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Human Rights and Labor

Basic Concept

Policies

Recognizing that respect for human rights is a vital corporate social responsibility, the Kobelco Group, as a global business group, fully respects the Universal Declaration of Human Rights, International Bill of Human Rights, and ILO Core Labour Standards for the protection of human rights adopted by the United Nations. In order to clearly demonstrate its commitment to respect human rights, based on the Guiding Principles on Business and Human Rights and other international standards, the Group has established the Kobelco Group Basic Policy on Human Rights.

► [Kobelco Group Basic Policy on Human Rights](#)

Management Structure

Structure

- With the objective of mitigating the risk of human rights violations in all of our business activities, we believe that it is important to face all stakeholders who are affected by human rights issues and understand their issues. Based on the Kobelco Group Basic Policy on Human Rights, we will conduct human rights due diligence that will lead to the avoidance and prevention of human rights violations associated with our business activities, and strive to properly respond to human rights issues related to our business activities while valuing dialogue with relevant stakeholders.
- In the event that a serious problem of human rights violations occurs, a report is submitted to the person responsible for human rights issues, and then the Board of Directors receives a report on the details, discusses them, investigates the facts of the matter, and takes appropriate action.

► [Kobelco Group Integrated Report 2024—Pursuing governance that supports sustainable growth: Human Rights](#)

Kobelco Group Initiatives

Strategies and Targets

Results

● Activities to Educate and Enlighten Employees on Human Rights Policies and Respect for Human Rights

In its Action Guide for Employees, which has been distributed to all employees, the Kobelco Group sets forth standards of behavior that respect human rights. As well as encouraging each and every employee to act in such a way as to respect human rights, we strive to prevent the occurrence of human rights violations by incorporating education that leads to greater awareness of the Kobelco Group Basic Policy on Human Rights and of human rights, such as by implementing training for new employees and training for those who have been promoted. We will continue to provide all employees, including executives, with the necessary education on respect for human rights on a regular basis.

On the occasion of Human Rights Day in December of every year, we implement initiatives such as the distribution of messages by directors and executive officers and the use of educational posters, clearly stating our attitude of zero tolerance for discrimination or harassment, while instilling human rights awareness more deeply throughout the entire Group both in Japan and overseas, and creating opportunities to reflect on respect for human rights.

● Efforts to Eliminate Discrimination

The Kobelco Group ensures a healthy workplace free from harassment and discrimination on the grounds of race, creed, color, religion, nationality, language, ethnicity, sex, sexual orientation, gender identity, marital status, age, physical characteristics, disease, disability, social status, property, and place of origin. We provide equal opportunities for hiring, promotion, treatment, pay raises, and placement without any disadvantages.

● Respect for the Rights of Workers

The Kobelco Group complies with the labor laws and practices of the countries and regions in which it operates, and respects the rights of its employees to freedom of association and collective bargaining. We do not engage in discrimination, harassment, retaliation, or any other disadvantageous treatment on the grounds of exercising their right to organize or bargain collectively as workers, such as joining a labor union, requesting collective bargaining, or participating in collective bargaining.

With regard to wages and working hours, we comply with the laws and regulations of the respective countries, regions, and industries, paying wages that are at least the level of the minimum wage, appropriately managing working hours, and observing regulations in upper limits for overtime.

Our Group strives to build sound and positive labor-management relations through sincere dialogue with each and every employee and their representatives. Specifically, meetings of the following labor council and committees are held, with discussions being conducted on management policy, operational conditions, management issues such as production and safety and health, as well as various working conditions and work-life balance. Labor unions and other organizations are also formed at the individual major Group companies.

Major Labor-Management Discussions

Major Labor-Management Discussions	
Central Production Committee (Twice a year)	Discusses matters such as corporate management and production planning, corporate structure, improvement of technology, and improvement of efficiency.
Central Labor Council (Once or twice a year)	Discusses such issues as improving working conditions and wages (including negotiations on the living wage advocated by the labor union)
Specialized Committee on Employment (Twice a year)	Discusses the reduction of long working hours, promotion of work style transformation, and support for balancing childcare and nursing, etc.

