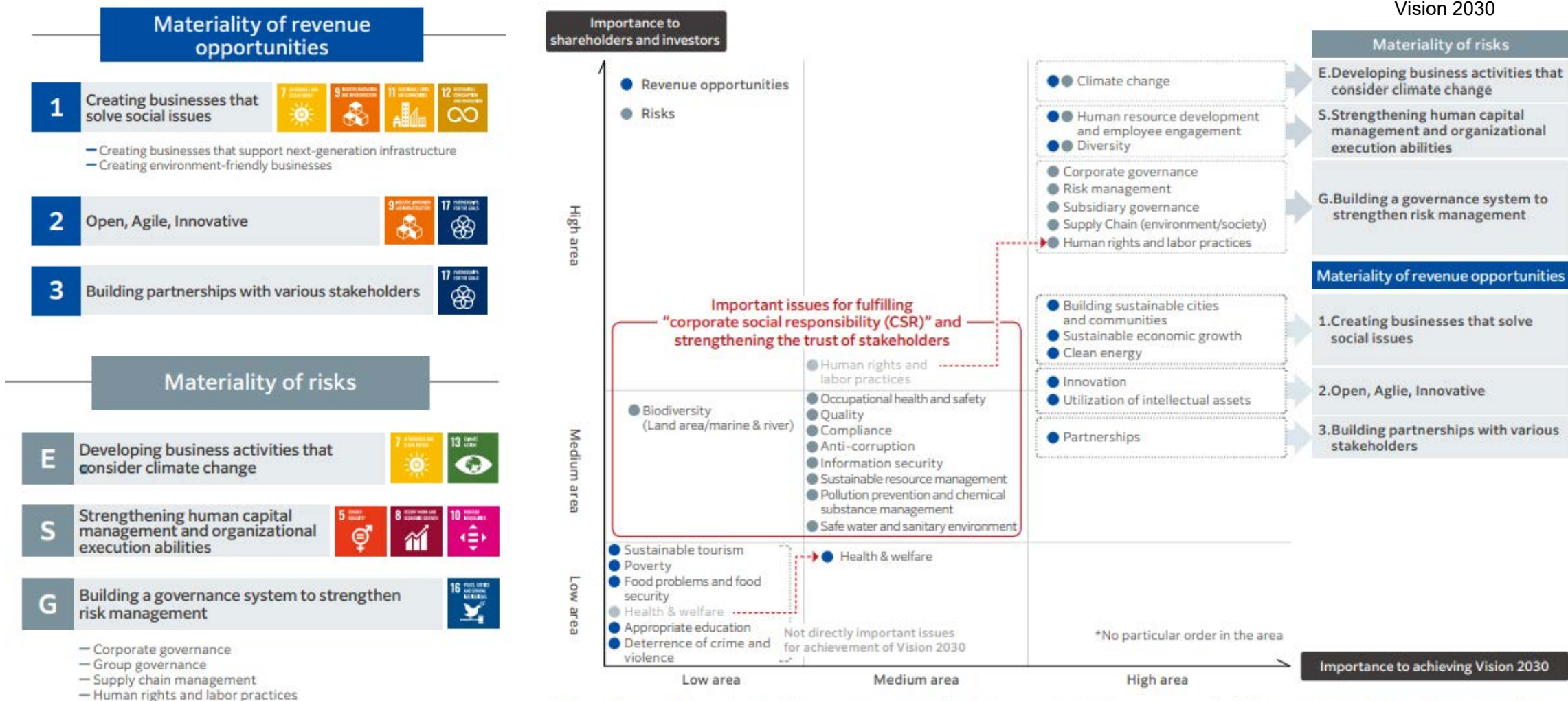
Bound to Innovate

The slogan "Bound to Innovate" in a bold, italicized font, with a red swoosh underline that starts under "Bound" and extends under "Innovate", ending in a sharp arrowhead pointing to the right.

