## **Furukawa Company Group**

# **Sustainability Book 2023**

# FURUKAWA CO.,LTD. Sustainability Book 2023

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### **About the Furukawa Company Group Sustainability Book 2023**

#### **Editorial Policy**

The Furukawa Company Group published its first Environmental Report in 2003, and since 2013 it has published a CSR Report (renamed the Sustainability Report in fiscal 2022) with enhanced information on corporate social responsibility (CSR).

From this fiscal year, we have decided to disclose non-financial information (such as sustainability-related policies and strategies and some numerical data) in our Integrated Report and disclose other sustainability-related information (such as activity reports and numerical data) in this Sustainability Book. We will strive to enhance the content of the report by presenting the Group's approach to sustainability and medium- to long-term growth potential from a non-financial perspective in an easy-to-understand manner.

In consideration of the environment, the Sustainability Book is published in PDF format only.

We have created this report in coordination and collaboration with the departments concerned, and the edited result is published with the approval of the President & Representative Director, who is Chairman of the Sustainability Promotion Meeting.

#### **Target Period**

In principle, this report covers initiatives in fiscal 2022 (April 1, 2022–March 31, 2023), but also includes some initiatives in fiscal 2023

#### **Report Scope**

Reporting Content	Company Names
Overall (Excluding Environmental Data and Environmental Accounting)	Furukawa Co., Ltd., and its consolidated subsidiaries
Environmental Data	Manufacturing Division of Furukawa Industrial Machinery Systems Co., Ltd.; Takasaki Yoshii Works of Furukawa Rock Drill Co., Ltd.; Sakura Works of Furukawa UNIC Corporation; Iwaki Works, Semiconductor Material Production Section (Semiconductor Material Plant), and Optical Parts Works Production Section (Optical Parts Plant) of Furukawa Denshi Co., Ltd.; Osaka Works of Furukawa Chemicals Co., Ltd.; Ashio Office of Furukawa Co., Ltd.; Furukawa C&F Co., Ltd.; Ashio Rock Drill Co., Ltd.; and FRD Iwaki Co., Ltd.
Environmental Accounting	Manufacturing Division of Furukawa Industrial Machinery Systems Co., Ltd.; Takasaki Yoshii Works of Furukawa Rock Drill Co., Ltd.; Sakura Works of Furukawa UNIC Corporation; Iwaki Works, Semiconductor Material Production Section (Semiconductor Material Plant), and Optical Parts Works Production Section (Optical Parts Plant) of Furukawa Denshi Co., Ltd.; Osaka Works of Furukawa Chemicals Co., Ltd.; Ashio Office of Furukawa Co., Ltd.; Furukawa C&F Co., Ltd.; Ashio Rock Drill Co., Ltd.; FRD Iwaki Co., Ltd.; Advanced Technology Department and Material Research & Development Department of Furukawa Co., Ltd.; and Yamaishi Metal Co., Ltd.

#### **Referenced Guidelines**

- Sustainability Reporting Standards, Global Reporting Initiative (GRI)
- Environmental Reporting Guidelines, 2018 Version, Ministry of the Environment
- Environmental Accounting Guidelines, 2005 Version, Ministry of the Environment
- JIS Z 26000:2012 Guidance on Social Responsibility (ISO 26000:2010), Japanese Standards Association

#### **Company Names**

Furukawa Co., Ltd.: The operating holding company of the Group

Furukawa Company Group: 32 consolidated subsidiaries and five equity method affiliates

Core operating companies: Furukawa Industrial Machinery Systems Co., Ltd., Furukawa Rock Drill Co., Ltd.,

Furukawa UNIC Corporation, Furukawa Metals & Resources Co., Ltd., Furukawa Denshi Co., Ltd.,

and Furukawa Chemicals Co., Ltd.

#### **Publication Period**

December 2023 (Next: Scheduled for September 2024)

#### Change in Fiscal Year Notation

Starting with this year's Sustainability Book, we have changed the English notation of "fiscal year" to match the Japanese-language book. Accordingly, the period from April 2022 to March 2023 is now referred to as "fiscal 2022." Similarly, the period from April 2021 to March 2022 is now referred to as "fiscal 2021." Please note that this differs from the fiscal year notation in the previous year's Sustainability Report.

### **Sustainability Activities: Targets and Results**

ESG	Organizations		Targets for FY2022	Results	Evaluation
	98		1. Continuously improve environmental performance (CO <sub>2</sub> , water resources, waste, and chemical substances)  • Strengthen management of progress of Fourth Medium-Term Reduction Targets  • Promote activities to achieve carbon neutrality  • Promote activities to reduce hazardous chemicals (e.g., switching to alternative substances)  • Promote education that contributes to environmental protection activities	<ul> <li>Environment/Safety Promotion Meetings         (Environment Meetings): Held discussions         about achieving targets and decided on         future actions</li> <li>Achieved FY2022 reduction targets for CO<sub>2</sub>,         water, and waste</li> <li>Introduced solar power generation equipment, electric forklifts, and highly energy-         efficient production facilities and equipment;         conducted research into energy-saving         measures through optimal production         processes, etc.</li> <li>Conducted research into non-PRTR alternatives for cleaning solvents</li> <li>Provided environmental protection training         while maintaining ISO 14001-compliant         operations</li> </ul>	***
Environmental	Environmental & Safety Management Committee	Environment and safety	2. Enhance preventive measures to achieve accident- and disaster-free operations  * Aim for a continuous severity rate of 0.03 or lower  • Strengthen safety measures through environmental and safety audits  • Strengthen safety management activities by providing guidance and education based on the workstyle of each Group company  • Enhance hazard sensitivity and safety training for managers and supervisors	<ul> <li>Identified problems and provided education and guidance through environmental and safety audits and on-site inspections following accidents</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> <li>Provided education and guidance for managers and supervisors to enhance near-miss responses and safety management activities</li> <li>Although severity of occupational accidents declined year on year, the number of occupational accidents (including non-lost-time injuries) has not decreased</li> </ul>	*
			3. Promote biodiversity protection activities  • Promote ongoing environmental protection activities, including greening initiatives and forest management  • Promote ecosystem restoration activities on Company-owned land, former mine sites, etc.	<ul> <li>Held discussions with local forest owners' cooperative regarding future cutting of timber and new planting</li> <li>Continued firefly rehabilitation activities at former Kune Mine; began rehabilitation activities at former Ashio Copper Mine (FY2021); fireflies confirmed to be active (FY2022); continued activities to regenerate other flora and fauna</li> </ul>	***
		Suspended or abandoned mines	Improve on-site capabilities by passing on knowledge and skills     Maintain and manage mine run-off treatment facilities     Improve final disposal sites and adits	<ul> <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>	***
	ance	1. Redu	ice number/cost of complaints (continued)	Reduction target not achieved	*
Social	Quality Assurance Committee	2. Cont	inuously improve product safety (continued)	<ul> <li>Strengthened risk assessment and education for new products</li> </ul>	***
Š	Lalit	3. Mon	itor and continuously improve quality assurance	Optimal use of digital technology in each process under consideration	**

