

# C S R Report

## 2016~2017



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## CSR policy

- ▶ We observe laws and ordinances and we will act in accordance with social ethics in order to continue to survive as a good member of society toward realizing a prosperous society.
- ▶ We respect compliance with laws and regulations, respect social rules, cultures and customs in local society and overseas, and we try to have good sense of behavior.
- ▶ We are in compliance with the International Code of Conduct, to support the protection of human rights, and respect, does not complicit in human rights abuses.
- ▶ We will comply with relevant laws such as the Labor Standards Law and strive to realize healthy and appropriate working conditions and a safe and hygienic working environment.
- ▶ We will actively address environmental issues such as "pollution prevention", "use of sustainable resources", "mitigation of climate change / adaptation to climate change", "environmental protection, biodiversity, recovery of natural habitat".
- ▶ We conduct fair and fair transactions with suppliers with social common sense and integrity.
- ▶ We will strive for green procurement and CSR procurement.
- ▶ We will share information with each other and enhance our mutual values while continuing to supply products with high quality and high convenience to the market.
- ▶ We will consider customers' safety first, we will comply with product safety laws and safety standards and endeavor to realize higher level of safety.
- ▶ We will contribute to the development of society through social contribution activities such as contributing to the local society, support to affected areas, as well as contributing to the realization of a rich and safe society by providing products of superior quality.

## Supporting rich lifestyle with compound technology

Fujikura Composite will continue to produce products that support rich living and security.

What do you potentially want?

What kind of technical proposals will respond to customer's mind?

### Management philosophy

We value technology, creation and vibrant communication, support peace of mind and contribute to the richness of society.

### Business philosophy

While enhancing mutual technological capabilities with our customers, we will draw new possibilities with design technology, composite technology and processing technology to provide high-function products.

### Quality policy

To ensure consumer focus and product safety, we will strive to the highest quality, provide excellent products, and contribute to society. We are always aiming to provide customers satisfied products.

### Organization character

Sharing our philosophy and self-sustaining individuals are raising the level of work while striking each other's uniqueness and heterogeneous ideas. We are nurturing technology Seeds with organizational strength including overseas bases and major subsidiaries. I also work day by day to speed up the work of each project.

## Identity

### Mind identity

[Management philosophy]

Technology ----- Developmental continuation of "Fujikura's technology"

Creation ----- Brush up "Steady management of Fujikura"

Lively communication ---- "Harmony of Fujikura employees" is shown concretely

[Business philosophy]

Design technology...Combining rubber combinations as base technologies, combining existing materials, fibers and other possibilities.

Composite technology...Demonstrate possibilities by composite technology of rubber and metal, rubber and cloth.

Processing technology...Making full use of technology to manufacture faster, cheaper, and higher quality.

### Behavior Identity

In order to make use of its own identity...

"Clarification of mission for each business division", "Speeding up decision making",

"Clarification of responsibility and authority"

In order to demonstrate comprehensive power by sharing resources...

"Speed up information transmission", "Human resources education and personnel exchange", "Establish information collection method"

