

Basic CSR Procurement Policy

The KOBELCO Group will fulfill KOBELCO's Mission of providing "solutions to the needs of society, by making the best use of the talents of our employees and our technologies" in order to realize, together with stakeholders, "a world in which people, now and in the future, can fulfill their hopes and dreams while enjoying safe, secure, and prosperous lives," which is KOBELCO's View of the Future stated in the Group's corporate philosophy.

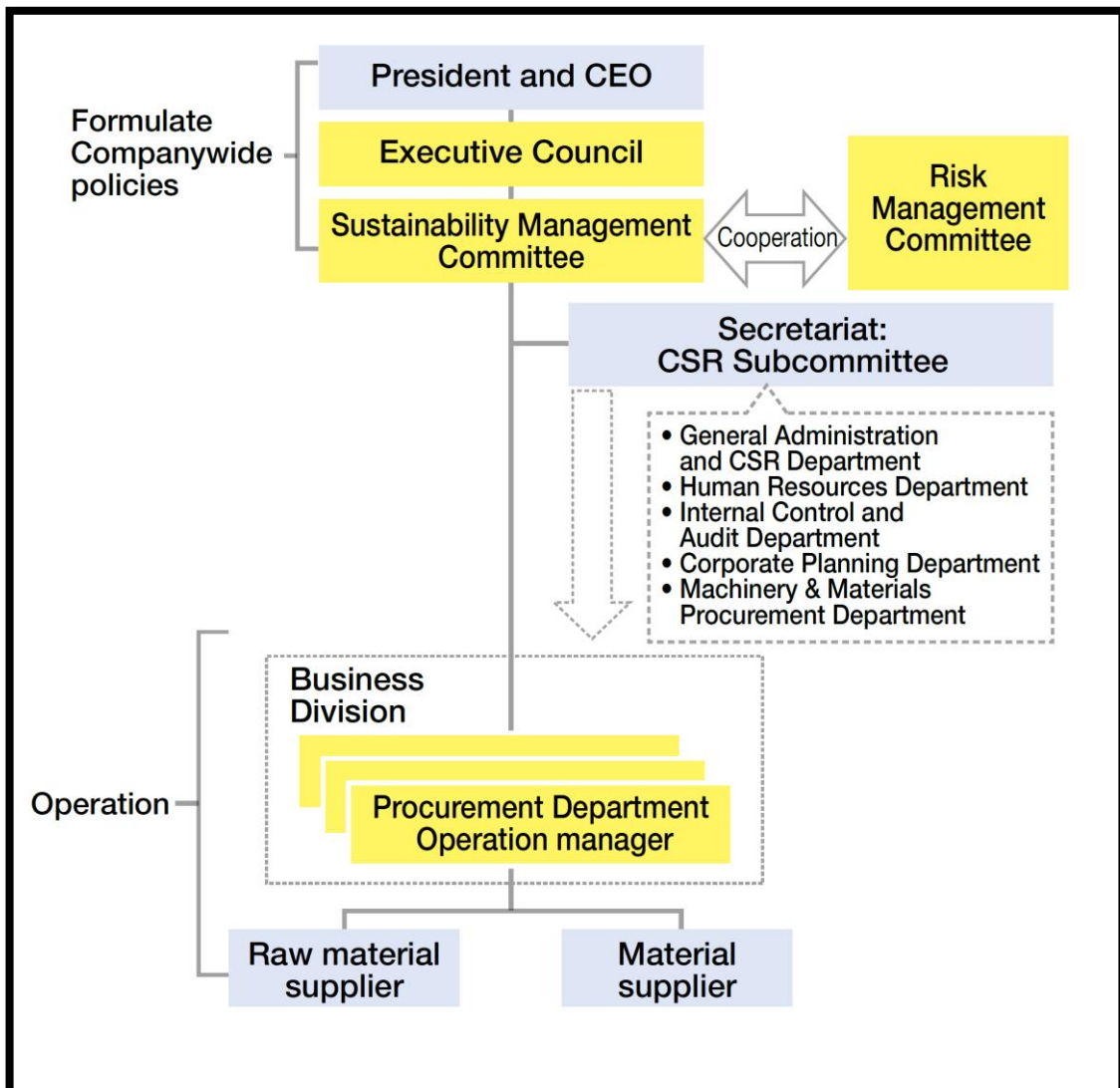
1. Basic Approach

- (1) Our company's procurement departments will conduct their activities based on the following basic procurement policies.
 - i. Compliance with laws, regulations and other social norms
 - 1) In conducting purchasing operations, we will comply with relevant domestic and overseas laws, social norms, and internal regulations.
 - 2) The person in charge of procurement has no private benefit in any business partner.
 - 3) We never have any relationship with antisocial forces and organizations that threaten the order and security of civil society and will not respond to illegal or unjust demands.
 - ii. Fair and impartial transactions
Purchasing operations shall be conducted based on reasonable standards, such as quality, delivery time and price, and shall be available to the public both in Japan and abroad.
 - iii. Coexistence with the global environment through procurement
When conducting purchasing operations, we will pay attention to social conditions and demands, and give due consideration to environmental protection, resource protection, etc.
 - iv. Strengthen partnerships with business partners
We aim for mutual development by establishing a relationship of trust with our business partners.
 - v. Management of confidential information
We will strictly manage information and personal information obtained through purchasing operations and use it only for the permitted purposes.

- (2) The KOBELCO Group will promote initiatives for building responsible supply chains in order to realize, together with stakeholders, KOBELCO's View of the Future as stated in its corporate philosophy.
- (3) The KOBELCO Group, in developing diverse businesses throughout the world, procures diverse materials and equipment and provides technologies, products, and services, and it builds supply chains to this end. As a responsible member of the global supply chain, we recognize that initiatives are needed to resolve issues related to human rights, environmental problems, and other areas, and that this applies not only to the Group itself but also to its supply chains.