<b>★★★</b> Goal achieved	★★Partial goal achieved	★Goal not achieved
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ESG	Organizations	Targets for FY2022	Results	
		Develop talented human resources     Ensure ample number of necessary personnel     Strengthen recruitment activities     Implement new training system	<ul> <li>Fell short of target despite continued recruitment of experienced workers</li> <li>Offered internships and held events to attract a group of potential candidates</li> <li>Reformed existing grade training and conducted training for first- and fifth-year employees, and grade-specific training</li> </ul>	**
	General Affairs D	<ul> <li>2. Promote health and productivity management</li> <li>Reduce total annual working hours</li> <li>Promote health management and reduce health risks</li> </ul>	<ul> <li>Cut overtime and reduced total annual working hours to below 2,000 hours</li> <li>Continued studying measures to improve exercise habits; recommended follow-up examinations for those with health checkup anomalies and training for employees in high-stress workplaces</li> </ul>	**
Social	Human Resources & General Affairs Department	3. Promote diversity  Increase ratio of female managers  Increase ratio of employment of people with disabilities  Promote activities of older workers	<ul> <li>Increased recruitment of female employees and took measures to improve retention rate</li> <li>Worked to maintain employment of people with disabilities</li> <li>Considered employment opportunities for older workers (aged 65 and over)</li> </ul>	***
	_	Improve internal working environments     Coordinate and maintain productive work environments	<ul> <li>Conducted research into and study of satellite offices</li> </ul>	a group  ted d  ing hours ercise is for sining for  Ind took with der  te offices  the offices
	Purchasing Department	Conducted 2nd CSR survey of major suppliers of other offices and provided follow-up	<ul> <li>Sent questionnaires to 40 major Group 2*1 suppliers</li> <li>In April 2023, visited two Group 1*2 companies surveyed and flagged for follow-up in FY2021 and confirmed that there were no problems.</li> </ul>	**
		Strengthened management     (QCD + sustainability) of major suppliers	Systematization underway to use vendor data for initial response in the event of a disaster	**
		3. Fostered partnerships with suppliers	Engaged in close communication through visits and web conferences	***
		4. Started Companywide campaign to promote sustainability-focused procurement	Provided training for personnel in charge of purchasing at three machinery plants and Furukawa C&F Co., Ltd.	***
	Risk Management Committee	1. Start using list of risks	Conducted risk inventories at each division of Furukawa Co., Ltd., and each Group company; evaluation of materiality of inventory risks underway	**
	igement (	2. Identify, review, and evaluate significant risks and report to the Board of Directors	Identified, reviewed, and evaluated significant risks	**
	Mana	3. Establish environmental risk management system	Established Environmental Risk Sectional Meeting	***
ance	Risk	4. Establish human rights risk management system	Established Human Rights Risk Sectional Meeting	***
Governance	ttee	1. Provide video-based compliance training	Provided video-based compliance training for newly hired employees	**
	Compliance Committee	2. Take action to address results of compliance awareness survey	Disclosed results of compliance awareness survey; provided compliance training for personnel in offices with relatively low scores	***
	liance	3. Revise the Compliance Manual	Revised the Compliance Manual and updated on internal portal	***
	Compli	4. Take measures to inform all Group companies about whistleblowing system	Updated whistleblowing system information section of internal portal; created poster to inform all Group companies about the system and distributed it to them	***

<sup>\*1</sup> Group 2: Furukawa Chemicals Co., Ltd.; Furukawa C&F Co., Ltd.; Ashio Rock Drill Co., Ltd.; and FRD Iwaki Co., Ltd. \*2 Group 1: Furukawa Industrial Machinery Systems Co., Ltd.; Furukawa Rock Drill Co., Ltd.; Furukawa UNIC Corporation; and Furukawa Denshi Co., Ltd.

### **Targets for Fiscal 2023**

ESG	Organizations		Targets for FY2023
			1. Promote continuous improvement of environmental performance (CO <sub>2</sub> , water resources, waste, and chemical substances)
			• Strengthen efforts to achieve Fourth Medium-Term Reduction Targets
	ittee		Promote preventive measures through analysis of environmental data
			<ul> <li>Promote activities to reduce greenhouse gas emissions by 46% (vs FY2013) by 2030 and achieve carbon neutrality by 2050</li> </ul>
	Environmental & Safety Management Committee	Environment and safety	<ul> <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 sub- stances</li> </ul>
_	a B	and	Promote education and other initiatives to improve environmental protection
nta	age	ent	2. Strengthen efforts to achieve accident- and disaster-free operations
me	Man	Ĕ	* Aim for a continuous severity rate of 0.03 or lower
ron	ıty l	viro	<ul> <li>Promote activities to achieve accident- and disaster-free operations (especially for inexperienced and older employees)</li> </ul>
Environmental	Safe	Ē	Strengthen activities to eliminate unsafe conditions and behaviors
ш	<u>×</u>		Promote education and guidance to enhance hazard sensitivity according to the workstyle of each Group company
	nta		3. Promote biodiversity protection activities
	l me		Promote improvements to reduce impact of our business activities on the ecosystem
	iror		Promote environmental protection and ecosystem restoration activities through continuous greening activities
	E	_	and forest management on Company-owned land and former mine sites (including greening of plant sites)
		Suspended or abandoned mines	1. Improve on-site capabilities by passing on knowledge and skills
		uspended o abandoned mines	2. Maintain and manage mine run-off treatment facilities
		Susp aba	3. Improve final disposal sites and adits
	nce	1. Streng	then activities to raise awareness about quality (Companywide)
	Quality Assurance Committee	2. Reduce	e number/cost of complaints (Machinery-related companies)
			sh and continuously improve quality assurance system [Take action in accordance with the quality roadmap] nery-related companies)
		4. Streng	then quality assurance system [Review existing methods and consider new ones] (Materials-related companies)
	- Le	1. Develo	pp and retain talented human resources
	sent ent		duce talent management system • Establish category-specific education policies
_	8 6 c		vate job rotation • Consider training young employees in specialized positions
Social	rces		ve internal working environments
Š	sou rs D		uce total annual working hours (2,000 hours or lower) e to earn certification as Health and Productivity Management Organization (White 500)
	man Resources & Gener- al Affairs Department		tralize common administrative tasks
	Huma al A		te diversity
			ease ratio of female managers • Actively hire foreign employees • Increase employment of people with disabilities
	Purchasing Department		r up 2nd CSR survey of major suppliers of other offices (Group 2)
	has		then management (QCD + sustainability) of major suppliers
	Purc		partnerships with suppliers
			promoting Companywide sustainability-conscious procurement activities
	Risk Management Committee		e Companywide risk management using list of risks
	k Managem Committee		nmental Risk Sectional Meeting: Discuss environmental risks and report to the Risk Management Committee
ej.	lan <i>a</i> mm		n Rights Risk Sectional Meeting: Discuss human rights risks and report to the Risk Management Committee
anc	ا ک	4. Group	BCP Sectional Meeting: Develop BCP manual and report to the Risk Management Committee
Governance	Ris	5. Inform	ation Security Sectional Meeting: Develop information system and report to the Risk Management Committee
Gov	9 9	1. Revise	manual on the Anti-Monopoly Act etc.
	lian	2. Share	information on compliance violation cases
	Compliance Committee	3. Expand	d compliance training
	33	4. Revise	the Privacy Policy

#### **Environmental Management**

#### Basic Approach

To help realize a sustainable society, the Furukawa Company Group engages continuously in environmental protection activities to address issues related to the global environment and biodiversity. These include activities aimed at realizing a decarbonized society in accordance with the Charter of Corporate Conduct and the Basic Environmental Management Principle.

