

# Sustainability Activities: Targets and Results

## Targets and Results for Fiscal 2023

★★★Targets achieved   ★★Targets partially achieved   ★ Targets not achieved

ESG	Organizations	Targets for FY2023		Results	Evaluation
Environmental	Environmental & Safety Management Committee	Environment and safety	1. Continuously improve environmental performance (CO <sub>2</sub> , water resources, waste, and chemical substances) <ul style="list-style-type: none"><li>● Strengthen management of progress of Fourth Medium-Term Reduction Targets</li><li>● Promote preventive measures through analysis of environmental data</li><li>● Promote activities to reduce greenhouse gas emissions by 46% by FY2030 (vs FY2013) and achieve carbon neutrality by FY2050</li><li>● Promote activities to reduce use of hazardous chemical substances (PRTR substances), including by reducing consumption, improving basic unit compared with previous fiscal year, and switching to alternative substances</li><li>● Promote education and other initiatives to improve environmental protection</li></ul>	<ul style="list-style-type: none"><li>● Achieved FY2023 reduction targets for CO<sub>2</sub>, water, and waste</li><li>● Expanded scope of environmental performance data compilation to consolidated basis</li><li>● Environment/Safety Promotion Meetings (Environment Meetings): Held discussions about achieving targets and decided on future actions</li><li>● Worked to introduce energy-saving measures, including solar power generation equipment, electric forklifts, highly efficient production equipment and machinery, and optimal production processes</li><li>● Achieved year-on-year reduction in volume of hazardous chemicals handled</li><li>● Provided environmental protection training while maintaining ISO 14001-compliant operations</li></ul>	★★★★
			2. Strengthen measures to achieve accident- and disaster-free operations (aim for a continuous industrial accident severity of 0.03 or lower) <ul style="list-style-type: none"><li>● Promote activities to achieve accident- and disaster-free operations (especially for inexperienced and older employees)</li><li>● Strengthen activities to eliminate unsafe conditions and behaviors</li><li>● Promote education and guidance to enhance hazard sensitivity according to the workstyle of each Group company</li></ul>	<ul style="list-style-type: none"><li>● Serious accidents occurred, resulting in an industrial accident severity of 1.58 (wellshort of the target); number of accidents and injuries not decreasing</li><li>● Provided education and training on accident prevention for inexperienced and older employees</li><li>● Instilled policies and provided training for risk assessment and enhanced safety management activities for managers and supervisors</li><li>● Provided education and guidance based on the workstyle of each Group company through environmental and safety audits, Environment/Safety Promotion Meetings, etc.</li></ul>	★
			3. Promote biodiversity protection activities <ul style="list-style-type: none"><li>● Promote improvements to reduce impact of our business activities on the ecosystem</li><li>● Promote environmental protection and ecosystem restoration activities through continuous greening activities and forest management on Company-owned land and former mine sites (including greening of plant sites)</li></ul>	<ul style="list-style-type: none"><li>● Continued monitoring environmental data affecting ecosystems</li><li>● Held Ashio Cherry Tree-Planting Drive and Furukawa-no-mori Tree-Planting Drive</li><li>● Formulated operational plan with local forest owners' cooperatives regarding future cutting of timber and new planting as part of ongoing management of Company-owned forests</li><li>● Continued firefly restoration activities at former Kune Mine and former Ashio Copper Mine</li><li>● Continued ecosystem restoration activities on Company-owned land</li><li>● Began working to have our property at the site of the former Ashio Copper Mine certified as a "Natural Symbiosis Site" by the 30by30 Alliance</li></ul>	★★★★
		Suspended or abandoned mines	1. Improve on-site capabilities by passing on knowledge and skills 2. Maintain and manage mine run-off treatment facilities 3. Improve final disposal sites and adits	<ul style="list-style-type: none"><li>● Held employee training to improve their knowledge and skills</li><li>● Engaged in various projects to strengthen resilience of wastewater treatment facilities during heavy rainfall (Ashio Mine and Kune Mine)</li><li>● Identified work that is hazardous to assure safety</li></ul>	★★★★
Social	Quality Assurance Committee	1. Strengthen activities to raise awareness about quality (Companywide)	● Distributed quality-related education materials to all executives and employees (4 times)	★★★★	
		2. Reduce number/cost of complaints (Machinery-related companies)	● Achieved reduction target but further reduction required	★★	
		3. Establish and continuously improve quality assurance system [Take action in accordance with the quality roadmap] (Machinery-related companies)	● Actions in accordance with the quality roadmap progressing mostly as planned	★★	
		4. Strengthen quality assurance system [Review existing methods and consider new ones] (Materials-related companies)	● Promoted use of FMEA (conducted workshops, reviewed documents, etc.)	★★★★	

