

Corporate Responsibility Report

FY 2023

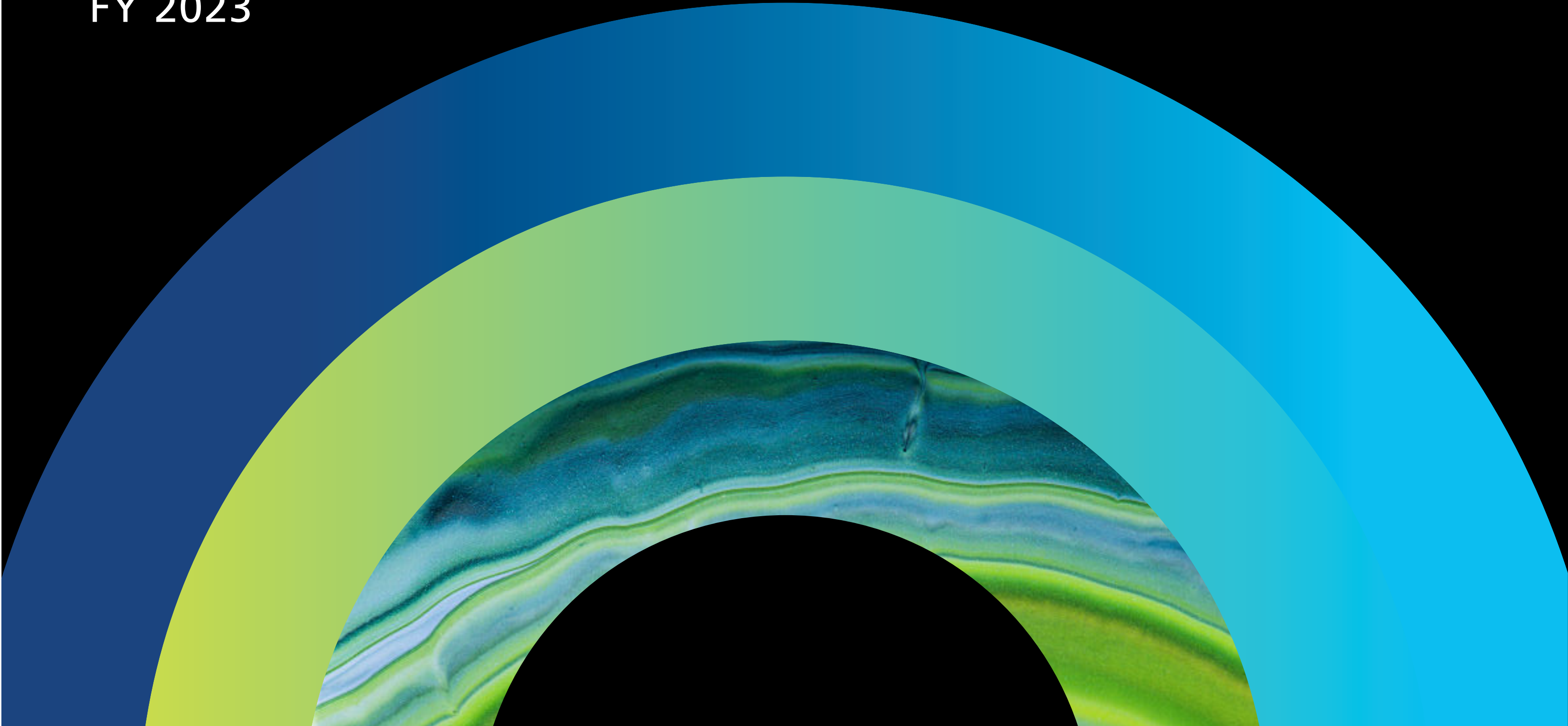


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Letter from the CEO

In 1984, AFL was formed in South Carolina, with just one product to our name. In 2024, we're celebrating 40 years of dynamic growth and incredible achievement made possible by the people who have powered us, the passion our associates have in caring for our customers and our communities, and the belief in our potential for continued success.

While expectations around corporate responsibility evolve over time, our commitment to that responsibility has been steadfast – to invest in our associates, customers, and community. That investment has laid the foundation for our Environmental, Social, and Governance (ESG) program, and is underpinned by our Core Values: Customers First, Integrity, Innovation, Collaboration & Accountability, Environment Health & Safety, and Community Engagement.

While recent times created challenging market conditions, the AFL Spirit remained alive and well. With our SAFER® solution, we are uniquely positioned to help close the digital divide, modernize the grid, and enable digital transformation – this is an opportunity for AFL to enable human connection, improve quality of life, and help transition our society toward a more sustainable future. It's an opportunity we don't take lightly, and one that requires a strategic focus on ESG from both an internal and external lens.

We've made great strides in embedding our Corporate Responsibility strategy throughout the organization in FY2023. On the environmental front, we implemented carbon management and accounting software to analyze and track progress against our science-aligned emissions reduction targets. We also worked to integrate sustainability throughout the product lifecycle, considering it from new product development all the way to participating in the circular economy. Aligned with our Customers First value, we collaborate regularly with our customers to demonstrate our partnership and make sure that we're innovating to meet their needs.

We're also investing in our associates' health and development. Our newly piloted AFL Manufacturing Excellence program will drive continuous improvement within our plants, with a specific focus on another core value of environmental health and safety. We've expanded our Learning and Development program each year in response to strong interest from our associates, and introduced new ways to recognize their hard work and dedication to AFL's success.

Looking outward, our Community Engagement value is more powerful than ever. Our associates donated over \$750,000 to multiple community organizations through our Imagine That! Campaign and volunteered over 2,000 hours during UNITE, our annual month of service. Our sponsorships and engagements are a tangible way of showing our AFL associates' heart. With care and compassion, they contribute to multiple causes and find purpose in community and service.

Even in this complex global environment, we achieved significant milestones, demonstrating our resilience and commitment to sustainable growth and driving long-term value creation. I'm incredibly pleased with the progress made in such a short period of time – a testament to the robust foundation AFL already had in place prior to our ESG strategy becoming formalized.

While this report marks the second year of reporting our ESG progress, it also represents decades of culture-building and honoring the AFL Spirit. We're looking forward to decades of progress to come!

Jaxon Lang,
President and CEO



Overview

Financial
Performance

Governance

Social

Environment

Appendices



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AFL Company Overview

*AFL connects people and solutions
to the communities we serve*

AFL's rich history in the telecommunications industry dates back to our founding in 1984. We provide industry-leading end-to-end solutions, products and services to the energy, service provider, enterprise, industrial, and hyperscale markets.

Our products are in use in over 130 countries and include fiber optic cable and hardware, transmission and substation accessories, outside plant equipment, connectivity, test and inspection equipment, fusion splicers, and training. AFL also offers a wide variety of services supporting data centers, enterprise, wireless and outside plant applications.

AFL - Who We Are

A subsidiary of [Fujikura Ltd.](#) of Japan.

Mission

To connect our customers around the world with innovative technologies, exceptional products, and high-quality services.

6 core values

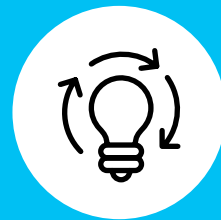
Our core values drive our [culture](#) and priorities and provide a framework in which decisions are made.



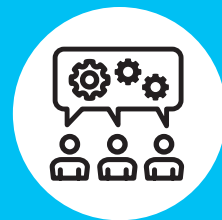
Customers First



Integrity



Innovation



Collaboration & Accountability



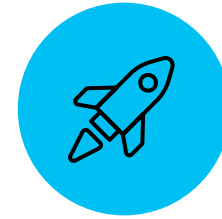
Environment, Health & Safety



Community Engagement



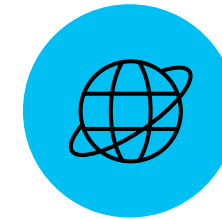
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1984
AFL founded



6,800+
Worldwide
team members



130+ Countries sold to
25 Languages spoken
1 Globally unified team



Strong growth position

In fiber optic product, conduction accessories and network service



75%
North America

20%
Europe, Middle East,
and Africa

5%
Asia-Pacific

Why AFL



Foundational strength

Optical Infrastructure and Conductor Accessories in Energy and Service Provider markets.



Growth energy

Fiber-to-the-Home, 5G and Fixed Wireless Access, Closing the Digital Divide, Hyperscale, and Edge Data Centers.



Financial stability

Resources, tools, and a stable economic history lower risk in business decisions.



Innovative solutions

Products, services, and strategic thinking to build a lasting partnership.



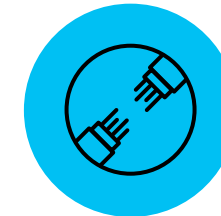
Business integrity

Transparent, consistent, and high levels of accountability to solve your business needs



13

Global manufacturing locations



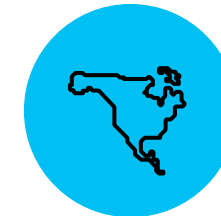
60 million

Fiber termination capacity per year and growing



3,000 +

Global products



17

Unique North American Services

Core market segments

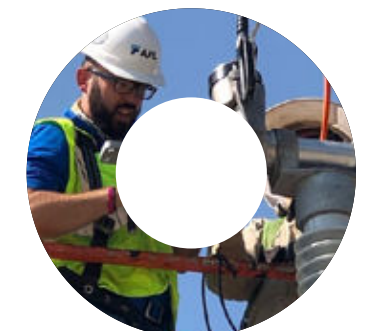
Energy
Hyperscale



Industrial
Products



Service Provider
Enterprise





ESG Materiality & Program Management

Our ESG Priorities

AFL’s investment in the three facets of corporate responsibility – **Environment, Social, and Governance (ESG)** – is a strategic imperative. With the ESG landscape continuously evolving, we see this work as a necessity, even while keeping **Financial** performance and customer experience a top priority.

In 2022, AFL conducted our first materiality assessment to identify the ESG topics that matter the most to our company and stakeholders, including our parent company Fujikura, the communities in which we operate, our customers, and our employees. The process involved peer benchmarking and engagement with multiple AFL stakeholders to gain their insights. After gaining approval of the study’s results by our Executive Committee, we subsequently developed a comprehensive plan formalizing mid-term and near-term objectives and measurable targets. The plan also recognized the work already underway to integrate several high-priority topics into our culture and processes.

In FY2023, we continued to deepen our connections with internal AFL team members across the company as well as external partners across the value chain. These collaborative efforts help us to understand progress, share insights, and communicate expectations related to our ESG priorities.



Financial

- Achieving the mid-term 2025 & 2023 vision
- Customer centricity
- Connecting society & network reliability



Governance

- Governance and risk management
- Data security
- Integrity and ethics
- Export control
- Regulatory compliance



Social

- Diverse and inclusive workforce
- Employee health and safety
- Responsible procurement
- Top talent recruitment
- Secure supply chain
- Community partnerships



Environment

- GHG emissions
- Operational energy
- Waste management
- Circular economy
- Water conservation

ESG Program Management

AFL’s Corporate Responsibility program is sponsored by our General Counsel, who also serves on the Board of Directors and Executive Committee. Our ESG Committee, comprised of multi-departmental representatives, oversees the Corporate Responsibility program and advises AFL’s leadership team on our ESG strategy and performance.

Our rapid investment in the program built a strong foundation of sustainability at AFL, including the creation of a dedicated ESG Core team tasked with responsibility for progressing on our ESG priorities and administration of our day-to-day ESG efforts. The cross-functional management approach allows us to maintain awareness of the growing expectations of our internal and external stakeholders.

Supported by the ESG Core team, the Committee guides and monitors our ESG strategy, targets, and progress. The Committee meets quarterly, and presents regular updates on the Corporate Responsibility program and its progress to the Executive Committee, enabling their communication of this information to AFL’s Board of Directors. The Committee also oversees the company’s annual reporting and responses to stakeholder requests.

Committee Structure:





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Collaboration & Partnerships

AFL engages in multiple collaborative groups and affiliations to network, contribute, and learn with organizations with similar Corporate Responsibility goals:



EnergyStar:

AFL is an EnergyStar Industrial Partner in a strong network of industrial energy managers who share best practices across industries.



Business Ethics Leadership Alliance (BELA):

AFL is a member of BELA, a community of leading enterprises that share best practices and expertise in ethics and compliance.



Women in Manufacturing (WiM):

AFL is a member of WiM, an association focused on supporting, promoting, and inspiring women in manufacturing careers.



Sustainable Supply Chain Alliance (SSCA):

AFL is a member of SSCA, an organization of utilities and suppliers working to advance sustainable supply chain practices.



Sustain SC:

AFL is a Corporate Member of Sustain SC, a network of cross-sector organizations in South Carolina bringing commerce and conservation needs together.

We also sponsor organizations within [our communities](#) in support of our environmental and social efforts. By enhancing our learning through membership in multi-stakeholder initiatives, as well as providing both financial and in-kind support and sponsorships, we are expanding our network, growth, and collective progress.

AFL Participates in the Fiber Broadband Sustainability Working Group

As a long-standing member of the Fiber Broadband Association (FBA), AFL also participates in the Fiber Broadband Sustainability Working Group. Established in FY2022, the working group studies the lifecycle environmental and carbon impacts of fiber-based technologies to identify best practices. The group also promotes sustainability initiatives to address the industry’s environmental impacts, such as recycling legacy cable and network equipment, reducing energy consumption, and reducing truck rolls.

AFL’s Engineering Director of Cable contributes a product engineering perspective, sitting on two Task Forces within the Sustainability Working Group focused on 1) Network Infrastructure and Equipment Removal and Recycling Analysis, and 2) Manufacturing of Network Infrastructure Analysis.



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Financial Performance

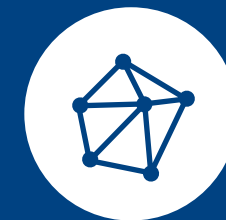
AFL's mission is to connect our customers around the world with innovative technologies, exceptional products, and high-quality services. Our vision is to positively impact communities by delivering superior solutions. Our approach to achieve financial performance objectives focuses on the following areas:



Achieving the Mid-term 2025 & 2030 vision



Customer Centricity



Connecting Society and Network Reliability

Achieving the Mid-term 2025 & 2030 vision

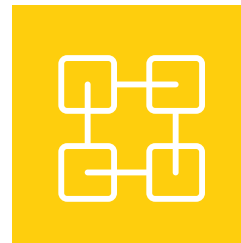
To achieve our financial performance objectives and fulfill our mission, we focus on three strategic pillars and five market segments, always striving to create new value through innovation. This ensures our products and services remain at the forefront of technology, meeting the evolving needs of our customers and the communities they serve.

Our Mid-term 2025 vision and our 2030 goals are aligned with this commitment to create a better future for all. We believe that by focusing on innovation, sustainability, and social impact, we can achieve long-term financial success while contributing to a more equitable and prosperous world.



Broadband Access and 5G

The delivery of high-speed broadband is critical to connect businesses, homes, schools, and hospitals. The deployment of Converged Access Networks will bring together wireline and wireless into a single holistic network solution. Smart Technology venues (e.g. stadiums, parking garages) will drive the need for Distributed Antenna Systems (DAS), cabling infrastructure investments, and on-premise edge computing.