### Visual identity

Corporate brand name 『 FUJIKURA COMPOSITES 』

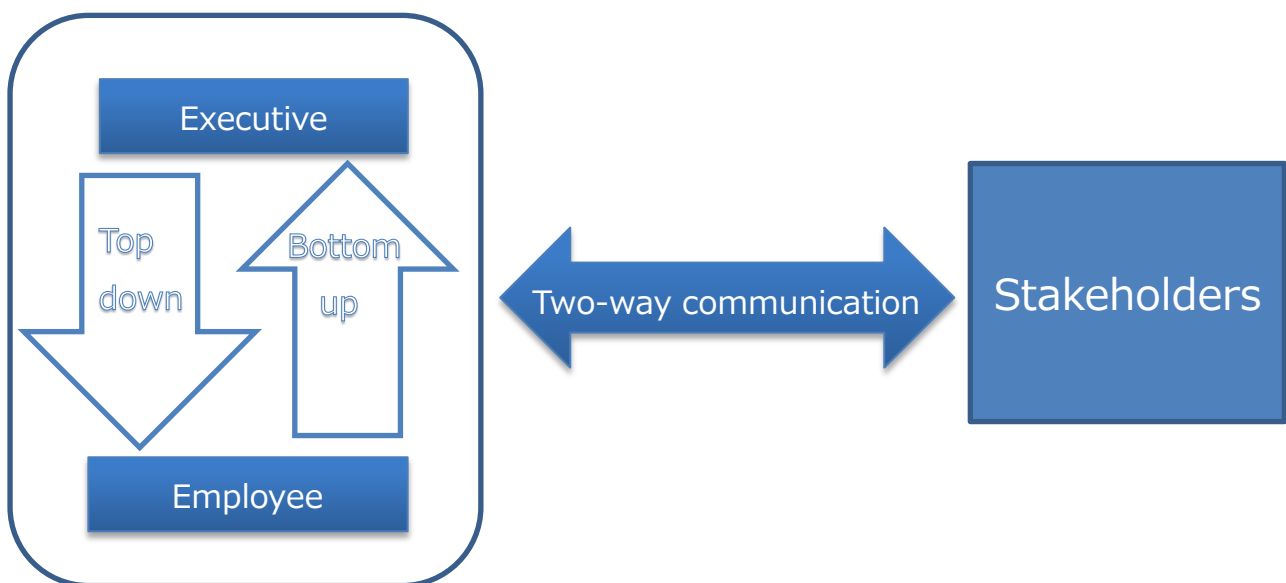
We have brand name FUJIKURA COMPOSITES because our products are made of "composite technology" and our company is "organization that shares management resources while taking advantage of the uniqueness of each business division".



## Organizational governance

In order to maintain the company's survival and corporate value, we have established basic policies concerning the development and operation of internal control based on the scale of our company and the characteristics of our business with the aim of establishing a system to ensure the appropriateness of operations.