★★★Targets achieved   ★★Targets partially achieved   ★ Targets not achieved

ESG	Organizations	Targets for FY2023	Results	Evaluation
Social	Human Resources & General Affairs Department	1. Develop and retain talented human resources <ul style="list-style-type: none"> <li>● Introduce talent management system</li> <li>● Establish category-specific education policies</li> <li>● Activate job rotation</li> <li>● Consider training young employees in specialized positions</li> </ul>	<ul style="list-style-type: none"> <li>● Introduced talent management system</li> <li>● Decided general framework for categories for category-specific education</li> <li>● Completed selection and implementation study for job rotation</li> <li>● Implementation study completed for study training program for young employees in specialized roles</li> </ul>	★★★
		2. Improve internal working environments <ul style="list-style-type: none"> <li>● Reduce total annual working hours (less than 2,000 hours)</li> <li>● Take steps to acquire certification as a Health and Productivity Management Outstanding Organization (White 500)</li> <li>● Centralize common administrative tasks</li> </ul>	<ul style="list-style-type: none"> <li>● Total annual working hours: 1,935.4 hours</li> <li>● Introduced health promotion smartphone app, conducted health seminars, and encouraged employees with anomalies to undergo reexamination</li> <li>● Standardized management of rental Company housing</li> </ul>	★★★
		3. Promote diversity <ul style="list-style-type: none"> <li>● Increase ratio of female managers</li> <li>● Actively hire foreign nationals</li> <li>● Increase employment of people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>● Ratio of female managers (consolidated): 3.7%</li> <li>● Foreign nationals recruited: 1 (Furukawa Co., Ltd.)</li> <li>● Ratio of employees with disabilities (consolidated): 2.2%</li> </ul>	★★★
	Purchasing Department	1. Conduct follow-up 2nd CSR survey of major suppliers of other business locations (Group 2*)	Conducted follow-up visits	★★★★
		2. Strengthen management (QCD + sustainability) of major suppliers	Conducted supplier evaluation using evaluation forms	★★★★
		3. Foster partnerships with suppliers	Conducted production-related briefing sessions and technical guidance visits	★★★★
		4. Start promoting Companywide sustainability-conscious procurement activities	Provided sustainability-related training to personnel in all purchasing departments	★★★★
Governance	Risk Management Committee	1. Practice Companywide risk management using list of risks	Conducted risk analysis and reported to the Board of Directors on high-impact risks	★★★★
		2. Environmental Risk Sectional Meeting: Discuss environmental risks and report to the Risk Management Committee	Discussed climate-related risks and reported to the Risk Management Committee	★★★★
		3. Human Rights Risk Sectional Meeting: Discuss human rights risks and report to the Risk Management Committee	Discussed human rights risks and reported to the Risk Management Committee	★★★
		4. Group BCP Sectional Meeting: Develop BCP manual and report to the Risk Management Committee	Reviewed BCP and reported to the Risk Management Committee	★★★★
		5. Information Security Sectional Meeting: Develop information system and report to the Risk Management Committee	Created incident response manual and established incident response system	★★★★
	Compliance Committee	1. Revise manual on Antimonopoly Act, etc.	Revised manual on Antimonopoly Act	★★★★
		2. Share information on compliance violation cases	Established and began operating information-sharing mechanism using internal portal	★★★★
		3. Expand compliance training	Conducted face-to-face training sessions (8 times); considered implementation method for video-based training	★★★
		4. Revise the Privacy Policy	Revised Privacy Policy and basic guidelines for handling personal information	★★★★

\* Group 2: Furukawa Chemicals Co., Ltd.; Furukawa C&amp;F Co., Ltd.; Ashio Rock Drill Co., Ltd.; and FRD Iwaki Co., Ltd.

