

Furukawa Electric Group
Green Procurement Guideline

Version 3.1

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Furukawa Electric Co., Ltd.

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1. INTRODUCTION

In recent years, global environmental issues have been increasing in severity, such as more severe and frequent natural disasters caused by climate change, mass consumption of resources, loss of biodiversity, and pollution by chemicals, and others. These issues have become too important to ignore in corporate activities, and efforts to achieve a sustainable society are needed.

Furukawa Electric Group is working on these environmental issues through its technologies, products, and services, and is promoting “Creation of environmentally friendly business” and “Development of climate-change-friendly business activities”.

As part of this, the Group established the “Environmental Vision 2050” in 2021 and partially revised it in November 2024. This vision is organized around three pillars: “Contribute to realizing a carbon-free society”, “Contribute to realizing a recycling-based society for water & resources”, and “Contribute to society in harmony with nature”. By providing environmentally friendly products and services and recycling-oriented production activities, we will contribute to achieving a sustainable society across the entire value chain. Especially for greenhouse gas emissions, the Company has set the new target of “Aiming for net-zero greenhouse gas emissions across the entire value chain”, and the efforts will continue to reduce its environmental impact over a wider range.

To achieve the “Environmental Vision 2050”, collaboration not only within the Group but across the entire value chain is essential. The group positions green procurement as an important environmental initiative, and will prioritize and continuously procure environmentally friendly products and services from business partners (Partners) who actively promote environmental conservation.

The Guideline clearly states the Group’s approach to the environment and the matters in which we would like Partners to cooperate. We would express our deepest gratitude for Partners' understanding and cooperation to date, and we will continuously work with Partners to achieve the Environmental Vision 2050.

In this Guideline, concrete requests to the partners regarding environmental matters in Furukawa Electric Group CSR Procurement Guideline are summarized. Please also refer to the Furukawa Electric Group CSR Procurement Guidelines.

2. FURUKAWA ELECTRIC GROUP BASIC ENVIRONMENTAL POLICY

In 2008, the group formulated the “Furukawa Electric Group Basic Environmental Policy”.

Furukawa Electric Group Basic Environmental Policy (established in 2008, revised in April 2011)

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.

3. FURUKAWA ELECTRIC GROUP ENVIRONMENTAL VISION 2050

In preparation for solving long-term environmental issues, the Group has established the “Environmental Vision 2050” in 2021 and partially revised it in November 2024.

The “Environmental Vision 2050” is organized around three pillars: “Contribute to realizing a carbon-free society,” “Contribute to realizing a recycling-based society for water & resources,” and “Contribute to society in harmony with nature.” By providing environmentally friendly products and services and recycling-oriented production activities, we will contribute to achieving a sustainable society across the entire value chain.

Especially for greenhouse gas emissions, the Company has set the new target of “aiming for net-zero greenhouse gas emissions across the entire value chain”, and the efforts will continue to reduce its environmental impact over a wider range.

Furukawa Electric Group Environmental Vision 2050 (established in February 2021, partially revised in November 2024)

Through the provision of environmentally friendly products and services and recycling-based production activities, contribute to the realization of a sustainable society throughout the value chain.	
1	Contribute to realizing a carbon-free society Aiming for net zero greenhouse gas emissions across its entire value chain
2	Contribute to realizing a recycling-based society for water & resources Minimize water usage, and promote the use of recycled materials, including waste plastic, throughout the value chain
3	Contribute to society in harmony with nature Minimize the impact on ecosystems through value chain management that includes raw materials



4. SCOPE OF APPLICATION

This Guideline is applied to all the products that the Group procures from the partners.

5. TERM DEFINITION

The terms used in this Guideline are based on “ISO14001 (JIS Q 14001) Environmental Management System”, “ISO9001 (JIS Q 9001) Quality Management System”, “JIS Z 7201:2017 Management of Chemicals in Products - Principles and Guidelines” and others shown below.

