

# Ensure Thorough Compliance

## ■ Policies

In addition to complying with laws and regulations, the Furukawa Company Group believes it has a corporate obligation to take serious and responsible action in terms of social and ethical aspects.

To fulfill this obligation, we established the Furukawa Company Group's Charter of Corporate Conduct and the Furukawa Company Group's Code of Conduct for Officers and Employees and are taking steps to foster comprehensive awareness to enable all Group officers and employees to engage in operations in awareness of the importance of compliance.

The Furukawa Company Group's Charter of Corporate Conduct places high priority on ensuring compliance, stating that "The Group shall engage in its corporate activities in a fair manner based on the ethical values expected of corporations and business persons as members of society." Meanwhile, the Furukawa Company Group's Code of Conduct for Officers and Employees states that "In addition to complying with domestic and international laws and regulations, the Group shall practice compliance that includes respecting corporate ethics and social norms."

Under the supervision of the Board of Directors, we ensure strict adherence with the Furukawa Company Group's Charter of Corporate Conduct, the Furukawa Company Group's Code of Conduct for Officers and Employees, and other guidelines.

 [The Furukawa Company Group's Charter of Corporate Conduct](#)

 [The Furukawa Company Group's Code of Conduct for Officers and Employees](#)

## ■ Framework

### Compliance

The Furukawa Company Group's chief executive for compliance is the President of Furukawa Co., Ltd. Personnel responsible for compliance are also present in every Company department and in Group companies as well. We also have a Compliance Committee that promotes Group compliance activities, deliberates on important matters relating to compliance, enhances the compliance system, and takes steps to strengthen awareness about compliance. Details of matters deliberated by the Committee are additionally reported to the Sustainability Promotion Meeting as required, and steps are taken to share information related to compliance with the Group as a whole.

If a suspected compliance violation arises, we conduct an investigation based on the Furukawa Company Group's Compliance Regulations. Should a violation be confirmed, we respond with strict measures and regularly report the findings of our investigations to the Board of Directors.

## Internal Reporting System

The Group has adopted an internal reporting system to facilitate early detection and correction of compliance violations. This has involved developing a framework that enables an extensive range of reporting and inquiries by establishing points of contact for reporting and consultation requests inside and outside (law office) the Group. When reports and requests for consultation are received, the Compliance Committee investigates and takes measures as necessary. We accept internal reports, whether named or anonymous, concerning compliance violations within the Group, including legal breaches, sexual harassment, power harassment, and other misconduct. Personal information about whistleblowers who make reports and information that may lead to identification of whistleblowers who make reports are held under strict control at the Internal Reporting Desk. In addition, it is forbidden for Group officers and employees to seek out whistleblowers or, taking the fact of having made an internal report as the reason, to treat the whistleblowers in a disadvantageous manner.

We also facilitate awareness of the internal reporting system by posting such content to our in-house portal site and distributing brochures to Group officers and employees. In addition, we regularly report on the usage status of the internal reporting system to the Board of Directors, as we do with compliance violation cases.

## ■ Initiatives

### Compliance Education

We publish Compliance News to provide information on compliance to all officers and employees of the Group. Our top management also explains the importance and priority of compliance from time to time. In these and other ways, we work to foster a corporate climate that emphasizes compliance. In fiscal 2023, we conducted general compliance training in addition to topic-specific sessions focused on particular themes.

Training Type	No. of Participants (No. of Training Courses)
Compliance training for new employees	42 persons (2 times)
Training on the Construction Industry Act	103 persons (3 times)
Compliance training for officers	54 persons (1 time)
Training on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors	20 persons (1 time)
Training on the Antimonopoly Act	77 persons (1 time)


## Preventing Bribery and Corruption

In January 2021, after submitting a report to the Board of Directors, the Furukawa Company Group established its Basic Policy for Preventing Bribery and Corruption and the Basic Guidelines for Preventing Bribery and Corruption.

The Basic Policy for Preventing Bribery and Corruption, which explicitly states externally our corporate stance regarding prevention of bribery and corruption, is posted on our corporate website.

The Basic Guidelines for Preventing Bribery and Corruption clarify procedures to prevent bribery and corruption in our business activities. Specifically, we have clarified the scope of “public officials, etc.” as potential counterparts in bribery and corruption and outlined the types of actions, such as providing benefits, covering expenses, and making donations or grants, that are prohibited. The guidelines also establish procedures for dealing with bribery and corruption and define procedures for appointing agents, consultants, and similar parties. In addition, we established a duty to report any recognized violations of the guidelines and stipulated that such violations will be subject to disciplinary actions or other penalties.

The Group conducts compliance education and training on measures to prevent bribery and corruption and includes prevention of bribery and corruption as a regular audit item in internal audits carried out by the Internal Audit Department. Going forward, we will continue to ensure full compliance with the Basic Policy for Preventing Bribery and Corruption and the Basic Guidelines for Preventing Bribery and Corruption.

 [Furukawa Company Group Basic Policy for Preventing Bribery and Corruption](#)

## Metrics and Targets

### FY2023 target:

- Achieve zero serious compliance violations

### FY2023 results:

- Number of serious compliance violations: 0
- Total political donations: ¥1,670,000
- Number of compliance-related training sessions conducted: 8