To address global warming, we are promoting activities in line with our Fourth Medium-Term Reduction Targets, which are based on Vision for 2025, as well as various activities aimed at achieving carbon neutrality by 2050. To protect the environment, we are working to enhance our risk response capabilities, including by strengthening resilience against natural disasters and stepping up preventive activities through data visualization and quantification.

In addition, we will take measures to further reduce the impact of our business activities on the ecosystem. We will also systematically promote activities to protect and restore nature and ecosystems. These include ongoing greening activities and the development of management plans that include cutting trees in mountain forests and planting new ones.

Basic Environmental Management Principle & Environmental Conservation Activity Policies

#### Environmental & Safety Management Committee

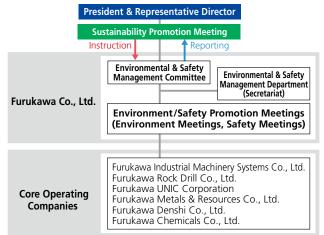
Important matters related to environmental protection and occupational health and safety of the Group are drafted and deliberated by the Environmental & Safety Management Committee, whose members include top management from each of our production centers. At its meeting held in April 2023, the Committee reported on priority environmental and safety activities and their results in fiscal 2022, the progress and future transition of the Fourth Medium-Term Reduction Targets, the status of efforts toward carbon neutrality, and biodiversity preservation activities. The Committee also disseminated information on revisions to laws and regulations related to environmental protection and occupational health and safety and received safety-related instructions from the Environmental & Safety Management Department to prevent recurrence of accidents and disasters that occurred in fiscal 2022.

In fiscal 2022, each office focused on "near-miss" scenarios and made certain progress, including a decrease in the number of serious accidents. However, the number of accidents and disasters remains high. Accordingly, we reported on and received approval for priority environmental and safety activity targets for fiscal 2023, including reinforcement of efforts to achieve accident- and disaster-free operations.



Environmental & Safety Management Committee

#### ■ Environment & Safety Promotion System



#### [Environmental & Safety Management Committee]

Chairman: General Manager, Environmental & Safety Management Department Committee members: General managers of relevant divisions and plant managers of each core operating company (or general manager of the Administration Department if there is no plant manager)

Secretariat: Environmental & Safety Management Department

Location: Head office Frequency: Once a year

Environment/Safety Promotion Meeting (Environment Meetings, Safety Meetings)

Attendees: General manager and staff of the Environmental & Safety
Management Department; persons responsible for the environment
and safety at each core operating company and others
Secretariat: Environmental & Safety Management Department

#### Environmental and Safety Audits

The Furukawa Company Group is working to improve the quality of environmental protection and health and safety activities at each site by shifting its emphasis from corrective to preventive measures. In this way, we support the efforts of each site to achieve accident- and disaster-free operations. Specifically, we conduct environmental and safety audits from May to June each year to help improve our on-site capabilities.

With respect to the environment, in fiscal 2023 we checked the status of compliance with laws and regulations and managed progress in CO<sub>2</sub> emissions, water consumption, waste, and other environmental performance indicators. We also confirmed that the results of the previous fiscal year's management review of the ISO 14001 internal audit were appropriately addressed.

In terms of safety, we confirmed the status of education and risk assessments related to Japan's Industrial Safety and Health Act, efforts to improve hazard sensitivity, and compliance with new chemical substance regulations.



Oyama Works, Furukawa Industrial Machinery Systems Co., Ltd.

#### Environment/Safety Promotion Meetings

Previously, the Environment/Safety Promotion Meetings were held annually with participation of personnel in charge of environmental and safety matters. The purpose was to take steps to improve environmental protection and occupational safety and health activities at each production center. However, the sessions are now divided into Environment Meetings and Safety Meetings, both held annually, with the aims of developing staff in charge of environmental and safety matters and further raising the level of activities at each site.

#### **Safety Meetings**

The fiscal 2022 Safety Meeting was held in July 2022 at the Ashio Office of Furukawa Co., Ltd. At that meeting, attendees received guidance on the use of protective equipment in accordance with revised laws and regulations, precautions to be taken during storage of such equipment, and how to manage chemical substances. Participants also actively discussed various topics, such as ways to prevent accidents and disasters and education to improve hazard sensitivity. At the meeting, it was decided to strengthen "near-miss" activities as a way to achieve accident-and disaster-free operations.



Fiscal 2022 Safety Meeting at the Matsuki loading yard of the Ashio Office

#### **Environment Meetings**

The fiscal 2022 Environment Meeting was held in November 2022 also at the Ashio Office. At that meeting, participants discussed environmental laws and regulations related to the operations of each site, as well as progress and measures to achieve the Fourth Medium-Term Reduction Targets, and received guidance for future activities. To prevent future environmental and equipment accidents, it was decided to enhance work procedure manuals, pre-work meetings, and workplace patrols.



Fiscal 2022 Environment Meeting at the Nakasai water purification plant of the Ashio Office

## Fourth Medium-Term Reduction Targets and Results of the Fourth Year

The Fourth Medium-Term Reduction Targets, which cover fiscal 2019 to fiscal 2028, deal with predicted upcoming increases in environmental performance factors (CO<sub>2</sub> emissions, water consumption, and total other emissions, including waste) under the production plan based on Vision for 2025. Following discussion with each core operating company, we set targets to reduce CO<sub>2</sub> emissions by 2%, water consumption by 2%, and total other emissions, including waste, by 3%, respectively, relative to the predicted figures for fiscal 2028.

In fiscal 2022, the fourth year of the Fourth Medium-Term Reduction Targets, we met our targets for CO<sub>2</sub> emissions, water consumption, and total other emissions, including waste.

In fiscal 2023, the fifth year of the Fourth Medium-Term Reduction Targets, we will accurately monitor progress at each site and continue working to achieve our reduction targets.

## ■ Fourth Medium-Term Reduction Targets and Results of the Fourth Year

	FY2028	FY2022 (Fourth Year)		
	Reduction target*	Reduction Reduction result		
CO <sub>2</sub> emissions	2%	0.8%	27.4%	
Water consumption	2%	0.8%	3.4%	
Total other emissions, including waste	3%	1.2%	8.1%	

<sup>\*</sup> Reduction targets relative to predicted fiscal 2028 environmental performance value

#### ISO 14001 Certification Acquisition Status

The status (acquisition rate) of ISO 14001 certification, the international standard for environmental management systems, in the Furukawa Company Group is as follows.