Human Rights and Labor

● Prohibition of Child Labor and Forced Labor

In the Kobelco Group Basic Policy on Human Rights, it is made clear that child labor and forced labor are prohibited in all countries and regions where our business activities are conducted. In order to raise awareness, we conduct in-house training in accordance with the United Nations Guiding Principles on Business and Human Rights, and we also ask our business partners for their support and cooperation with our initiatives. To prevent child labor, we confirm that the age stated in official documents does not fall under child labor at the time of joining the company. We also implement regular monitoring surveys of Group companies and strive to prevent the occurrence of those problems in the business activities of the Kobelco Group.

● Initiatives to Prevent Harassment, and Specific Measures for Dealing with Problems in Which Allegations Have Been Made

In order to create workplace environments in which harassment does not occur, it is clearly stated in the Kobelco Group Basic Policy on Human Rights and in the employment regulations of each company that harassment will not be tolerated. In addition, we implement regular education in the form of e-learning and group training for employees so that each and every individual in the workplace has a proper understanding of harassment and does not turn a blind eye to problems.

In preparation for any occurrence of harassment, we have put in place a system whereby stakeholders both inside and outside the Company can anonymously report or consult. Also, we have set up consultation desks at each business site that can be used by all employees. In the event of a consultation, we will confirm the facts, investigate the case, and explain the results of the investigation to the whistleblower with their consent. We are also reviewing the workplace environment and taking thorough preventive measures. In both cases, the privacy of whistleblowers and persons concerned is ensured.

Number of Harassment Consultations

Fiscal 2020	28 cases
Fiscal 2021	30 cases
Fiscal 2022	35 cases
Fiscal 2023	42 cases

● Communication with Stakeholders

The Kobelco Group believe it is important to understand human rights issues from the perspective of stakeholders affected by these issues. Based on the Kobelco Group Basic Policy on Human Rights, we will construct a human rights due diligence system that will lead to the avoidance or prevention of human rights issues associated with our business activities, and strive to appropriately address human rights issues related to our business activities while valuing dialogue with relevant stakeholders.

● Efforts to Support Local Communities

The Kobelco Group undertakes activities rooted in the local communities where its business sites are located.

The Group supports employees' volunteer activities and has established a system that allows employees to take days off to participate in such activities.

► Communities (Communication with Stakeholders)

Safety and Health

Basic Policies and Philosophy

Policies

The Kobelco Group believes that safety and health are fundamental to business operations and take priority over all business activities. Based on this, we comply with relevant laws and regulations and carry out various safety and health activities to create a vibrant workplace where employees can work safely and securely.

Safety Initiatives

Recognizing the importance of not only fulfilling our corporate social responsibilities but also safeguarding employees' lives and health, each of the business sites have steadily established safety management mechanisms compliant with Occupational Health and Safety Management Systems following our Companywide Health and Safety Management Policy as well as formulates its own safety and health management policy, targets, and action plans, to promote improvements.

The Environment and Safety Department plays a central role in on-site inspections and audits for all business sites, Group companies, and relevant contractors. The department identifies weaknesses and provides cross-sectional support from the perspectives of personnel, facilities, and management, in an effort to improve the level of safety and health.

These activities include thorough sharing of hazard information and health and safety management rules with workers involved in production activities, including those of contractors.

