

Initiatives for Environment

Environmental Management

Furukawa Electric Group Basic Environmental Policy

Basic Philosophy

We, the employees of the Furukawa Electric Group, recognize that conservation of the global environment is a serious issue confronting the international community, and we pledge to contribute to a sustainable future for the world through technological innovation that utilizes our strength in advanced materials.

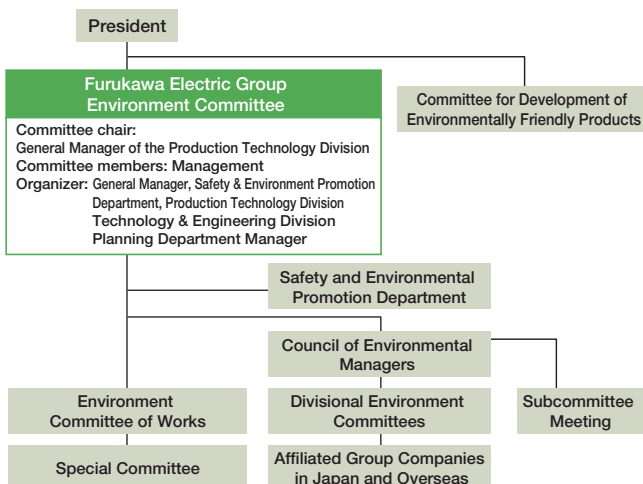
Action Guidelines

1. We shall comply with environmental laws and regulations as well as the demands of our customers and others, setting ever higher environmental targets as we continuously improve our global environmental conservation efforts.
2. We shall strive to develop products that are friendly to the Earth, and create new environmental businesses.
3. We shall strive to reduce environmental risk by incorporating anti-climate change and resource conservation/recycling considerations, as well as a reduction in the use of environmental impact-causing substances, across the entire product lifecycle.
4. We shall evaluate the ecological impact of all of our businesses, and strive for the conservation of biodiversity and sustainable use of resources.
5. We will seek harmony with the natural environment and local communities through dialogue with our stakeholders.

Environmental Management Organization

In April 2013, we underwent organizational restructuring, transitioning to a strategic business unit system. We also renamed our highest-level advisory body related to environmental management the Furukawa Electric Group Environment Committee and promoted environmental management under a new structure. We established the new Council of Environmental Managers to facilitate smooth decision making on environmental management and consolidated the special committees that have performed these functions in past.

Promotion Framework



Scope of the Environmental Management

Furukawa Electric Group's environmental management covers 34 Group companies in Japan and 57 Group companies overseas. One Group company in Japan changed its name to Tohoku Access Cable Company. One Group company overseas merged with another company in a related industry, while another was excluded from the scope of our environmental management as its stockholding ratio was reduced.

Please refer to page 59 for a list of all applicable companies.

Environmental Education

Environmental Education System and Environmental Education Programs

Furukawa Electric Group is engaged in a variety of environmental education activities in order to raise environmental awareness among its employees and help them to gain information necessary to conduct the environmental activities of the Group.

During fiscal 2014, 40 employees attended ISO14001 internal environmental auditor training, while 25 employees attended FGMS ^(note) auditor training. Since fiscal 2013 the Group has conducted environmental training for newly appointed section managers in order to enhance the education of key managers in each division.

In fiscal 2014, 41 employees attended this training.
 (note) Furukawa branding Green products Management System

Environmental activity award system

In an attempt to improve environmental awareness and enhance our environmental activities, in fiscal 2010 Furukawa Electric established environmental awards in three areas: “sales promotion for environmentally friendly products,” “prevention of global warming,” and “Group activities.” However, the Group revised the award system in fiscal 2014, bringing all awards together under a single category (“environmental contribution award”) and holding a single Excellence in Environmental Activity Presentation each year.

Environmental Accounting

Furukawa Electric Group has introduced environmental accounting to gain a quantitative

understanding of costs and conduct its environmental activities efficiently and effectively. Totals are based on the “Environmental Accounting Guidelines 2005” published by the Ministry of the Environment. Group company totals were based on 24 Group companies in Japan. During fiscal 2014, environmental conservation expenses totaled 3.4 billion yen, while a total of 700 million yen was invested. Compared with the previous year, this was a decrease of 300 million yen in expenses and an increase of 100 million yen in investments.

Additionally, snow damage caused reduced operability, and energy costs fell around 1.5 billion yen.

Please refer to page 59 for a list of all applicable companies. Please see the URL below for environmental accounting aggregate results.