- (4) The KOBELCO Group will formulate basic policies on building responsible supply chains and share them with business partners and other stakeholders. We will assess supply chain risks in material and equipment procurement and, while working to identify related supply chain issues, we will fulfill our social responsibilities and conduct stable supply of products and services.

2. Promotion System

- (1) We will maintain a promotion system that centers on operations managers in the procurement departments of each business division. With respect to companywide policies, the Sustainability Management Committee will make recommendations to the Executive Council, which will work to build consensus on the policies through deliberation.
- (2) In addition, we will strengthen the executive system through coordination with the Risk Management Committee from a risk management standpoint.
- (3) The system as of June 10, 2022 is as follows.



3. Response Policies

(1) Requests for Business Partners

- i. The KOBELCO Group will request that business partners understand and practice the following items, and we will strive to build responsible supply chains in collaboration with them.
- ii. We will request that information be fully disseminated to suppliers of our business partners as well in order to ask that they understand and practice the following items.

1) Compliance

1-1) Compliance with laws and regulations

- Comply with applicable laws and regulations in your country and the countries/regions in which you operate.

2) Human rights and labor

We will not only comply with relevant laws and regulations, but also refer to international human rights standards and respect the human rights of workers.

2-1) Prohibition of Forced Labor

- We do not use labor from coercion, detention, prison labor exploitation, slavery or trafficking.
- We also protect the right of workers to leave or terminate their employment without forcing them to do so.

2-2) Prohibition of Child Labor and Consideration for Young Workers

- We will not allow children under the minimum working age to work.
- In addition, we will not allow young workers under the age of 18 to engage in dangerous work, such as night shifts or overtime, which may damage their health or safety.

2-3) Consideration for Working Hours

- We will not work beyond the limits set forth by the laws and regulations of the area where our employees work, and will appropriately manage their working hours and holidays.

2-4) Adequate Wages and Benefits

- We will comply with all applicable laws and regulations regarding compensation paid to workers (including minimum wage, overtime pay, and legally mandated allowances and wage deductions).

2-5) Prohibition of Inhumane Treatment

- We will respect the human rights of workers, and will not treat them inhumanely, including mental and physical abuse, coercion and harassment, or engage in any acts that may cause them to do so.