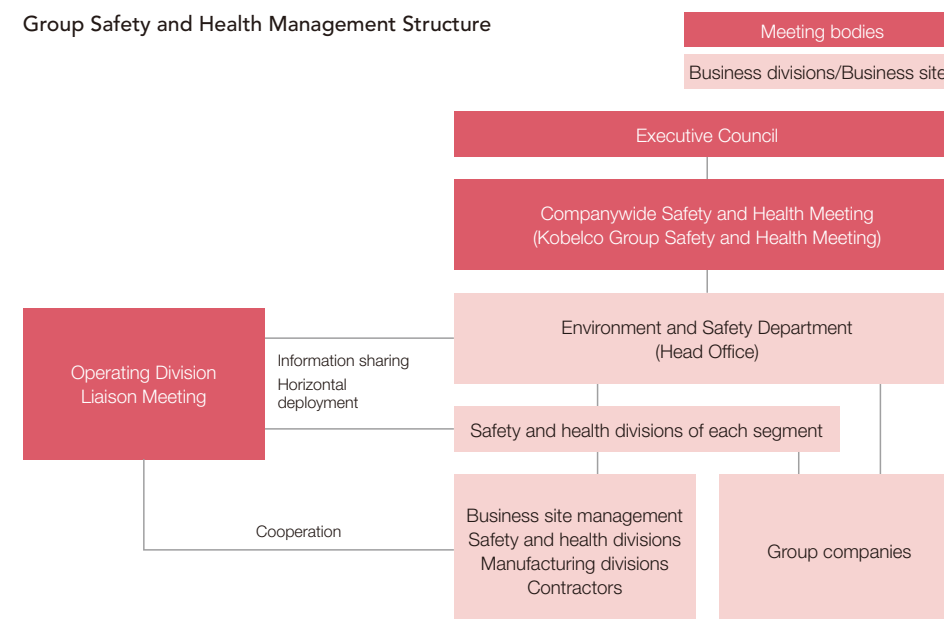
Structure

Structure

At the Kobelco Group, the Companywide overall safety and health controller holds Companywide Safety and Health Meetings (Kobelco Group Safety and Health Meetings) attended by the safety and health controller of each Group company, to decide on policies, targets, issues, and initiatives for improvements related to safety and health activities. In terms of business site management, the Company's safety and health division plays a central role in safety and health activities implemented in cooperation with employees working at manufacturing divisions and business partners, while the Environment and Safety Department is primarily responsible for internal audits (safety and health diagnoses) involving checking and following up on activities and their management status.

At the same time, when an occupational accident occurs, we strive to prevent similar accidents from occurring by rapidly clarifying the cause and taking improvement measures, as well as holding Operating Division Liaison Meetings in cases where horizontal deployment is required.

Group Safety and Health Management Structure



Safety and Health

Targets for Accident Reduction and Results

Strategies and Targets

Results

● Targets

- ◇ Major injury or fatality (involving three or more people at the same time): Zero
- ◇ Lost time injury frequency rate: 0.10 or less

● Achievements against Targets

Results: Previous Number of Lost Time Injuries and Lost Time Injury Frequency Rates (with/without no-lost time injuries)¹

Parentheses indicate the number of fatal accidents.

Fiscal Year	Kobe Steel Employees ²		Employees of Contractors ³		Overall
	Number of lost time injuries	Injury frequency rate Lost time / No-lost time included	Number of lost time injuries	Injury frequency rate Lost time / No-lost time included	Lost time injury frequency rate
2018	5 cases (0 cases)	0.21/0.25	14 cases (0 cases)	0.39/0.39	0.32
2019	7 cases (0 cases)	0.29/0.37	3 cases (0 cases)	0.09/0.17	0.17
2020	8 cases (0 cases)	0.33/0.46	8 cases (0 cases)	0.24/0.33	0.28
2021	7 cases (1 case)	0.29/0.33	5 cases (0 cases)	0.16/0.19	0.22
2022	5 cases (0 cases)	0.21/0.21	8 cases (0 cases)	0.26/0.26	0.24
2023	6 cases (0 cases)	0.25/0.29	10 cases (0 cases)	0.32/0.39	0.31

¹ The lost time injury frequency rates with no-lost time injuries included are calculated from the total of lost time injuries and no-lost time injuries.

² All employees of Kobe Steel (including seconded employees and temporary or part-time employees)

³ Employees of companies under contract with Kobe Steel (including temporary employees)

Injury Accidents and Occupational Safety Risk Countermeasures

Results

● Response to Injury Accidents (Initiatives to prevent similar accidents)

We investigate the causes and take corrective measures as part of our post-event response to injury accidents involving injuries or fatalities that occur in the Kobelco Group and relevant contractors, and deliver reports to and have discussions with related departments and labor unions at Safety and Health Committee and other meetings.

Specifically, we clarify the causes and identify issues in accidents that have occurred by focusing on the four categories of factors: human factors, mechanical factors, environmental

factors, and management factors, and work to prevent recurrences by considering and taking preventive measures from three different perspectives (management, technical, and educational).

We put together the causes and preventive measures into an Accident Investigation Report, which is reflected in the Groupwide safety rules, and deploy it to other business sites and Group companies to prevent similar accidents. In the event of an occupational accident, we promptly disclose information to the public in accordance with the Accident Reporting Guidelines of the JISF.