CSR

 <http://www.furukawa.co.jp/english/csr/index.htm>

Environmental education programs

Category of educational training	Content	New recruits	General employees	Mid-career employees	Newly appointed section managers	Management
Education for new recruits (once a year, mandatory)	General environmental conservation activities	Training for new recruits				
EMS activities (as needed, mandatory)	Environmental Policy and purpose, goals and general knowledge pertaining to the environment					
ISO14001-related education (two-day course)(twice a year, voluntary)	Requirements of ISO standards, environment regulations, procedures for internal environment audits, various drills					
One-day brushup course (once a year, voluntary)	Trends in environmental regulations, various drills to brush up auditing skills					
Environmental subjects (as needed, voluntary)	Environmentally considerate design					
	Environmental regulations					
	Control of chemical substances contained in products					
Consolidated environmental management seminars	Seminars by experts on priority issues					

Message from the General Managers

Hisashi Iwama
 General Manager, Safety & Environment
 Promotion Department, Production
 Technology Division



During fiscal 2014, we once again worked together with our colleagues all over the world to promote environmental preservation activities in accordance with the management policies of the Group. The three main aspects of our basic environmental activity policy are I. Social contribution, II. Prevention of pollution, and III. Energy and resource conservation. The first aspect means exercising our social responsibility as a manufacturer to ensure that customers can use our products and services safely and securely. This also refers operating our business in such a way that customers using our products and services make overall society “brighter and more enjoyable,” and in a manner that allows us to

contribute to the conservation of the global environment. In addition to properly managing chemical substances and preventing pollution when we develop and produce products, the second aspect means paying consideration to biodiversity. The third aspect means manufacturing in a manner that efficiently utilizes our limited natural resources and energy. Especially, Nikko Works manufactures products using hydroelectric power, which does not generate greenhouse gases. We would like to connect all of this with our environmental management activities, in order to leave a beautiful environment to future generations and contribute to realizing a truly abundant society.

Material Flow

Environmental Impact of the Furukawa Electric Group in Fiscal 2014

We tallied data for Furukawa Electric, 34 Group companies in Japan, and 57 Group companies overseas—a total of 92 companies.

Please refer to page 59 for a list of all applicable companies.

INPUT

Category	Domestic	Overseas	Unit
Raw materials			
Copper	150,189	191,730	t
Aluminum	8,045	20,573	t
Iron	2,178	7,610	t
Nickel	549	—	t
Chromium	27	—	t
Manganese	8	—	t
Magnesium	0	—	t
Other metals	936	—	t
Rubber	44	—	t
Glass	0	3,529	t
Plastic	37,373	39,529	t
Energy			
	7,376	7,222	TJ
Electricity (purchased electricity)	537,262	628,032	MWh
Electricity (hydroelectric electricity)	76,053	26,525	MWh
Electricity (solar electricity)	9	—	MWh
City gas	5,845	18,554	1000 m ³
LPG	16,196	2,025	t
Heavy fuel oil A	7,689	287	kl
Kerosene	1,939	65	kl
Light oil	248	49	kl
Water			
	20,983	2,732	1000 m ³
Industrial water	17,377	50	1000 m ³
Groundwater	2,809	314	1000 m ³
Tap water	797	2,368	1000 m ³
Chemical substances			
Volume handled (note 1)	40,593	—	t
Packaging (note 2)			
Cardboard	573	—	t
Wood	1,549	11,336	t
Plastic	190	831	t
Paper	53	941	t
Paper			
	60	—	t

Furukawa Electric
7 works,
34 Group companies
in Japan
and
57 Group companies
overseas



OUTPUT

Category	Domestic	Overseas	Unit
Waste (note 3)			
Total waste generated (note 4)	33,002	23,424	t
Final waste disposal	267	15,289	t
Recycling amount	31,141	8,135	t
Atmospheric emissions			
CO ₂	380,323	451,938	t-CO ₂
SOx	28	—	t
NOx	108	—	t
Soot	4	—	t
Chemical substances			
Volume emitted	164	—	t
Volume transferred	157	—	t
Wastewater			
	17,998	1,544	1000 m ³
Public waterways	17,448	608	1000 m ³
Rivers	16,203	365	1000 m ³
Sea	1,218	0	1000 m ³
Other	20	243	1000 m ³
Sewer	550	937	1000 m ³
BOD			
	39	—	t
COD			
	30	—	t
SS			
	35	—	t
Product shipping volume			
	315,556	—	t
Product collection volume			
	8,830	—	t
Type of cable			
	7,156	—	t
Plastics			
	705	—	t
Metals			
	348	—	t
Other			
	621	—	t
Volume of water recycled and reused			
	1,126	10,631	1000 m ³

(note 1) PRTR-listed substances

(note 2) Cardboard, wood, plastic, and paper used in product shipping

(note 3) Including valuable resources (Japan)

(note 4) Emissions off-site

Targets and Performance of Environmental Conservation Activities

Targets and Performance (Environment)