Domestic	Core operating companies with domestic production facilities: Furukawa Industrial Systems Co., Ltd.; Furukawa Rock Drill Co., Ltd.; Furukawa UNIC Corporation; Furukawa Denshi Co., Ltd.; and Furukawa Chemicals Co., Ltd. Certification received by 5 out of 5 companies (100%), as well as the R&D Division
Overseas	Overseas Group companies with production facilities: FURUKAWA UNIC (THAILAND) CO., LTD.; Taian Furukawa UNIC Crane Co., Ltd.; and FD Coil Philippines, Inc. Certification received by 2 out of 3 companies (67%)

ISO 14001 Certification Acquisition Status

#### **Environmental Accounting**

#### **Environmental Protection Costs**

The Furukawa Company Group uses the Environmental Accounting Guidelines from the Ministry of the Environment as a reference in understanding costs and works hard to protect the environment and improve its environmental efficiency.

The total investment for fiscal 2022 was ¥193 million, mainly for measures to prevent pollution at suspended or abandoned mines. In making investments, we have increased our emphasis on preventive measures. As a result, pollution prevention costs accounted for approximately 62% of the total investment.

Total expenses in fiscal 2022 amounted to ¥1,247 million. This was mainly allocated to environmental protection activities, such as maintenance and management of pollution prevention facilities, forest preservation, and nature restoration and recovery.

#### **Economic Benefits Associated with Environmental Protection**

In fiscal 2022, Furukawa Chemicals Co., Ltd., commissioned a steam turbine generator at its Osaka Works, resulting in a ¥65 million year-on-year reduction in purchased electricity costs. For the year, the economic benefits associated with resource circulation, including proceeds from sales of materials with value, amounted to ¥243 million.

#### **Environmental Liabilities**

In fiscal 2022, we recorded a liability of ¥58 million for PCB waste disposal costs. This was deemed a reasonable estimate of expected future environmental liabilities as of March 31, 2023.

#### ■ Environmental Protection Costs (by Business Activity)

(Millions of yen)

			(IVIIIIOIIS OI YCII)	
	Category	Principal Activity	Investment	Cost
(1) Busin	ess area costs		188	996
Pollution prevention cost		Air and water pollution prevention	120	675
Breakdown	Global environmental protection cost	Energy conservation and maintenance/management of Company-owned forests	69	68
	Resource circulation cost	Recycling, waste disposal, and effective use of water	0	253
(2) Upstre	eam/downstream costs	Recycling, recovery, and re-commercialization of products on the market	0	9
(3) Admii	nistration cost	ISO 14001 operation, environmental education, cleanup/greening of business sites, etc.	0	68
(4) R&D	R&D cost R&D to develop products that contribute to environmental preservation		4	163
(5) Social activity cost		Social activity cost Community cleanups and greening, etc.		11
(6) Enviro	nmental remediation cost	Recovery from environmental degradation caused by business activities	0	0
		Total	193	1,247

#### ■ Environmental Protection Benefits

Category Environmental Performance Indicator		FY2021	FY2022	Change
Benefits related to resources input	Total energy consumption (thousand GJ)	472	410	Down 62 thousand GJ
into business activities	Total water consumption (thousand m <sup>3</sup> )	618	568	Down 50 thousand m <sup>3</sup>
Benefits related to waste and	CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	22,104	19,536	Down 2,568t-CO <sub>2</sub>
environmental impact originating from business activities	Total other emissions, including waste (t)	6,347	6,459	Up 112t

#### Economic Benefits Associated with Environmental Protection (Material Benefits) (Millions of yen)

Benefit			
Resource circulation (including gains from sales of materials with value)	Gains on sales of stainless steel, iron, etc.	243	
Energy-saving benefits	Reduction in purchased electricity costs through steam turbine operation	65	
	Total	309	

#### Environmental Impact Emissions

Category		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
INPUT							
	Volatile oil (gasoline)	kℓ	33	34	30	32	33
	Kerosene	kℓ	301	231	205	210	195
	Diesel oil	kℓ	195	204	170	210	214
Total energy input	Fuel oil A	kℓ	221	211	170	33	32
rotat energy input	Liquefied petroleum gas (LPG)	t	359	381	314	345	349
	City gas	thousand m <sup>3</sup>	889	848	773	906	779
	Electricity	thousand kWh	43,593	36,441	36,414	40,614	34,858
Total energy consumption	_	thousand GJ	511	438	427	472	410
	Clean water	thousand m <sup>3</sup>	141	120	109	97	93
Total water consumption	Industrial water	thousand m <sup>3</sup>	551	560	562	521	475
Total water consumption	Groundwater	thousand m <sup>3</sup>	0	0	0	0	0
	Total	thousand m <sup>3</sup>	692	680	671	618	568
Total materials input	_	t	119,459	121,008	114,303	118,800	118,325
OUTPUT							
	Scope 1	t-CO <sub>2</sub>	5,045	4,838	4,192	4,296	3,996
	Scope 2	t-CO2	21,103	17,092	16,711	17,808	15,540
	Scope 1 + 2	t-CO <sub>2</sub>	26,148	21,930	20,903	22,104	19,536
	Scope 3 (Category 4)	t-CO <sub>2</sub>			_		6,323
CO <sub>2</sub> emissions	Scope 3 (Category 5)	t-CO2	_	_	_	_	29
	Scope 3 (Category 6)	t-CO <sub>2</sub>	_	_	_	_	1,030
	Scope 3 (Category 11)	t-CO <sub>2</sub>		_	_	_	648,449
	Scope 3 total*4	t-CO <sub>2</sub>		_	_		655,831
	Underground infiltration	thousand m <sup>3</sup>	4	3	9	9	8
	Rivers, etc.	thousand m <sup>3</sup>	340	325	294	256	203
Wastewater	Sewage (groundwater)	thousand m <sup>3</sup>	111	128	150	131	129
	Other	thousand m <sup>3</sup>	22	21	21	21	21
	Total	thousand m <sup>3</sup>	477	477	474	417	361
	Total BOD*5 volume	t	1	1	1	1	0
	Total COD*6 volume	t	1	2	2	1	1
Water quality	Total phosphorus volume	t	0	0	0	0	0
	Total nitrogen volume	t	1	1	1	1	1
	Sold as material with value (1)	t	3,357	3,204	2,456	3,045	3,046
Reused/recycled materials	Collected at no cost (2)	t	46	43	39	56	56
(4) = (1) + (2) + (3)	Recycled for a fee (3)	t	2,354	2,311	2,228	1,804	1,943
	Total	t	5,757	5,558	4,723	4,905	5,045
Total other emissions, including waste	_	t	7,160	7,039	5,912	6,347	6,459
Recycling percentage*1	_	%	80.4	79.0	79.9	77.3	78.1
Percentage of materials with value*2	_	%	46.9	45.5	41.5	48.0	47.1
Final waste disposal volume	_	t	512	491	404	470	434
Final waste disposal percentage*3	_	%	7.2	7.0	6.8	7.4	6.7
Volatile organic compound (VOC) emissions	_	t	181	161	145	144	152
Nitrogen oxide (NOx) emissions	_	t	2	2	2	1	2
Sulfur oxide (SOx) emissions	_	t	2	2	2	2	1
Soot/dust emissions	_	t	1	1	2	2	0

<sup>\*1 (4) /</sup> Total other emissions, including waste
\*2 (1) / Total other emissions, including waste
\*3 Final waste disposal volume / Total other emissions, including waste
\*4 Scope 3 (unaccounted-for categories): Categories 1, 2, 3, 7, 9, 10, and 12
Scope 3 (inapplicable categories): Categories 8, 13, 14, and 15
\*5 BOD: Biochemical oxygen demand
\*6 COD: Chemical oxygen demand