● Thorough Measures against Occupational Safety Risks

In order to address potential occupational safety risks in work and facilities, we regularly conduct risk assessments of new business planning projects as well as existing projects, and work to reduce those risks and enhance inherent safety.

Participation of Workers in Discussions

Results

● Supervision by the Board of Directors and Executive Council

Our Company's Board of Directors and Executive Council oversees and deliberates risk management in safety and health, the progress of accident preparations and accident prevention, implementation status of horizontal deployment, and the progress of various activities set out in the safety and health management policies, under the initiative of the director who oversees Companywide safety and health.

● Central Safety and Health Committee

The Central Safety and Health Committee, chaired by the executive officer responsible for Companywide safety and health, is a forum where we have discussions with labor union representatives (representing workers) concerning risk management in safety and health, the progress of accident preparations and accident prevention, implementation status of horizontal deployment, and the progress of various activities set out in the safety and health management policies.

The safety and health management policies, which are deliberated and formulated by the Central Safety and Health Committee, have been implemented at all our business sites. At each business site, the Safety and Health Committee, which is attended by the management, the labor union (full-time personnel), and representatives of each workplace (non-full-time personnel), discusses the details of the policies and the progress of various activities and strives to ensure a safer and healthier workplace environment through dialogue between labor and management.

Safety and Health

Education and Training

Results

● Training on Safety and Health

Each business site, including the Head Office, conducts training on safety and health on an ongoing basis.

Safety and health training held by the Head Office includes sessions for new employees between their first and fifth years, newly appointed supervisors, and line managers so that employees can gain knowledge and skills in safety and health.

Eligibility	Number of Trainees (Persons)			
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
New employees (Years 1–5)	629	223	1,053	863
Supervisors	65*	539	711	434
Line managers	—*	16	56	70

* Not held or only held partially due to the COVID-19 pandemic

Global Health Issues and Pandemic Countermeasures

Results

Currently, there are many countries around the world facing serious situations due to life-threatening health problems such as HIV (AIDS), tuberculosis, and malaria. The Kobelco Group is committed to actively addressing such global health issues.

● Safety and Health Management for Employees Transferred Overseas and Those on Business Trips

For our employees transferred overseas, we provide healthcare services and support tailored to respective regions, including health checkups (before departure, during overseas assignment, and after returning to Japan) and immunizations based on local conditions. We regularly exchange information with local contact staff and send industrial physicians to local business sites. In this way, we strive to manage the health of employees posted overseas by providing medical support and information on the local medical environment.

As we expand our business in Thailand, Malaysia, India, Vietnam, and other countries around the world, we are working to appropriately address global health problems such as HIV (AIDS), tuberculosis, and malaria by distributing overseas health management handbooks containing information on immunizations and overseas life (understanding of diseases, precautions on daily life, etc.) to employees and their families who are newly posted overseas.

Furthermore, through a partnership with International SOS, which provides support services for safety and health around the world, we have put in place a system for gathering the latest information on local safety, and for receiving appropriate guidance and assistance in the event of trouble overseas.

