

Third-Party Opinion



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Graduated with a master's degree from Hitotsubashi University Graduate School in 1986. Joined Daiwa Securities in 1986. Transferred to Daiwa Institute of Research in 1994. Had a number of roles, including analyst, leading to her present assignment. Her research subjects include socially responsible investment and corporate social responsibility. Co-author of *Guide to Socially Responsible Investment* and *CSR Management*. Part-Time Instructor at Aoyama Gakuin University.

This is my second opportunity to offer a third-party opinion. Last year, I pointed out that the report seemed very much like a CSR operational report for internal use. That is, the stakeholder's perspective was not reflected in the report. My impression this year is that the Company's message has been more sharply defined, making the report much easier to understand. Particularly with respect to the prevention of global warming, this report offers a broad overview that includes unique environmentally sound products, such as reflective sheets with high light reflexivity, production site initiatives such as fuel conversion and the concentration of processes, and distribution site initiatives. It is thus far easier to understand exactly what the Company is doing.

Furthermore, the report describes how the Company has traditionally used electricity from a company-owned hydroelectric power station in the Nikko area, which accounts for 14% of the electricity used by the entire Group. I learned about this last year during my interview with Chief Social Responsibility Officer Tetsuya Sato. Hydroelectric power generation was not new to Furukawa Electric; the Company, however, became more aware of how society is increasingly paying attention today to the volume of CO₂ emitted, referred to as the carbon footprint, during manufacturing and transportation. Therefore, production based on hydroelectric power generation, which has an extremely light carbon footprint, represents a major strength in sales strategy. From this viewpoint, it was desirable from the perspective of CSR as well as from sales strategy for the Company to reconfirm the significance of hydroelectric power generation and to emphasize this point in the President's Message. In a similar light, the Company should be highly commended for its active stance of considering the use of renewable energy sources in the production line apart from conventional hydroelectric power. The report also states that the Company has developed

a system for incorporating the sales of environmentally-friendly products and the reduction of CO₂ emissions into the performance assessment of each department to promote environmental management. The best yardstick for measuring the sincerity of a company's environmental management is to have it reflected in performance assessment. From this viewpoint, we understand that Furukawa Electric is genuinely pursuing environmental management, which creates a favorable impression. I encourage the Company to provide status reports on this effort in the future.

This year's report also contains a status report on the issue of dirty mining that I pointed out last year. While major progress seems yet to be made, companies are expected to come under even greater scrutiny over dirty mining as biodiversity becomes a focal issue second in importance to global warming. I recommend that the Company continue its efforts as an important aspect of supply chain management.

On personnel issues, the status of work-life balance—the number of paid leaves and childcare leaves taken by employees—was disclosed in small print inside the chart. However, the current trend is to disclose annual figures related to personnel by chronology. I hope that data related to work-life balance will be disclosed on a multi-year basis, particularly in view of the fact that the Company is a designated Provider of Support for Raising Next-Generation Children. I also expect similar disclosures on the state of diversity, such as the ratio of female executives and the status of locally hired employees at overseas bases.

Finally, in this year's message from the President, significant weight has been placed on explaining initiatives related to compliance violations. We naturally hope the Company will establish an ethical framework based on this corporate stance. On the other hand, we are facing a situation that urgently requires calls for the development of a low-carbon society. I would like to reiterate a point I made last year: copper wires lie behind every product using electricity. That is, Furukawa Electric acts as a stage assistant in the drive for electrification. Bearing this in mind, I strongly request that the Company put together a more comprehensive and organic long-term vision concerning viewpoints from which the Furukawa Electric Group can contribute to the development of a low-carbon society by utilizing all its management resources.