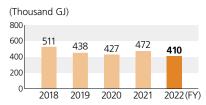
#### Furukawa Company Group's Material Flow (Fiscal 2022)

	INPUT										
	Category	Туре	Volume Used in FY2022	Туре	Volume Used in FY2022	Туре	Volume Used in FY2022				
	Scope	Volatile oil (gasoline)	33 k <b>ℓ</b>	OIL Diesel oil	214 kl	LPG	349 t				
Total energy input	1	OIL Kerosene	195 k <b>ℓ</b>	Fuel oil A	32 kℓ	City gas	779 thousand m <sup>3</sup>				
	Scope 2	Electricity	34,858 thousand kWh								
Total water consumption		Clean water	93 thousand m <sup>3</sup>	Industrial water	475 thousand m <sup>3</sup>	Groundwater	0 thousand m <sup>3</sup>				

	C	UTPU	Τ			
		Scope 1	3,996 t-CO <sub>2</sub>			
	CO <sub>2</sub>	Scope 2	15,540 t-CO <sub>2</sub>			
,	emissions	Scope 1 + 2 total	19,536 t-CO <sub>2</sub>			
		Scope 3 total	655,831 t-CO <sub>2</sub>			
	Wastewater	361 thousand m <sup>3</sup>				
	Total other emissions, including waste	6,459 t				

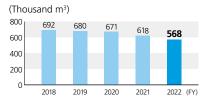
#### **INPUT**

#### ■ Total energy consumption



During the year, we introduced equipment and machinery that meet the standards of Japan's Top Runner program at each plant while enhancing the efficiency of production processes and lowering production volume at some sites. As a result, energy consumption declined 13.1% year on year.

#### Total water consumption



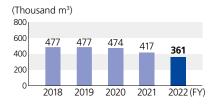
In fiscal 2022, we promoted more efficient use and reuse of water resources and more efficient production processes while also working to conserve water. Consequently, total water consumption declined 8% from the previous fiscal year.

#### **OUTPUT**

#### ■ CO₂ emissions (Thousand t-CO<sub>2</sub>) ■ Scope 1 ■ Scope 2 40 30 22 20 20 16 2018 2019 2020 2021 2022(FY)

Due to the 13.1% decrease in energy consumption and a change in the CO2 emissions coefficient, CO<sub>2</sub> emissions declined 12% year on year.

#### Wastewater



As a result of the 8% decrease in total water consumption, wastewater declined 13% from the previous fiscal vear.

#### ■ Total other emissions, including waste



While we promoted waste reduction and recycling, total other emissions, including waste, increased 2% year on year due to increased production at some business sites. Materials with value accounted for 47% of total other emissions, including waste.

#### Compliance with Environmental Laws and Regulations

The Furukawa Company Group sets voluntary control standards for each plant and business site. We also periodically measure the quality of water discharged, noise and vibration in the vicinity of sites, and so on. We then analyze the results of such measurements to ensure that we do not exceed the set control standards.

In addition, the Environmental & Safety Management Department holds annual Environment Meetings for managers of environmental protection activities at each plant and office. At those meetings, we provide guidance and education to deepen understanding of various environmental laws and regulations. We also administer a test to confirm the level of understanding.

No cases of violation of environmental laws and regulations occurred in fiscal 2022.

#### Close up

### Initiatives for Carbon Neutrality

The Furukawa Company Group began taking steps to achieve carbon neutrality in fiscal 2021.

In September 2022, we held a meeting on carbon neutrality attended by factory managers and/or general managers of the production divisions of the core operating companies. Among specific measures taken, we studied surface areas where solar panels could be installed at each production site and the amount of electricity expected to be generated as a consequence, then calculated the resulting CO<sub>2</sub> emissions reduction. Based on this calculation, we will continue holding discussions to determine priorities for locations where solar panels will be installed.

Going forward, we will formulate a roadmap for decarbonization by 2025 that includes plans to electrify forklifts, introduce highly energy-efficient production equipment and machinery, and establish optimal production processes. In these ways, we will make Groupwide efforts to reduce CO2 emissions.

#### Biodiversity Protection Activities

#### 11th Ashio Cherry Tree-Planting Drive and Sixth Furukawa -no-mori Tree-Planting Drive Held

The Furukawa Company Group formed the Ashio Cherry Tree-Planting Drive, which aims to plant 1,000 cherry tree saplings on Company-owned land in Ashio-machi (Nikko City, Tochigi Prefecture) as part of its own greening activities. Since the first event in March 2009, we have held tree-planting drives every year. Due to COVID-19, the event had to be canceled for three years, from 2020 to 2022. In April 2023, however, we held our 11th tree-planting event, which was attended by 81 people, including the Group's employees and their families. This year, we planted 60 Somei-Yoshino cherry trees, bringing the total number of trees planted to date to 600. The amount of CO<sub>2</sub> absorbed by 600 cherry trees is approximately 30 t-CO<sub>2</sub>/year, which is equivalent to that exhaled by roughly 80 people annually.

Also in April 2023, we held the sixth Furukawa-no-mori Tree-Planting Drive (organized by the Tochigi Furukawa Association\*) on Company-owned land in the Matsuki area of Ashiomachi. A total of 69 members from 19 Tochigi Furukawa Association member companies participated, planting 40 Somei-Yoshino cherry trees.

We will continue hosting both events in the future.

\* Organization of companies in Furukawa Group in Tochigi Prefecture

11th Ashio Cherry Tree-Planting Drive, held in April 2023





Ashio Cherry Tree-Planting Drive



Sixth Furukawa-no-mori Tree-Planting Drive, held in April 2023

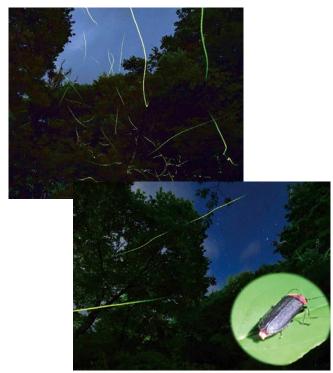
#### Firefly Restoration Activities at Former Kune Mine and **Ashio Mine Sites**

Fireflies are organisms that reflect environmental conditions, with their presence considered a sign of a healthy water environment. It is said that Genji-Botaru (Luciola cruciata) used to dance wildly at the former Kune Mine (Shizuoka Prefecture), which, along with the Ashio Copper Mine once supported the copper-producing operations of Furukawa Co., Ltd. With the aim of restoring an environment where fireflies can live sustainably and leave it to the next generation, our Environmental & Safety Management Department has continued restoration activities at the former mine sites. As a result, the fireflies can now be seen dancing from late June to early July each year.

The Department also works with the Ashio Office to protect and restore other natural environment in the Ashio area, which is a habitat for such familiar creatures as fireflies, dragonflies, and beetles

In fiscal 2021, we began firefly restoration activities at the former Ashio Copper Mine site (Nikko City, Tochigi Prefecture), and in fiscal 2022 we were able to confirm the existence of active fireflies. Since the beginning of fiscal 2023, moreover, we have seen many more fireflies in action.