Health and Productivity Management

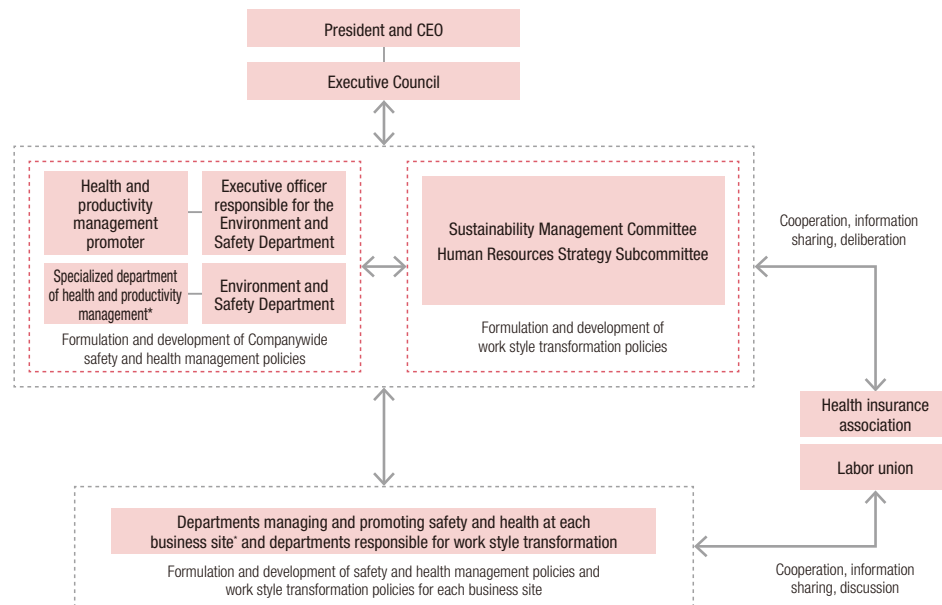
Basic Concept

Policies

Based on the Kobelco Group's basic policies and principles on safety and health, we are working with the goal to develop workplaces and human resources that can work energetically and in good physical and mental health from the perspectives of "prevention" and "early detection/early response."

Management Structure

Structure

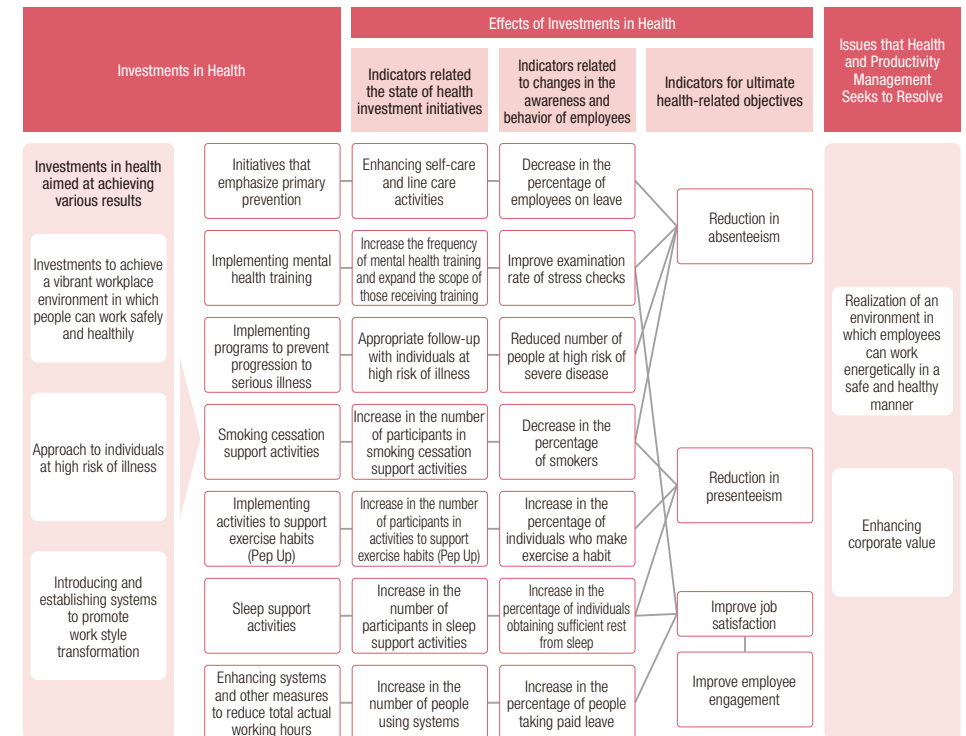


* Placement: Industrial physicians, nurses, industrial counselors, health supervisors, consulting physicians, etc.

Health and Productivity Management Strategy Map

Strategies and Targets

In order to build a vibrant workplace environment in which people can work safely and healthily, the following strategy map is used for the effective promotion of various measures.



