

Fujikura-Group Slavery and Human Trafficking Statement

Preface

This statement concerns the UK Modern Slavery Act 2015. The Fujikura Group thoroughly understands that the rights of all people affected during the course of business activities must be protected, and it respects human dignity and all internationally-recognized human rights. We have made the following efforts to abolish modern slavery and human trafficking.

1. Overview of the company, business and supply chain

The Fujikura Group operates its businesses in four major fields in 24 countries and regions worldwide. These fields include infrastructure businesses, such as power and telecommunication systems; electronics businesses, such as electrical components; and automotive products businesses, such as wire harnesses. As of FY 2015, the company has 99 consolidated subsidiaries, of which 22 are located in Japan, and 77 overseas. The total number of employees is 54,114 globally as of March 31, 2016.

The Fujikura Group runs its business with the support of its suppliers of materials and parts, and equipment. To build strong relationships of trust with these suppliers through fair, square, and sincere procurement, we formulated the “Fujikura Group Basic Procurement Policy.”

Product parts and some finished goods are procured from our suppliers in Japan and overseas. The Fujikura Group explains the need for CSR-oriented procurement, including human rights and labor practices in the supply chain, and requests that our suppliers abide by conditions set forth in the “Fujikura Group Corporate Social Responsibility Guidelines for Suppliers” established in FY 2016.

2. Policies related to modern slavery and human trafficking

The Fujikura Group declares the importance of respect for human rights based on the “Fujikura Group Policy On Human Rights”, as well as other guidelines, and publishes all the following policies in the Fujikura Group CSR Integrated Report. <http://www.fujikura.co.jp/csr/index.html>

“Fujikura Group Policy On Human Rights ”

The Fujikura Group decisions, found in the “Fujikura Group Policy On Human Rights ” of November 2016, are based on the United Nations (UN) “Guiding Principles on Business and Human Rights” (June 2011) and take into consideration other guidelines, such as the “ISO 26000,” the international standard for social responsibilities, the Organisation for Economic Co-operation and Development (OECD) “Guidelines for Multinational Enterprises,” and the International Labour Organization (ILO) “Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.”

“Fujikura Group Code of Conduct”

In line with the basic principles set forth in the “Fujikura Group Code of Conduct,” the Fujikura Group guarantees all employees worldwide occupational safety and health, as well as a work environment based on ethical standards, including respect for human rights and elimination of discrimination. The Group also provides fair and equitable management consistent with the International Labour Organization (ILO) conventions, with due consideration to laws, regulations and standards, such as the labor act, and the safety and health act, as well as socially accepted notions.

“Fujikura Group CSR Activity Guidelines”

Among the “Fujikura Group CSR Activity Guideline” concerning “human rights,” (14) states, “we respect the rights of all people and never allow human rights violation, including forced labor and child labor.”

“Fujikura Group Basic Procurement Policy”

The Fujikura Group conducts CSR-oriented procurement globally based on the “Fujikura Group Basic Procurement Policy.”

1. Fair and level trade
2. Collaborative relationship with suppliers based on mutual trust
3. Compliance with laws, regulations and social norms
4. Environmental preservation

Fujikura Group Corporate Social Responsibility Guidelines for Suppliers”

In these increasingly global business activities, questions regarding social responsibility concern not only one’s own company but also the entire supply chain. The Fujikura Group established the Fujikura Group Corporate Social Responsibility Guidelines for Suppliers” in May 2016 to further promote understanding and practices of CSR-oriented procurement. We have asked our suppliers to abide by the human rights and labor requirements set forth in this document.

- ① Prohibiting child labor and respecting labor limitations for young workers
- ② Prohibiting forced labor
- ③ Eliminating discrimination
- ④ Prohibiting corporal punishment, abuse, and harassment
- ⑤ Managing working hours appropriately
- ⑥ Providing a safe and healthy work environment and promoting wellness
- ⑦ Preparing for emergencies
- ⑧ Providing fair and equitable remuneration
- ⑨ Respecting worker rights

“Fujikura Group Conflict Minerals Policy”

The Fujikura Group has been examining measures to be taken by the Group regarding the issue of conflict minerals (3TG: gold, tin, tantalum and tungsten) procured through inhumane acts, such as child labor and forced labor, in the Democratic Republic of Congo and surrounding countries and regions. Such inhumane acts have been among the international human rights issues of the Congo Wars, which started in the 1990s. In July 2010, following the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States, the Fujikura Group decided to conduct a supply chain survey on the use of conflict minerals, and in August 2011, the Group established and announced the “Fujikura Group Conflict Minerals Policy.”

“United Nations Global Compact (UNGC)”

Fujikura expressed its support for the “United Nations Global Compact (UNGC),” the universal international principles concerning “human rights,” “labor,” “environment,” and “anti-corruption,” proposed by the United Nations, and has been involved in related activities since September 3, 2013. Among the 10 principles, we believe “human rights” are the most important and universal concept, and that human rights are equally given to all people.

3 . Due diligence

The Fujikura Group regularly conducts a supply chain management questionnaire survey targeting major suppliers. The questionnaire includes a range of CSR procurement-related questions, such as those on consideration of human rights. The answers are evaluated by Fujikura Ltd. and the evaluation results are fed back to the suppliers to foster information-sharing between the Fujikura Group and each supplier.

The Fujikura Group has requested our suppliers to abide by the Fujikura Group Corporate Social Responsibility Guidelines for Suppliers,” and will conduct periodic compliance audits to assess risks for participation in modern slavery and human trafficking.

4 . Risk assessment and risk management

The Fujikura Group holds a “Fujikura Group Partners’ Meeting” annually, and conducts CSR-oriented procurement across the supply chain, gaining understanding and cooperation from suppliers.

We also hold Partners’ Meetings in China (Shanghai) and Thailand (Bangkok) to further globalize our supply chain activities.

We summarize and analyze responses obtained through periodic partners’ meetings and questionnaire surveys, and continue to manage supply chain risks for human rights violations.

5. Measurement by appropriate indicators and effectiveness

We will continue making efforts to gauge the performance of our suppliers' risks for participation in modern slavery and human trafficking based on data obtained from our annual "Fujikura Group Partners' Meeting" and periodic "supply chain management questionnaire surveys."

6. Training

We provide explanations about the risks of participation in modern slavery and human trafficking to our suppliers at our annual "Fujikura Group Partners' Meeting," and will continue working to ensure broader awareness and further understanding of these risks. We will also strive to fully instill an understanding of the Fujikura Group Human Rights Policy in our employees.

This Statement was reviewed and approved by the Fujikura LTD. Board meeting on 27 Feb 2017.



Masahiko Itoh
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Fujikura Ltd.