2-6) Prohibition of Discrimination

- We will not engage in discrimination or harassment.
- We will also give due consideration to the requests of workers concerning religious customs.

2-7) Freedom of Association and Right to Collective Bargaining

- We respect the right of workers to organize as a means of realizing labor-management consultations on working conditions and wage levels, in addition to complying with local laws and regulations.

3) Health and Safety

In addition to complying with relevant laws and regulations, we will keep working on minimizing injuries and physical and mental illnesses associated with the work of our workers and to create a safe and hygienic working environment by paying attention to ILO safety and

health guidelines.

3-1) Occupational safety

- We identify and assess risks to occupational safety and ensure safety through appropriate design, technology and management measures.

3-2) Emergency Preparedness

- In preparation for emergencies such as disasters and accidents that damage human life and physical safety, we identify the possibility of occurrence, prepare action procedures for emergency measures that minimize damage to workers and assets, install necessary equipment, and provide education and training so that employees can take action in the event of a disaster.

3-3) Occupational Accidents and Diseases

- We identify, evaluate, record, and report the status of occupational accidents and diseases, and take appropriate measures and corrective measures.

3-4) Industrial Hygiene

- We identify and evaluate the risk of workers being exposed to harmful biological, chemical and physical effects in the workplace, and conduct appropriate management.

3-5) Considerations for physically demanding tasks

- We identify and evaluate physically demanding tasks and manage them appropriately so that they will not lead to occupational accidents or diseases.

3-6) Safety Measures for Machinery and Equipment

- We assess whether there are any safety risks associated with machinery and equipment used by workers in the course of their work and implement appropriate safety measures.

3-7) the Safety and Health of Facilities

- We will appropriately ensure the safety and health of facilities provided for workers (Dormitories, cafeterias, restrooms, etc.).
- Also, we secure an appropriate emergency exit in case of emergency in the dormitory.

3-8) Safety and Health Communication

- We provide education and training on appropriate safety and health information in a language and method that can be understood by workers regarding various job risks that workers may suffer.
- We will also establish a system to provide feedback on safety issues from workers.

3-9) the Health Care of Workers

- We will conduct appropriate health management for all employees.

4) Environment

We will actively respond to global environmental issues such as resource depletion, climate

change, environmental pollution, and biodiversity, while giving consideration to local environmental issues in order to ensure the health and safety of people in the regions concerned.

4-1) Obtain Environmental Permits and Reports

- We obtain the necessary permits and approvals for our business in accordance with the laws and regulations of the location of our business, and we register and report to the government.

4-2) Reducing Energy Consumption and Greenhouse Gas Emissions

- We will strive to improve energy efficiency and work continuously to reduce energy consumption and greenhouse gas emissions.

4-3) Emissions into the atmosphere

- We will comply with relevant laws and regulations and implement appropriate measures to reduce the release of hazardous substances into the atmosphere.

4-4) Management of water

- We will comply with laws and regulations, monitor the source, use and discharge of water, and conserve water.
- All wastewater is characterized, monitored, controlled and treated as necessary before being discharged or disposed of.
- We also identify potential sources of water pollution and conduct appropriate management.

4-5) Effective Use of Resources and Waste Management

- By complying with laws and regulations and managing waste appropriately, we promote reduction (cutback), reuse (reuse), and recycling (recycling), effectively use resources, and minimize waste generation.

4-6) Control of Chemical Substances

- In compliance with laws and regulations, chemical and other substances that pose a risk to human health and the environment are identified, labeled, and managed to ensure safe handling, transfer, storage, use, recycling or reuse, and disposal.

4-7) Management of Chemical Substances Contained in Products

- We comply with all applicable laws, regulations and customer requirements concerning the prohibition or restriction of the use of specific substances in products.

5) Fair Trade and Ethics

We will not only comply with relevant laws and regulations, but also conduct business activities based on a high level of ethics.

5-1) Anti-Corruption

- We do not engage in any form of bribery, corruption, extortion, or embezzlement.