We will continue striving to restore the rich ecosystem and focus on preserving and regenerating environments where fireflies can flourish throughout their lives.



Light-trails of fireflies swarming around the biotope (on Company-owned property in Nikko City)

#### **Resource Circulation and Pollution Prevention**

#### **Waste Reduction and Resource Circulation Approach** and Initiatives

Based on its Fourth Medium-Term Reduction Targets, the Furukawa Company Group has set a target of reducing total other emissions, including waste, by 3% compared with the level predicted for fiscal 2028. With this in mind, we are working to curb waste generation and promote recycling.

Our activities to reduce waste and resource circulation cover the entire product life cycle, from initial design to manufacturing and final disposal.

Specifically, we are developing products that take yield improvement into consideration at the design stage, improving yield when cutting steel at the manufacturing stage, reducing paint scraps by enhancing coating efficiency, simplifying various types of packaging and reusing packaging materials, and emphasizing the use of returnable shipping cartons when delivering parts.

In light of the Act on Promotion of Resource Circulation for Plastics, which went into effect in April 2022, we are working to further reduce the amount of plastic used by horizontally replicating successful efforts to reduce plastic usage at each Group company.

The final disposal rate (rate at which waste in the Group is disposed of as landfill) has generally remained in the 7-8% range over the past several years, and the rate in fiscal 2022 was 6.7%.

#### Water Resource and Prevention of Water Pollution: **Approach and Initiatives**

Based on its Fourth Medium-Term Reduction Targets, the Furukawa Company Group has set a target of reducing water consumption by 2% compared with the level predicted for fiscal 2028. With this in mind, we are working to improve water usage efficiency and promote water reuse.

To protect water resources, we conduct regular monitoring at our production sites, assess the risks at each site, and strive to conserve water. For business/production sites with high water consumption, we conduct surveys of current conditions, set reduction targets, and take measures to reduce consumption. In addition, we systematically maintain and manage Company-owned forests, which serve as water sources.

#### **TOPICS**

### List of Our Products Giving Consideration to Humans and the Environment

To help realize a sustainable society, the Group actively develops and promotes environmentally friendly products that are conducive to environmental protection and carbon neutrality.

 Product photo	Product name						ering topics for h					
450	Function and usage	Substy in use	To beginn the qualification	The public		بحيث	******	Viteration and makes residenties			-	
	Sturry transportation			100	-			0		*		13
THE	Starry Pumpo for Mad Stickling Long-distance transportation of high concentration fluid			101	MP"			0		**		1
	Sopage Pumps Studys transport			101	Mar.			0		**		1
	Electrodictic precipitators Removal of air pollutants							0		**		1
1	Electrostatic precipitators for turnel construction Removal of air pollutants during tunnel construction							<b>®</b>		**		1
200	Enclosed cuspended conveyors  Excessible vertical transport equipment							0				
	Pipe conveyors Transfer equipment with lose excessed on contraring and fulling							<b>(3)</b>		**		
	Large-seels Transport Conveyore Transport egalpusest for mose transportation of large lump							<u> </u>		**		
	Onwhere Onwhite equipment for reeks, alloyed from, etc.							0	0			
4	Serven Scriing equipment for minorale							0	3			
<b>*</b>	Oranders Oranded stone / oranking / oranking equipment							0	3			
	Briquetting Machines  Dry granulation equipment for postder							0	3			
	Drum Serubber Cleaning and grinding equipment for large churies to fine-grained products			100				0	3	**		1
*	Tokinite Downsprue Bush ( Coate down sprue bush with areaion resistance ) Inist parts for easting moids for automobile engines								3			
-	Hydraulio breakers Greating and rook drilling equipment							0				1
 Tolu.	Hydraulio orushero Conorato aub@rision, orushing equipment							0	3	**		
 1	Hydraulis creater della Drilling machino in minos					<b>(</b>	N	<b>③</b>		**		1
	Turnel drill Jumbee Drilling machine for turnel construction					•				*		375

List of Our Products Giving Consideration to Humans and the Environment

#### Management of Chemical Substances: Approach and Initiatives

While chemical substances are indispensable in our daily lives, they also present social issues with respect to safety. With this in mind, the Furukawa Company Group appropriately manages risks and works to reduce emissions of volatile organic compounds (VOCs) and other chemical substances in accordance with global laws, regulations, and trends.

In the Key Environmental and Safety Activity Targets formulated every year, the Group has set targets for reducing hazardous chemical substances by switching to alternatives. In fiscal 2022, we investigated ways to switch our cleaning solvents to substances not covered by the PRTR\*1. Based on the results of the investigation, in fiscal 2023 we are working to switch to alternative substances while also recycling solvents. In addition, we are analyzing data on the use of chemical substances in each work process and working to reduce the amount used.

\*1 Pollutant Release and Transfer Register: Notification system for release and transfer of chemical substances

#### Emission and Transfer of Substances Required to Be Reported under the PRTR System

In fiscal 2022, the number of substances we used covered by the PRTR decreased by one, from 14 in the previous fiscal year to 13. During the year, we worked to reduce chemical substance emissions by improving production processes, installing more detoxification equipment, and conducting proper management. Nevertheless, we reported an increase in emissions of ethylbenzene, xylene, dioxins, and toluene, as well as arsenic and its inorganic compounds, into the atmosphere. Transfers of ethylbenzene, cadmium and its compounds, xylene, 1,2,4-trimethylbenzene, and toluene to off-site locations also increased.

Numbers in blue: Year-on-year increase Numbers in red: Year-on-year decrease Unit: kg/year (mg-TEQ/year for dioxins only)

ber	Trainibers 1				Emissi							ansferred	,
Substance Number	Chemical Substance	Atmos	Atmosphere		Atmosphere Public waters Soil L		Landfill at works		Trans		Outside o	of works	
Sabs		2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
53	Ethylbenzene	26,127	27,540	0	0	0	0	0	0	0	0	1,840	2,199
75	Cadmium and its compounds	0	0	0	0	0	0	0	0	0	0	5	2,665
80	Xylene	36,285	36,896	0	0	0	0	0	0	0	0	3,982	5,743
87	Chromium and chromium (III) compounds	1	0	0	0	0	0	0	0	0	0	27	10
243	Dioxins	8.3	14.2	0	0	0	0	0	0	0	0	0.19	0.07
272	Copper salts (water-soluble, except complex salts)	0	0	0	0	0	0	0	0	7	5	0	0
296	1,2,4-trimethylbenzene	3,548	3,192	0	0	0	0	0	0	0	0	408	431
300	Toluene	36,293	37,653	0	0	0	0	0	0	0	0	1,029	1,132
308	Nickel	0	0	0	0	0	0	0	0	0	0	1	0
332	Arsenic and its inorganic compounds	4	11	0	0	0	0	0	0	0	0	3,991	3,007
374	Hydrogen fluoride and its water-soluble salts	0	0	6	6	0	0	0	0	0	0	2,090	1,383
412	Manganese and its compounds	16	12	0	0	0	0	0	0	0	0	148	88
453	Molybdenum and its compounds	0	0	0	0	0	0	0	0	0	0	2	0
	022 total luding dioxins)	102,275	105,304	6	6	0	0	0	0	7	5	13,523	16,658

#### **Community Relations**

#### Basic Approach to Social Contribution Activities

The Furukawa Company Group has a policy of actively participating in society and contributing to its development as set forth in its Charter of Corporate Conduct and its Code of Conduct for Officers and Employees.