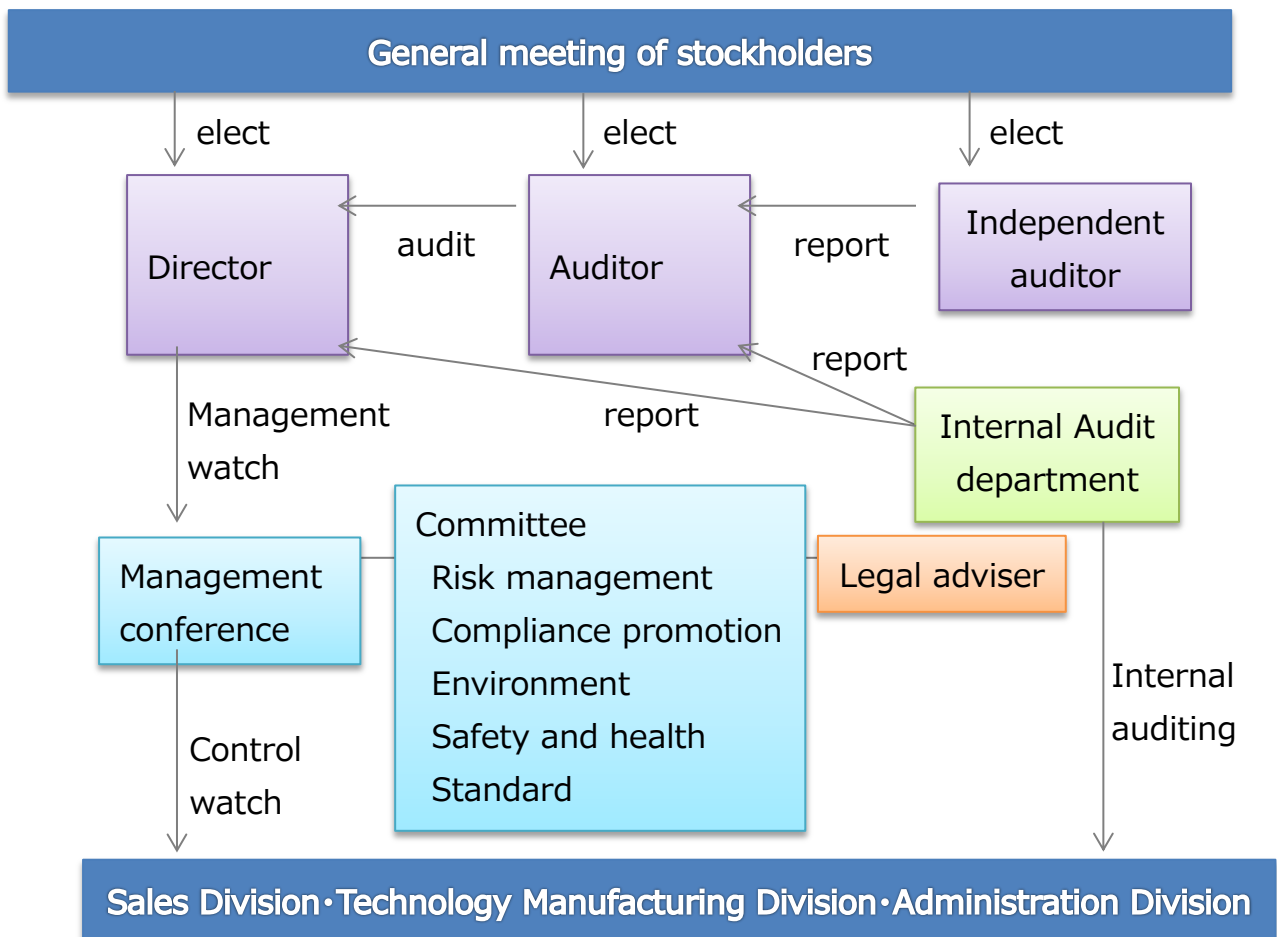
In the basic policy of internal control, in order to protect stakeholders such as shareholders, investors, customers, consumers, employees, business partners, local communities, etc., we will strive to improve the effectiveness and efficiency of operations, compliance with laws, preservation of assets, For the purpose of securing financial reporting, all the executives and employees must practice about the six constituent elements of the control environment, risk assessment and response, control activities, information and communication, monitoring and IT response We are developing and operating systems including processes.