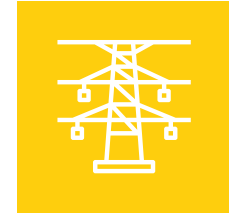
Grid Modernization

The need for a resilient, reliable, and modernized electric grid is critical to providing consistent and safe electric power. Electric Utilities and Co-Operatives will deploy fiber products and solutions along with new conductor accessory innovations to improve efficiency and reliability.



Digital Transformation and Edge Computing

Enabling applications like work-from-home, e-learning, and telehealth requires businesses to transform their digital infrastructure. Transitioning part or all of their digital footprint to the cloud is key to efficiency and sustainability. Advanced applications such as Augmented Reality, Autonomous Vehicles, and Remote Surgery will create the need for computing and data centers at the user edge.



ENERGY



ENTERPRISE



HYPERSCALE



INDUSTRIAL



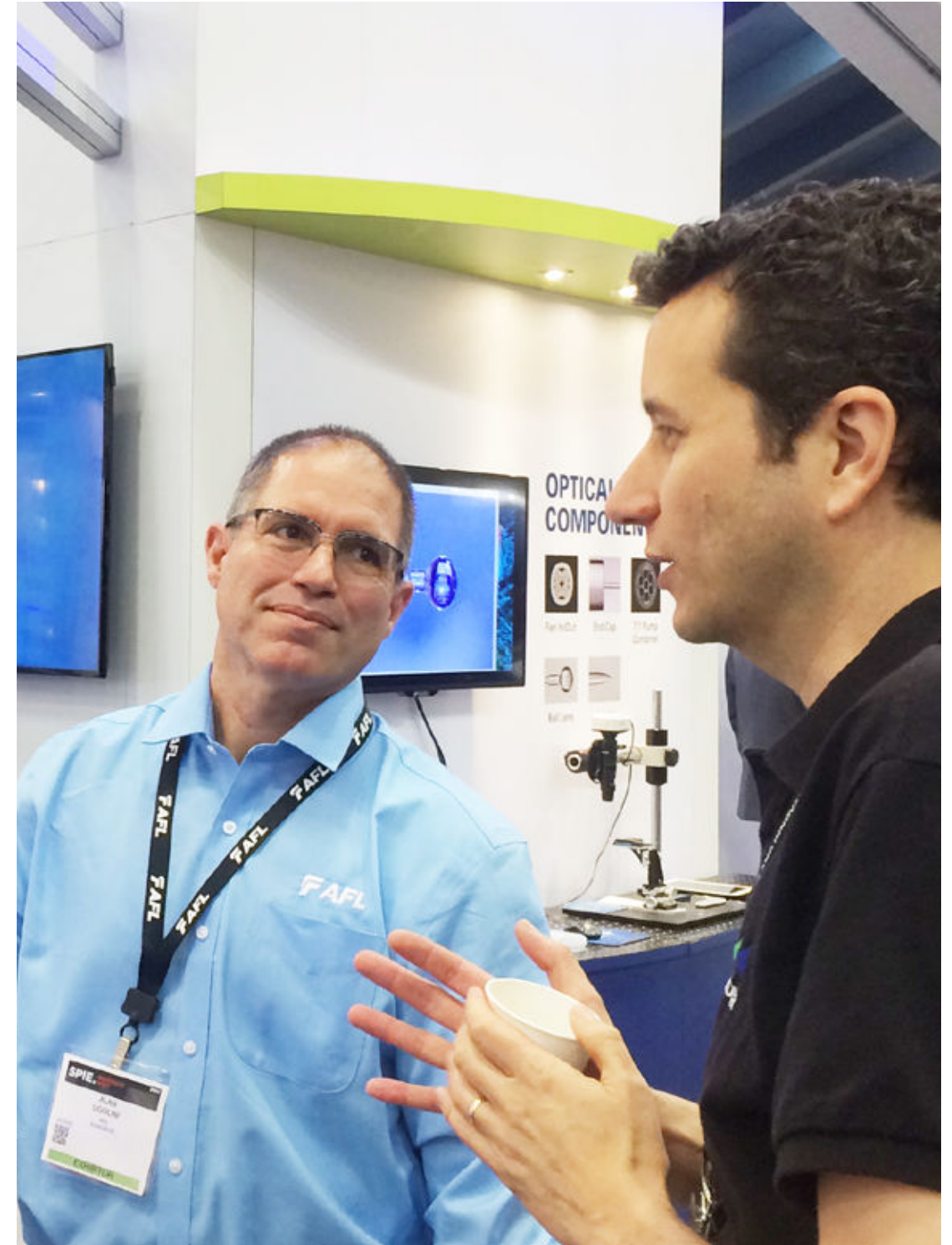
SERVICE PROVIDER

Customer Centricity

At AFL, putting “Customers First” is a fundamental principle and core value that drives our business and sustainability efforts. We have a long history of creating value for our customers including utilities, network service providers, and hyperscalers – as well as their own customers – through our solutions and services. While these mutually-beneficial relationships are often thought of from the lens of business success, we also see these connections as being vital to promote our respective contributions to corporate responsibility and sustainability even while society’s resource demands increase over time.

One way of doing this is through continuous strategic collaboration. We engage regularly with key customers to understand their sustainability priorities and challenges to determine alignment with our own. These conversations can lead to [product innovation](#) as we uncover opportunities through integration of sustainability in our new product development process and use of life cycle analysis (LCA) in R&D.

In FY2023, we leveraged our inaugural sustainability report and tailored it to multiple customers’ needs to demonstrate transparency about our progress as well as our ability to collaborate and be part of the solution. For example, we developed customized sustainability reports that highlighted the environmental and social impacts of our products and services in their specific operational contexts. This enabled them to incorporate our data into their own sustainability reporting and decision-making processes.



Sustainability in the Time of AI

Artificial Intelligence (AI) has taken society by storm, and the hyperscale and data center industries are growing exponentially to keep up. The significant levels of resources – land, energy, labor, and more – needed to build and power the infrastructure to support this transformation is unprecedented. AFL recognizes both the responsibility and the opportunity to innovate for these industries, developing solutions that alleviate resource consumption and enhance sustainability performance for ourselves and our customers.

For example, our ultra-high-density cabling and modular connectivity solutions enable data centers to maximize space utilization while minimizing the need for premature replacements. We are also exploring innovative approaches to materials sourcing and packaging to minimize waste and environmental impact.

“Data centers powering the AI revolution have a significant environmental impact throughout their lifecycle. AFL is committed to minimizing this impact by designing solutions that prioritize sustainability at every stage, from material sourcing and manufacturing to end-of-life management. By choosing AFL, our customers are investing in a more sustainable future for AI infrastructure.”

– Manja Thessin

Market Manager



Connecting Society and Network Reliability

AFL plays a pivotal role in enabling the expansion of broadband access, bridging the digital divide, promoting grid modernization and achieving digital transformation. Our commitment to providing SAFER® (Sustainable, Accessible, Flexible, Expandable, and Reliable) network infrastructure is essential for building a more connected, equitable, and sustainable world.

AFL's SAFER Solution

As the demand and use cases for wireless technology rapidly evolve, operators must build high-performing networks capable of withstanding the test of time. AFL's SAFER solution addresses this challenge head-on, prioritizing five key considerations for our products that collectively extend the lifespan of products, minimize obsolescence, reduce environmental impact, and actively contributes to the circular economy.

SAFER is not just a set of product features – it's a philosophy that drives our commitment to corporate responsibility and sustainability. By embedding these principles into our design and manufacturing processes, we're building networks that not only connect people but also protect the planet. This transformative approach requires collaboration and buy-in across AFL, fostering a culture of innovation and environmental stewardship.



SUSTAINABLE | ACCESSIBLE | FLEXIBLE | EXPANDABLE | RELIABLE

Sustainable:

AFL's solutions are manufactured in a sustainable manner while also helping our customers achieve their sustainability goals.

Accessible:

AFL's solutions allow technicians and contractors the ability to readily implement network changes quickly and in a cost-effective manner.

Flexible:

AFL's solutions allow our customers to accommodate moves/adds/changes, new technologies, new business cases and revenue opportunities, and more.

Expandable:

AFL's solutions provide capacity to accommodate future growth in data traffic, growth in the number of connection points, new business and usage cases, and more.

Reliable:

AFL's solutions are able to endure and perform through a wide range of environments and conditions, for many technological and even human generations.



In October 2023, members of AFL’s executive team met with White House officials to discuss the Build America, Buy America Act (BABA) policies and the Broadband Equity, Access, and Deployment (BEAD) funding program. BABA set requirements for domestic manufacturing of federally-funded infrastructure components and materials, while BEAD mandated a \$42.5 billion investment in broadband infrastructure to close the digital divide. Together, BABA and BEAD promote the federal government’s Internet for All initiative – one that AFL is uniquely positioned to support.

BABA and BEAD offer AFL a strategic opportunity to further our commitment to enabling affordable and reliable universal broadband access while creating domestic jobs in our communities. In FY2023, AFL announced a \$50 million investment to expand our fiber optic cable manufacturing operations in South Carolina. The expansion will support the domestic supply chain for broadband infrastructure projects and boost our local economy, alongside our continued innovation of products that meet the five SAFER characteristics.

Promoting Infrastructure Sustainability

To meet the challenge of addressing climate change and achieving the goals set forth by the Department of Energy to decarbonize the U.S. economy by 2050¹, electric utilities are investing in the electric grid to increase transmission capacity and integrate gigawatts of new clean energy sources, including wind and solar. At the same time, utilities are faced with a host of challenges from an aging infrastructure, to impacts of climate change, to substantial load growth for the first time in over a decade. These factors demand a grid capable of handling increasing energy demands and the integration of technologies such as disturbed energy resources, grid automation, real-time sense and control, and use of artificial intelligence and machine learning.

To support this modernization of the grid, utilities need to deploy high bandwidth, low-latency communication networks built upon a fiber-deep architecture. AFL's innovative solutions enable utilities to better leverage their existing power grid assets and infrastructure rights-of-way. By reducing the need to break new ground and disturb the environment to facilitate that growth, we support both the economic and environmental sustainability of the utilities' investments.

"For over 40 years, AFL has worked with our electric utility partners to continuously modernize the electric grid and provided innovative conductor hardware and fiber optic solutions which meet the high standards and critical nature of what many refer to as the 'greatest machine in the world,' the North American Electric Grid."

– Seán Adam

Vice President of Market Strategy & Innovation



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¹ Decarbonizing the U.S. Economy by 2050: A National Blueprint for the Buildings Sector | Department of Energy

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Governance

AFL conducts our business activities with a firm commitment to corporate governance best practices and ethics, with a focus on the following key areas:



Corporate Governance and
Risk Management



Business Integrity and Ethics



Data Security and Privacy



Regulatory and Legal Compliance

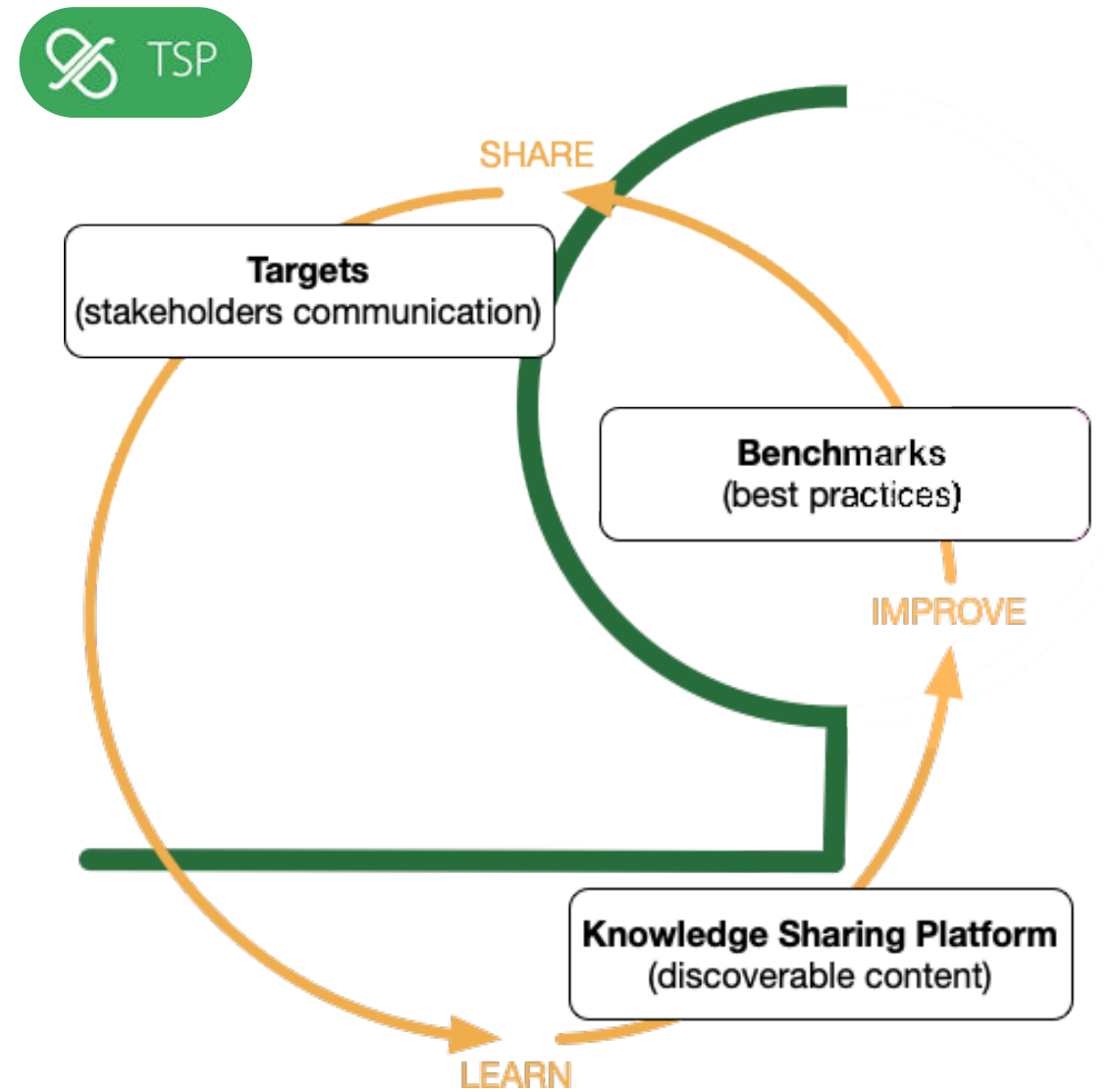
Corporate Governance & Risk Management

AFL’s corporate governance and management approach enables us to grow sustainably, and maintain and improve corporate value, while addressing corporate risks and opportunities. Our [leadership team](#) models and communicates the values and behaviors we want to see throughout the organization, while encouraging growth, health, and innovation. As there is always room for improvement, in FY2023, we amended our corporate bylaws and several policies in recognition of the opportunities to provide structure to our governance approach.