## Targets for Fiscal 2024

ESG	Organizations	Targets for FY2024	
Environmental	Environmental & Safety Management Committee	Environment and safety	<ol style="list-style-type: none"> <li>Strengthen measures to achieve accident- and disaster-free operations <ul style="list-style-type: none"> <li>Step up activities to eliminate accidents <ol style="list-style-type: none"> <li>Top management and safety managers: Personally conduct site inspections and provide corrective measures and guidance</li> </ol> </li> <li>Step up activities to eliminate unsafe conditions and behaviors <ol style="list-style-type: none"> <li>Prepare work procedure manual, provide training, and verify understanding level</li> <li>Ensure thorough compliance with regulations and promote "5S" activities</li> </ol> </li> <li>Promote education to enhance hazard sensitivity according to the workstyle of each Group company <ol style="list-style-type: none"> <li>Strengthen hazard prediction training</li> <li>Conduct rigorous risk assessments</li> </ol> </li> </ul> </li> <li>Continuously improve environmental performance (CO<sub>2</sub>, water resources, waste, and chemical substances) <ul style="list-style-type: none"> <li>Strengthen efforts to achieve Fourth Medium-Term Reduction Targets</li> <li>Promote preventive measures through analysis of environmental data</li> <li>Promote activities to achieve carbon neutrality</li> <li>Promote activities to reduce use of hazardous chemical substances (PRTR substances), including by reducing consumption, improving basic unit compared with previous fiscal year, and switching to alternative substances</li> <li>Promote education to improve environmental protection</li> </ul> </li> <li>Promote biodiversity protection activities <ul style="list-style-type: none"> <li>Promote improvements to reduce impact of our business activities on the ecosystem</li> <li>Promote environmental protection and ecosystem restoration activities through continuous greening activities and forest management on Company-owned land and former mine sites (including greening of plant sites)</li> </ul> </li> </ol>
		Suspended or abandoned mines	<ol style="list-style-type: none"> <li>Improve on-site capabilities by passing on knowledge and skills</li> <li>Maintain and manage mine run-off treatment facilities</li> <li>Improve final disposal sites and adits</li> </ol>
Social	Quality Assurance Committee		1. Strengthen activities to raise awareness about quality (Companywide)
			2. Reduce number/cost of complaints (Machinery-related companies)
			3. Establish and continuously improve quality assurance system [Take action in accordance with the quality roadmap] (Machinery-related companies)
			4. Strengthen quality assurance system [Review existing methods and consider new ones] (Materials-related companies)
	Human Resources & General Affairs Department		<ol style="list-style-type: none"> <li>Develop and retain talented human resources <ul style="list-style-type: none"> <li>Introduce talent management system</li> <li>Establish category-specific education policies</li> <li>Activate job rotation</li> <li>Train young employees in specialized positions</li> </ul> </li> <li>Improve internal working environments <ul style="list-style-type: none"> <li>Reduce total annual working hours (less than 2,000 hours)</li> <li>Take steps to acquire certification as a Health and Productivity Management Outstanding Organization (White 500)</li> <li>Centralize common administrative tasks</li> </ul> </li> <li>Promote diversity <ul style="list-style-type: none"> <li>Increase ratio of female managers</li> <li>Increase employment of people with disabilities</li> </ul> </li> </ol>
	Purchasing Department		1. Conduct questionnaire-based CSR survey of overseas suppliers
			2. Strengthen management (QCD + sustainability) of major suppliers
			3. Foster partnerships with suppliers
			4. Start promoting Companywide sustainability-conscious procurement activities
Governance	Risk Management Committee		1. Practice Companywide risk management using list of risks
			2. Environmental Risk Sectional Meeting: Discuss environmental risks and report to the Risk Management Committee
			3. Human Rights Risk Sectional Meeting: Discuss human rights risks and report to the Risk Management Committee
			4. Group BCP Sectional Meeting: Develop BCP manual and report to the Risk Management Committee
			5. Information Security Sectional Meeting: Develop information system and report to the Risk Management Committee
	Compliance Committee		1. Enhance manual on Antimonopoly Act
			2. Enhance compliance-related training
			3. Conduct compliance awareness survey
			4. Change the name of whistleblower system and consider/implement measures to increase awareness of it