## Corporate governance

We strive to strengthen our corporate governance system while raising the appropriateness of efficiency, transparency and fairness of operations and responding to the trust of all stakeholders.

By managing the Board of Directors, the Board of Corporate Auditors, etc. with outside directors and outside corporate auditors with sufficient insight about our business environment and management and in compliance with laws and regulations and the articles of incorporation, We believe that it is possible to ensure quick decision-making, adequate oversight for business execution, and transparency to investors, and adopt the current system.





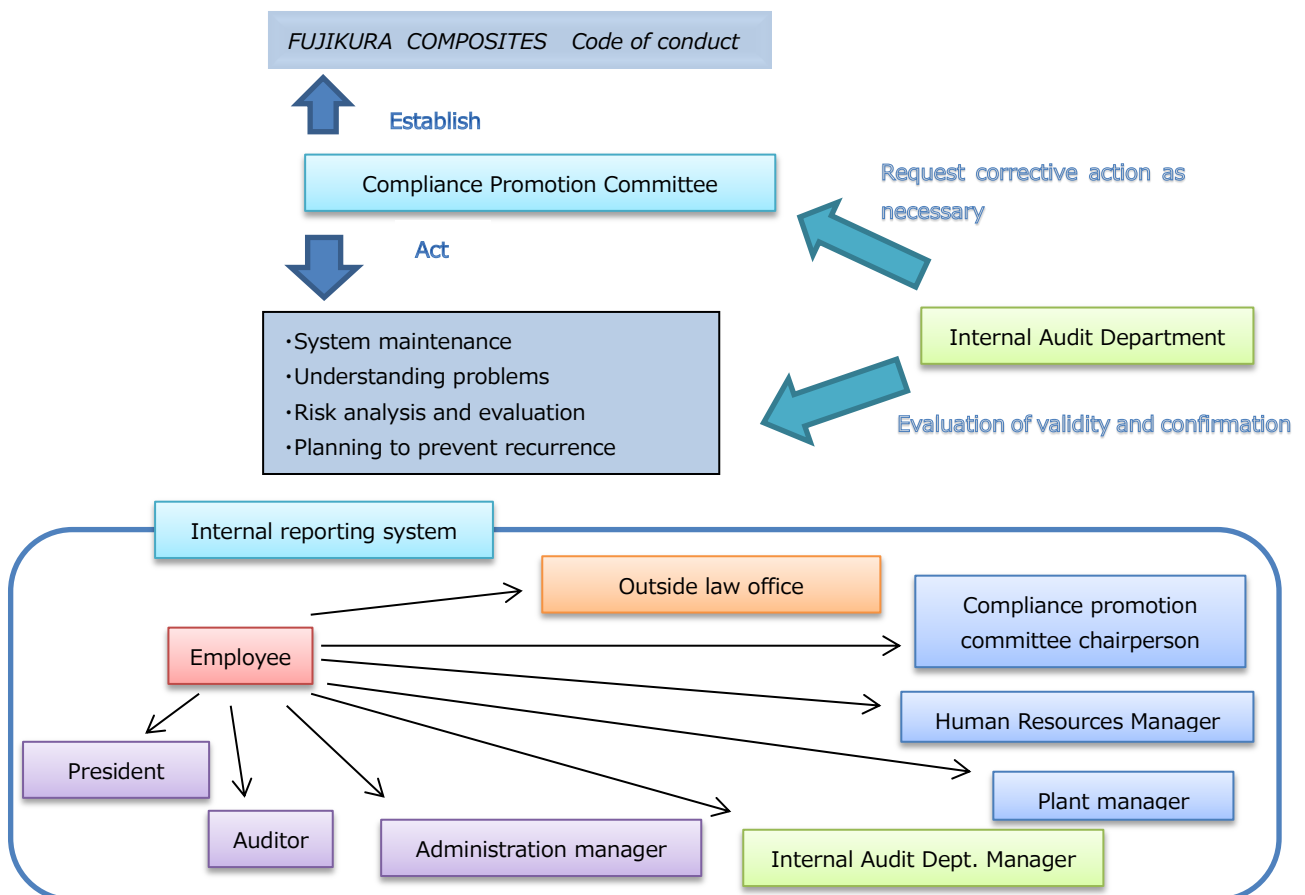
## Compliance

In order to promote compliance with laws and social ethics and establish a compliance system, we have established a Compliance Promotion Committee, and as a pillar of it, we have established the "FUJIKURA COMPOSITES Code of Conduct", which all employees and employees will comply with We are building a compliance system as a foundation.

The Compliance Promotion Committee develops compliance systems of domestic and overseas and related subsidiaries, understands problems, analyzes and evaluates compliance risks, and prepares measures to prevent recurrence.

In addition, the internal reporting system establishes a multi-track information transmission path, enabling direct information transmission to the president, corporate auditor, management headquarters, compliance promotion chairperson, internal audit office head, etc.

The Internal Audit Office will audit the status of improvement and operation of the compliance system, evaluate its effectiveness, request correction as necessary, and confirm the effectiveness recovery by corrective action.



## Risk management

In collaboration with departments that are set up according to the type of risk, such as business risk, disaster risk, quality / environmental risk, safety and health risk, fraud risk, and departments that the risk committee is involved in, risks related to the entire group Under the control of the Risk Management Committee, we will continue to identify, analyze, evaluate, review and verify response measures,

- ▶ Oversee and coordinate matters related to risk management
- ▶ Analyze risks, examine risk hedging plans, report to management meetings, etc.
- ▶ Confirm progress of risk hedging
- ▶ Support for risk hedging implementation department
- ▶ Collect and provide information on risk and risk management

We conduct cross-sectional and integrated risk management.

### Risk management

- Business risk (material procurement, interest rate, exchange rate, data loss etc)
- Disaster risk (natural disaster, equipment damage, fire, infectious diseases, etc.)
- Quality risk (liability for liability, product liability, etc.)
- Environmental risk (environmental pollution, noise, etc.)
- Safety and health risk (occupational accidents, commuting injuries etc)
- Fraud risk (violation of laws, information leaks, scandals, etc.)

## Business Continuity Plan

In the event of a natural disaster or sudden accident, we are continuing our business at a level above the allowable limit and restoring the operation within an acceptable period as one of the important themes of CSR.

In formulating the Business Continuity Plan (BCP), we have established a Business Continuation Basic Policy and established a Business Continuity Management System (BCMS) for emergencies.

In addition, we review the BCP every year to clarify priority projects for business restoration and target recovery times.