😊 Achieved 😐 Partially achieved ☹️ Not achieved

Activity		Furukawa Electric Group (Japan)			
		Fiscal 2014 activity goal	Fiscal 2014 results	Evaluation	Fiscal 2015 environmental conservation activity goals
Waste reduction activities	Reduction of absolute amount of waste	2% reduction from fiscal 2012	1.2% increase	☹️	3% reduction from fiscal 2012
	Decrease zero emissions rate	0.3% or less	0.13% (achieved)	😊	Zero emissions rate of 0.3% or less
Efficient utilization of water	Reduction of water consumption	1% decrease in energy consumption rate year-on-year	4.2% increase	☹️	2% decrease in energy consumption rate year-on-year
Activities for the prevention of global warming	Greenhouse gas emissions	2% reduction from fiscal 2012	6.2% reduction	😊	3% reduction from fiscal 2012
	Energy consumption	2% reduction from fiscal 2012	14.1% reduction	😊	3% reduction from fiscal 2012
	Energy consumption rate during production (sales)	4% decrease from fiscal 2012	22.7% reduction	😊	6% decrease from fiscal 2012
	Energy consumption rate during transport	2% reduction from fiscal 2012	14.6% increase	☹️	3% reduction from fiscal 2012
	Energy consumption rate in offices	2% reduction from fiscal 2012	3.4% reduction	😊	3% reduction from fiscal 2012
Conservation of biodiversity		Participation in regional biodiversity conservation	Implemented	😊	Participation in regional biodiversity conservation
Environmentally friendly design activities		Sales ratio of environmentally friendly products 35% or higher	24.2%	☹️	Sales ratio of environmentally friendly products 30% or higher
		Contribution to reducing environmental burden CO ₂ reduction of 30,000 tons or higher	59,000 tons	😊	Contribution to reducing environmental burden CO ₂ reduction of 50,000 tons or higher
Activities for the management of chemical substances	VOC emissions	2% reduction from fiscal 2012	17.2% reduction	😊	3% reduction from fiscal 2012
	Products containing chemical substances	Suitable management	No abnormalities	😊	Suitable management of products containing chemical substances
No. of environmental accidents/abnormal incidents		–	–	–	0 accidents, 3 or less abnormal incidents

30 of our overseas Group companies have already obtained ISO14001 certification. These companies have set goals according to their unique circumstances for five shared environmental conservation activities for fiscal 2014 (reduced waste, reduced water consumption, reduced greenhouse gas emissions, reduced energy consumption rates, and management of chemical substances), and are working toward achieving these goals.

Activities Targets and Performance in Fiscal 2014

Furukawa Electric Group defines medium-term environmental targets every three years. Each year, we establish targets for environmental conservation activities based on these plans. We reflect these targets at affiliated companies in Japan and overseas, ensure that targets are consistent throughout the global Group and work together to achieve them.

The entire Group has achieved its goals for greenhouse gas emissions in its activities for the prevention of global warming, through such means as aggregating its manufacturing bases for each product under the Structural Reform Plan. The snow damage at Furukawa Electric's Nikko Works also had an impact. Both Furukawa Electric and the Group have achieved their energy consumption goals.

Activity Targets in Fiscal 2015

During fiscal 2015, we will continue to work toward reducing our absolute amount of waste and water consumption rate—two new goals added to those of fiscal 2014. Fiscal 2015 is the final year of the standard three year plan we began in fiscal 2012, so the entire Group is putting all effort into achieving our goals. In fiscal 2015, our overseas Group companies have set as their goal a reduction of at least 1% (consumption rate) over fiscal 2014 with regard to four shared goals (absolute amount of waste, water consumption, greenhouse gas emissions, and energy consumption), toward setting consistent goals throughout the Group inside and outside of Japan, as a part of next term's medium-term management plan.

Environmentally Friendly Products

Environmentally Friendly Products and the e-Friendly Accreditation System

Furukawa Electric Group certifies and registers as environmentally friendly products those products with improved performance compared to existing products in the categories of materials and parts purchasing and manufacture, use, distribution and disposal.



We have created the “e-Friendly” environmental mark to identify such environmentally friendly products. This mark is placed on those products.

Categories of Environmentally Friendly Products

The Group's environmentally friendly products belong to one of four categories described below.

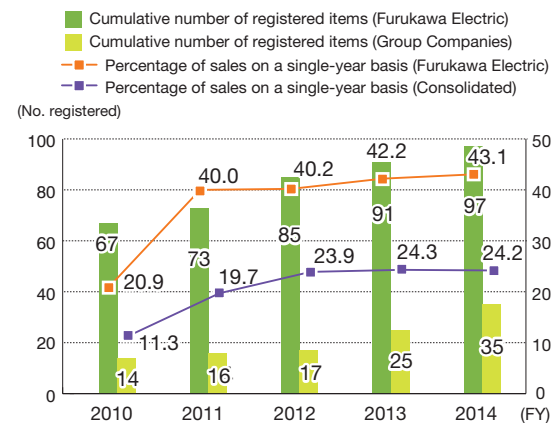
Environmentally friendly product categories

Category	Content
Prevention of global warming	Products with functions that help in the reduction of emissions as well as the absorption and stabilizing of greenhouse gases.
Zero emission	Products made from recycled materials, products designed with easy-to-recycle components, products made from materials or with design facilitating volume reduction for lowering waste volume, products designed to share common components with other products or products designed as common components.
Elimination of materials that have an impact on the environment	Products that do not lead to an increase in the use of ozone-depletive substances during the manufacturing process, do not contain harmful substances above regulatory limits and do not generate harmful substances above these limits during use or disposal.
Resource savings	Products that result in overall energy savings by such means as reducing the use of raw materials and components as well as scarce resources, featuring enhanced longevity, allowing easier product and component maintenance, and reducing the use for resources in packaging.