We also continued to enhance our [third-party due diligence programs](#) to reduce our risk exposure to global supply chain challenges. Our [Supplier Code of Conduct \(SCOC\)](#), implemented in FY2023, formalizes our expectations of suppliers to align with ethical business practices and other key aspects of our Corporate Responsibility program. Additionally, we are enhancing the integration of ESG considerations into our new vendor onboarding and approval process. This will help us identify upfront risks and opportunities and ensure effective plans are in place to promote continuous improvement across our value chain.

We also evaluate available tools to understand and assess risks. For example, we use a risk assessment template developed by the Responsible Business Alliance to help meet our customers’ expectations; having conducted the Self-Assessment Questionnaire (SAQ), our current score indicates AFL as having a Low Risk Rating.

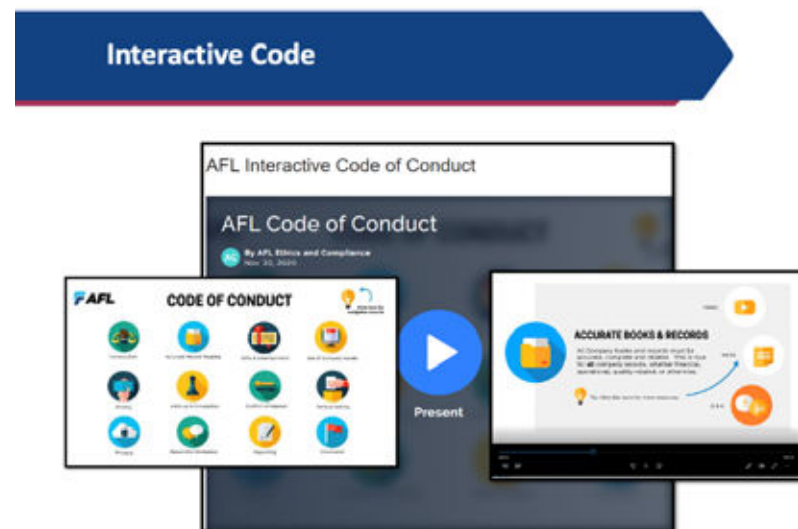
Additionally, as members of the Sustainable Supply Chain Alliance, we are able to respond to the [questionnaire](#) as part of [The Sustainability Project \(TSP\)](#). The questionnaire is subsequently scored, which we can benchmark against other companies in the industry segment to evaluate ESG governance and management.



Business Integrity & Ethics

AFL respects our employees, values our customers and business partners, works hard to prevent bribery and other forms of corruption, and is committed to doing the right thing. Our [Code of Conduct](#) lays out our expectations for conducting business ethically, and is provided in multiple languages appropriate to the geographies where we operate. To maintain alignment with our Code of Conduct, we must give our associates the tools and information to understand the nuances of ethics and compliance, while simultaneously encouraging an open-door policy and “Speak-up Culture” for associates to feel supported in communicating concerns.

As stated by our Code of Conduct, all known or suspected misconduct, including potential conflicts of interest, must be disclosed through one of the Reporting Channels (AFL Managers, Human Resources, Compliance Officer and the Legal Department). Our third-party [Whistleblower hotline](#) is also available to anonymously report concerns.



All new employees must complete Code of Conduct training during onboarding, while existing employees refresh their training every two years. In FY2023, our ethics and compliance training assignments covered a variety of topics including our Code of Conduct resulting in over 3,600 training hours. Broadly-offered trainings covered conflict of interest, antitrust, and the quality of our manufacturing processes to help prevent fraud. Meanwhile, annual human trafficking and modern slavery trainings are delivered to associates involved in our [supply chain](#) and credit card safety trainings are delivered to the sales and finance teams.

To promote our Speak-up Culture, we rolled out a campaign promoting our hotline and its use, including how to escalate and handle issues. A team of compliance ambassadors share resources with advisors and managers across all of AFL’s operations on how to engage with associates sharing their concerns; these ambassadors also help disseminate print materials and posters in manufacturing environments and common areas for the rest of their associates. We publish a monthly compliance article and legal article in our employee newsletter, supplemented with videos, references to policies and where to find them within our policy library, infographics on behavioral recommendations, and other ways to enhance learning. These campaigns are underscored by regular positive messaging by leadership and management regarding the Code and ethical behavior.

Every reported incident is tracked and reported to our Compliance Committee, comprised of representation from business divisions as well as our General Counsel, CFO, and HR. AFL’s Compliance Officer has the ultimate responsibility to evaluate potential conflicts of interest. This governance structure fosters constant dialogue on compliance activities from senior management all the way up to our Executive Committee, to guide monitoring of our hotline metrics, conflict of interest disclosures, and our training and communication strategy.

Data Security & Privacy

AFL continually works to fortify our data security and privacy defenses. We ensure that security is a key consideration in network management, that our company is compliant with data protection laws, and that the protection of the rights and freedoms of individuals whose information AFL collects and processes is in accordance with privacy laws around the globe. Our approach to data privacy is formalized in our [Code of Conduct](#) and [Privacy Notice](#).

In FY2023, AFL maintained a strong focus on creating a foundation to achieve ISO 27001 certification. We made significant progress to build the framework, including updating our internal policy documentation to align with the standard. In support of this goal, we plan to expand our internal engagement, including relaunching our security and awareness program with expanded training offerings and communication outlets; our first step was to subscribe to a managed service for security and awareness to support a regular training cadence and further engage advanced security champions. These champions are chosen for their dedication to best practices and their influence within the organization. Their role is to raise awareness and serve as resources within their respective teams.

We also integrated our internal Security Operations Center (SOC) team with a third party SOC, while fine-tuning our alert and monitoring indicators. These efforts allow for 24-hour coverage of global networks while also bolstering our response time to identify security incidents. Additionally, transitioning critical systems to be hosted in cloud services now provides more security and availability, allowing for more uptime, strategic use of resources, and efficiency to manage and maintain remaining hardware.

As our workforces become increasingly remote, their identities are now the new network perimeter; as our #1 defense for cybersecurity, it is imperative for AFL to continually build awareness as to possible threats and recommended actions.



– Brent Sistare
Information Security Officer

Our efforts to strengthen our culture of security is grounded in the knowledge that people are AFL’s most important resource. In FY2023, our Social Media team created posts during cybersecurity awareness month, coordinating a weekly internal and external campaign to share good hygiene and best practices. This initiative supplemented our already robust internal communications: in FY2023, we published nine data security and privacy-related articles on our intranet, in addition to monthly security articles, tips, and alerts to our IT Services portal. Our ongoing messaging during corporate town halls, dedicated intranet site, curated interactive learning system, and social engineering simulations, are all key elements to proactively train our associates on cybersecurity and privacy best practices and to recognize risk.

After obtaining third-party advisory support in FY2022 to understand if and how new global privacy regulations could impact our approach, we subsequently worked to address those findings in FY2023.

AFL’s data governance programs identify critical assets that protect both our own and our customers’ data. To reassure our customers that we are treating their information the same way we treat ours, we maintain continuous evaluation of our controls for compliance with their policies alongside our own, thus ensuring we consider best practices as well as contractual requirements. Additionally, suppliers are assessed to determine if they have the technical and organizational security measures in place to protect personal and other sensitive data from inappropriate use.



In FY2023, AFL introduced a password management benefit for all associates, offering free personal accounts to help employees keep their data safe. The password management vendor has capabilities much stronger than that of readily available, free options available to the general public, including audit trails and the ability to assess password breaches or vulnerabilities. This centralized tool to manage passwords, supplemented with communication as to the tool’s importance, is both a benefit to our associates as well as the company.



Regulatory & Legal Compliance

AFL conducts our business in compliance with all applicable laws and regulations. As a global company, we continually remain aware of developments across all countries in which we operate, as well as those we engage with both directly and indirectly, to ensure continued compliance.

For example, our Governance and Compliance team collaborates with our ESG Core team to track global ESG regulations that may impact both AFL and our customers. These include the Corporate Sustainability Reporting Directive (CSRD) in the EU, the United States' SEC climate regulation, and California Senate Bills, among many others. By maintaining awareness of these existing and emerging regulations, AFL can proactively bolster our own programs while also meeting the needs of our customers who are also often impacted by these developments.

AFL is also committed to complying with all applicable export, import, and trade compliance laws. Our robust screening program is aligned with export regulations to evaluate business partners – including customers – against various sanctions lists, other government lists, and other areas of concern. Staying informed on geopolitical tensions is vital to ensure our products do not reach areas of the world where there are embargoes and that our products are not sold in regions contrary to US foreign policy, with specific regard to dual use technology and being mindful of who the end user is.



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Social

AFL focuses on five key areas of social responsibility in support of our belief that individuals and organizations have a responsibility to act in a way that benefits our communities and makes a positive difference in the lives of others.



Attracting & Retaining
Top Talent



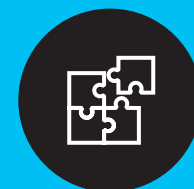
Diverse and Inclusive
Workforce



Employee Health and
Safety



Responsible Procurement
and Secure Supply Chain



Community Involvement
and Partnership

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Attracting and Retaining Top Talent

AFL's far-reaching recruitment strategy helps us to attract passionate candidates with opportunities to grow in a rewarding career, within a supportive culture and flourishing industry. And once candidates come through our doors, we work diligently to create a supportive environment with comprehensive benefits, talent development, and meaningful experiences.

To help validate our strategy, AFL conducted a global Employee Engagement survey in FY2023, administered by a third party. The results showed that the majority of our associates felt engaged and enabled. Additionally, our overall scores were very favorable relative to 500+ other companies who also participated in the survey. In recognition of our commitment to listening to our associates, we formed multiple teams focusing on career advancement, department structure, decision-making, and more to address the survey feedback. At minimum, the teams share detailed reports quarterly to the Executive Team to track progress, and our global employees receive high-level updates directly from our CEO during quarterly town hall meetings.

AFL offers [benefits](#) packages at four different coverage tiers to give our associates the opportunity to choose the option most suitable for their circumstances, supplemented with onsite wellness clinics and health coaches to help them make informed health decisions. We also provide accessible, regular services at no cost to all associates for episodic care, chronic care, and preventative/wellness, such as mammography and seasonal flu shots.

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Additionally, approximately 98% of professional associates take on a hybrid schedule, working in the office three days per week and remotely two days per week. We also offer a Flexible Time Off (FTO) benefit.

Another significant benefit is our associates' access to Learning & Development (L&D). In only five years, the number of touchpoints with our L&D team increased to 57,000 in FY2023 from approximately 7,000, with a 71% increase in just the last year alone. This significant interest, coupled with integration of associates' feedback through an annual survey, has led to the creation of a vibrant approach to L&D with multiple courses being offered through fun and engaging learning environments that are accessible for multiple languages, schedules, and time zones. In fact, through self-directed online courses, live webinars, and classroom sessions AFL employees have access to more than 2,500 learning activities. Highlights of our approach include:



Leveraging our online Learning Management System database and analytics to curate on-demand trainings relevant to associates' needs.



Launching internally developed, interactive "60s" webinars, providing 60 minutes of training on topics requested by associates.



Hosting global peer-to-peer "15@4" weekly podcasts, where associates and learning specialists present 15 minutes of live content at 4pm Eastern US Time on a relevant topic; sessions are also recorded for the Learning Management System.



Developing and disseminating longer-term, internal trainings such as our five module Core Management program for existing or future managers, with both self-directed and live training components.



Supporting individuals to access career-relevant external training, such as our partnership with [Sustain SC's Sustainability Leadership Initiative](#) and the Women in Manufacturing (WiM) [Empowering Women in Production Program](#).



Partnering with departments and global regions to develop and disseminate multilingual, technical, job-specific trainings.



Offering annual performance reviews and supplementary trainings to provide clarity on the process, where each associate is expected to design goals tied directly to company performance as well as their own skills growth.



Creating a voluntary Leadership with Intentionality and Transparency (LIT) program where managers and leaders participate in facilitated discussions covering challenges specific to their leadership roles.

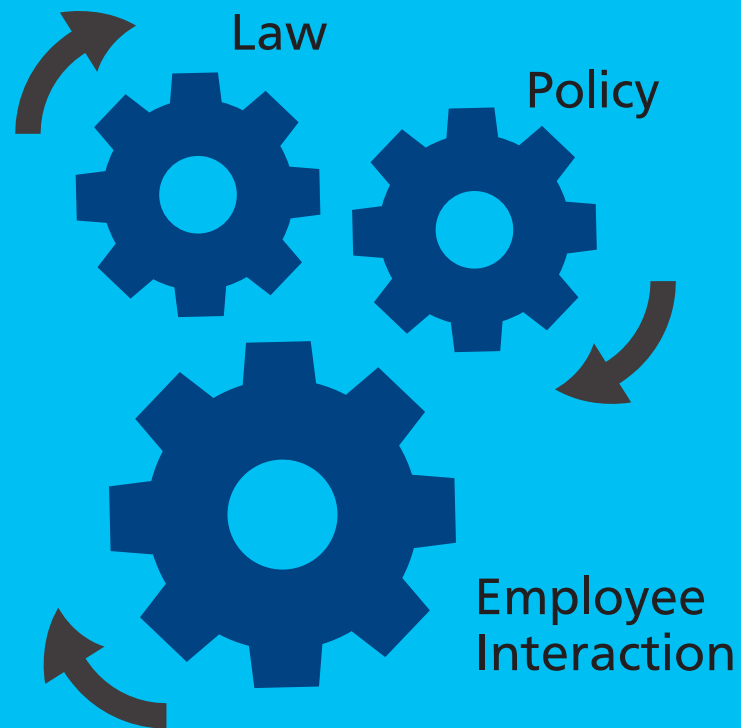


Providing one-to-one coaching and assessments on an as-needed basis to support individuals with problem-solving and team development.

Supervisory and Leadership Development

Our Core Management Program is offered to existing and future managers. The hybrid program consists of five separate modules, spanning leadership fundamentals, behavioral interviewing, team development, and conflict resolution, all focused on improving leadership and management skills. Developed by our internal L&D team, Core Management takes a multifaceted approach – including self-directed assessments, pre-work, and live webinars – to share practical approaches for better managing and communicating with employees.

CORE MANAGEMENT



Empowering Women in Manufacturing Roles

In FY2023, several AFL manufacturing associates across the country participated in the WiM Empowering Women in Production Program. This 20-week, online course is designed to support the professional development of female production floor associates. During the program, participants gained skills for success in manufacturing environments, and were empowered to pursue roles to further advance their careers.

“The manufacturing field is constantly making improvements to be a more inclusive space. There is so much opportunity for a woman to progress and have a voice in the manufacturing field.”