Appendix

(Reference) Review of materiality (March 2022)

Added "Human Rights and Labor Practices" to Governance Materiality



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

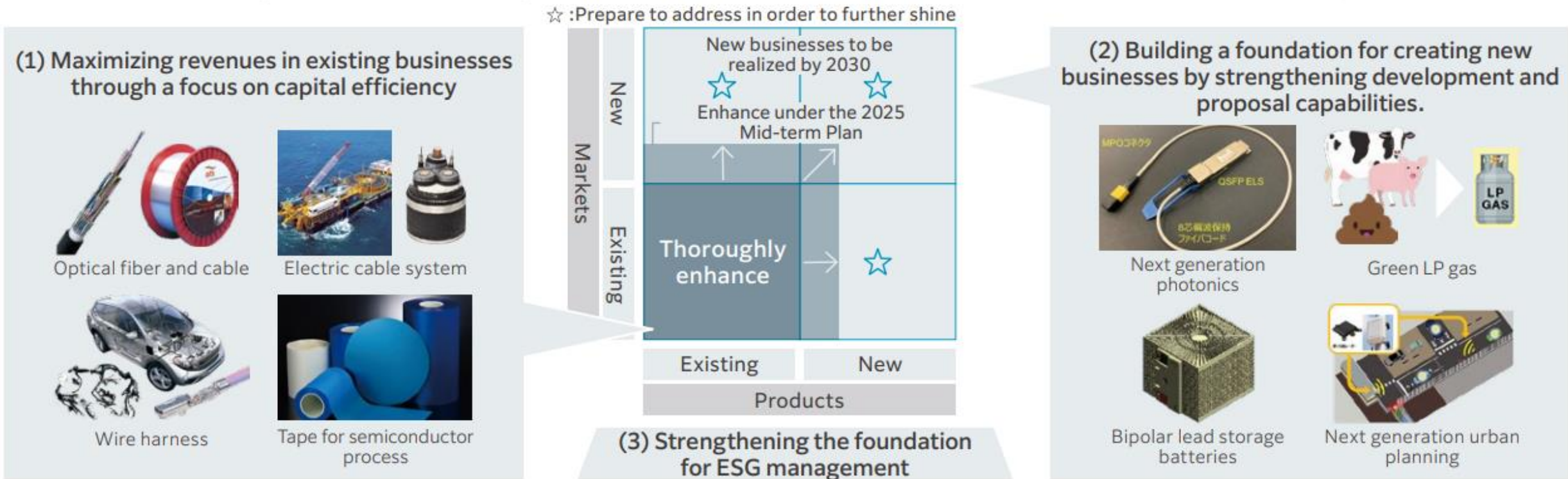
(Reference) Furukawa Electric Group 2022-2025 Medium-term management plan (2025 Mid-term Plan)

Concept of the 2025 Mid-term Plan :

2025 Mid-term Plan is positioned as a milestone for achieving Vision 2030

By 2025,

- ① Maximizing revenues in existing businesses through a focus on capital efficiency
- ② Building a foundation for creating new businesses by strengthening development and proposal capabilities
- ③ Strengthen the ESG management foundation



Intellectual property strategy of Furukawa Electric Group

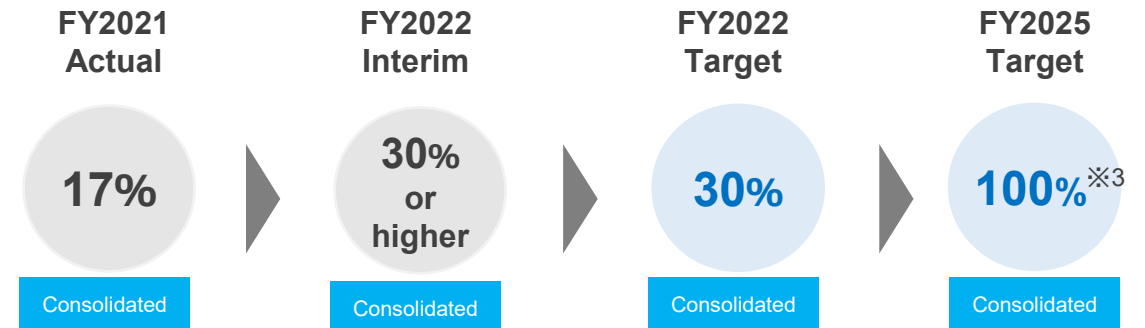
Furukawa Electric Group has adopted the basic policy of defining and utilizing intellectual property as an important management resource. With the trinity management of business, research and development, and intellectual property, promote groupwide and global intellectual property activities. The basic policy consists of the following three pillars.