Expanding Environmentally Friendly Products

We are working to increase our overall percentage of environmentally friendly products. We set targets based on percentage of sales, and confirm our progress and success on this basis.

Environmentally friendly products as a percentage of sales



Environmental Performance Indicator “Visualization”

As a part of initiatives to visualize environmental performance indices, the Group promotes the visualization of CO₂ emissions using life cycle assessment (LCA).

Based on the consumption unit of CO₂ emissions established for each product by fiscal 2012, we have set a target to spread the initiative to the affiliated companies in fiscal 2013 and conducted an LCA calculation of major products at 12 of the 21 subject companies. We also deploy the results of these calculations toward the development of the Greenhouse Gas (GHG) Protocol ^(note), as well as technical materials and sales promotion pamphlets, aiming to make use of this information for R&D on future environmentally friendly products.

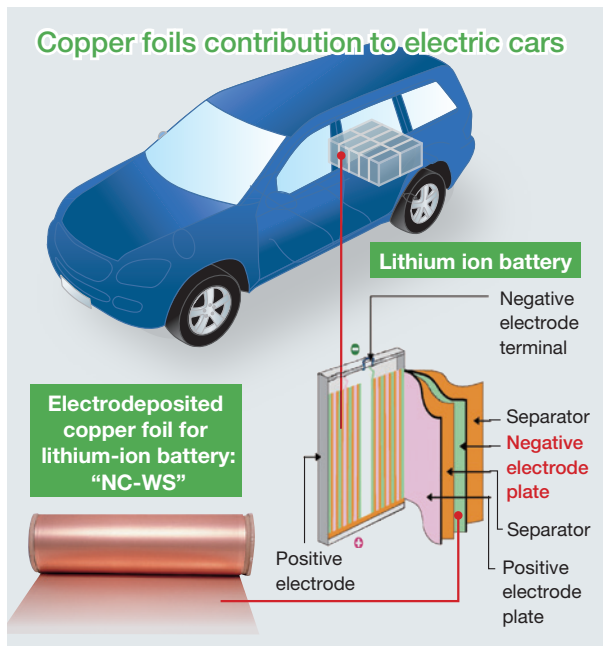
(note) GHG Protocol: An international guidelines for the method of calculating corporate greenhouse gas emissions

Initiatives to Reduce CO₂ Emissions from Products during Use

Based on its track record in environmental performance indexing, we are working to visualize the reduction of CO₂ which is emitted when our products are at the stage of being used. According to the estimate for fiscal 2014, total emission volume in the domestic market of our mainstay products, copper foil, rectangular magnet wire and semiconductor laser, amounted to 59,000 tons - CO₂/year. Going forward, we will try to expand sales of each product category and increase the number of contributing products, so that we can develop our activities to tackle environmental issues through our products.

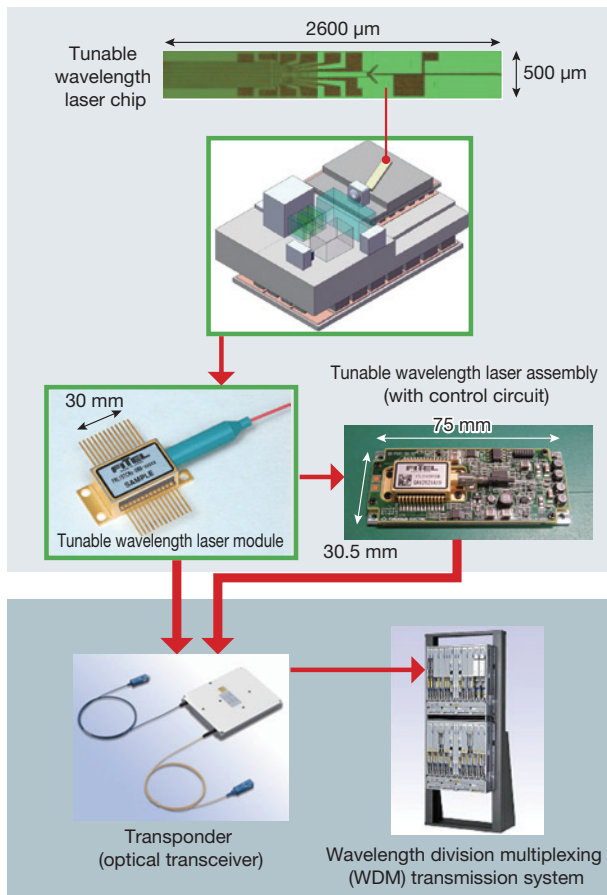
Reduction of CO₂ emissions through copper foil for electric car batteries