- Lydia Wooten
Manufacturing Training Instructor



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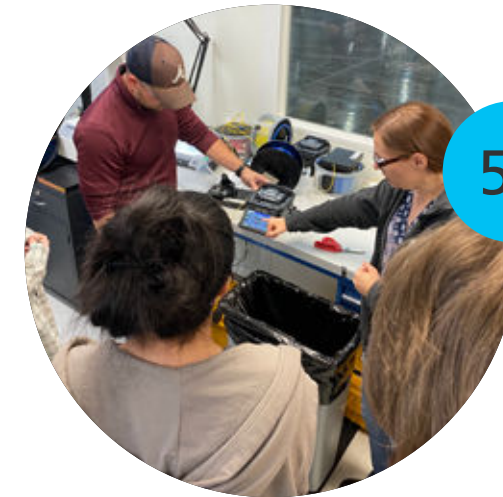
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We also make a concerted effort to acknowledge our hardworking associates, with multiple talent recognition awards in place across all areas of the business. In FY2023, we implemented the Star Award across all manufacturing operations, with peers nominating colleagues who go above and beyond the call of duty of their regular role or responsibility and leadership subsequently choosing an awardee. In recognition of the incredible innovation our team has developed over the years, we also created a Patent Hall of Fame, with an informational library available on AFL’s intranet site to build awareness and inspire our collective team to ignite their creativity. These efforts supplement existing programs such as our annual Employee Appreciation Day, Manufacturing Day, Champion’s Club, and a more in-depth high potential development program to foster identified team members to prepare for the next step in their career.

Investing in comprehensive benefits and professional development is also crucial for our talent attraction efforts as our recruiters share the highlights of joining AFL. In FY2023, we increased the number of educational institutions we partner with, with a specific focus on STEM. Our recruiters regularly visit local career fairs and schools to network, increasing onsite participation and visibility during the year. These efforts are facilitated by business units identifying recruitment needs and partnering with HR to create associated job descriptions and attend the fairs.

Our internship programs are full spectrum, from high school apprenticeships, to tech scholars partnering with community colleges, to internship and co-ops for four-year degree programs. In FY2023, we hosted more interns and co-ops than the prior year, with over 50 college co-ops and interns across our US footprint and over 15 high school apprentices and vocational school co-ops – bringing us to a total

of over 350 college and high school co-ops over the last nine years. Our goal at AFL is to continuously show our responsibility for our people and alignment with our values. We do this by making our approaches more candidate friendly, aligned with the market, and responsive to feedback – as a whole demonstrating our appreciation for the time and dedication our associates invest in the organization.



50 College co-ops & interns



15 High school apprentices & vocational school co-ops

Diverse and Inclusive Workforce

AFL celebrates diversity in all forms and strives to create an environment of inclusion and belonging every day. Representation of identities and opinions fosters a more meaningful experience at work. As an [equal opportunity employer](#), we are also aligned with the [Declaration of Promoting Diversity](#) adopted by our parent company, Fujikura, in 2016. We demonstrate our commitment through internal culture-building efforts, community involvement, organizational memberships, and recognition of [Supplier Diversity](#).

AFL encourages engagement in organizations and events that are focused on diversity and inclusion. For example, AFL sponsors Upstate International, a South Carolina based nonprofit, with our associates participating in various programs including the World Affairs Council, Global Upstate Business Conference, and other special events focused on celebrating and raising awareness of cultural diversity. We also continued to sponsor the Men of Color Summit associated with Clemson University and the Diversity Leadership Initiative associated with Furman University, among others.



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In September 2023, several AFL representatives attended the Women in Manufacturing (WiM) annual Summit conference, where our own Lisa Gunton, Chief Human Resources Officer, was inducted into the Women in Manufacturing Hall of Fame. More than 2,000 professionals regularly attend the multi-day national conference, allowing for exceptional networking alongside both personal and professional development. As members of WiM, as well as the Japan-American Association of South Carolina (JAASC), European American Chamber of Commerce (Carolinas - EACC), and the UK Mindful Employer Network, AFL encourages associate involvement in these rewarding opportunities.

"Now is the time for us to continue creating impactful change through education and learning programs that advance the development of women in manufacturing. I am privileged to have the support of a diverse, creative tribe of women in industry at AFL. The sky is the limit on opportunities ahead for all of us."

- Mary Ellen Grom

Executive Director of Customer Experience Solutions

Chair of the Women in Manufacturing Education
Foundation (WiMEF) National Board of Directors



AFL [employee resource groups](#) foster a sense of connection and belonging, with 525 members participating in FY2023. Over the year, these groups held a collective 35+ events that were attended by 240 associates, while also increasing their social media presence to expand outreach and awareness.



WeConnect (Women Everywhere Connect): fosters professional education, personal growth and enrichment opportunities via continuous learning, sharing, and networking.



AYP (AFL Young Professionals): organizes professional development opportunities, community outreach outings and social events for young professionals to boost associate job satisfaction, encourage collaboration in the workplace, and foster a learning-centric work environment.



AYP attends a networking event at Greenville Drive.



Active Living Team: plans and/or attends both internal and external events including networking, professional development, talent recruitment, mentoring at-risk children, bicycling, running, and more.



MERG (Military Employee Resource Group): focuses on three areas—recruiting transitioning service members, providing ongoing support for AFL’s current workforce and providing a forum for AFL’s veterans to collaborate in support of community service activities.



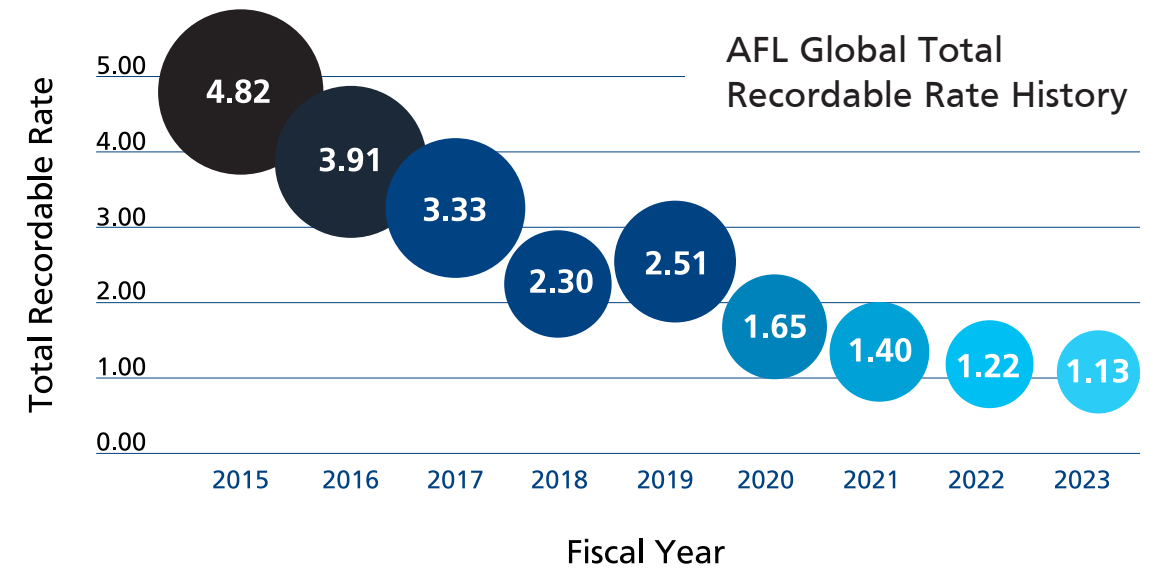
MERG associates enjoy a holiday party.

Employee Health & Safety

AFL’s commitment to environment, health and safety (EHS) has a focus from the top, with leadership consistently communicating the need for diligence and improvement. This messaging is spread broadly, often being the first item on the agenda during business unit meetings with support functions. Our Safety Committees review incidents, identify potential issues, share knowledge, and prepare for regulatory inspections.

Each AFL location has a proactive, multi-faceted plan in place to reduce risks in the workplace. We focus on leading indicators to reduce risk and injuries across our operations. Our goal is to become an injury-free workplace so that our associates go home in the same or better condition than when they came into work, and are engaged in programs designed to continuously improve safety performance; efforts to meet these goals are expanded upon in our [EHS Policy and Principles](#).

In FY2023, AFL piloted the AFL Manufacturing Excellence (AME) program to drive continuous improvement within our factories, including safety as a foundation. With EHS being one of several pillars underscoring manufacturing performance and quality, a primary goal of AME is to make EHS owned and driven by all team members in a plant, with particular focus on performance from the shop floor. The EHS pillar is planned for implementation in all sites, regardless of whether the site is to participate in the AME program in full. To create the program’s foundation, a Duncan, South Carolina site serves as the prototype to draw lessons, develop appropriate KPIs, create standardized processes, and inform the program’s replication across other sites and business units. With a planned global rollout in the coming years, the AME process will drive safety improvements across global operations and services.



In FY2023, AFL’s total recordable incident rate (TRIR) was 1.13, representing a steady decrease over the last nine years as compared to 4.82 in 2015. Our TRIR is calculated using total working hours per person.

We continually promote awareness-building and training on EHS. Multiple manufacturing facilities use an employee hazard recognition program, including “Hazard Hound,” to suggest safety and health recommendations; in FY2023, 1,653 Hazard Hound reports were submitted. Our regular Safety Pledge Days are opportunities to share insights and trainings on safety-related topics, while reinforcing the importance of maintaining strong EHS procedures for both personal and community safety. These associate-driven efforts are supplemented with trainings. In FY2023, 355 associates held CPR/First Aid certifications and over 1,300 hours of certification training hours were recorded.

As appropriate, AFL also devises programs to address specific areas of concern. For example, we have determined opportunities to obtain and utilize better analytical data to identify vehicle safety risks. We also initiated two projects that are planned for global sharing – the ergonomically safe movement of reels, as well as governance of extruders with hot surfaces. This collaboration across sites is a foundational element of EHS at AFL, that we expect to strengthen as our AME program evolves.

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AFL Enterprise Services Team Awarded for Safety

In June of 2023, the North Carolina OSHA Division, Chamber of Commerce, and other organizers recognized AFL's safety track record at the North Carolina Department of Labor Safety Awards. The AFL Enterprise Services team accepted four Gold awards for exceptional performance in 2022. To qualify for an award, AFL had to have no fatalities during the calendar year at the site or location for which the award was given, and achieved a days away, restricted, transferred (DART) rate that translated into an incidence rate 50% below our industry average.



Responsible Procurement & Secure Supply Chain

AFL's policies and procedures aim to protect those in our supply chain by addressing compliance with regulations aimed at preserving human rights as well as materials-related rules and regulations.

AFL's [Supplier Code of Conduct \(SCOC\)](#), implemented in FY2023, establishes expectations for ethical behavior across our supply chain. AFL has laid the framework to initiate formal supplier acknowledgement of our SCOC to ensure our suppliers maintain high ethical standards, act with integrity, and operate in full compliance with applicable laws, rules, and regulations of the countries in which they operate. Looking forward, our [SCOC and enhanced vendor management](#) approach will bolster our efforts to incorporate ESG into supplier expectations and performance. Additionally, certain ESG expectations are evaluated through incorporation into our quality supplier audit process for critical suppliers to determine areas of opportunity and resolution; initially rolled out at our Cable business, the intention is to implement this across other business units to drive tangible, positive supplier engagement activities.

Our [Slavery and Human Trafficking Statement](#) sets the expectation of AFL's zero-tolerance approach to modern slavery in its various forms. Our supplier qualification process includes prequalification as well as potential requalification and auditing based on our risk assessment processes. We also use a self-assessment questionnaire, whereby suppliers must certify that their materials or product components comply with anti-slavery or human trafficking laws. Where feasible, AFL is adding or expanding "Right to Audit" clauses in supplier contracts to allow for evaluation of

modern slavery concerns, particularly in areas identified as high-risk. All new employees are required to acknowledge our Modern Slavery Policy as part of orientation, while procurement and supply chain associates receive annual training on how to identify and mitigate supply chain risks.

Our Materials Compliance Program provides an improved framework and structure to manage compliance on multiple fronts, including REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), RoHS (Restriction of Hazardous Substances Directive), Conflict Minerals, TSCA (Toxic Substances Control Act), Prop 65, and more. While several directives aim to reduce the use of unnecessary harmful chemicals in products to increase their safety, some relate to avoiding negative impacts in high-risk regions through sourcing decisions. Our [Conflict Mineral Policy](#) demonstrates our pledge to work with our customers and suppliers to avoid sourcing minerals used in our products from conflict zones. As a global company, these policies and programs are a necessity to help us maintain awareness of existing and emerging rules, regulations, and directives.



Community Involvement and Partnership

Community engagement and volunteerism is a culture here at AFL. Our [Outreach Program](#) includes grants, volunteerism, and employee giving to help us positively impact the lives of our community members. In FY2023, we shifted our approach to be more strategic in selecting nonprofits and sponsorships, increasing our focus on environmentalism and diversity alongside other longstanding areas of support. And with executive leadership highlighting the importance of community as a core value, business units and regions incentivized participation from their team members, resulting in increased engagement during FY2023.

A highlight of our program is that of our annual giving and volunteerism campaigns, which have historically created a sense of celebration, belonging, and purpose among our associates. Associates have the opportunity to donate to organizations in May through our Imagine That! Campaign, and serve in September during UNITE, our annual month of service. Additionally, volunteering and sponsorships are encouraged year-round; for example, the iAct grant presents \$500 to any nonprofit where an associate undertook 40 hours of verified volunteer service. Grant cycles are conducted twice a year, with associates representing multiple departments comprising a Community Grant Committee that reviews applications submitted by their team members to determine rewards for proposed programs.

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AFL's Outreach Program

Our Community Outreach efforts connect our associates to the areas in which we live, work, and play.

Grants & Sponsorships

Our grant program targets three areas: STEM education, youth development, and LEAP (Life Enrichment & Advancement Program).



FY2022 KPIs

25 grants

59 sponsorships

50+ organizations

\$162,000 grants

\$171,000 sponsorships

FY2023 KPIs

30 grants

53 sponsorships

50+ organizations

\$176,500 grants

\$240,000 sponsorships

Volunteering & Service

Every September, AFL associates participate in UNITE, our annual month of service, which encourages our ACT (AFL Community Team), iACT (Individual Action), and Volunteers programs to support local communities.



1,586 volunteer hours

500+ associates

>12 initiatives supported

2,037 volunteer hours

500+ associates

90 initiatives supported



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Giving

AFL's annual Imagine That! Giving Campaign encourages our associates to make local donations, supplemented by a matching grant from AFL, to multiply their impact.



FY2022 KPIs

\$588,000

Raised

\$183,000

Matching contributions



Received

the 2022 United Way of the
Piedmont Award

FY2023 KPIs

\$581,000

Raised

\$178,000

Matching contributions



Nominated

for the 2023 United Way of the
Piedmont Award

Environment

Our Thrive Program efforts help preserve our environment through action, including tree planting to beautify our communities while removing carbon from the atmosphere, as well as sponsoring regular cleanup of roadways in South Carolina.



20,000

Tree planting goal
from 2005-2025

19,700

Trees tracked as of FY2022

3 New

Environmentally-focused
community projects

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The AFL Australian team received a Social Impact Award from [Indigenous Futures Foundation](#), playing a role in delivering food and healthy meals to First Nation communities in Queensland and New South Wales.



AFL's Milton Keynes team walked on fire in order to bring awareness and raise money for adults with learning disabilities at the MK SNAP (Milton Keynes Special Needs Advancement Project) Fire Walk.



AFL received the 2023 outreach award at the Manufacturing Conference and Expo. The award honors a manufacturer making a tangible and measurable impact on communities in South Carolina.