- 1) Procurement products: The Group classifies procurement products into production materials, etc. and office supplies / work supplies, etc. The production materials, etc. represents all or part of raw materials, parts, intermediate products, finished products, packaging materials, etc. and their accessories and repaired goods that configure the Group's products. The office supplies / work supplies, etc. represents generally procured items such as paper, stationery, office furniture, OA equipment, lighting, fire extinguishers, and work supplies.
- 2) Management of the chemicals in products: In order to realize products that meet the Management Criteria for Chemicals in Products, management standards shall be clarified and appropriate management shall be implemented at each stage of design/development, procurement, production, and delivery.
- 3) Managed substances: This represents chemical substances subject to the Management of the chemicals in products. From chemical substances subject to legal regulations and industry standards, chemSHERPA identifies.
- 4) chemSHERPA: Chemical information Sharing and Exchange under Reporting PAartnership in supply chain (chemSHERPA) provides Guidelines for the management of chemicals in products, Managed substance list, and information sharing and exchange forms, for smooth and efficient information transmission in the supply chain.

6. REQUEST TO THE PARTNERS

By procuring environmentally friendly products from the partners that actively promote environmental conservation activities, the Group will continuously reduce the environmental burden throughout the value chain. We would like to request the partners to implement the following activities in line with the “Furukawa Electric Group Basic Environmental Policy” and the “Furukawa Electric Group Environmental Vision 2050”.

6.1 Establishment of an Environmental Management System

- Establishment of an environmental management system.

*Environmental management systems based on third-party agency accreditation registration systems such as Eco Action 21, Eco-Station, and KES are also equivalent.

- Compliance with environmental laws and regulations.
- Target setting and action plan drawing up.

6.2 Implementation of Environmental Conservation Activities

Relating to “Contribute to realizing a carbon-free society”, “Contribute to realizing a recycling-based society for water and resources”, and “Contribute to society in harmony with nature” stipulated in the “Furukawa Electric Group Environmental Vision 2050”, we would request the partners to make efforts at each stage in consideration of the environmental impact of the entire life of products.

1) Contribution to realizing a carbon-free society

- Reduction of greenhouse gas emissions through the use of products (enhancement of energy-saving performance in use-phase, energy-saving products/technology development, downsizing/weight reduction, recycled materials usage, etc.).
- Reduction of greenhouse gas emissions during production (energy-saving activities, process improvement, renewal to high-efficiency equipment, fuel conversion, electrification, renewable energy usage, etc.).
- Reduction of greenhouse gas emissions during transportation (improved transportation efficiency, electric vehicle usage, modal shift, etc.).

2) Contribution to realizing a recycling-based society for water & resources

- Product design in consideration of resource input amount (downsizing/weight reduction, long life, recycled materials usage, reduction of scarce resource usage, search for alternative materials, etc.).
- Product design in consideration of disposal (easy separation/disassembly, easy reuse/recycling, material labeling on plastic products, reduction of environmentally hazardous substances/search for alternative materials, etc.).
- Consideration for packing and wrapping materials (weight reduction/volume reduction,

simplification, easy to reuse/recycling, recycled materials usage, reduction of environmentally hazardous substances, material labeling on plastic wrapping materials, etc.).

- Minimize risk by conducting a water risk assessment in the locating area.
- Minimize water intake, cyclical use, rainwater/recycled water usage, wastewater management, etc.
- Promotion of waste reduction and recycling.

3) Contribution to society in harmony with nature

The Group has established comprehensive guidelines for efforts to conserve biodiversity and has been conducting business activities in consideration of biodiversity based on the guidelines.

- Pollution prevention (atmosphere, water quality, soil/groundwater, etc.).

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

- Reduction and management of environmentally hazardous substances.
- Minimize negative impacts in plant locating areas by conducting impact assessments on ecosystems.
- Nature conservation activities in collaboration with local communities.
- Protection of rare species, countermeasures against alien species.

6.3 Management of Chemicals in Products

To prevent environmental pollution from products and for protecting consumers, regulations on chemicals in products have been enacted in each country and each region. As a globally operating group, the Group collects and manages information on chemical in procured items, in order to comply with the regulations on chemicals in products in each country and each region related to the value chain.

We would request the partners to implement the management of chemicals in products in the following manner.

1) Purpose

- Obtain information and analysis data from the partners on chemicals in products procured by the Group and manage them appropriately.
- Promptly provide customers with information on chemicals in products delivered by the group.

2) Scope of application

This is applied to all raw materials, parts, finished products, and packaging materials used in the Group's products, together with transportation pallets, jigs, tools, and auxiliary materials used in all production processes at the group's plants and outsourced processing plants.

3) Managed substances

The latest version of the chemSHERPA Managed substance list shall be used.