Copper foil for electrode material of lithium-ion batteries



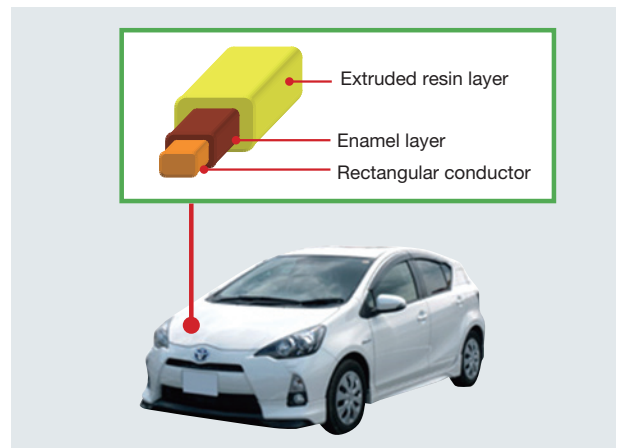
CO₂ reduction of semiconductor lasers

Narrow-bandwidth-FBT (tunable wavelength laser)



CO₂ reduction of enameled extruded rectangular wire

Rectangular wire for HV motors



Preventing Global Warming

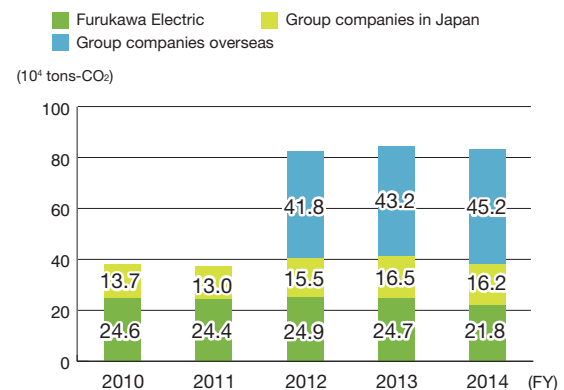
Reducing CO₂ Emissions

Initiatives at Works

The majority of the Group's greenhouse gas emissions consist of CO₂ generated from electricity, fuel and other energy sources. As emissions from manufacturing processes account for a large proportion, we work on reducing emissions by increasing the efficiency of production processes, switching fuels, replacing equipment with more efficient alternatives, insulating hot areas and other measures.

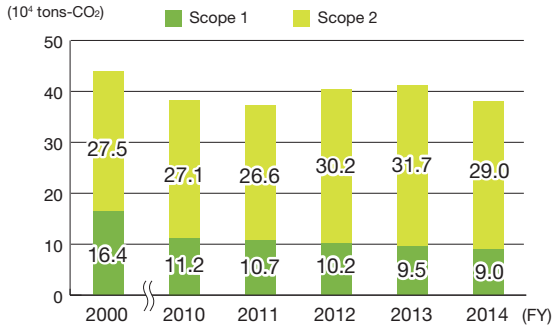
CO₂ emissions for the entire Group in Japan totaled 380,000 tons/year during fiscal 2014—a reduction of 13.4% from fiscal 2000. CO₂ emissions for all overseas Group companies totaled 452,000 tons/year during fiscal 2014. The entire Group will continue its efforts to reduce emissions.

CO₂ emissions

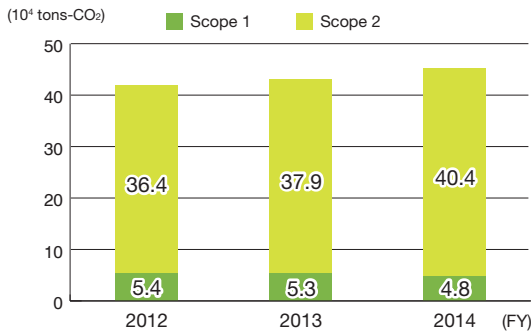


(note) For the overseas CO₂ emission coefficient, the coefficient for each country under the GHG Protocol is used for purchased electricity, while the Japanese emission coefficient is used otherwise.

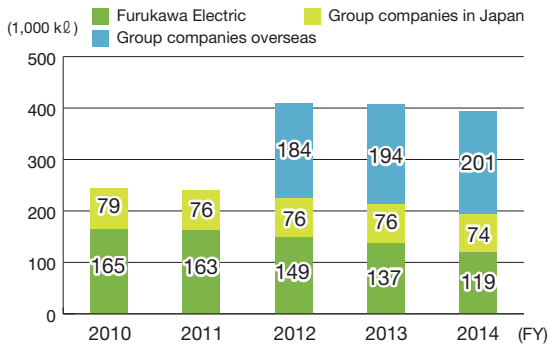
CO₂ emissions (Scope 1, Scope 2) (Domestic)



CO₂ emissions (Scope 1, Scope 2) (Overseas)