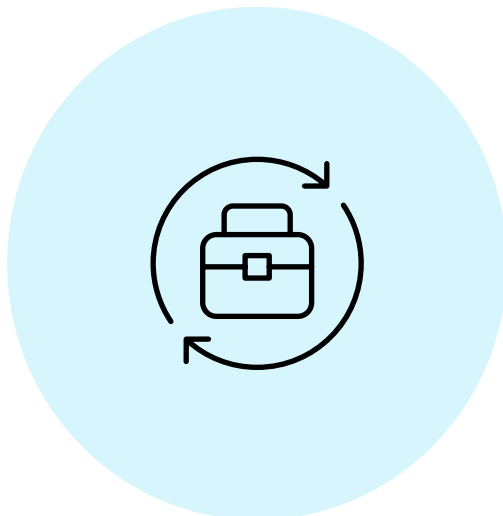


AFL's Monterrey team planted trees at Elda Zapata de la Fuente Elementary School in Nueva Leon, Mexico.



"AFL employees are helping us build a community where everyone has the opportunity to thrive."

– Vernon Hayes,
Hope Center for Children



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Environment

AFL's strong foundation for environmental compliance has set the stage for a more strategic effort to reduce and manage our impacts and promote a culture of sustainability. From energy to waste, packaging, products, and more – we've made swift progress to formalize policies and programs to help us progress against measurable targets and demonstrate our environmental stewardship.



Reducing Greenhouse Gas
(GHG) Emissions



Operational Energy Efficiency



Circular Economy and Raw
Material Efficiency



Waste Management



Water Conservation

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AFL utilizes an environmental management system aligned with the ISO 14001:2015 standard to help maintain our compliance with regulations; as of FY2023, 12 sites are certified to the standard and no major violations have been reported. Alongside compliance, our Energy Core team has implemented additional tools to reliably track our energy, water, and waste consumption and reduction targets. Using data from EnergyCap software systems combined with internal databases, the team created KPI dashboards that, along with a corporate level view, are customizable by facility, business unit, and geography. Our goal is to disseminate these dashboards to present information in an accessible format and facilitate socialization of AFL’s sustainability metrics and goals across facilities.

As a data-driven organization, plant managers and other stakeholders already receive regular reports to support alignment while identifying improvement opportunities. The continued implementation of these tools has allowed us to provide transparency, prepare for future verification, and track progress against targets.



Reducing Greenhouse Gas (GHG) Emissions

AFL’s ambitious emissions reduction targets in our operations and value chain were set using guidance from the [Science Based Target initiative](#), demonstrating best practice and alignment with one of the foremost organizations helping corporations to address their impact on the climate. We are also strengthening our long-term GHG emissions reduction roadmap towards achieving Net Zero.

Scope 1&2 Emissions: Focus on Operational Energy Efficiency

AFL plans to utilize multiple levers to progress against our target to reduce absolute Scope 1 and 2 emissions 50.4% by FY2032. We are initially focusing on improving operational energy efficiency through capital investment in projects, and are tracking near-term progress against a 10% energy intensity reduction target by FY2027 with a FY2022 baseline. We are also investigating electrification, investment in renewable energy, and as a last resort, renewable energy credits and carbon credits to address emissions that cannot be reduced or avoided.

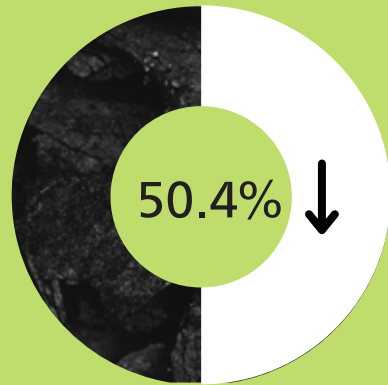
To manage the effort, AFL’s Energy Core Team is responsible for the Energy Management System, developed per ISO 50001 standards and the Environmental Protection Agency’s ENERGY STAR® guidelines. The Energy Management System gathers and reports energy data through EnergyCAP for automated collection and analysis, which, alongside

the greenhouse gas emissions calculations via CarbonHUB, can inform load minimization, energy intensity reduction, renewable energy investment, and other GHG reduction efforts.

As an EPA ENERGY STAR® partner, we also launched Energy Treasure Hunts to involve cross-functional collaboration among our associates and help spark ownership of sustainability efforts. During the hunts, teams use guidelines focusing on utilities, facilities, and processes to walk through locations and identify quick-win projects that can be implemented with minimal time and cost investment. In FY2023, we conducted hunts at four manufacturing and two non-manufacturing sites in the U.S. and Mexico, and identified a cumulative 52 projects with potential savings of nearly 2 million kwh of electricity, 780 MMBtu of natural gas, 3.6 million gallons of water, and over \$250,000 in annual costs. Of these, 37 projects were implemented, with the remaining being underway, undergoing feasibility assessments, and/or identified for potential future investment.

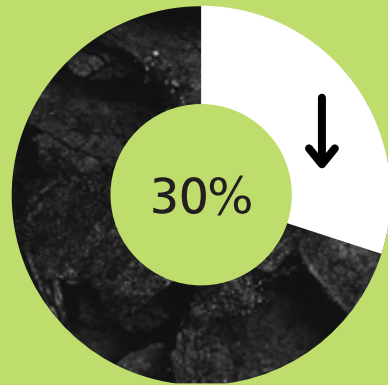


Our Targets:



Scope 1&2

Reduce absolute scope 1 and 2 GHG emissions 50.4% by FY2032 from a FY2022 base year.



Scope 3*

Reduce absolute scope 3 GHG emissions from *relevant categories 30% by FY2032 from a FY2022 base year.

*Purchased goods and services, fuel and energy related activities, and upstream transportation and distribution

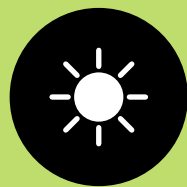
Our Emissions Reduction Levers:



Energy Efficiency



Conversion



Green Power



Carbon Compensation



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Our Carbon Footprint:



FY2022

449,546

metric tons CO₂e

FY2023

421,526

metric tons CO₂e

Scope 1

Direct emissions

2.6%

11,898

metric tons CO₂e

2.7%

11,219

metric tons CO₂e

Scope 2

Market-based Indirect emissions

3.7%

16,460

metric tons CO₂e

4.0%

17,000

metric tons CO₂e

Scope 3

Indirect emissions

93.7%

421,188

metric tons CO₂e

93.3%

393,307

metric tons CO₂e

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Energy Treasure Hunt

AFL's Energy Core Team led our first Energy Treasure Hunt in Duncan, South Carolina in June 2023. During the three-day event, a team of nearly 30 associates identified 24 operational improvement projects, with an estimated \$130,000 in cost savings and potential to save over 15% in emissions.



During our Energy Treasure Hunts, some of the most impactful low-cost opportunities were identified by a Fluke Acoustic Imager, new technology that can quickly detect air and other gas system leaks in a building. Compressed air is one of the most energy intensive utilities, and reducing air leaks reduces energy used to create compressed air. AFL has plans to continue prioritizing the identification and fixing of these leaks in regular audits and preventative maintenance.



"Events like this allow us to identify quick, easy wins and promote culture change. By getting buy-in from leadership and participation from our administrative and manufacturing associates, we are gaining momentum to save on our energy costs and continue to support a culture focused on energy efficiency."

– Lauren Trapp

Global Sustainability Specialist



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2023 Rising Star Award

AFL received the 2023 Rising Star award for Most Sustainable Organization from EnergyCAP for our achievements in energy efficiency and sustainability practices. Our partnership with EnergyCAP to automate and track our utility consumption will enable more accurate reporting and monitoring against our emissions reduction targets.



"Over the past two and a half years, AFL has embraced and launched its sustainability program, driving alignment between our businesses. We have developed and implemented strategies to achieve our targets. This recognition from EnergyCAP validates our efforts and commitment to energy reduction and environmental stewardship."

- Geoff VanderVeen

Director, Environment and Health Safety



As we plan for our growth to meet customer demand, AFL considers sustainability. Our newly constructed Poland facility was built to BREEAM standards, scoring a 92.64% at the Outstanding level for New Construction. This state-of-the-art manufacturing facility has a myriad of sustainable attributes addressing building materials, energy efficiency, water, waste, and ecology. Furthermore, this in-region manufacturing strategy reduces procurement and product-related transport distances, thus translating to lower emissions, decreased energy consumption, and a more sustainable approach to production.



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Scope 3 Emissions: Focus on Value Chain

To achieve our goal to reduce absolute Scope 3 emissions by 30% by FY2032, we are focusing on the areas with the greatest opportunity: emissions associated with our purchased goods and services, the upstream emissions associated with energy production, and upstream transportation of raw materials and goods. Our formal Scope 3 reduction strategy has three core objectives to drive continuous improvements across our value chain:

A primary focus of AFL is Scope 3, Category 1 – purchased goods and services – which represent the majority of AFL’s Scope 3 emissions. We are continually improving accuracy of our data and calculation approaches for this category, with nearly 100% of production raw materials for both our Cable and Accessories business units being calculated using a mass-based methodologies as opposed to spend-based. This translates to 71% of our FY2023 Scope 3 Category 1 GHG emissions being based on mass-based emission factors, up from 70% in FY2022. We are also working to identify mass per unit of measure where not available, with a plan to integrate these measures into our data systems to derive mass in an automated fashion within our global purchasing systems. These data and methodology refinements help us to more objectively understand opportunities we can control and add value to meet our Scope 3 targets.

Objective

1

Formal Supplier Engagement



Engage top 80% suppliers based on FY2022 spend/ amount purchased (Cable)

Objective

2

Understanding our Internal and External GHG Impacts



Increased use of mass data to quantify carbon footprint (improved accuracy)

Objective

3

Commitment to Science-based Targets



Reduction by FY2032 (Scope 3)

To further our efforts, we are also starting to identify recycled content and secondary sourcing versus primary sourcing for certain materials. This extensive exercise helps us identify suppliers to target for obtaining raw material-specific lifecycle analysis data and better understand our opportunities for further collaboration with suppliers to drive continuous improvement. We determined that for our Conductor Accessories products, our aluminum was already purchased from secondary smelters, where a variety of aluminum scrap is melted down to produce aluminum ingots. As a result, our aluminum is approximately 80% recycled and 20% primary to maximize recycled content while maintaining the quality of the ingots.

Additionally, in FY2023 we deployed a [Supplier Sustainability/Environmental Questionnaire](#) to obtain consistent and objective data from key suppliers, with an initial focus on Cable products. These datapoints give a more holistic view of our supplier base and where our raw materials come from, helping us to understand both risk and opportunities in our supply chain. Our plan is to proactively engage prioritized suppliers to facilitate mutual learning, refine data, and progress against objectives, supplementing our [Supplier Code of Conduct and new vendor management approach](#).

In terms of transportation, we are now assessing the feasibility of shifting from air to expedited sea shipments. A preliminary analysis determined that air shipments resulted in over four times the emissions of sea transport; considering the overall scale of possible shipments, the cumulative impact would be considerable. The project requires identification of raw materials and finished goods that are routinely sent via air to our customers, and subsequently collaborating with those customers to understand if utilizing expedited sea is acceptable to meet their needs while reducing environmental impacts.

We are also pursuing multiple efforts related to circular economy, product and packaging innovation, and waste reduction to reduce our Scope 3 emissions and support value chain sustainability initiatives. The interconnection of these areas keeps materials in service longer, reducing upstream raw material extraction, waste generation, and energy usage, all of which mitigate environmental impacts.





Circular Economy and Raw Material Efficiency

AFL is participating in the circular economy from multiple angles, including through simple operational efficiencies, vendor and customer collaboration, and product and packaging innovation. Our intention is to connect with impacted stakeholders to all stages of a product’s lifecycle and achieve mutual benefit.

Packaging

AFL works diligently to consider packaging from sourcing to end-of-life. While our first priority is to reduce packaging, we consider reusability, recyclability, and use of recycled materials to increase landfill diversion. We are also evaluating bulk packaging options, as well as kitting and consolidation opportunities that decrease transportation-related emissions by allowing tighter packing for shipping.

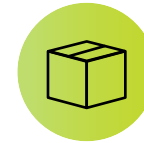
Our packaging efforts include both innovation and partnership. We made considerable progress in FY2023, including these highlights:



We continued our [partnership with Sonoco’s EcoReel® Recycling Program](#) to facilitate the free pick-up, repair, and refurbishing of reels from US-based customers before returning them into circulation.



We launched plastic pallets for our hyperscale customers intending to make them returnable to incentivize reuse.



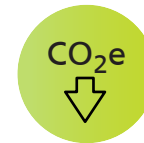
At our Monterrey facility, 68% of corrugated box part numbers are now made in-house, using [Sustainable Forestry Initiative](#) certified raw material; additionally, 21 part numbers were changed from white to kraft (brown) material containing 39% recycled material and water-based ink.



We replaced the wooden reels used for 144-864F cable assemblies with 32”, 36”, and 42” reels made with recycled HDPE plastic that can be disassembled and shipped back to AFL for reuse. Though the program is currently only available in North America, plans for a global rollout are underway.



We started designing plastic reels without metal hardware to increase recyclability and disposal; we are also working to move away from cardboard cores.



AFL offers a long-standing program for customers to return four sizes of steel reels to AFL for reuse (60”, 72”, 84”, and 96”); the program will soon include the three-flange 72” and 96” steel reels for cable assemblies of 2,880F and 3,456F.

Steel reels returned in FY 2023:	1,559	
Total weight:	404.7	metric tons
Avoided CO ₂ e emissions from steel production:	2,467	metric tons*

*Emission factor sourced from ecoinvent v3.10. Due to the complexity in allocating burdens of recycled materials, avoidance calculations are estimates and considered representative.



Reuse SpiderWeb Ribbon Plastic Spools

Our partnership with Fujikura to collect empty plastic optical fiber spools, repackage them in their original boxes, and send back for reuse had significant uptake through FY2023. Assuming 75% of the spools were reused and including the transportation impacts of shipping them back to Fujikura, we estimate a **57% reduction in CO₂e emissions*** compared to manufacturing and transporting new spools.