1	Strengthen management and business strategy planning capabilities by IP Landscaping Strengthen management and business strategy planning capabilities by IP Landscaping that analyzes and utilizes intellectual property information by incorporating it into the strategy planning processes.
2	Utilizing intellectual property with Open & Closed strategies Run a cycle that starts from “Analysis⇔utilization” (Analysis⇔ utilization→ Creation→ Protection) ※1 , and formulate and implement Open and Closed strategies to enhance the business competitiveness.
3	Stabilizing business by reducing intellectual property risks Identify four categories of risks, which are infringement risk, technology outflow risk, contract risk and counterfeit risk, as frequent risks with a significant impact, and continuously reduce such risks to stabilize business.

※1 Basic concept of promoting intellectual property management: In order to enhance the business, implement intellectual property strategies for the unique differentiated technologies and run a cycle starting with utilization of intellectual property.

Indicators and targets

Sustainability indicator: Implementation rate of IP landscaping for strengthening the businesses and themes for creating new businesses※2



※2 Strengthening the businesses and themes for creating new businesses includes “Maximize profits in existing businesses through a focus on capital efficiency directed at 2025” (Optical fiber and cable, power cable systems, etc.) and “Build a foundation for creating new businesses by 2030” (Bipolar storage batteries, etc.)
※3 Means full implementation for strengthening the businesses and themes for creating new businesses set as of 2022.

For details on the Group's intellectual property strategy and efforts in intellectual property activities, please refer to the Please refer to the "Intellectual Property Report" on our website <https://www.furukawa.co.jp/en/rd/ip-report/>

(Reference) Furukawa Electric Group People Vision

The Furukawa Electric Group People Vision was formulated in 2018, and represents the basic philosophy that runs through all personnel policies among the Group's management principles and policies.



The people of Furukawa Electric Group are our greatest value.

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

Role of the Individual

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

Role of the Leader

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

Principles of Human Resources

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

2030 Environmental Target

Baseline fiscal year

FY2030 Target

1. Contribute to a carbon-free society

(1) GHG emissions from business activities (Scope 1, 2)

Compared to FY2021

**Reduce by at least
42%**

(2) GHG emissions in the value chain (Scope 3)

Compared to FY2021

**Reduce by at least
25%**

2. Contribute to realizing a recycling-based society for water and resources / Contribute to society in harmony with nature

(1) Efficient use of water resources

Water consumption
(Per unit of net sales)

Compared to FY2020

**Reduce by at least
10%**

(2) Efficient use of metals and plastics

New material consumption
(Per unit of net sales)

Compared to FY2020

**Reduce by at least
10%**

Single-use plastic
consumption (Total volume)




Compared to FY2020




**Reduce by at least
25%**

Scope 1: Direct emissions from own factories and offices

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

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

	Comprehensive-type Index			Theme-type Index	
ESG Index utilized by GPIF	 FTSE Blossom Japan Selected for two years in a row since 2020	 FTSE Blossom Japan Sector Relative Index Selected for the first time in 2022	MSCI Japan ESG Select Leaders Index Not selected	 Selected five times in a row since 2018	2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) Selected four times in a row since 2019

	Climate Change	Supplier Engagement Rating	Water Security		Health management stocks	Corporation with good health management (White 500)
CDP	FY2022: A- rating	Selected A level for three years in a row since 2019 	FY2022: B rating	Health management	 Selected in 2023	 Selected in 2023