However, in order to respond to the industry to which the division/group company belongs and customer demands, follow the instructions of the division/group company trading with.

4) Establishment and operation of a management system for the chemicals in products

- We would request to establish a management system for the chemicals in products. It is also available to establish a management system for the chemicals in products by incorporating it with an already established quality management system or environmental management system. By establishing a management system for the chemicals in products, we judge that the related data is not transient but is managed appropriately with consistency and continuity.
- Contents inspection for the managed substances in products shall be conducted following chemSHERPA Guidelines for the management of chemicals in products and tools, etc.
- Self-assessment shall be conducted by utilizing the check sheet attached to chemSHERPA Guidelines for the management of chemicals in products, and the management system shall be improved/maintained.

5) Information provision on the chemicals in products

- Investigation for the content status of the managed substances in products shall be conducted using the chemSHERPA data entry support tool, etc., and the result shall be information shared and exchanged with the requester.
- If environmental incompatibility is found in products, it shall be reported promptly. And, cooperation for on-site audit after a separate consultation is requested.
- Spontaneous information provision is requested about the information on ingredients of procured products obtained after a transaction and considerations on disposal, also about updates regarding accidents and violations by other companies.

6.4 Others

1) Cooperation in survey

- Cooperation is requested with the survey for environment-related surveys such as the chemicals in products survey, greenhouse gas emissions survey, etc.

2) Deployment to the partner's business associates

- After identifying the major business partners, encourage them to reduce environmental impacts by referring to the contents of this guideline.

7. GREEN PROCUREMENT OF OFFICE SUPPLIES / WORK SUPPLIES, etc.

Regarding office supplies / work supplies, environmentally friendly products are procured on a priority basis referring to socially recognized environmental labels in each country or region.

<References>

● ISO Standard for environmental labels

ISO classifies environmental labels into three types, Type I to III.

- TypeI (ISO14024) “A third party certification” Environmental labelling by a third-party certification.
- TypeII (ISO14021) “Self-declaration” Self-declared environmental claims by business operator.
- TypeIII (ISO14025) “Environmental declarations” Quantitative display of the environmental impact of products.

8. OPERATION OF THE GREEN PROCUREMENT GUIDELINE

- 1) In order to respond to the industry to which the division/group company belongs and customer demands, follow the instructions of the division/group company trading with.
- 2) Regarding the environmental requirements specified in the basic contract, memorandum, purchase specifications, drawings, etc., which are specified separately from this Guideline, judgmental decisions will be made by the relevant division in charge by comparing them with the applicable laws and regulations.
- 3) The confidentiality of the provided information will be strictly handled and stored with sufficient consideration.
- 4) Products selection and procurement will be conducted based on the provided information.
- 5) Changes in the provided information or new information shall be promptly provided the content to the requester.
- 6) Questions, etc. related to this Guideline shall be checked with the requester.

Related Guidelines

Regarding CSR procurement and quality assurance, please refer to the guidelines below.

- Furukawa Electric Group CSR Procurement Guidelines

https://www.furukawa.co.jp/procure/pdf/csr_guideline_en.pdf

- Quality Assurance Guidelines for Partners

https://www.furukawa.co.jp/en/procure/pdf/qag_guideline_en_202010.pdf

Revision History

Version 1 established: April 2009.

Version 2: September 2019. Changes related to the chemicals in products. (Migration of substance list to chemSHERPA Managed substance list., and deletion of various forms.)

Version 3: July 2023. Changes to a configuration in line with the “Furukawa Electric Group Environmental Vision 2050”, addition of the relationship with the “Furukawa Electric Group CSR Procurement Guidelines”, and changes related to office supplies / work supplies. (Eliminations of the List of applicable environment labels and the List of applicable products for office supplies / work supplies)

Version 3.1: September 2025.
“1. INTRODUCTION”: Minor revisions have been made to the Japanese expressions to clarify the wording and standardize the notations. In addition, the November 2024 revision of the “Environmental Vision 2050” has been reflected.
“3. FURUKAWA ELECTRIC GROUP ENVIRONMENTAL VISION 2050”: The November 2024 revision of the “Environmental Vision 2050” has been reflected. (The target for greenhouse gas emissions has been expanded from “zero in business actions (Scope 1 and 2)” to “net zero across the entire value chain”.)

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