19,088 empty spools were returned, totaling

55,403 kg

19,088 cardboard boxes were returned, totaling

30,731 kg

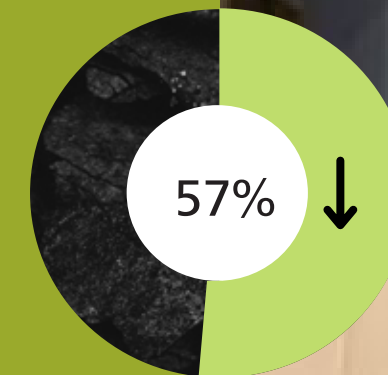
1,060 wooden pallets were returned, totaling

19,237 kg

In total,

105,371 kg

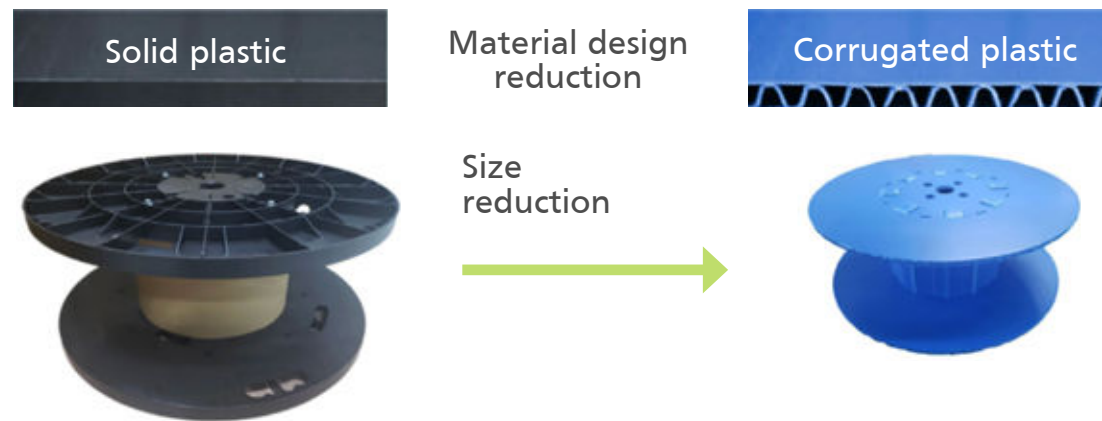
of packaging material were returned to Fujikura for reuse



*DEFRA 2021 CO₂e emission factors used for transportation and ecoinvent factor used for manufacture of new plastic spools

Spool redesign — saved plastic: 29,820 kg

In pursuit of a region-specific goal to reduce single-use packaging and support our customers with their targets, our APAC region optimized the cable reel by changing the material and size. The change in design saved an estimated 29,820 kg of plastic in FY2023.



We also launched a global packaging standard that describes various options to configure all aspects of packaging with sustainable materials, including tapes, dunnage material such as bubble wrap, shipping envelopes, inks, and outside packaging. To supplement the standard’s launch, we developed and rolled out a sustainable packaging course. The course is available to associates through our Learning Management System, and though initially assigned to product engineers at our Monterrey location, will soon be assigned more broadly to engineers in other regions. Course modules cover terminology, regulatory and market implications, materials selection, and other practical packaging considerations relevant to AFL’s context. We expect our engineers to leverage these resources when designing sustainable packaging to consider where materials come from, the technologies that optimize materials and the energy needed for production, if materials are healthy in all probable end-of-life scenarios, and if materials can be effectively recovered.

Product Innovations

Embedding sustainability in product design is a strategic opportunity for AFL and our customers, and is integral to our [SAFER®](#) campaign approach. Understanding and addressing customer use cases related to sustainability is critical to our partnerships and collective responsibility to the environment.

In FY2023, we began expanding our Life Cycle Assessment (LCA) tool functionalities to evaluate the GHG footprint of our products across the entire lifecycle, from raw material extraction, manufacture of raw material, transportation to AFL, and AFL manufacture. Building on our existing tool, developed in partnership with consultants and aligned with ISO 14040/14044 standards, this work helps us to improve the accuracy of our Scope 3 raw material carbon footprint data, as well as target suppliers for engagement. The tool may also provide insight as to opportunities for regional sourcing, particularly for welded products as our Connectivity footprint grows, which would reduce transportation impacts. While our initial tool was piloted for our Wrapping Tube Cable family of products, the expanded functionality will allow us to tailor inputs to be more broadly relevant across most product families including Connectivity.

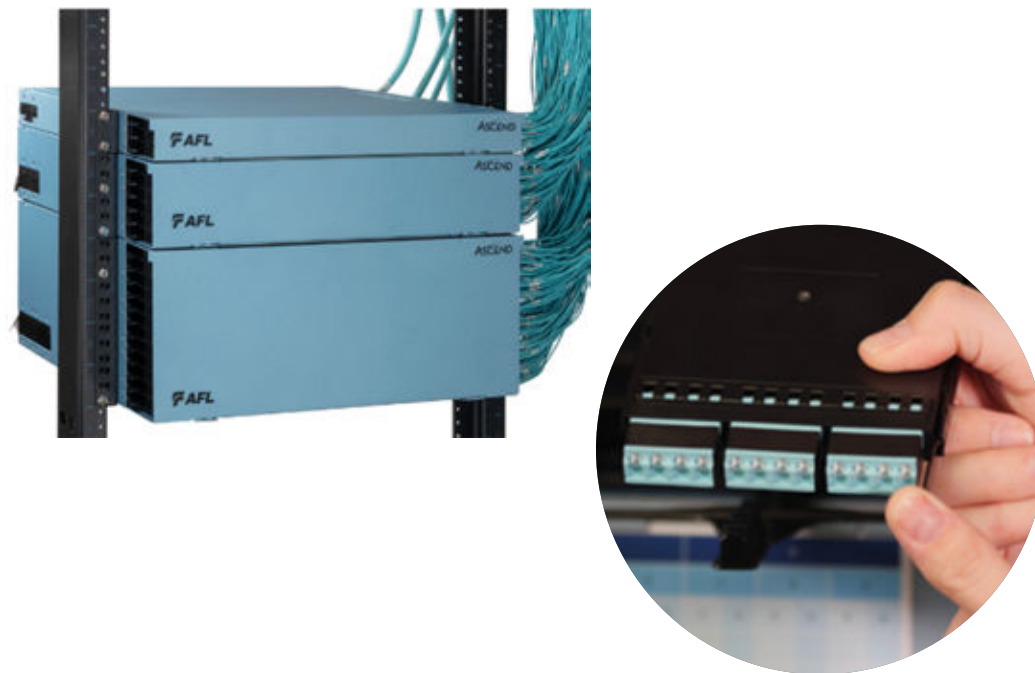
Additionally, our Connectivity business has been developing process guidance, including defining stage gates and key considerations, to incorporate sustainability into the new product development (NPD) process. The NPD process goes beyond design to also consider supply chain, logistics, and inventories.



AFL Solutions Enable Extension of Product Lifecycle, Enhancing Sustainability

Modular Connectivity Solutions for Data Center Network Design

AFL's [Modular Connectivity Solutions](#), including [ASCEND® Platform Products](#), are designed to extend the lifecycle of data center networks by allowing for easy component upgrades and reuse over multiple technology iterations, minimizing the need for premature replacements. This adaptability enhances network performance while promoting a more sustainable approach to managing data center growth and technology evolution.

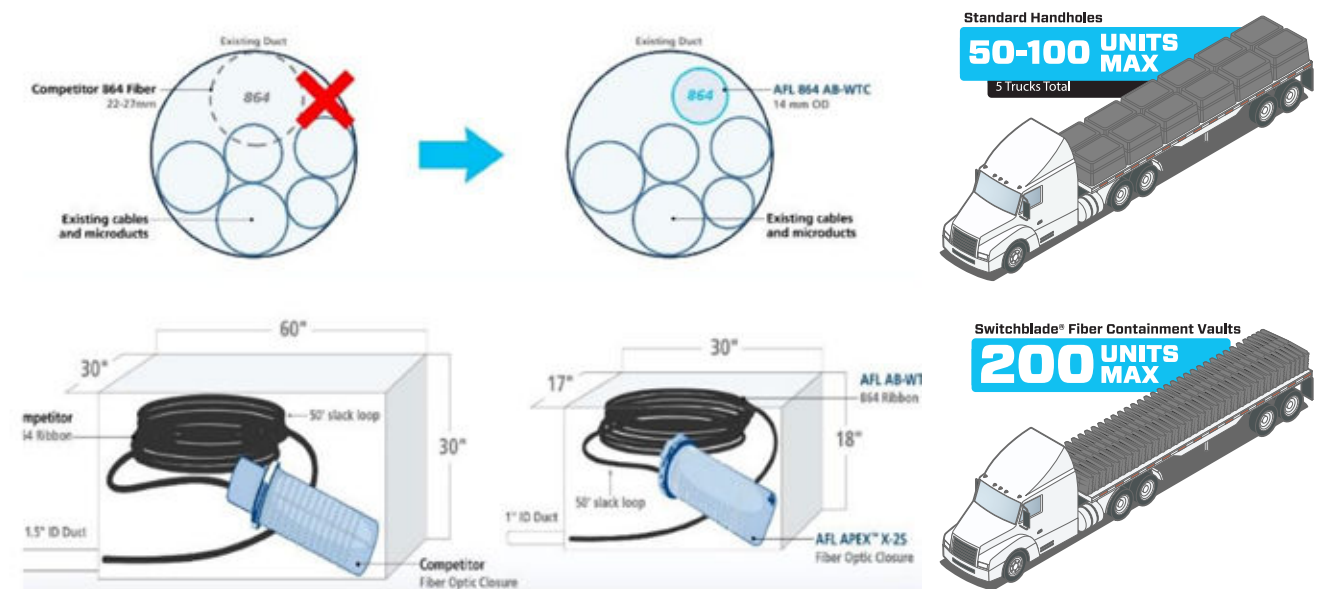


Ultra Dense Cable, Ultra Dense Closure and Collapsible Vault for Access Networks

Apex® Sealed Fiber Optic Splice Closure paired with AFL's high-density MicroCore® cable and Wrapping Tube Cable (WTC) with SpiderWeb Ribbon® (SWR®) provides a compact solution that can extend the lifecycle of access networks.

Apex's modular, re-enterable setup allows for network expansion and additional connections without major rebuilds. High-density cables are more likely to fit existing pathways, thereby lowering construction energy use and material consumption to build new ones.

These compact solutions are complementary with the collapsible, lightweight [Switchblade® Fiber Containment Vault](#), all of which can maximize truck space and reduce truck rolls thereby enhancing transportation sustainability and efficiency.





Waste Management

AFL generates waste primarily in our manufacturing facilities during production. Our target is to achieve a 5% landfill intensity reduction by FY2027 from an FY2022 baseline, and we have already created expectations around waste diversion to progress on that goal. In FY2023, approximately 63% of our waste was sent for reuse or recycling.

We work on avoiding waste generation in our operations in standard processes. For example, in our Conductor Accessories business unit, we use collapsible yet durable containers to send scrap castings (478 in FY2023) for remelting at our foundry, then return castings to manufacturing sites for finishing. We've partnered with a supplier to use heavy-duty containers to ship steel eyes as well as store them for our inventory. These containers can be reused almost indefinitely, thus avoiding waste from using the more ubiquitous wooden pallets and crates that are not as long-lasting. As much as possible, we reuse packaging including crates, cardboard, and gaylords.



We're also tackling scrap waste on multiple fronts. In FY2023, we cut aluminum flash scrap by a third with new tooling, as well as implemented extrusion process efficiencies such as fixture redesign that result in more parts per fixture.

Once scrap has been generated, we work to avoid it from being sent to landfill. Currently, scrap aramid fiber is collected and either sent to be spliced for reuse or sent for recycling as an input to other products; in FY2023, over 79,800 kg of aramid were reused or recycled, resulting in an estimated 742 mtCO₂e of emissions avoided.*

As part of the [AME Program](#), a plastic/PBT scrap reduction project with associated reduction goals was launched at our 112 Hidden Lake facility. In partnership with the sustainability team, a dashboard was created to quantify the scrap reductions and resulting emissions avoidance due to not needing to purchase as much raw material compound on the front end. The analysis projected an avoidance of 219 mtCO₂e in FY2023. Incorporating CO₂e emissions tracking systems and dashboards at the line level improves transparency and helps operations teams better understand how their efforts to increase process efficiency are having a positive impact on the environment.

We also participate in a program to send back HDPE plastic packaging material to a supplier for reuse and recycling. In FY2023, over 379,129 kg of plastic were returned to the supplier; assuming 75% of this material was reused, the program avoided approximately 898 mtCO₂e of CO₂e of emissions.* Looking forward, we will continue exploring opportunities such as these to divert our waste from landfills.

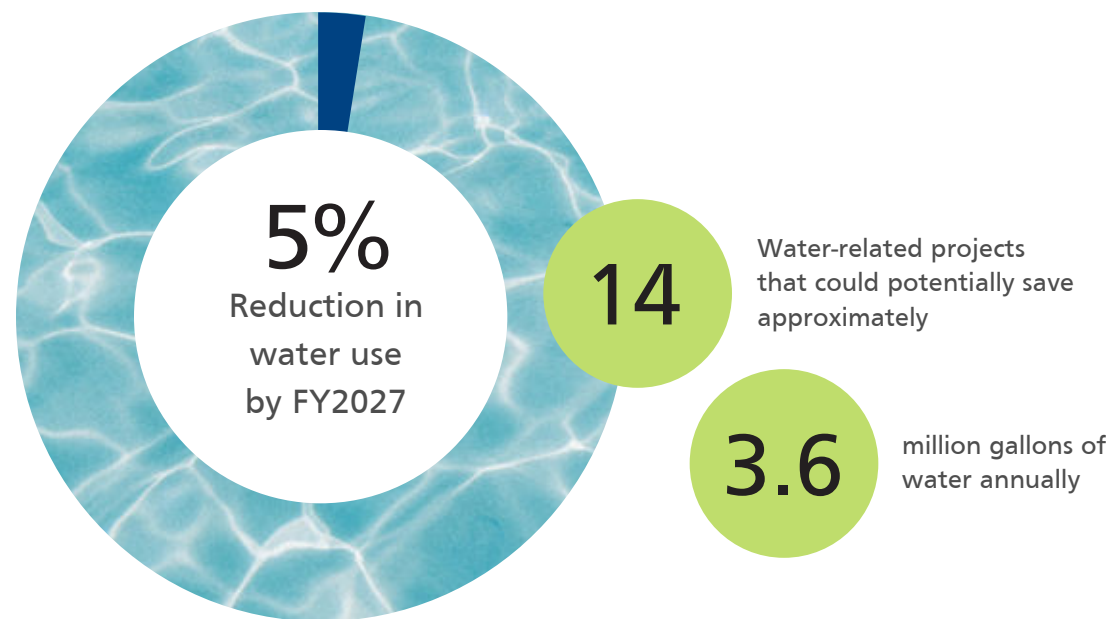
Our Industrial Waste and Hazardous Waste Programs and policies provide guidelines to characterize our waste streams, how to store them properly, identify recycling opportunities or other means for proper disposal, as well as how to ship the waste for disposal. These policies are aligned with regulations in the regions where we operate to ensure compliance.

*Emission factor sourced from ecoinvent v3.10. Due to the complexity in allocating burdens of recycled materials, avoidance calculations are estimates and considered representative.

Water Conservation

AFL primarily uses industrial water for cooling manufactured cable. To address our water consumption, we set a target to reduce water use intensity 5% by FY2027 from an FY2022 baseline. Though our [Energy Treasure Hunts](#) were just launched in FY2023, they are already reaping benefits – the six hunts identified 14 water-related projects that could potentially save approximately 3.6 million gallons of water annually, of which 13 have already been implemented.

Underscoring our efforts to reduce water use, we must maintain regulatory compliance. Supplementing our broader environmental policies, we abide by specific policies for wastewater and stormwater to meet regulations and minimize potential liability for water leaving our sites.