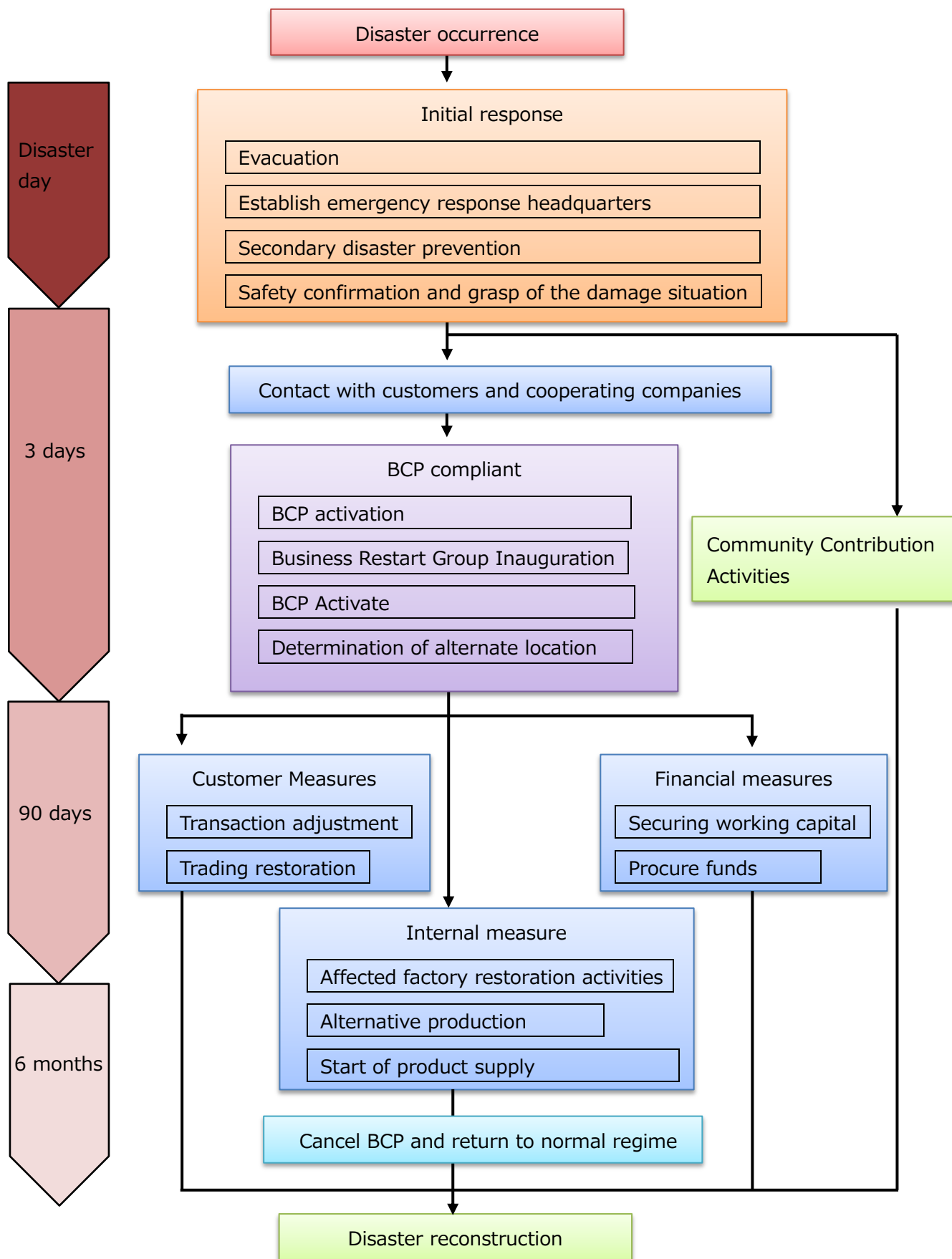
### Business continuity basic policy

- 1) We will ensure employee and family safety as a top priority.
- 2) We aim for early recovery of company function, make necessary confirmation for business continuity, secure human resources for labor and prepare production.
- 3) We will prioritize the production of our functional parts, which have a great economic impact, for social infrastructure and social reintegration, and contribute to the early recovery of society as a whole.
- 4) We developed a business continuity plan, plan to train in advance so that it can be transferred to immediate execution in the event of an emergency.
- 5) We will continuously update business continuity plans to respond to changes in social situation, technological progress, and reform of legal system.

