

# Environmental Sustainability

The protection of the global environment is the most important issue for all forms of life, and it is our mission to bequeath a better environment to the next generation. We are determined to be friendly to the environment. For this purpose, we formulated the Basic Policy for the Environment and to promote “environmental management” in all aspects of our business activities.

## Basic Environmental Management Policies: Pursuing Environmental Management at the Group Level

The Kobe Steel Group takes environmental concerns into account in all its business activities, and aims to harness its comprehensive strengths in environmental management. Specifically, we plan to attain our goals through activities under the following themes:

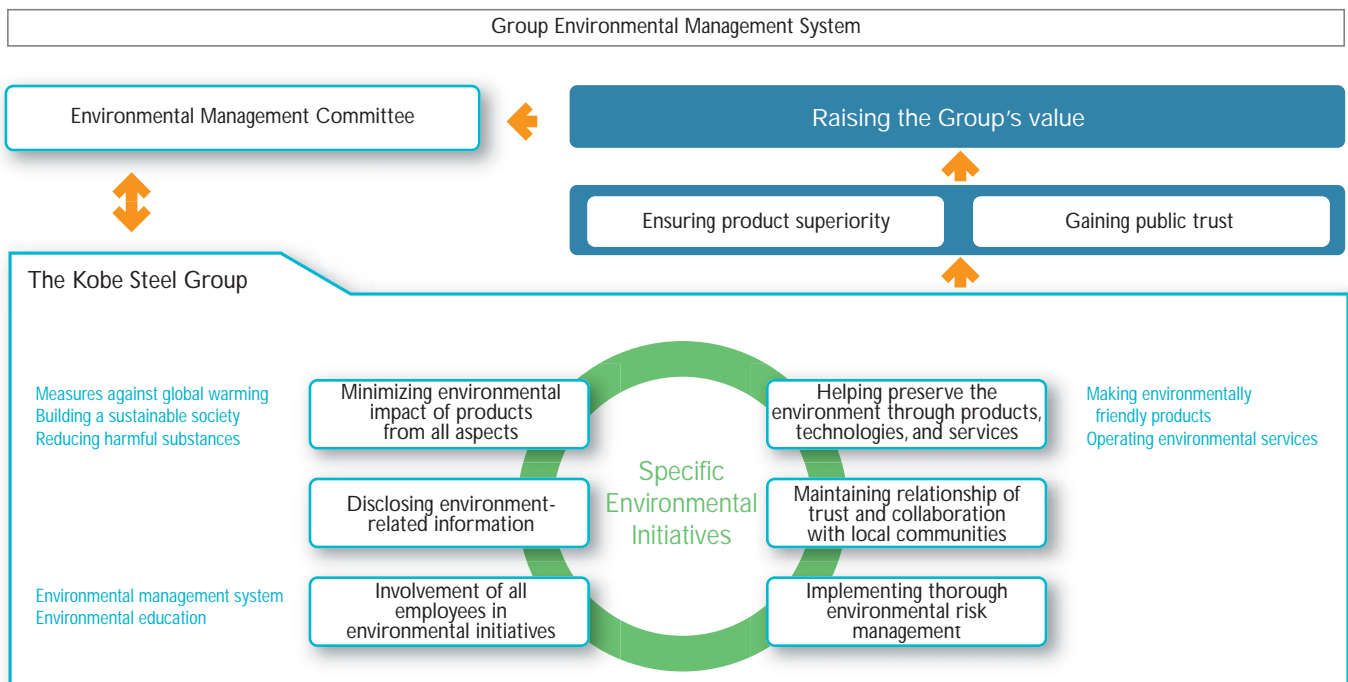
- (1) Building and maintaining a relationship of our trust and collaboration with the local communities where we operate (disclosure and open communication on environmental issues)
- (2) Reducing environmental impact (environmental preservation)
- (3) Creating an environment-related, value-added element in all our products, technology, and services (environmentally innovative products & services)

### Specific Environmental Initiatives

Environmental issues to be undertaken by the Kobe Steel Group are determined by the Environmental Management Committee. The Committee also oversees the execution of the Group’s environmental management.