AFL: Consolidated Report Appendices

Environmental Metrics

MT = Metric ton*

Climate ¹	Units	FY2022	FY2023
Scope 1	MT CO ₂ e	11,898	11,219
Scope 2 – Location based	MT CO ₂ e	16,649	14,927
Scope 2 - Market based	MT CO ₂ e	16,460	17,000
Total Scope 1 & 2 (Market Based)	MT CO ₂ e	28,358	28,219
Scope 3 - Total	MT CO ₂ e	421,188	393,307
Category 1 – Purchased goods and service	MT CO ₂ e	314,306	308,192
Category 2 – Capital goods	MT CO ₂ e	15,947	9,905
Category 3 – Fuel- and energy related activities	MT CO ₂ e	9,502	7,610
Category 4 – Upstream transportation and distribution	MT CO ₂ e	30,689	30,403
Category 5 – Waste generated in operations	MT CO ₂ e	2,656	2,363
Category 6 – Business travel	MT CO ₂ e	2,649	3,566
Category 7 – Employee commuting	MT CO ₂ e	14,521	6,778
Category 9 – Downstream Transportation	MT CO ₂ e	14,980	12,809
Category 12 - End of life treatment of sold products	MT CO ₂ e	5,308	3,118
Category 15 - Investments	MT CO ₂ e	10,631	8,563
Scope 3 (percent of Scope 1, 2 & 3)	%	93.7%	93.3%
Total Value Chain (Scope 1, 2 & 3)	MT CO ₂ e	449,546	421,526

Climate ¹	Units	FY2022	FY2023
Energy Usage			
Total Energy Use	MWh	103,760	97,447
Fossil Fuels (natural gas, propoane, oil, diesel, gasoline)	MWh	52,358	48,919
Purchased Electricity	MWh	51,202	48,402
Municipal Steam	MWh	172	100
Renewable Electricity (Onsite Generation)	MWh	28	26
Water Withdrawal			
Water Usage	m ³	51,448	57,921
Municipal Supply (potable & grey water)	m ³	39,772	45,577
Groundwater	m ³	11,676	12,344
Waste			
Total Waste Generated	MT	12,759	9,581
Recycled/Reused	MT	8,313	5,552
Landfill	MT	4,445	3,512
Waste to Energy	MT	N/A ³	515
Combustion/Incineration	MT	1	2
Waste Diversion Rate	MT	65%	63%

¹ Emission impacts were calculated in accordance with WRI/WBCSD's Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard and the Corporate Value Chain Standard. All relevant AFL operations and greenhouse gases (i.e. CO₂, CH₄, N₂O, HFCs) are included in the emissions calculations. CO₂e has been quantified based on GWPs published in IPCC's 6th Assessment Report (AR6). Scope 1 emissions include impacts from fuels used in all AFL owned or operated buildings and company owned or operated vehicles. Fossil fuel emissions and energy are primarily associated with AFL fleet fuel usage. AFL uses a hybrid approach to estimate Scope 3 emissions from our value chain, using both unit-based and spend-based accounting methodologies according to best available data. Scope 3 categories 8, 10, 11, 13, and 14 (upstream leased assets, processing of sold products, use of sold products, downstream leased assets, and franchises, respectively) are not applicable to AFL.

² Inclusive of hazardous and non-hazardous waste generated in global operations. This includes actual waste tracked and waste estimated at facilities that do not track waste volumes.

³ Waste to energy reported within Recycled/Reuse total in FY2022

FY2023 Employee Data

*Data as of end of FY2023: March 31, 2024

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Permanent							
Region	Female	%	Male	%	Other	%	Total
Australia	49	32%	101	67%	1	1%	151
Canada	111	23%	367	77%	0	0%	478
Asia	42	67%	21	33%	0	0%	63
Germany	9	8%	99	90%	2	2%	110
Mexico	2374	75%	772	25%	1	0%	3147
Poland	51	2%	12	0%	4	0%	67
UK	76	38%	126	62%	0	0%	202
US	563	23%	1845	62%	2	0%	2410
Total	3275		3343		10		6628

Temporary						
Female	%	Male	%	Other	%	Total
3	33%	5	56%	1	11%	9
2	25%	6	75%	0	0%	8
0	0%	0	0%	0	0%	0
2	29%	4	57%	1	14%	7
0	0%	0	0%	0	0%	0
0	0%	0	0%	0	0%	0
0	0%	0	0%	0	0%	0
7	32%	15	68%	0	0%	22
14		30		2		46

Staffing Agencies
Other
0
0
0
3
0
0
0
50
53

Full time							
Region	Female	%	Male	%	Other	%	Total
Australia	48	32%	100	67%	1	1%	149
Canada	112	23%	369	77%	0	0%	481
Asia	41	65%	22	35%	0	0%	63
Germany	8	7%	101	91%	2	1%	111
Mexico	2374	75%	772	25%	1	0%	3147
Poland	51	2%	12	0%	4	0%	67
UK	71	37%	123	63%	0	0%	194
US	559	23%	1838	77%	2	0%	2399
Total	3264		3337		10		6611

Part Time						
Female	%	Male	%	Other	%	Total
4	36%	6	55%	1	0%	11
1	20%	4	80%	0	0%	5
0	0%	0	0%	0	0%	0
3	50%	2	33%	1	17%	6
0	0%	0	0%	0	0%	0
0	0%	0	0%	0	0%	0
6	75%	2	25%	0	0%	8
11	33%	22	67%	0	0%	33
25		36		2		63

Region	# Hires	Turnover %
Australia	33	14%
Canada	65	22%
Asia	14	15%
Germany	16	10%

Region	# Hires	Turnover %
Mexico	4583	127%
Poland	79	36%
UK	21	23%
US	617	22%



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Task Force on Climate-related Financial Disclosures (TCFD) Alignment

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Disclosure	Response
Governance:	
Describe the board’s oversight of climate-related risks and opportunities	<p>AFL’s Executive Committee consists of the President & CEO, CFO, EVP & General Counsel, and Vice Chairman. The Executive Committee oversees and approves AFL’s Corporate Responsibility program comprising social, governance, and environmental issues including climate.</p> <p>ESG Materiality and Program Governance</p>
Describe management’s role in assessing and managing climate-related risks and opportunities	<p>AFL’s ESG Committee consists of multi-departmental representatives, charged with overseeing Corporate Responsibility program including reviewing and guiding strategy, and setting and monitoring progress towards targets. The ESG Committee meets quarterly and presents updates on the progress of Corporate Responsibility program goals and objectives to the Executive Committee, enabling their communication of this information to the Board.</p> <p>In 2022, AFL with the support of an external consultant conducted a materiality assessment to identify the ESG topics that matter the most to AFL’s business and stakeholders. Based on the results, AFL developed strategic midterm plans including goals, objectives and targets to address ESG risks including those related to climate, which were approved by the Executive Committee in April 2023.</p> <p>ESG Materiality and Program Governance</p>
Strategy:	
Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	<p>AFL has identified medium-term climate-related risks including current and emerging regulation and climate related standards within the countries we operate; these increasing requirements could increase our operating costs to maintain compliance. Additionally, market and reputational risks related to changing customer behavior, such as increasing requests and requirements related to climate and target-setting, can also increase our operating costs as well as impact our revenues by reduced demand for our products should we not respond to their requirements.</p> <p>Many of these also represent opportunities for AFL. Investing in the climate transition, such as reducing building and fleet energy consumption, will help us manage bottom line costs and carbon emissions. Additionally, reducing the impacts of our products can help us partner with our customers for mutual benefit, and help them achieve their own carbon reduction targets.</p>



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Disclosure	Response
<p>Strategy:</p>	
<p>Describe the impact of climate-related risks and opportunities on the organization’s business, strategy and financial planning</p>	<p>Climate-related risks and opportunities have impacted all facets of AFL’s business and strategy, from operations to R&D and evolving our products and services, to our supply chain engagement approach.</p> <p><u>Overall Strategy</u></p> <p>AFL’s SAFER® solution requires collaboration across the company to successfully implement. SAFER is composed of five key characteristics of our products – Sustainability, Accessibility, Flexibility, Expandability, and Reliability. These aspects complement each other by aiming to increase the lifespan of products by building with growth in mind and minimizing obsolescence, while simultaneously reducing the products’ environmental footprint and enabling our participation in the circular economy.</p> <p><u>Operations</u></p> <p>A focal point of AFL’s actions has been our commitment to reduce our carbon emissions in line with Science-Based Targets initiative guidance. AFL has also committed to an objective across global operations to pursue renewable and clean energy strategies.</p> <p><u>Research and Development; Products and Services</u></p> <p>AFL is implementing actions that can reduce our emissions through our products and services and Research and Development processes. We utilize a comprehensive, standardized Life Cycle Assessment (LCA) tool aligned with ISO 14040/14044 for our cable product portfolio to evaluate potential carbon footprint impacts throughout the product lifecycle and are expanding the tool to be used more broadly across product families. Additionally, we are evaluating the feasibility of using LCA analyses to inform our new product design phase. We also continually identify opportunities to reduce packaging material, especially virgin single use plastic, and improve returnability and recyclability.</p> <p><u>Supply Chain</u></p> <p>Purchased goods and services from suppliers make up the largest contribution to AFL’s Scope 3 emissions. Accordingly, and to meet our Scope 3 emissions reduction target, AFL’s initial focus is engaging the top 80% by spend of our suppliers that support AFL’s cable manufacturing business unit to reduce Scope 3 GHG emissions within the value chain.</p> <p><u>Financial Planning</u></p> <p>OPEX and CAPEX: AFL’s Energy Efficiency/CO2 Reduction Projects policy establishes rules of practice and procedures for application and disbursement of funding for Energy Efficiency and CO2 Reduction projects to support our carbon emissions reduction targets. The policy works in conjunction with existing capital expenditure policies and serves as a method for inclusion into fiscal year business planning.</p> <p><u>Environment</u></p>
<p>Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario</p>	<p>AFL has not conducted climate scenario analysis and transition planning to evaluate and plan for the resilience of our business strategy. As our program grows, we will evaluate opportunities to undertake this work.</p>



Disclosure	Response
Risk Management:	
Describe the organization’s processes for identifying and assessing climate-related risks	<p>In 2022, AFL conducted our first materiality assessment to identify the ESG topics that matter the most to our company and stakeholders, including our parent company Fujikura, the communities in which we operate, our customers, and our employees. The process involved benchmarking peers and engaging multiple AFL stakeholders for endorsement, ultimately leading to approval from our Executive Committee. Through this assessment, five key environmental issues of concern were identified as posing risks to AFL if not addressed: Greenhouse Gas Emissions, Operational Energy, Waste Management, Water Conservation, and Circular Economy & Raw Material Efficiency. Risks and opportunities were identified through disclosure to platforms including CDP, recommendations from reputable consulting organizations, and through engaging with networking groups aligned with these material issues.</p> <p>Since reporting year 2020, AFL annually discloses to CDP Climate Change Questionnaire and EcoVadis. AFL conducts an annual corporate-wide greenhouse gas inventory in accordance with the Greenhouse Gas Protocol. With feedback from disclosure platforms, and analysis of hot spots within our greenhouse gas inventory, AFL assesses gaps and areas of risk and opportunity to leverage in program planning.</p> <p>In 2022, AFL became partners with the Environmental Protection Agency’s (EPA) ENERGY STAR® program and joined other sustainability professional networking organizations including Sustain South Carolina and Fiber Broadband Association’s Sustainability Working Group, through which we stay up to date with peer trends and legal obligations related to climate change risks and opportunities.</p> <p>AFL stays in communication with multiple consulting organizations to stay abreast of new and pending climate-related regulations that may impact AFL.</p> <p>Finally, AFL responds to an increasing number of customer inquiries on the status of the Corporate Responsibility program. These requests are catalogued for reference in program planning, to ensure consideration of market risks.</p>
Describe the organization’s processes for managing climate-related risks	<p>Based on the results of our materiality assessment, AFL developed strategic midterm plans including goals, objectives and targets to address environmental social and governance risks, which were approved by the Executive Committee in April 2023.</p> <p>The ESG Committee, comprised of multi-departmental representatives, oversees the Corporate Responsibility program and advises AFL’s leadership team on our ESG strategy and performance. This includes the management of climate-related risks, such as reviewing and guiding strategy and setting and monitoring progress towards targets.</p>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	<p>Our ESG Committee, with the support of four dedicated associates comprising the ESG Core team, is part of the ongoing risk management process related to climate change. Through initiatives such as our 2022 materiality assessment and investment in our climate transition approach, the ESG Core team is continually staying informed as to potential climate-related risks and opportunities in partnership with external consultants with the relevant subject matter experience. Potential risks are shared with the ESG Committee during its quarterly meetings, which are then shared with the Executive Committee, who has final oversight over AFL’s risk management program. The Executive Committee supports ongoing risk management and communication to the Board as appropriate.</p>
Metrics and Targets:	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>AFL currently prioritizes the use of GHG emissions, energy, waste, and water metrics to assess climate-related risks and opportunities, in line with the results of our materiality assessment. As we strengthen our program, we will consider additional metrics including transitional and physical risk metrics that can support our climate transition planning.</p>
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<p>Our FY2023 Emissions are as follows: Scope 1: 11,219 mt CO₂e / Scope 2 (market based): 17,000 mt CO₂e / Scope 3: 393,307 mt CO₂e</p> <p>Reducing Greenhouse Gas (GHG) Emissions Environmental Metrics</p>
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<p>AFL’s climate-related targets are as follows:</p> <ul style="list-style-type: none"> • Reduce absolute Scope 1 and 2 (market based) GHG emissions by 50.4% by FY2032 from a baseline of FY2022 • Reduce absolute Scope 3 GHG emissions from *relevant categories (*purchased goods and services, fuel and energy related activities, and upstream transportation & distribution) by 30% by FY2032 from a baseline of FY2022 • Reduce energy intensity by 10% by FY2027 from a baseline of FY2022 <p>Reducing Greenhouse Gas (GHG) Emissions</p>

SASB: Electronic Manufacturing Services

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Topic	Accounting Metric	Code	Disclosure
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	TC-ES-140a.1	Environmental Metrics AFL has not yet evaluated our operations to determine regions with water stress; we plan to conduct a water risk assessment in the future.
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	TC-ES-150a.1	Environmental Metrics Less than 0.5% of waste generated by AFL is classified as hazardous.
Labor Practices	(1) Number of work stoppages and (2) total days idle	TC-ES-310a.1	AFL did not experience any work stoppages in FY2022.
Labor Conditions	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	TC-ES-320a.1	TRIR: 1.13 NMFR: 1.89
	Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	TC-ES-320a.2	AFL does not currently audit suppliers in the RBA Validated Audit Process (VAP) or equivalent.
	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	TC-ES-320a.3	AFL does not currently audit suppliers in the RBA Validated Audit Process (VAP) or equivalent.
Product Lifecycle Management	Weight of end-of-life products and e-waste recovered; percentage recycled	TC-ES-410a.1	Circular Economy and Raw Material Efficiency AFL does not have take-back programs for products to determine product end of life weight, e-waste recovered or amount recycled. We currently calculate returns of steel reels; in FY2023 1,559 steel reels were returned with an estimated weight of 404.7 metric tons.
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-ES-440a.1	AFL has established procedures and processes to identify and audit critical suppliers. Formal supplier audits are completed to assess/quantify risk and drive continuous improvement and ensure effective risk management.