### Business Continuity Plan (BCP)

In the event that the production line of an important project covering the business continuity plan specified at the beginning of the fiscal year is damaged, we will allocate resources (production facilities, raw materials, personnel, etc.) necessary for the production of other business as necessary. Transfer, production and supply of the relevant business will be top priority.

Schematic flow chart when BCP is activated



### Basic guidelines

We are well able to comply with the laws and regulations, respect social rules, the culture and customs in the community and overseas, bear in mind the sensible action.

- Do not slander others or use words that lead to social discrimination.
- We comply with relevant laws such as the Labor Standards Law, respect human rights and freedom of association, keep healthy and appropriate wages, working hours, workplace environment and do not force unjustifiable discrimination and labor. Also, do not use children for labor.
- Prohibition of sexual harassment · power harassment etc
- Confidentiality of personal information
- Appropriate personnel management (reasonable recruitment, fair appraisal, change and promotion, proper development)

### Respect for human rights

Respect for human rights such as civic and political rights, economic and social and cultural rights, basic principles and rights in labor in all countries and regions in which we operate, infringing oneself while doing business At the same time it does not benefit from infringement of human rights by other people (company) such as child labor, labor by restraint not dependent on free will, illegal low wage.

In order to avoid human rights violations anticipated in the course of doing business, we strive for human rights education for employees and set up a mechanism to detect infringement and correct it.

Based on the International Code of Conduct (Universal Declaration of Human Rights, United Nations Global Compact, etc.), action guidelines and the like are established.

## Environmental Initiatives

Various business activities are established based on the "grace" of the global environment. Fujikura Composite is always aware of the importance of that matter by all employees. Rather than calling for excessive scale expansion, we have a strong sense of duty to deeply delve into the unique business activities of rubber processing and composite material, while also suppressing the environmental burden and leaving a beautiful environment in the next generation.

### Environmental conservation activities

Headquarters, main sales offices and factories acquire ISO14001 environmental management system certification.

We extract environmental impacts accompanying production activities and implement continuous improvement activities.

The main themes are energy saving activities, waste reduction activities, global warming countermeasures (CO2 emission reduction), VOC emissions reduction, chemical substance management, and so on.

As information provision methods, we have implemented data disclosure in environmental reports and environmental communication for local residents.

### Environmental objectives

- 1) Energy saving : Based on the 2010 fiscal year, we will make an improvement by 5% in the whole company until FY 2015.
- 2) Measures against global warming : Reduce the amount of CO2 emissions in the five-year average for 2008 to 2012 by 10% compared with 1990.
- 3) Waste reduction : Landfill waste reduction: We will reduce the total amount by 10% by FY 2015 based on 2010 as a whole.
- 4) Reduction of VOC (Volatile Organic Compound) Emission Gas : Reduce total emissions by 50% by the year 2015 as the fiscal 2000 standard.
- 5) Recycling : In cooperation with user industry etc., we will conduct surveys, analysis and research on collection and recycling, and work on improving the recycling of waste rubber products.

## Occupational health and safety

Based on the policy of the Central Safety and Health Committee, promotion of disaster prevention activities aiming at zero accidents for each workplace, training to respond to emergency situations such as recently frequent earthquakes, efforts to improve the environment as a social request We will raise safety and health activities.

### Health and safety activities

Safety and hygiene activities are prioritized in all activities and are fundamental to corporate activities. Ignoring safety and hygiene activities can't supply products that satisfy customer's requirements. To that end, we endeavor to protect workers from "danger" by enhancing safety and sanitation activities, identifying safety education and risk reductions, and taking precautionary measures. We will also actively engage in sanitary activities such as mental health, passive smoking, and metabolic syndrome problems.

### Activities by Occupational Safety and Health Management System

In fiscal 2010, we introduced OHSAS 18001, a safety and health management system throughout the company, to advance risk assessment and to implement measures before occurrence, rather than improving after the occurrence of disasters and diseases. There is no end to safety and health activities, we constantly make continuous improvements, and we are making workplaces that are safer and more comfortable. We will also actively engage in mental health activities.