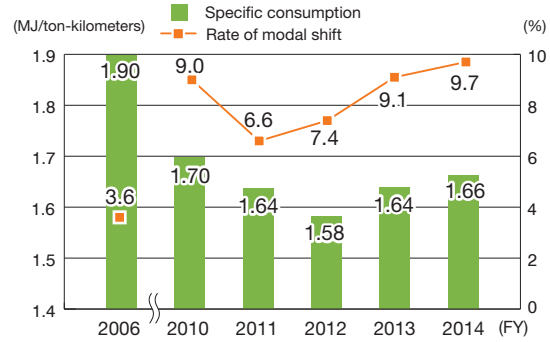
Energy consumption



Initiatives in Logistics

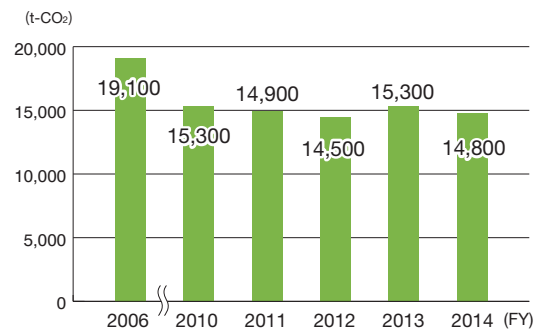
The entire Furukawa Electric Group transported 227,000,000 ton-kilometers during fiscal 2014—a decrease of 4.3% from fiscal 2013. Of this, Furukawa Electric itself transported 130,000,000 ton-kilometers, which was a decrease of 4.9% from fiscal 2013. As a result, we were able to keep CO₂ emissions down to 14,800 tons—3.6% down from fiscal 2013. Unfortunately, our output rate rose 5.1% since fiscal 2012, our base year for this goal. We will continue with initiatives to promote modal shift, increase loading rates and encourage joint shipping.

Modal shift ^(note) and specific consumption (Furukawa Electric)



(note) Modal shift rate: Percentage of total transportation that uses rail-or ship-based transportation

CO₂ emissions related to transportation (Furukawa Electric)



Environmental disclosure efforts

Furukawa Electric Group responds to requests by external institutions to provide environmental information. Since fiscal 2008, we have answered inquiries from CDP ^(note 1), the largest such organization in the world. Since fiscal 2013 we have also responded to supply chain program requests from customers in the communications and automotive fields. Since fiscal 2014 we have increased the amount of information we collect and continue to enhance the environmental information management system used throughout Furukawa Electric Group, with the ultimate goal of disclosing environmental information throughout the Group on a global scale.

Greenhouse emission burden for CDP disclosure (1,000 t-CO₂e/year)

	FY2014
Scope 1 (direct emissions) ^(note 2)	138
Scope 2 (indirect emissions)	694
Scope 3 (other)	2,034

(note 1) CDP: CDP is an organization formed from institutional investors for the purpose of managing a project requiring companies to disclose their strategies for climate change and the specific amount of greenhouse gases they generate.

(note 2) Scopes 1, 2, and 3

Scope 1: Direct emissions (including SF₆, etc.) from offices caused by the use of fossil fuels, etc.

Scope 2: Indirect emissions from outside offices caused by the use of electricity and steam

Scope 3: Indirect emissions from purchased product services, business trips, commuting, and upstream shipping, etc.

Reducing Waste

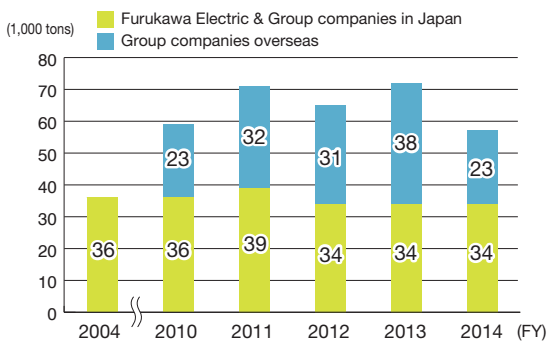
Waste Reduction Initiatives

In 1993 Furukawa Electric Group began its efforts to increase waste recycling, and since fiscal 2001 has continued its zero emissions activities with the goal of reducing total emissions of industrial waste disposed in landfills to less than 0.3% (the base value was cut in fiscal 2014 from 1% to 0.3%).

Due to our efforts to thoroughly separate garbage and promote recycling, the entire Japanese Group reduced its amount of non-recycled waste to 1,324 tons in fiscal 2014, an 81% reduction from fiscal 2004. The entire Japanese Group also reduced the amount of waste disposed in landfills to 37 tons, a 98% reduction from fiscal 2004 (this excludes waste disposal companies within the Group).

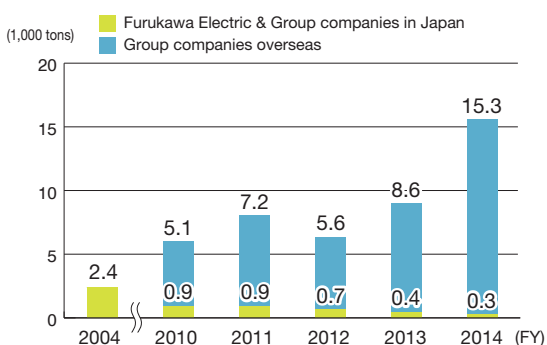
We also began efforts in fiscal 2014 to reduce the total amount of waste we generate (including valuable resources). However, due to snow damage and the impact of restructuring, the Japanese Group was unable to achieve its goal, with a 1.2% increase in contrast with its goal of a 2% decrease from fiscal 2012—an increase of 7.8% across the entire Group, and a decrease of 2.2% for Furukawa Electric (this excludes waste disposal companies within the Group).