Furukawa Company Group's Charter of Corporate Conduct



Furukawa Company Group's Code of Conduct for Officers and Employees

#### Areas of Focus in Social Contribution Activities

Activities that are closely connected with local communities include participation in local volunteer cleanup drives and inviting children and students to social studies field trips. Through these activities, we focus on harmonious coexistence with local communities and contribute to their development.

We also engage in activities to promote the attractiveness of local communities, including operation and management of the Furukawa Kakemizu Club and the Furukawa Ashio Museum of History (Nikko City, Tochigi Prefecture). In these ways, we help maintain and develop local culture.

#### Social Contribution Activities: Areas of Focus

Activity Field	Main Activity
Education	Organization of social studies field trips for children and students
Culture and arts	Operation/management of Furukawa Ka- kemizu Club and Furukawa Ashio Museum of History; maintenance/management and utilization of historic sites
Harmonious coexistence with local communities	Participation in local volunteer cleanup campaigns
Environmental conservation	Tree-planting

#### Examples of Social Contribution Activities

#### **Hirose River Volunteer Cleanup Drive**

Each company in the Group participates in volunteer cleanup activities as part of its contribution to local communities. In April 2023, a total of nine employees and family members from the Tohoku Branch of Furukawa Industrial Machinery Systems Co., Ltd., having taken measures against COVID-19, participated in the 33rd Hirose River Cleanup Campaign (part of the Hirose River 10,000 People Project) in Sendai City, Miyagi Prefecture.





Hirose River 10,000 People Project

#### Field Trip for Ashio Elementary and Junior High School Students

Ashio Rock Drill Co., Ltd., regularly hosts social studies field trips for local elementary school students. In June 2023, it invited three second- and third-grade students from Ashio Elementary and Junior High School and their teacher for a company tour.

On the day of the tour, the children were briefed on products manufactured by the company and the fields in which those products are used, then visited the pneumatic and hydraulic small breaker manufacturing line. They also experienced for themselves the power of rock drills at a section of the works dedicated to providing hands-on experience with pneumatic rock drills. The children voiced various impressions, such as their surprise at how advanced current rock drills are compared with the old ones and how powerful it was to see drills in action for the first time. The company will continue hosting such field trips in the future.





Scenes of social studies field trip

#### **Social Data**

#### **Employee Diversity**

Item		Unit	Scope of Coverage	FY2018	FY2019	FY2020	FY2021	FY2022
	Total	Persons		2,757	2,755	2,752	2,804	2,831
Number of employees	Male	Persons	Consolidated	2,342	2,344	2,339	2,367	2,369
	Female	Persons		415	411	413	437	462
	Total	Years		42.3	42.2	42.5	44.4	43.4
Average age	Male	Years	Full-time employees working in Japan	42.8	42.6	42.9	44.9	43.8
	Female	Years	Working in Japan	38.3	38.8	39.1	40.9	40.7
	Total	Years		17	16.7	16.9	16.7	16.7
Years of continuous employment	Male	Years	Full-time employees working in Japan	17.7	17.3	17.5	17.3	17.3
employment	Female	Years	Working in Japan	11.7	12.1	12.5	12.2	13.0
	Total	Persons		636	647	665	672	690
Number of managers	Male	Persons	Consolidated	627	634	651	654	669
	Female	Persons		9	13	14	18	21
Percentage of female managers	_	%	Consolidated	1.42	2.01	2.11	2.68	3.33
Percentage of new hires with experience in management/planning	_	%	Employees of Furukawa Co., Ltd.	_	_	_	_	43.75
Number of foreign national employees		%	Consolidated	590	585	567	547	540
Percentage of employees with disabilities	_	%	Consolidated*1	3.48	2.89	2.18	1.86	2.49
	Total	Persons		219	223	223	267	300
Number of employees aged 60 and over	Male	Persons	Domestic employees	202	212	214	250	280
oo ana over	Female	Persons		17	11	9	17	20
	Total	Persons		62	61	58	70	48
Number of new graduate	Male	Persons	Employees of	53	56	46	54	41
hires (in Japan)	Female	Persons	Furukawa Co., Ltd.	9	5	12	16	7
	Foreign national	Persons		3	6	4	4	0
Percentage of women among new graduate hires	_	%	Employees of Furukawa Co., Ltd., in corporate planning positions	_	_	_	_	14.5
Number of employees leav-	Total	Persons	-	25	34	33	48	33
ing employment (excluding	Male	Persons	Employees of Furukawa Co., Ltd.	24	31	26	44	30
those retiring)	Female	Persons	r drukuwa Co., Eta.	1	3	7	4	3
Job turnover rate		%	Employees of Furukawa Co., Ltd.	1.45	1.93	1.84	2.62	1.76
Wage gap between male and female employees	_	%	Employees of Furukawa Co., Ltd.	_	_	_	_	69.4

<sup>\*1</sup> Consolidated companies subject to Japan's employment system for persons with disabilities

#### Developing Diverse Human Resources

#### ■ Employment Grade-Specific Training (Conducted by the Human Resources & General Affairs Department)

Item		Scope of Coverage	FY2018	FY2019	FY2020	FY2021	FY2022
Average training hours per person		Employees of Furukawa Co., Ltd. (corporate planning and management positions)	_	_	_	_	24.9

Note: Training hours (total): 8,950.9 hours; Number of participants (total): 359 persons

#### ■ Total Training Hours (All Training, Including Training at Business Sites)

Item		Scope of Coverage	FY2018	FY2019	FY2020	FY2021	FY2022
Annual training hours	Hours	Employees of Furukawa Co., Ltd.	_	_	_	_	843.6
Number for trainees	Persons	Employees of Furukawa Co Ltd.	_	_	_	_	2,506

#### Work-Life Balance

Item		Unit	Scope of Coverage	FY2018	FY2019	FY2020	FY2021	FY2022
	Total	Persons		39	37	44	50	32
Number of employees taking parental leave	Male	Persons		33	28	34	38	24
taking parental leave	Female	Persons		6	9	10	12	8
	Total	%		88.6	97.4	91.7	83.3	78.0
Percentage of employees taking parental leave	Male	%		86.8	96.6	89.5	79.2	72.2
taking parental leave	Female	%	Employees of	100	100	100	100	100
Average number of days	Male	Days	Furukawa Co., Ltd.	21.4	6	18.6	9.6	40.3
taken for parental leave	Female	Days		499.0	320.3	430.5	386.5	498.1
Percentage of employees returning to work after having taken parental leave	_	%		100	100	100	100	87.5
Number of employees taking caregiver leave	_	Persons		1	0	0	0	0
Prescribed working hours	_	Hours	_	1,891	1,891	1,891	1,891	1,891
Extra working hours	_	Hours		305	268	183	226	200
Hours of annual paid leave taken	_	Hours	Nan manananial	79	76	85	92	103
Total actual working hours	_	Hours	Non-managerial employees of	2,117	2,083	1,952	1,986	1,943
Overtime hours (monthly average)	_	Hours	Furukawa Co., Ltd.	25.40	22.36	15.22	18.80	16.64
Percentage of paid annual leave taken	_	%		51.0	53.2	61.6	66.5	74.0
Percentage of employees taking annual health checkups	_	%	Employees of Furukawa Co., Ltd.	_	_	_	_	99.96
Percentage of anomalies found (aged 40 or older)	_	%	Employees of Furukawa Co., Ltd.	_	_	_	_	61.20
Percentage of anomalies found (aged under 40)	_	%	Employees of Furukawa Co., Ltd.	_	_	_	_	45.40