### Environment and Occupational Safety and Health Policy

- 1) Establish environmental and occupational safety and health management systems in all business activities, make continuous improvements, reduce environmental impact, prevent pollution and improve occupational safety and health Maintain efforts.
- 2) Identify environmental aspects and hazards in all business activities. For that purpose, we will recognize its existence and build a process to clarify its characteristics and make efforts to rectify and prevent it.
- 3) Document environmental impact reduction and safety and health goals and improvement plans, confirm the implementation status, and review each fiscal year.
- 4) We will comply with the environment, occupational safety and health related laws, regulations, agreements and other requirements agreed to by the company.
- 5) Publicize the environment and occupational health and safety policy to everyone working for the person or organization working for the organization, to raise awareness of environmental conservation and occupational safety and health.
- 6) We will disclose the environment and occupational health and safety policy to the public in

We do fair and fair with social common sense and honesty about transactions with suppliers.

### Maintain fair competitive relationship

- 1) Do any fair and free competition in any case.
- 2) In dealing with purchasing parties / subcontractors, we must investigate the conditions fairly and fairly with social common sense and integrity, and make the best choices for the company.
- 3) Confidentiality of Information: Information on other companies (persons) who knew from business cannot be leaked to third parties, except for business purposes.
- 4) Transparent relationship with politics / administration: Do not act that may lead to misunderstandings such as bribery, profit sharing and illegal political contributions, as well as adhesion with politics and administration.
- 5) Relationship with antisocial forces severance: Do not have any relationship with antisocial forces. If you receive unreasonable demands from antisocial forces, you must take resolute attitude and give money or other means to resolve. Also, do not engage in any transaction with antisocial forces and business partners related to antisocial forces.
- 6) Compliance with import and export related laws: When importing and exporting a product, it is necessary to take appropriate procedures according to laws and regulations. Also, export of export prohibited goods and import of forbiddance goods import shall not be done.



## Quality

Fujikura Composites has established the "quality policy" as part of its corporate philosophy and strives to be a trusted company by all employees acting based on this policy and providing satisfying products by customers. Quality improvement aims not only in product quality but also in improving the quality of every business process.

### Efforts to improve work quality

We have acquired certification of the international standard "ISO 9001" of the quality management system in the business divisions of each product from 1998 onwards, and our products and services are stable by quality stability, speed up of technology development, We are promoting activities with the aim of improving the quality of every work so that we can obtain further reliability. As a result, we have been making great progress in improving customer satisfaction in global transactions such as increasing new customers and increasing trust from overseas customers.

#### Quality policy

In order to "focus on consumers" and "ensure product safety," we will strive to "quality first", contribute to society by providing superior products.

We aim to always provide products that our customers satisfy.

## Eco Design (R & D, Composite Technology)

Our technology has started with rubber garment technology and now it has accumulated technology for more than 100 years in 7 business areas. Our technology is used in various life scenes from industrial materials to golf carbon shafts. As you can see from the corporate brand "Fujikura Composite", it is a testimonial of combining the respective technologies, bringing out synergy effects, constantly seeking new business areas and establishing new technologies.

We will continue to refine our composite technology with "Composite" as the keyword and create products that are trusted by customers.

Our engineers gathered at the engineering center to further revitalize the sharing of technical information and the integration of technologies and promoting new commercialization by accelerating development.

When developing products, we aim to design from the design of materials, from the design of the materials to the reduction of environmental burden during the process of use, taking into consideration the environmental impact.

In particular, we are aiming to commercialize carbon fiber reinforced plastics (CFRP) products to fields other than sports applications by integrating the accumulated automobile related field technology and carbon shaft technology in order to promote environmentally friendly product development I will. CFRP is expected to have high energy efficiency due to high strength, high rigidity, and light weight.



Engineering center

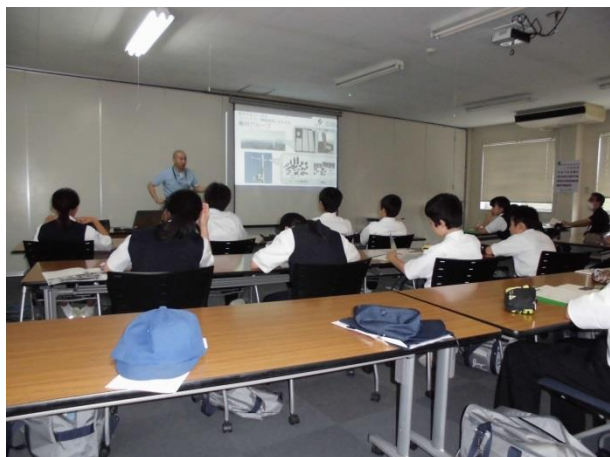


CFRP Example of product

## Community involvement and development

### Regional support

- Each year we accept requests for factory tours from elementary schools, junior high schools and high schools in neighboring areas.