Total amount of waste matter generated



(note) Valuable resources are included in total waste generated for Japan only.

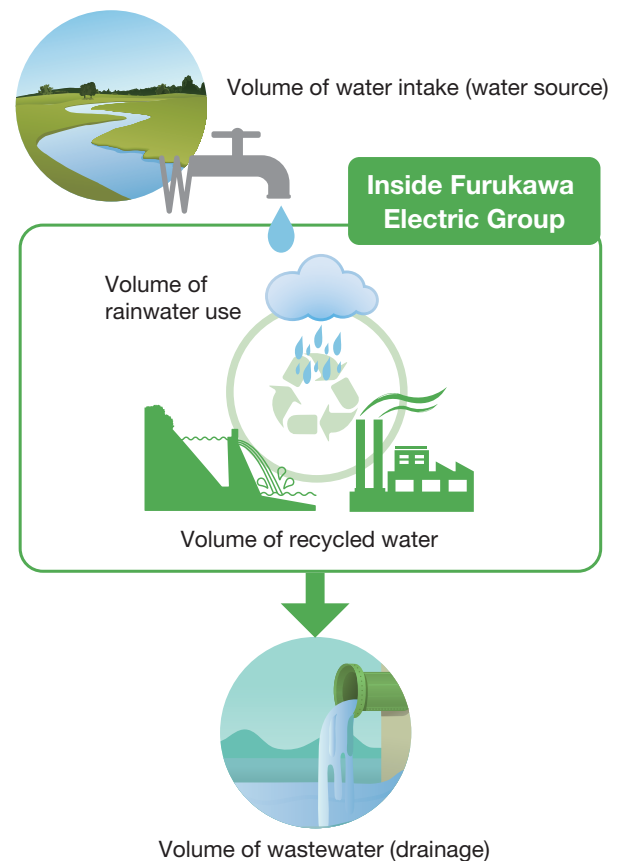
Direct landfill disposal



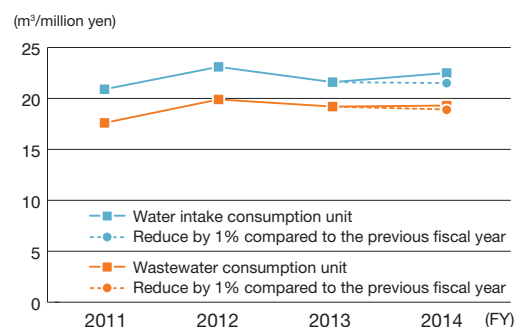
Water Resources

Effective Utilization of Water

Furukawa Electric Group has been making efforts to utilize water effectively since fiscal 2013 by grasping the amount of water intake and wastewater and setting a consumption unit reduction target for fiscal 2014. The consumption rate of drawn water throughout the entire Furukawa Electric Group rose to 23 m³/million yen in fiscal 2014, a 4.2% increase from fiscal 2013. Our consumption rate of drainage also rose to 19 m³/million yen, a slight increase of 0.3% from fiscal 2013. We will continue our water conservation and cyclic usage efforts, and will manage both our water quality and the amount of drainage we generate.



Consumption unit of water intake and wastewater



Chemical Substance Management

Green Activities

Response to Customer Requests

When Furukawa Electric Group receives a request from a customer for information concerning chemical substances in our products, it conducts a thorough environmental examination. We also monitor trends in laws and regulations covering the chemical substances contained in products and compile and update data as it becomes available, allowing us to respond promptly to customer requests. Furthermore, by collecting information from industrial organizations and conducting seminars, as well as participating in research groups, we can monitor environmental regulations and standards and social issues/items of concern. This enables us to incorporate customer needs in our environmental conservation targets.

Response to overseas regulations and management of chemical substances contained in products

Furukawa Electric Group establishes a management system for chemical substances contained in products for major operational bases and affiliated companies, strengthens the environmental product regulations and grasps the environmental risk that should be lowered, and implements measures depending on their importance. Each time a new SVHC (Substance of Very High Concern) ^(note 1) is added to the candidate list of an environmental product regulation named the EU REACH regulation, we investigate the status of its usage. In fiscal 2014, we conducted an environmental inspection on 161 substances, covering up to the 12th SVHC list of the REACH regulations.

(note 1) Substance of Very High Concern:
Use or marketing of SVHCs requires approval, and manufacturers are liable to submit notification if an SVHC exceeds 0.1% weight content.