#### Occupational Safety and Health

#### ■ Safety Performance

lt	em	Unit	Scope of Coverage	FY2018	FY2019	FY2020	FY2021	FY2022
Number of industrial accidents requiring leave of absence*1		Cases	Consolidated (Japan)	2	1	1	5	0
	_	_	Consolidated (Japan)	0.43	0.21	0.22	1.03	0.00
Industrial accident frequency*2	Comparison reference: All industries*4	_	_	1.83	1.80	1.95	2.09	2.06
	Comparison reference: Manufacturing industry*5	_	_	1.20	1.20	1.21	1.31	1.25
	_	_	Consolidated (Japan)	0.04	0.06	0.01	0.05	0.01
Industrial accident severity*3	Comparison reference: All industries*6	_	_	0.09	0.09	0.09	0.09	0.09
	Manufacturing industry*7	_	_	0.10	0.10	0.07	0.06	0.08

<sup>\*1</sup> Refers to accidents requiring leaves of absence of at least four days

<sup>\*2</sup> Refers to frequency of accidents with casualties per 1 million total working hours

<sup>\*3</sup> Refers to number of working days lost per 1,000 total working hours

<sup>\*4 \*5 \*6 \*7</sup> Source: Survey on Industrial Accidents (conducted by the Ministry of Health, Labour and Welfare)

#### Safety Guidance at Overseas Business Locations

We check and provide guidance to overseas business locations of the Furukawa Company Group on various matters. These include the status of regular statutory inspections of facilities, acquisition of official qualifications required for operations, maintenance of work instructions and manuals, results of work environment measurements, implementation of safety education, emergency communication systems, and operation of the Safety and Health Committee. In addition to compliance with local laws and regulations, we provide guidance and advice on how to improve the work environment and management standards so that employees can work safely and comfortably, taking into account local climate and customs.

In the event of an accident or disaster, we take corrective and preventive measures after rigorous discussions with the person in charge of the site regarding the cause of the accident or disaster and measures to prevent recurrence. The following offices have acquired ISO 45001 certification, the international standard for occupational health and safety management systems, and are promoting health and safety activities.

#### ■ ISO 45001 Certification Acquisition Status

Company Name	Acquisition Date	Certification Organization		
Taian Furukawa UNIC Crane Co., Ltd.	April 29, 2021	China United Certification Center (Beijing) Co., Ltd.		
FURUKAWA UNIC (THAILAND) CO., LTD.	January 25, 2023	Perry Johnson Registrars, Inc.		

#### Product Quality Management

#### ■ ISO 9001 Certification Acquisition Status

Company Name	Acquisition Date	Certification Organization
Furukawa UNIC Corporation	June 6, 1997	Japan Quality Assurance Organization (JQA)
Furukawa Rock Drill Co., Ltd.	October 17, 1997	TÜV Rheinland Japan Ltd.
Furukawa Industrial Machinery Systems Co., Ltd.	June 22, 1999	Nippon Kaiji Kyokai (ClassNK)
Furukawa Denshi Co., Ltd.	December 4, 1998	Japan Quality Assurance Organization (JQA)
Yamaishi Metal Co., Ltd.	November 28, 2000	Bureau Veritas Japan Co., Ltd.
Furukawa Chemicals Co., Ltd.	July 24, 2003	JIC Quality Assurance Ltd. (JICQA)
Tsukuba Site, Technology Division, Furukawa Co., Ltd. (Material Research & Development Dept. / Advanced Technology Dept.)	January 14, 2004	JSA Solutions Co., Ltd.
FURUKAWA UNIC (THAILAND) CO., LTD.	May 14, 2009	Perry Johnson Registrars, Inc.
Taian Furukawa UNIC Crane Co., Ltd.	November 8, 2010	Shanghai Audit Centre of Quality System
FD Coil Philippines, Inc.	March 24, 2021	United Registrar of Systems Ltd.

#### **Governance Data**

### Officers

Item		Unit	Scope of Coverage	FY2018	FY2019	FY2020	FY2021	FY2022
Number of directors under the Articles of Incorporation		Persons	Non- consolidated	Up to 12				
Number of directors*1	Total	Persons		9	9	9	9	9
	Outside directors (included)	Persons	Non- consolidated	3	3	3	3	3
	Independent outside directors (included)	Persons		2	3	3	3	3
	Female directors (included)	Persons		0	1	1	1	1
Number of executive officers*2	Total	Persons	Nen	18	16	16	15	13
	Female executive officers (included)	Persons	Non- consolidated	0	0	0	0	0

\*1 As of September 30, 2023: Number of directors: 9 Outside directors: 3

Independent outside directors: 3

Female directors: 1

\*2 As of September 30, 2023: Number of executive officers: 9 Female executive officers: 0

### Audit System

#### Audit System Personnel

Item		Unit	Scope of Coverage	FY2018	FY2019	FY2020	FY2021	FY2022
Number of Audit & Supervisory Board Members under the Articles of Incorporation		Persons	Non- consolidated	Up to 5 persons	Up to 5 persons	Up to 5 persons	Up to 5 persons	Up to 5 persons
Number of Audit & Supervisory Board Members	Total	Persons	Non- consolidated	4	4	4	4	4
	Outside members (included)	Persons		2	2	2	2	2
	Independent outside members (included)	Persons		1	1	1	1	1
Certified public accountants who conducted account auditing services	Designated limited partners and employees conducting auditing operations	Persons	Consolidated	2	2	2	2	2
	Certified public accountants other than above	Persons		7	6	5	6	8
	Other assistants	Persons		11	11	17	15	29
Number of Internal Audit Department personnel		Persons	Non- consolidated	5	5	5	5	5

#### ■ Internal Audit Performance

Item		Unit	Scope of Coverage	FY2018	FY2019	FY2020	FY2021	FY2022
Number of companies conducting internal audits	Total	Companies	Consolidated	16	6	2	5	4
	Overseas consolidated subsidiaries (included)	Companies		9	2	0	0	0
Number of companies conducting follow-up audits	Total	Companies	Consolidated	8	7	6	2	2
	Overseas consolidated subsidiaries (included)	Companies		2	4	2	0	0

#### Compliance

#### ■ Political Donations

Item	Unit	Scope of Coverage	FY2018	FY2019	FY2020	FY2021	FY2022
Total political donations	Japanese yen	Non- consolidated	_	_	2,000,000	1,000,000	1,920,000

### ♠ FURUKAWA CO.,LTD.

### **Sustainability Promotion Department**

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