Health and Productivity Management

Main Health and Productivity Management Initiatives

Results

● Mental Health

	Details
Primary prevention	<ul style="list-style-type: none"> ■ Self-care <ul style="list-style-type: none"> Awareness through stress checks Mental health education ■ Line care <ul style="list-style-type: none"> Organizational management (daily communication within the organizational structure) Mental health education ■ Workplace support based on the results of stress checks <ul style="list-style-type: none"> Assessments classified into quadrants (motivated organization, low-motivation organization, workaholism, burnout) in accordance with the degree of employee engagement and stress, based on the results of stress checks for each department. Particularly for workplaces that come under "burnout," industrial physicians, departments responsible for safety and health, and departments responsible for human resources and labor relations strive to understand the situation and engage in improvements (utilizing outside consultants as needed).
Secondary prevention	<ul style="list-style-type: none"> ■ Individual follow-up based on the results of stress checks <ul style="list-style-type: none"> Interviews of employees with high stress levels by an industrial physician Sleep-related questions added to the stress check questionnaire, and industrial physicians check/follow up on applicable individuals Regular opening of consultation desks ("ask me anything" sessions) staffed by industrial counselors Support provided by industrial health staff assigned to business sites (industrial physicians, nurses, and industrial counselors)
Tertiary prevention	<ul style="list-style-type: none"> Support for returning to the workplace provided by industrial health staff assigned to business sites and departments responsible for human resources and labor relations Support by a consulting psychiatrist

● Physical Health (In cooperation with the health insurance association)

	Details
Primary prevention	<ul style="list-style-type: none"> ■ Initiatives for increasing health literacy <ul style="list-style-type: none"> Promoting regular exercise using the Pep Up health promotion support app Implementing regular exercise promotion and sleep improvement campaigns with the themes of "walking" and "good sleep" As part of our efforts to address lack of exercise, videos of easy stretching and back pain prevention exercises are posted on the corporate intranet. At some business locations, physical fitness age is assessed by measuring physical fitness (body composition, forward bends, standing on one leg with eyes closed, reflex measurements, etc.). Support for smoking cessation provided by industrial health staff utilizing nicotine patch treatment (subsidies for health insurance costs available) Dissemination of educational materials on smoking cessation created in cooperation with the Kobe Steel health insurance association (through posting on the corporate intranet, etc.). At some business locations, creating an environment to promote smoking cessation by introducing smoking cessation during working hours and non-smoking hours Creation and deployment of sleep educational videos supervised by consulting psychiatrist (tips for healthy sleep, sleep apnea, and appropriate sleep management for shift workers) ■ Vaccinations <ul style="list-style-type: none"> Influenza vaccinations (fully covered by the Company for employees and their health insurance dependents) Vaccinations for employees transferred overseas
Secondary prevention	<ul style="list-style-type: none"> ■ Health checkups and aftercare <ul style="list-style-type: none"> Health checkups and health guidance pursuant to the Industrial Safety and Health Act Health checkups and health guidance for employees requiring follow-up observation Checkups at health screening clinics for employees reaching the age of 50 or 60 as well as their spouses Expanded cancer screening (e.g., gastric cancer checkups: adoption of blood tests + endoscopy, implementation of Helicobacter pylori testing) Initiatives to prevent progression to serious illness for individuals at high risk (selected in accordance with the Company's criteria from among those considered to be high risk due to blood pressure or blood sugar levels)
Tertiary prevention	<ul style="list-style-type: none"> Support for returning to the workplace provided by industrial health staff assigned to business sites and departments responsible for human resources and labor relations Support by a consulting psychiatrist Work-life balance support (expanded leave programs, etc.)

Health-Related Data

Results

Category	Target Value	Fiscal 2021 Results	Fiscal 2022 Results	Fiscal 2023 Results
Regular health checkup participation rate ¹	100%	100%	100%	100%
Detailed examination participation rate	90.0% or more	91.9%	93.9%	93.7%
Percentage of individuals with the appropriate body weight ²	70.0% or more	64.4%	64.2%	63.8%
Percentage of individuals at high risk of illness	1.2% or less	2.1%	2.3%	2.3%
Percentage of individuals at high risk of illness receiving health guidance	100%	100%	100%	100%
Percentage of individuals registered with Pep Up	90.0% or more	86.4%	86.4%	87.5%
Pep Up activity participation rate	70% or more	—	56.6%	62.2%
Percentage of employees taking part in regular exercise	30.0% or more	22.5%	23.4%	24.1%
Smoking rate	25.3% or less	28.9%	28.3%	27.7%
Examination rate of stress checks	95.0% or more	96.0%	97.0%	97.2%
Percentage of individuals experiencing high levels of stress	11.6% ³ or less	8.9%	8.9%	8.7%
Number of individuals obtaining sufficient rest from sleep	70% or more	64.8%	65.6%	62.6%
Job satisfaction	—	50.7	50.7	50.9

1 Excludes individuals on leave or an overseas assignment

2 BMI of between 18.5 and 25.0

3 Less than the nationwide average

External Awards and Assessments

Results

We aim to create a healthy work environment with safety and security ensured, where employees can maintain and improve their mental and physical well-being. In recognition of these initiatives, we were recognized as a 2024 Health and Productivity Management Organization (White 500) for the fifth time in total following the same recognition last year.