Expansion of Green Procurement (General-Purpose Products) to Group Companies

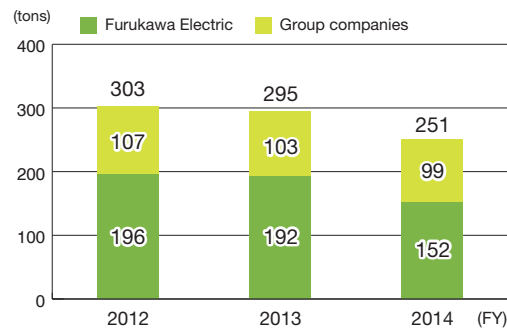
Furukawa Electric encourage the purchasing of OA equipment, office supplies and other items that conform to the Green Purchasing Law. In an effort to spread these activities within the Group, 19 affiliated companies designated conforming items in fiscal 2014 and purchased them. Also, items that will be used in our products are purchased adequately based on the Green Procurement Guidelines of our operational division, by evaluating the suppliers' system on the management of

chemical substances contained in products and its management status as well as by confirming the data of chemical substances contained in products.

Chemical Substance Management Activities

Furukawa Electric Group undertakes voluntary initiatives to reduce emissions of harmful chemical substances. In particular, we make every effort to actively reduce emissions of volatile organic compounds (VOC), one cause of photochemical smog. In fiscal 2014 we achieved a reduction of 17.2%—far surpassing our goal of a 2% reduction from fiscal 2012.

Emissions of volatile organic compounds (Group Companies in Japan)



(note) Volatile organic compounds are the 118 substances specified by The Japanese Electric Wire & Cable Makers' Association (January 2012 edition).

Appropriate Management of Chemical Substances

At Furukawa Electric Group, we confirm the properties and applicable laws and regulations regarding all chemical substances we use during the manufacturing process on their Safety Data Sheets (SDSs) and administrate them. We also monitor the usage volume of chemical substances listed in the PRTR Law ^(note 2).

(note 2) Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Environmental Risk Management

Preventing Soil and Groundwater Pollution

Furukawa Electric Group conducts regular inspections of facilities and equipment that handle specific toxic substances to prevent the pollution of soil and groundwater. We reduce the risk of pollution through measures to prevent leaks of specific toxic substances and underground seepage, as well as through ongoing efforts to switch to substitute substances.

PCB Management

Furukawa Electric Group monitors the amount of high-concentration PCB-containing equipment at each of our Works and affiliate company sites, and conducts proper storage and management. Based on the said information, we have been registered with Japan Environmental Storage & Safety Corporation and started disposing of them step by step in accordance with the plan. In addition, Furukawa Electric analyzes equipment that could contain low concentration PCB, and has begun to dispose of some of them. We will continue to dispose of such devices in an even more systematic manner.

Compliance with Environmental Laws and Other Regulations

Furukawa Electric Group regularly confirms environmental laws and other regulations to determine items requiring compliance. We ensure compliance in a number of ways, such as by conducting on-site patrols to check the state of compliance. We follow official journals and other sources of information to stay updated on revisions to environmental legislation and ensure that our response is thorough.

We maintain voluntary control limits and manage operations appropriately to ensure compliance with the Air Pollution Control Law and the Water Pollution Control Law.

In fiscal 2013, we continued to conduct an environmental check-up in our domestic affiliated companies by performing the said check-up at seven operational units of the Company while responding to the revised clean water act.

In fiscal 2014, our Japanese Group companies widely implemented environmental law inspections (such as for dangerous goods under the Fire Services Act), including support for the revised Water Pollution Prevention Law.

We also conduct annual checks for conceivable, clear environmental impact to prevent environmental accidents or prevent widespread impact in the event of an accident.

According to our survey on the status of our regulatory compliance, we were not in material violation of any regulations.

Please see the URL below for our response to the asbestos problem, and a list of PRTR compatible materials.

CSR

 <http://www.furukawa.co.jp/english/csr/index.htm>

Biodiversity Conservation

Biodiversity Conservation Initiatives

In April 2011, we began providing information on our website about the biodiversity efforts we are conducting as part of our Basic Environmental Policy. With a view to specifying the Group's biodiversity efforts, we compiled significant targets in fiscal 2013 into the comprehensive guideline of the Furukawa Electric Group concerning biodiversity. We did this in recognition of the fact that our business, products and services are the result of biodiversity, and that our operation has an impact, whether positive or negative, on eco-systems.

Also, following a major organizational reform in fiscal 2013, we integrated our biodiversity conservation system into the Environmental Committee. Going forward, we will be modeling our regional activities centering on land utilization and procurement under the new structure at each operational unit, in order to spread the activities horizontally within our Group. We also use the "Office for the Coexistence of Living Things_Promotion Guidelines" coordinated by JBIB ^(note), which we currently participate in. In fiscal 2014, we took a trial run of the "land usage report card" in Yokohama Works.

(note) JBIB : Japan Business Initiative for Biodiversity.

Founded in 2008, the JBIB is a joint effort by Japanese companies to act on behalf of biodiversity preservation.

Furukawa Electric Group

Biodiversity Conservation Guidelines

1. Evaluate the effects that our business activities have on the ecosystem, and minimize the harmful effects while maximizing the beneficial ones
2. To sustainably use resources and conserve biodiversity, consider more than ever the need to carry out measures against climate change, conserve resources, recycle and reduce environmentally hazardous substances
3. Carry out activities in collaboration with local communities to conserve biodiversity