

Sustainability Activities: Targets and Results

Targets and Results for Fiscal 2024

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

ESG	Organizations	Targets for FY2024		Results	Evaluation
Environmental	Environmental & Safety Management Committee	Environment and safety	1. Strengthen measures to achieve accident- and disaster-free operations ● Strengthen activities toward “zero accidents” ① Top management and safety supervisors to personally visit worksites to conduct inspections and provide corrective guidance ● Strengthen safety initiatives to eliminate unsafe conditions and behaviors ① Ensure rigorous documentation of work procedures, training, and verification of employee understanding ② Maintain strict compliance with rules and promote “5S” activities ● Enhance education to improve risk sensitivity based on operational structures of each Group company ① Strengthen hazard prediction training ② Conduct rigorous risk assessments	● The number of accidents and disasters showed no decline, and a serious accident occurred; the accident frequency was 1.03, and the accident severity was 1.55 (only a slight year-on-year decrease) ● Implemented policies and training to strengthen risk assessment and safety management activities for supervisors and managers ● Conducted information sharing and training tailored to businesses of each Group company through environmental and safety audits and promotion meetings ● Produced a Group safety education video and began using it as in-house training material	★★
			2. Continuously improve environmental performance (CO ₂ , water resources, waste, and chemical substances) ● Strengthen management of progress of Fourth Medium-Term Reduction Targets ● Promote preventive measures through analysis of environmental data ● Promote activities to achieve carbon neutrality ● 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 ● Promote education and other initiatives to improve environmental protection	● Achieved the FY2024 reduction targets for CO₂ emissions, water consumption, and waste; formulated revised Fourth Medium-Term Reduction Targets to promote further improvement in environmental performance ● Introduced web-based data aggregation service to help analyze and prevent environmental issues ● Environment/Safety Promotion Meetings (Environment Meetings): Held discussions about achieving targets and decided on future actions ● Introduced solar power generation equipment and electric forklifts and replaced production equipment with more energy-efficient models ● Studied introduction of visualization system for organized forest information on Company-owned forests with a view to enhancing CO₂ absorption ● Volume of hazardous chemicals handled: Up slightly year on year ● Continued providing environmental protection education in accordance with ISO 14001 standards	★★★★
			3. Promote biodiversity protection activities ● Promote improvements to reduce impact of our business activities on the ecosystem ● Promote environmental protection and ecosystem restoration activities through continuous greening activities and forest management on Company-owned land and former mine sites	● Continued monitoring environmental data that may affect ecosystems ● Formulated forest management plan with local forest owners' cooperative regarding future cutting of timber and new planting to ensure continuous management of Company-owned forests ● Continued firefly restoration activities at the former Kune and Ashio mine sites ● Continued ecosystem restoration activities on Company-owned land ● Conducted interviews with stakeholders and experts in the Ashio area to have property certified as a “Nationally Certified Sustainably Managed Natural Site” by the 30by30 Alliance	★★★★
		Suspended or abandoned mines	1. Improve on-site capabilities by passing on knowledge and skills 2. Strengthen resilience of mine run-off treatment facilities 3. Conduct preventive maintenance at final disposal sites and adits	● Held employee training to improve their knowledge and skills ● Engaged in various projects to strengthen resilience of wastewater treatment facilities during heavy rainfall (Ashio Mine and Kune Mine) ● Identified work that is hazardous to assure safety	★★★★
Social	Quality Assurance Committee	1. Strengthen activities to raise awareness about quality (Companywide)		● Distributed quality education materials to all officers and employees on 4 occasions annually	★★★★
		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	★★
		4. Strengthen quality assurance system [Review existing methods and consider new ones] (Materials-related companies)		● Promoted utilization of FMEA (including cross-functional reviews of implemented FMEAs and revisions to templates)	★★★★