- Blood donation by the Saitama Prefecture Red Cross Blood Center is carried out on an annual basis every year.



Commercialization of industrial parks as a whole

Conduct collection of weeds, empty cans, PET bottles, dead leaves, and other garbage around fence and action around the site



### Support to Fujikura Gakuen

We have been donating to social welfare corporation "Fujikura Gakuen" which is support facility for people with mental disabilities for many years. Fujikura Gakuen was founded by donating personal property by Shunkichi Nakauchi, the youngest brother of Founding Father and Zempachi Fujikura. We will continue to provide support activities in the future.



### Support for Fujikura Foundation

We are donating to the Fujikura Foundation, a public benefit foundation corporation that is engaged in research aimed at encouraging the development of science and technology.

The Fujikura Foundation is openly invited from technical colleges, universities, graduate schools, etc. After selection, we select grant recipients and receive research grants.

## Support for NPO

We collect bottled cap and offer it to NPO corporation "Eco cap Promotion Association".

By recycling without incineration, we can contribute to environmental preservation (CO2 reduction) and resource saving (formation of recycling society).

In addition, the provided eco cap is converted as a recycled plastic raw material, and it is devoted to various social contribution activities such as medical support, vaccine support, and support for people with disabilities, environmental education for children.



地球に未来を、  
子どもに未来を。  
エコキャップ運動は  
NEXT STAGEへ!

エコキャップ運動が始まってから1年が経ちました。  
「ペットボトルキャップが再利用されること、  
キャップがゴミにならなくなってもらうこと、  
という女子高生の願いから生まれたこの運動は、  
驚くほど大勢の賛同者へと広がりました。  
キャップをリサイクルすることでCO<sub>2</sub>が削減され、  
廃棄物処理場も減らせます。昔よりも近づくまで、  
これからもエコキャップ運動から生まれる  
環境が子どもに伝わることを願っています。

**CO<sub>2</sub>の削減**  
キャップ CO<sub>2</sub>削減量  
**1kg → 3kg**  
キャップ1kgをゴミとして燃焼しただけで  
地球の温暖化の原因となるCO<sub>2</sub>が  
約3kg以上削減されます。

**雇用創出**  
キャップの回収・選別、分別の仕事を担う企業、  
高齢者に付いてもいい  
雇用機会、且つ文書に繋がっています。

**再資源化**  
キャップの再資源化が色々の製品に化され、  
また皆さまの生活に  
環境社会も実現しています。

We are ECOCAP!

日本エコキャップ推進協会  
NPO法人 Eco Cap Promotion Association  
www.ecocap.jp

地球の未来を、  
子どもの未来をつくる。  
エコキャップ運動

集る、減る、作る、人はあらゆるモノ・コトをつくりだします。つくる原点は、「いいモノ・いいコト」。  
エコキャップ推進協会は、キャップをリサイクルすることで「いいモノ・いいコト」をつくり社会に貢献しています。  
ペットボトルのキャップから貴重な資源が生まれ、新しいモノの生産が促され、そして再生プラスチック製品が生まれる。  
なにげない生活のなかでキャップが生まれ「いいモノ・いいコト」にたくさん使われていけるように、  
私たちはエコキャップ運動を推進して参ります。

**環境を造る。**  
キャップ CO<sub>2</sub>削減量  
**1kg → 3kg**  
CO<sub>2</sub>の削減  
キャップ1kgをゴミとして  
燃焼しただけで  
地球の温暖化の原因となるCO<sub>2</sub>が  
約3kg以上削減されます。

**仕事を創る。**  
キャップの再資源化、分別の仕事を  
担う企業、高齢者に  
付いてもいい  
雇用機会を  
実現しています。

**商品を作る。**  
キャップの再資源化から  
色々の製品が生まれ、  
また皆さまの生活に  
環境社会も実現しています。

We are ECOCAP!

日本エコキャップ推進協会  
NPO法人 Eco Cap Promotion Association  
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