The Group’s environmental management activities are currently being pursued under six categories:

- (1) Minimizing the environmental impact of our products at all stages from design to recycling and/or disposal
- (2) Helping preserve the environment through products, technologies, and services
- (3) Disclosing environment-related information
- (4) Building and maintaining a relationship of trust and collaboration with the local communities where we operate
- (5) Involvement of all employees in environmental initiatives
- (6) Implementing thorough environmental risk management



## Publication of the Environmental Sustainability Report

Kobe Steel has published an annual environmental report (now known as the Environmental Sustainability Report) since 1999, and this year's report is the seventh edition.

This report summarizes our environmental management activities, which include measures against global warming, building a sustainable society, and reducing harmful substances.

The English language version of the report is provided on the Company's website.



Environmental Sustainability Report on the Internet  
<http://www.kobelco.co.jp/english/index.htm>

## Support for environmental preservation activities

In April 2001, the Kobelco Natural Environment Conservation Fund and the Kobelco Environmental Creation Fund were established with the purpose of supporting people engaged in environmental preservation activities.

Realizing the importance of various types of environmental preservation activities that extend beyond the boundaries of the Kobe Steel Group, as well as activities by citizens, we intend to continue our support for a wide range of environmental preservation activities in the future.



Tree-planting activities

## International Cooperation

Based upon our experience to date in the areas of environment and energy, the Kobe Steel Group is promoting international cooperation by receiving trainees from overseas and providing technical guidance.

Details of cooperation activities	Counterpart country	Counterpart organization
EMECS (received trainees from world conference on management of enclosed coastal seas)	Middle East, South East Asia, etc.	Japan International Cooperation Agency (JICA)
Received trainees on the prevention of acid rain and atmospheric pollution	Mainly Southeast Asia.	Hyogo Prefecture Atmosphere Department
Received trainees in environmental preservation technology from Guangdong Province	China	Hyogo Prefecture Environmental Policy Department
Received group of professors from Tsinghua University, China	China	Ministry of Foreign Affairs
Received trainees for the East Asia acid rain monitoring network	Southeast Asia	Japan International Cooperation Agency (JICA) Hyogo Environmental Advancement Association
JICA energy efficiency training	Iran	JICA The Energy Conservation Center, Japan

## Contribution to local communities

Through clean-ups and other volunteer activities by employees we are contributing to the beautification of local communities. In the same way also through social volunteer activities we are contributing to the welfare of the local community.

As an example of activities supporting environmental education in 2004, we dispatched an environmental teacher on a regular basis to Amagasaki Technical High School.



Environmental education at Amagasaki Technical High School

## Ecomaterials

### Chromate treatment for galvanized steel sheet to end

As a priority environmental task, Kobe Steel will be the first Japanese steel manufacturer to fully phase out chromate treatment for all steel sheet in the current term, ending March 31, 2006. Chromate treated steel sheet is widely used in building materials, electrical appliances, and office equipment to improve the corrosion resistance of the steel sheet and to increase paint adhesion. However, in consideration of reducing the impact of substances on the environment, chromate (hexavalent chromium) treatment is being phased out.

The Company had already stopped the chromate treatment of electrogalvanized steel sheet in the reporting term. Chromate treatment is now being phased out in hot-dip galvanized steel sheet. The development of a new chromate-free steel sheet, Galva-Ace GX-GC, has been completed, and commercial production has started. As a result, we now have the prospect of completely phasing out chromate treatment in both galvanized steel products and of supplying steel sheet with excellent environmental characteristics to the market.

Galva-Ace GX-GC (hot-dip galvanized steel sheet with GX-GC treatment)	
<b>Film structure</b>	<b>Features</b>
	<ol style="list-style-type: none"> <li>1. Contains no chromate. This product eliminates chromate treatment</li> <li>2. Has corrosion resistance equal to chromate-treated process</li> <li>3. Minimizes dust generation during welding, and has good spot weldability</li> <li>4. Has excellent heat resistance</li> </ol>