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

ESG	Organizations	Targets for FY2024	Results	Evaluation
Social	Human Resources & General Affairs Department	1. Develop and retain talented human resources ● Introduce talent management system ● Establish category-specific education policies ● Activate job rotation ● Conduct training for young employees in specialized positions	● Introduced talent management system (to systemize performance appraisals and goal management) ● Conducted grade-specific training, technical staff training, field supervisor training, workplace planning training and education, and training for young employees in specialized positions	★★
		2. Improve internal working environments ● Reduce total annual working hours (less than 2,000 hours) ● Take steps to acquire certification as a Health and Productivity Management Outstanding Organization (White 500) ● Centralize common administrative tasks	● 1,922.2 hours ● Certified as a 2025 Health and Productivity Management Outstanding Organization (White 500) ● Considered conducting engagement surveys ● Conducted review of centralized management of Company-leased housing	★★
		3. Promote diversity ● Increase ratio of female managers ● Increase employment of people with disabilities	● Percentage of female managers (consolidated): 4.1% ● Percentage of employees with disabilities (consolidated): 1.91% ● Visited employment support organization for people with disabilities ● Provided information to Group companies to promote employment	★★
	Purchasing Department	1. Conduct CSR survey for overseas suppliers	● Survey completed and results analyzed	★★★★
		2. Strengthen management (QCD + sustainability) of major suppliers	● Started using supplier management software at head office to strengthen initial response systems during disasters	★★
		3. Foster partnerships with suppliers	● Conducted production briefings	★★★★
		4. Start promoting Companywide sustainability conscious procurement activities	● Human rights training conducted by the Tokyo Legal Affairs Bureau for all Materials business divisions and relevant officers	★★★★
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, established incident response system, and submit a report to the Risk Management Committee	★★★★
	Compliance Committee	1. Upgrade manual on the Antimonopoly Act, etc.	● Currently preparing draft for renewal of manual on the Antimonopoly Act	★★
		2. Expand compliance training	● Established legal information website and posted training videos	★★★★
		3. Conduct compliance awareness survey	● Conducted compliance awareness survey and reported results at the Board of Directors' meeting held in February 2025	★★★★
		4. Review and implement measures to rename and publicize whistleblower program	● Changed name of internal reporting system (April 1, 2025); preparations underway for awareness improvement measures	★★

Targets for Fiscal 2025

ESG	Organizations	Targets for FY2025	
Environmental	Environmental & Safety Management Committee	Environment and safety	1. Occupational safety and health activities Strengthen initiatives for accident- and disaster-free operations ● Strengthen safety and health management system (ensure reliable PDCA implementation) ① Create work procedure manuals and manage latest versions ② Strengthen implementation of risk assessments ③ Conduct equipment maintenance inspections and ensure reliable documentation management ● Enhance safety and health education ① Ensure reliable implementation, documentation, and effectiveness verification of training plans ② Thoroughly implement hazard prediction activities (including health checks) and enhance hazard sensitivity during morning meetings and pre-work briefings ③ Closely monitor and caution against hazardous actions by employees with less than 3 years of service (including during training and non-work activities)
			2. Environmental protection activities Promote continuous improvement in environmental performance toward achieving revised Fourth Medium-Term Reduction Targets and carbon neutrality FY2025 targets (vs. FY2023) ● CO₂ emissions: -1.5% ● Total water consumption (per unit): -0.67% ● Total other emissions, including waste: -0.67% ● Plastic waste emissions: -0.67% ● Release and transfer of PRTR substances: -0.67% (1) Ensure thorough and reliable operation of environmental management system (2) Promote reliable collection and effective utilization of environmental protection data (3) Achieve zero equipment accidents and environmental incidents by promoting equipment maintenance (4) Promote awareness education for each employee regarding environmental protection (5) Ensure accurate responses to and compliance with revised environmental laws and regulations
			3. Biodiversity protection activities Promote biodiversity protection activities to achieve “nature positive” outcomes 1. Minimize impact of business activities on ecosystems (1) Introduce technologies and process improvements to reduce environmental impact (2) Promote resource utilization and production activities that consider ecosystems 2. Ecosystem restoration and forest management on Company-owned land and former mining sites (1) Promote greening initiatives and ecosystem restoration activities on Company-owned land and former mining sites (2) Conduct conservation activities in collaboration with local residents (3) Ensure appropriate management of forests 3. Enhance employee awareness of biodiversity (1) Promote information sharing and education on biodiversity
		Suspended or abandoned mines	1. Improve on-site capabilities by passing on knowledge and skills ● Attract and develop talent 2. Maintain and manage mine run-off treatment facilities 3. Improve final disposal sites and adits ● Develop tunnel interior work robots
Social	Quality Assurance Committee	1. Implement quality assurance policy and action guidelines	
		2. Reduce number/cost of complaints (Machinery-related companies)	
		3. Strengthen quality assurance systems (Machinery business companies: Align activities with quality roadmap)	
		4. Strengthen quality assurance systems (Materials business companies: Promote use of FMEA)	
	Human Resources & General Affairs Department	1. Develop and retain talented human resources ● Operate talent management system ● Activate job rotation ● Provide training and education to enhance human capital value	
		2. Improve internal working environments ● Reduce total annual working hours (less than 2,000 hours) ● Take steps to acquire certification as a Health and Productivity Management Outstanding Organization (White 500) ● Centralize management of administrative operations ● Enhance operational efficiency through equipment and facility improvements	
		3. Promote diversity ● Increase ratio of female managers ● Increase employment of people with disabilities	

ESG	Organizations	Targets for FY2025
Social	Purchasing Department	1. Conduct CSR surveys of overseas suppliers at domestic operating companies
		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. Upgrade manual on the Antimonopoly Act, etc.
		2. Conduct individual violation investigations and guidance using compliance awareness survey results
		3. Check status of compliance with Subcontract Act (Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) and Freelance Act across the Group
		4. Prepare Q&A materials and training related to the Furukawa Company Group Compliance Helpline