

CSR Management

The Furukawa Company Group promotes corporate social responsibility (CSR), while reinforcing its governance framework and compliance practices, with respect to its business activities such that have involved full-scale manufacturing and structural development carried out thus far, as well as various other activities particularly involving environmental protection, social contribution, and human resource development.

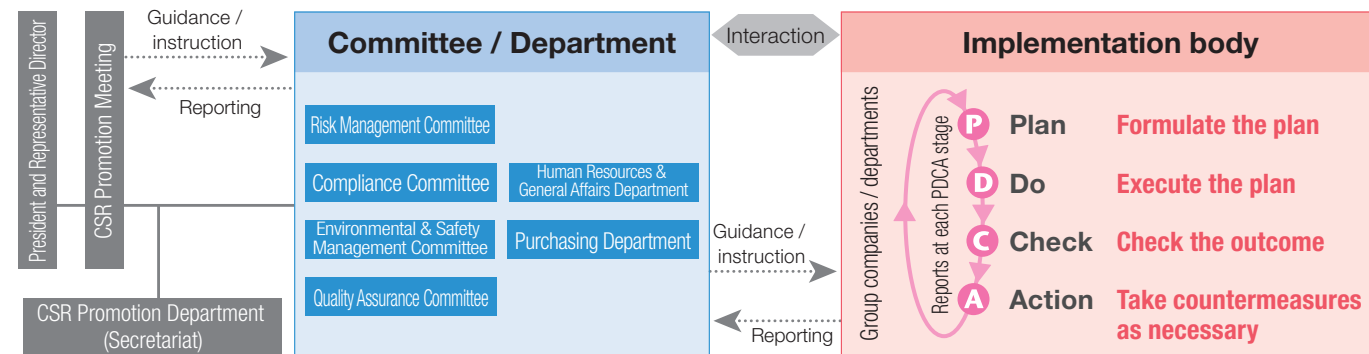
Framework for Promoting CSR

At the Furukawa Company Group, we actively engage in CSR initiatives, particularly through efforts that have involved establishing the CSR Promotion Meeting at Furukawa Co., Ltd. in order to vigorously promote such endeavors, clarifying our responsibilities to stakeholders, and identifying priority issues that need to be addressed.

Sessions of the CSR Promotion Meeting are held by Furukawa's CSR Promotion Department, acting as the secretariat, and chaired by Furukawa's President and Representative Director. The meetings primarily act as a forum for discussions on various issues related to CSR, particularly with respect to formulating fundamental policies, promotion frameworks and action plans, verifying and evaluating the status of initiatives, and planning priority measures.

The CSR Promotion Meeting's organizational structure consists of four committees (Risk Management Committee, Compliance Committee, Environmental & Safety Management Committee, and Quality Assurance Committee) and two departments (Human Resources & General Affairs Department and Purchasing Department). It takes a PDCA cycle approach to planning, implementation, evaluation and improvement, in coordination with respective Group companies and respective Company departments, which take on the function of executing CSR initiatives.

CSR Promotion System



Relationships with Stakeholders

In the course of strengthening our CSR activities and implementing our Management Philosophy, we have identified our stakeholders as follows: customers, suppliers, shareholders and other investors, employees, local communities, and the global environment. Moreover, we aim to build relationships of trust and accordingly maximize our corporate value by engaging in appropriate communications that involve clearly conveying our responsibilities to each group of stakeholders.

| Stakeholders | Responsibilities |
|----------------------------|---|
| Customers | We shall provide customers with safe, high-quality products and services in order to increase satisfaction levels. |
| Business partners | We shall build and maintain mutually beneficial relationships conducive to harmonious coexistence through stable procurement activities based on the principles of fairness and economic rationality. |
| Shareholders and investors | We shall work to maximize corporate value through communications focusing on timely and appropriate information disclosure and IR activities. |

| Stakeholders | Responsibilities |
|--------------------|--|
| Employees | We shall create safe, healthy, and motivating workplaces in which our diversified human resources can excel while adopting appropriate evaluation standards and fair incentives. |
| Local communities | We shall build and maintain favorable relationships of trust by pursuing social contribution activities aimed at harmonious coexistence with local communities. |
| Global environment | We shall protect biodiversity by developing environmentally friendly technologies and products while minimizing the environmental impact of our activities through savings of energy and resources and reduction of waste. |

Further information on CSR management
https://www.furukawak.co.jp/pdf/CSR/e/csr_01.pdf

Identifying Priority Issues

The Group identifies important issues and reinforces its CSR activities to ensure that its business activities contribute to society in the broader sense.

To identify CSR priority issues, we selected important CSR-related issues from the perspectives of both stakeholders and the Group, then analyzed and evaluated the importance of those issues and finalized the Group's CSR priority issues.

The pages of the Activity Report detailing our CSR activities provide information on priority issues regarding the Furukawa Company Group's CSR.

| Priority issues regarding CSR | Page |
|---|------|
| Developing a robust corporate governance framework | P17 |
| Enhancing compliance | P20 |
| Providing products and services that engender customer satisfaction | P21 |
| Promoting environmental conservation initiatives | P23 |
| Creating pleasant workplace environments for employees with fair performance evaluations and incentives | P29 |
| Building fair and just business relationships and reciprocal trust with suppliers | P33 |
| Promoting corporate social responsibility | P35 |
| Communicating with shareholders and other investors | P36 |



Fiscal 2022 Targets for Respective Committees and Relevant Departments

| | | | |
|---|---|--|--|
| Risk Management Committee | <ol style="list-style-type: none"> 1 Improve response capabilities in event of a crisis 2 Revise and improve Group BCP and the BCP of core operating companies 3 Examine countermeasures for crises other than earthquakes | Quality Assurance Committee | <ol style="list-style-type: none"> 1 Reduce the number/cost of complaints 2 Improve product safety 3 Strengthen quality assurance systems |
| Compliance Committee | <ol style="list-style-type: none"> 1 Expand compliance training (continued) 2 Conduct compliance checks 3 Revise internal reporting system in response to amendments to the Whistleblower Protection Act 4 Establish systems for compliance with the Act on the Protection of Personal Information, etc. | Human Resources & General Affairs Department | <ol style="list-style-type: none"> 1 Develop human resources 2 Promote healthy and productivity management 3 Promote diversity 4 Improve work environments |
| Environment & Safety Management Committee | <p>Activities involving environmental conservation, health, and safety.</p> <ol style="list-style-type: none"> 1 Continuous improvement of environmental performance (CO₂, water, waste, chemical substances) 2 Promote training/guidance for improving practical skills 3 Enhance preventive measures for eliminating accidents and disasters 4 Promote biodiversity protection activities <p>Monitor suspended or abandoned mines</p> <ol style="list-style-type: none"> 1 Improve on-site strengths by imparting knowledge and skills 2 Maintain mine wastewater treatment facilities 3 Service final disposal sites and underground mines | Purchasing Department | <ol style="list-style-type: none"> 1 Launch the second CSR questionnaire survey for major suppliers 2 Enhance management of major suppliers (QCD + CSR) 3 Foster partnerships with suppliers 4 Continue Group-wide CSR-oriented procurement activities |