Activity Metric	Code	
Number of manufacturing facilities	TC-ES-000.A	13
Area of manufacturing facilities	TC-ES-000.B	231,568 square meters
Number of employees	TC-ES-000.C	FY2023 Employee Data Permanent employees as of year-end FY2023 (March 31, 2024): 6,628



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GRI Content Index

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Statement of use	AFL has reported the information cited in this GRI content index for the period FY2023 (April 2023 to March 2024) with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	REQUIREMENTS/LOCATION(S)
GRI 2: General Disclosures 2021	2-1 Organizational details	<ul style="list-style-type: none"> a. America Fujikura Ltd. b. Ownership and legal form: Wholly-owned subsidiary of Fujikura Ltd. of Japan c. Headquarters: 170 Ridgeview Center Drive, Duncan, SC 29334 d. Countries of operation: Australia, Canada, China, Germany, Hong Kong, India, Mexico, New Zealand, Poland, Singapore, United Kingdom, United States
	2-2 Entities included in the organization’s sustainability reporting	<ul style="list-style-type: none"> a. All entities under AFL’s operational control are included in our sustainability reporting. b. As a privately-held company, our financial information is not publicly reported. c. The information disclosed in this report is consolidated under the operational control approach.
	2-3 Reporting period, frequency and contact point	<p>About this Report</p> <ul style="list-style-type: none"> a. This report reflects information from FY2023 (April 2023 - March 2024) unless otherwise stated. We intend to publish reports annually. b. Our financial information is compiled on the FY basis, aligned with this report. c. This report was published in October 2024. d. AFLSustainability@aflglobal.com
	2-4 Restatements of information	No restatements of information from previous reporting periods are being made.
	2-6 Activities, value chain and other business relationships	Link to: About AFL
	2-7 Employees	<p>FY2023 Employee Data</p> <p>While no significant fluctuations occurred during or between reporting periods, the nature of the business in Mexico may cause as much as a 10% difference from month to month. Please note that Poland is a start-up operation.</p>
	2-8 Workers who are not employees	<p>FY2023 Employee Data</p> <p>Workers hired from staffing agencies perform the same work as permanent employees and are almost always full-time manufacturing operators. At times, AFL hires them permanently depending on the business need and their performance. The contracts are with the staffing agencies. AFL reports these workers as full-time equivalents at the end of each month. Between months, the number of workers hired from staffing agencies can change as much as 50%, according to AFL’s need to manage business fluctuations.</p>
	2-9 Governance structure and composition	<p>Link to: Leadership Team (data reflects leadership as of the report’s publish date)</p> <p>Link to: Corporate Responsibility</p> <p>AFL’s Executive Committee consists of the President & CEO, CFO, EVP & General Counsel, and Vice Chairman. The Executive Committee oversees and approves AFL’s Corporate Responsibility program including social, governance, and environmental issues.</p>
	2-10 Nomination and selection of the highest governance body	The Nominating and Governance Committee nominates candidates for AFL’s board of directors using a process that prioritizes relevant qualifications, qualities, skills, and other expertise required to be a director and to develop and recommend to the Board for its approval criteria to be considered in selecting nominees for director.



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GRI STANDARD	DISCLOSURE	REQUIREMENTS/LOCATION(S)
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	<p>Link to: Leadership Team</p> <p>AFL’s Chairman also holds the role of President & CEO of Fujikura Ltd. headquartered in Tokyo, Japan. AFL’s Executive Committee consists of the President & CEO, CFO, EVP & General Counsel, and Vice Chairman.</p>
	2-12 Role of the highest governance body in overseeing the management of impacts	In accordance with AFL’s bylaws, “the powers of the corporation shall be exercised, its business conducted and its property controlled by or under the direction of the Board of Directors.”
	2-13 Delegation of responsibility for managing impacts	Link to: AFL Corporate Responsibility Our ESG Priorities
	2-14 Role of the highest governance body in sustainability reporting	Link to: AFL Corporate Responsibility ESG Materiality and Program Governance
	2-15 Conflicts of interest	Link to: AFL Code of Conduct Business Integrity and Ethics
	2-16 Communication of critical concerns	<p>Link to: AFL Code of Conduct Business Integrity and Ethics</p> <p>A member of the Compliance Committee is designated to report to the Executive Committee quarterly Compliance updates which include metrics and information about the reporting channels.</p>
	2-17 Collective knowledge of the highest governance body	Designated AFL staff educates the Executive Committee on material Corporate Responsibility matters on a quarterly basis, and ad hoc as important matters arise.
	2-18 Evaluation of the performance of the highest governance body	AFL does not currently have processes in place to evaluate leadership’s oversight of AFL’s ESG impacts. Currently, a report is delivered to the Executive Committee regarding status of objectives and impacts of the overall Corporate Responsibility program; while some evaluations are made with the support of independent consultants, the majority of evaluations are conducted internally at AFL.
	2-19 Remuneration policies	<p>a. For senior executives, AFL benchmarks jobs using salary surveys for both fixed and variable pay to use as a guideline. If hiring a new executive, AFL also considers their current salary and long-term incentive stock or payment to inform potential salaries and sign-on bonuses as appropriate. Termination payments are based upon country regulation. Absent country regulation, AFL follows internal procedure to determine how much, if any, termination pay will be paid. There are no special or unique retirement benefits. A newly formed compensation committee reviews and recommends remuneration increases for the Executive Committee (the highest governance body).</p> <p>b. Performance is considered; however, currently there are no metrics around ESG.</p>
	2-20 Process to determine remuneration	AFL uses external salary surveys as described in 2-19, as well as an internal grade/salary structure. As stated in 2-19, AFL’s newly formed compensation committee will recommend remuneration for the Executive Committee and the recommendation will be taken to the Board of Directors for approval.
2-21 Annual total compensation ratio	This information is confidential.	
2-22 Statement on sustainable development strategy	Message from our CEO	
2-23 Policy commitments	<p>Link to: AFL Code of Conduct Business Integrity and Ethics</p> <p>AFL maintains a policy library and policy campaign tool in order to request attestation from employees for key policies.</p>	

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GRI STANDARD	DISCLOSURE	REQUIREMENTS/LOCATION(S)
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Link to: AFL Code of Conduct Business Integrity and Ethics
	2-25 Processes to remediate negative impacts	Link to: AFL Code of Conduct Business Integrity and Ethics
	2-26 Mechanisms for seeking advice and raising concerns	Link to: AFL Code of Conduct Business Integrity and Ethics
	2-27 Compliance with laws and regulations	Link to: AFL Code of Conduct Regulatory and Legal Compliance AFL reports on the status of Ethics and Compliance program using the "Compliance Dashboard" which includes metrics related to hotline reports, investigation status, fines/penalties imposed. This information is shared with the Executive Committee, senior leaders and our parent company.
	2-28 Membership associations	Link to: Affiliations
	2-29 Approach to stakeholder engagement	ESG Materiality and Program Community Involvement and Partnership
	2-30 Collective bargaining agreements	As of FY2023, 0% of workers are covered by collective bargaining agreements. Approximately 43% of our total population are covered by workers' councils in Mexico and Germany, which pose an opportunity for workers to be represented in a group akin to those that facilitate agreements (e.g. unions). For other countries, we follow the law and regulations for working conditions.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Link to: AFL Corporate Responsibility Our ESG Priorities
	3-2 List of material topics	Link to: AFL Corporate Responsibility Our ESG Priorities There are no changes to disclose from the previous reporting year.
	3-3 Management of material topics	Link to: AFL Corporate Responsibility Our approach to managing each material topic is described throughout this report.
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Task Force on Climate-related Financial Disclosures (TCFD) Alignment
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance and Risk Management Regulatory and Legal Compliance Internal Audit also conducts a quarterly fraud risk survey.
	205-2 Communication and training about anti-corruption policies and procedures	Link to: AFL Code of Conduct Business Integrity and Ethics Anti-corruption training provided in FY2022: 742 employees, 1 hour each. In FY2023, the topic was covered in our Code of Conduct training.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	AFL did not have any legal actions regarding anti-competitive behavior during the reporting period.



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GRI STANDARD	DISCLOSURE	REQUIREMENTS/LOCATION(S)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Metrics
	302-4 Reduction of energy consumption	Scope 1 and 2 Emissions: Focus on Operational Energy Efficiency
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Conservation
	303-2 Management of water discharge-related impacts	Water Conservation
	303-3 Water withdrawal	Environmental Metrics
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Metrics
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Metrics
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Metrics
	305-5 Reduction of GHG emissions	Scope 1 and 2 Emissions: Focus on Operational Energy Efficiency In FY2023, AFL implemented five projects estimated to reduce emissions by 5,077 mt CO ₂ e.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	Waste Management
	306-3 Waste generated	Environmental Metrics
	306-4 Waste diverted from disposal	Environmental Metrics
	306-5 Waste directed to disposal	Environmental Metrics
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Procurement and Secure Supply Chain
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	FY2023 Employee Data Data is currently not tracked by gender or age. Mexico turnover is caused by rapid changes in the business, which is the nature of the business, that can fluctuate as much as 10% from month to month.



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GRI STANDARD	DISCLOSURE	REQUIREMENTS/LOCATION(S)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Safety
	403-3 Occupational health services	Employee Health and Safety AFL's Occupational Medicine Policy at certain sites describes AFL's approach to providing professional and competent medical treatment and health screening.
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety
	403-5 Worker training on occupational health and safety	Employee Health and Safety Relevant training is determined based on regulations and job function. All new hires receive training and orientation for safety. Training varies by job function including job shadowing, online, and hybrid. Training addresses AFL's general approach to occupational health and safety as well as specific work-related hazards and actions including fire extinguisher, forklift, first aid, lockout/tagout, bloodborne pathogens, CPR, personal protective equipment, fall protection, and driver safety.
	403-6 Promotion of worker health	Attracting and Retaining Top Talent
	403-8 Workers covered by an occupational health and safety management system	Employee Health and Safety Link to: EHS Policy and Principles AFL's safety program covers all AFL associates, temporary associates, contractors, and visitors.
	403-9 Work-related injuries	Employee Health and Safety
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Attracting and Retaining Top Talent
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	AFL's Leadership Team reflects the following diversity indicators: Gender: 25% female, 75% male / Race: 14% Japanese, 86% white /Age: 81% over 50 years old; 19% 30-50 years old
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Procurement and Secure Supply Chain
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Link to: FY23 AFL Slavery and Human Trafficking Statement Responsible Procurement and Secure Supply Chain
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Link to: Community Community Involvement and Partnership
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Link to: FY23 AFL Slavery and Human Trafficking Statement Link to: Supplier Code of Conduct Responsible Procurement and Secure Supply Chain
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In FY2023, AFL received zero substantiated complaints concerning breaches of customer privacy, including from outside parties and from regulatory bodies. There were zero identified leaks, thefts or losses of customer data.



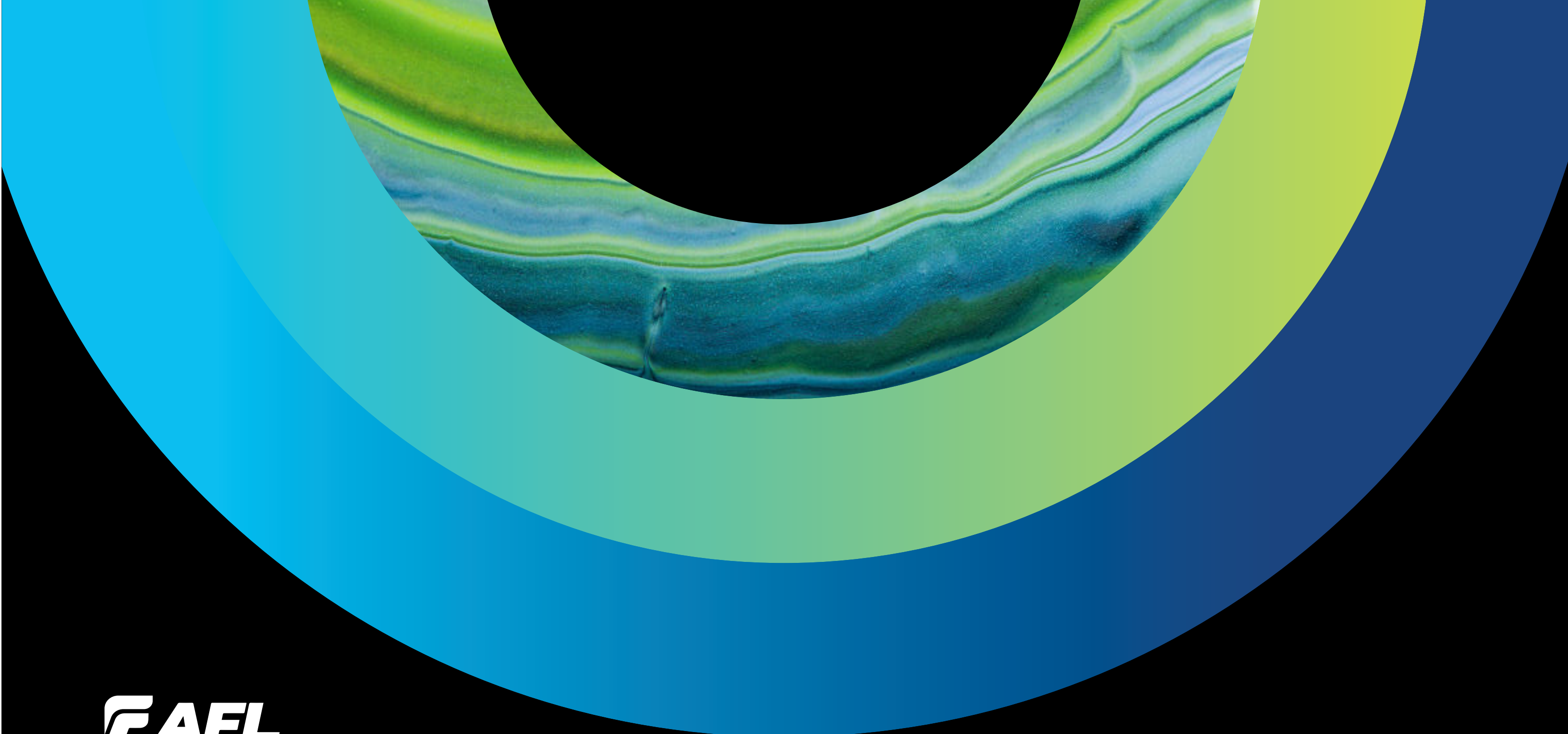
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About this report

AFL is pleased to publish our second annual ESG report describing our commitment to responsible and sustainable business practices. AFL’s ESG committee is responsible for overseeing the development of the company’s annual ESG report and responding to stakeholder requests, with input and oversight from key leadership and subject matter experts across the company. This report is publicly available electronically on AFL’s [Corporate Responsibility page](#). Please direct questions related to this report and its contents to AFLSustainability@aflglobal.com.

Unless otherwise stated, this report covers AFL’s fiscal year 2023 (April 1, 2023 – March 31, 2024) and 100% of the operations of AFL, a wholly-owned subsidiary of Fujikura Ltd. of Japan, with operations in the US, Mexico, Canada, Europe, Asia, Australia, and New Zealand. Our report references the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD) Standards and recommendations. AFL’s intention is to publish annual ESG reports communicating our progress and performance.



**Corporate Responsibility Report
FY2023**

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