- 5-2) Prohibition of Giving or Receiving Unreasonable or Improper Benefits or Facilities
 - We do not accept any promise or demand to accept any benefits or facilities provided as a means of obtaining unfair or inappropriate benefits. In addition, we do not offer or promise to offer bribes or other unfair or inappropriate benefits or facilities.
- 5-3) Appropriate Information Disclosure
 - Disclose information on labor, health and safety, quality, environmental activities, business activities, organizational structure, financial position, and performance in accordance with applicable laws, regulations, and industry practices.
 - We will not tolerate falsification of records or false disclosure.
- 5-4) Respect for Intellectual Property
 - We will create and manage intellectual property rights so that we can receive appropriate legal protection.
 - We will not infringe or misuse intellectual property of third parties.
- 5-5) Conduct Business Fairly
 - We will engage in fair competition and advertising in our business activities.
- 5-6) Protection of the Informant
 - We will appropriately treat information obtained through reporting as confidential and consider the anonymity of the reporter. In addition, any act of obstructing the reporting or any disadvantageous treatment of the reporting person shall be prohibited.
- 5-7) Prohibition of the Use of Conflict Minerals
 - We will promote the prohibition of the use of conflict minerals.
- 6) Quality and Safety

We will continue to improve our quality management system to ensure the safety and quality of our products and services.
- 6-1) Ensuring Product Safety
 - We will strive to ensure the quality and safety of our products and services in compliance with the relevant laws and safety standards of countries around the world.
- 6-2) Establishment and Operation of Quality Management System
 - We will establish and operate a quality and safety management system by establishing clear standards and procedures to be observed in all processes from development to sales and after-sales service, ensuring their implementation, confirming their effectiveness, and taking corrective measures as necessary.
- 7) Information Security

We will strengthen information security by preventing the leakage of confidential and personal information.
- 7-1) Defense Against Cyberattacks

- Protect yourself and others from cyber attacks and other threats.
 - 7-2) Protection of Personal Information
 - We will comply with relevant laws and regulations and appropriately manage and protect all personal information of suppliers, customers, consumers, employees, etc.
 - 7-3) Preventing Leakage of Confidential Information
 - We will conduct appropriate management to protect our own confidential information from leakage, and will also conduct appropriate management to protect confidential information received from third parties from leakage, while complying with the terms of the contract.
 - 8) Business Continuity Plan

In the event that a company or its business partners are affected by a large-scale natural disaster, etc., we will prepare to resume production activities in a planned manner in order to fulfill our supply responsibilities, etc.
 - 8-1) Business Continuity Planning and Preparation
 - We identify risks that impede business continuity, evaluate risks from the perspective of business impact, etc., organize measures to respond to the assessed risks, and formulate a business continuity plan (BCP).
 - 9) Social Contribution
 - 9-1) Contributing to Society and Local Communities
 - We will voluntarily engage in activities that contribute to the development of international and local communities.
- (2) Compliance with Requests to Business Partners and Support for Improvements
- i. We will confirm progress made by business partners that need to make improvements while providing support for those improvements.
 - ii. In some cases, it may be necessary to make visits to business partners, including in the form of third-party audits.
 - iii. If appropriate efforts are not made to make improvements, the partnership may be reconsidered.
- (3) Disclosure
- We will make appropriate and timely disclosures of relevant information.
- (4) Collaboration with Business Partners
- We will also share the Basic CSR Procurement Policy for building responsible supply chains with business partners and carry out initiatives in collaboration with them while

working to identify issues.

(5) Collaboration with Company Employees, Group Companies, and Other Affiliated Companies

i. Company Employees

We will continue to conduct awareness-raising, training, and other programs for employees on the importance of environmental, human rights, and other issues pertaining to the supply chain and on the related basic policies of our company.

ii. Group Companies and Other Affiliated Companies

In order to strengthen supply chain management at Group companies and other affiliated Companies in a manner equivalent to the parent company, we will continue to conduct awareness-raising, training, and other programs on the importance of environmental, human rights, and other issues pertaining to the supply chain and on the related basic policies of our company.