

Third-Party Opinion



Sachiko Kishimoto

Executive Director
Center for Public Resources
Development
A specified nonprofit
organization

After gaining invaluable experience working for a private-sector company, a research institute and studying abroad, participated in the establishment of the Center for Public Resources Development (URL <http://www.public.or.jp>), a nonprofit organization in 2000. While its focus is promoting donation and NPO management support, the Center also provides consulting services for companies seeking to improve their social responsiveness.

A part-time instructor at the Graduate School of Social Design Studies of Rikkyo University, the International Graduate School of Social Sciences of Yokohama National University and the Faculty of Law at Meiji Gakuin University.

Drawing on a review of the Group's CSR Report and an interview with Tetsuya Sato, Chief Social Responsibility Officer (CSRO), I would like to comment as follows.

Strong Points

- Furukawa Electric established the Smart Grid Business Development Department in 2010, and by combining the technologies it has developed up to now, like superconducting power cables and power storage systems, the company is contributing to the advancement of smart grids. CSRO Sato informed me in our interview that Furukawa Nikko Power Generation is planning trials of hydroelectric power transmission to a smart grid. In the aftermath of the Great East Japan Earthquake and nuclear power accident, we are again required to build a power-conserving society. I am hopeful that Furukawa Electric will offer new power systems geared toward the special characteristics of regions in Japan and around the world.
- Furukawa Electric's progress in social contribution can be seen. First, the company newly established a Volunteer Leave System in response to the earthquake. Second, FISA, Furukawa's Brazilian subsidiary, is contributing to raising the standards for education in local communities through the development of a child-raising and career-building support effort called "Preparing Children for the Future" Project, which starts off by providing support for public schools. Third, the company expressed concern about the natural environment by changing one of its core social contribution aims to "Living in harmony with the natural environment and local communities." It is my hope that Furukawa Electric will continue with such efforts, and will take up the challenge of engaging with NPOs and local communities in strategic social contribution business in areas where it is strong (such as smart grids, smart cities, etc.)

Areas that are commendable but need improvement

- I give high marks to the company for the timeliness of efforts to strengthen CSR throughout the Group, including overseas bases, such as revising the CSR Code of Conduct and issuing a CSR Compliance Handbook for employees. Employees are provided easy-to-understand explanations of the need for compliance with laws and regulations, as well as international codes of conduct, in doing business internationally. The strengthening of regulations in Europe and the US is also covered with regard to the need for due diligence from a CSR perspective. Henceforth I would like to see the company take measures such as designating regions for focused efforts so as to make progress in compliance practice, and for the CSR Division to support the compilation and sharing of practical examples within the company.
- We also see progress at the company in the area of supply chain management, such as the establishment of CSR Promotion Guidelines and requests for cooperation through Partner Meetings. Going forward I would like to see a clear policy for responding to issues that can be found through questionnaires and other means. Also, the company has released a progress report concerning "dirty metals*," covering items such as requests to metal refiners, which are direct trading partners with Furukawa Electric, for screening. I hope that such efforts will be continuous.
- Measures such as "Heart-to-heart communication between the president and employees" and "Compliance Discussions" conducted by the CSR Division have been started in response to compliance issues that have arisen in recent years, such as infractions of the Anti-Monopoly Law. I hope that such preventative measures will continue.

* Metals produced by mines that disregard human rights and the environment.

Future Expectations

- Furukawa Electric had not up to now established settings for dialogue with stakeholders. Providing employees opportunities to hear the Environmental NGO Secretariat's talks on biodiversity, in the form of environmental management seminars and discussion with the Furukawa Electric CSRO, has yielded results. It is very important for the opinions of external stakeholders not only to be heard by people in charge of CSR, but also by the heads of related divisions. I would hope to see further such attempts in relation to other important CSR themes, and for serious efforts to create opportunities for dialogue.



At the conclusion of the interview with Sachiko Kishimoto.
(Right) Tetsuya Sato, Chief Social Responsibility Officer