Disaster Prevention

Recognizing facility accidents, natural disasters, and violations of disaster prevention laws and regulations as risks that have a material impact on the overall management of the Group, the Kobelco Group is working to address these risks across the Group.

Companywide Disaster Prevention Management Policy

Policies

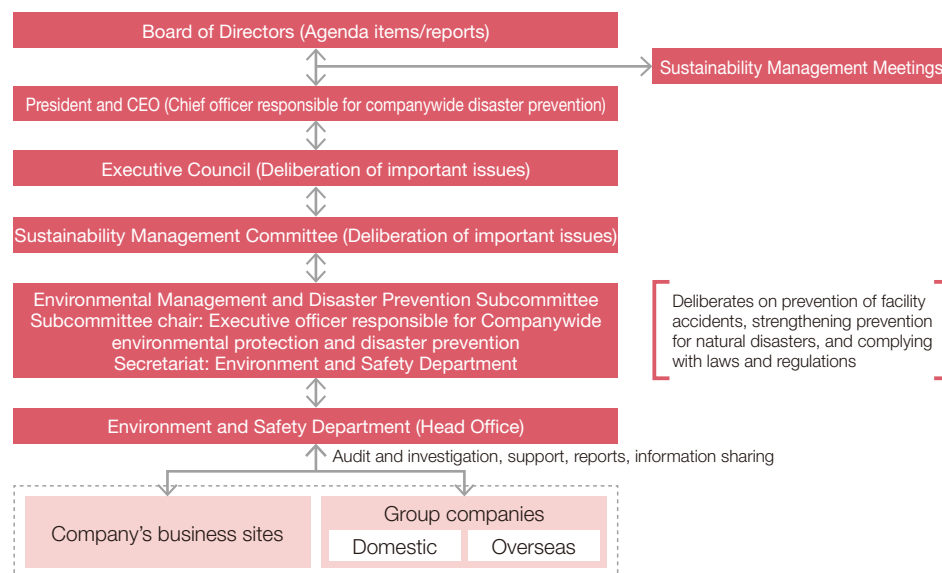
With the basic policies of “Prevention of Facility Accidents,” “Strengthening Prevention for Natural Disasters,” and “Complying with Laws and Regulations,” we are promoting initiatives to respect human life, sustain corporate activities, and deliver peace of mind to local communities.



Management Structure

Structure

In the Companywide risk management structure, the Kobelco Group regards “prevention of facility accidents” and “preventions for and recovery from natural disasters” as Top Risks and “legal compliance” as a Significant Risk. The chief officer responsible for Companywide disaster prevention promotes disaster prevention management activities as a Risk Owner.



Kobelco Group's Initiatives

Results

Prevention of Facility Accidents

● Response to Facility Accident Risk

Recognizing facility accidents (fires and explosions) at production sites as a risk to be addressed across the Group, we make Groupwide efforts to prevent them before they occur. In particular, we conduct inspections and reviews of both tangible and intangible measures for facilities which could have a major impact on customers in case of fire or explosion. In addition, we continue striving to prevent accidents throughout the Kobelco Group by taking measures such as sharing information on accidents both inside and outside the Company, thoroughly preventing recurrence of similar and other accidents, and implementing special initiatives in coordination with voluntary action plans of industry associations.

Strengthening Prevention for Natural Disasters

● Business Continuity Plan (BCP)

The Kobelco Group formulates, reviews, and makes improvement to its BCP with the following basic policies: (1) Ensuring the lives and safety of employees, and (2) Ensuring the supply of products and services to customers. As one of our ongoing initiatives, we have conducted seismic reinforcement and instituted anti-flood measures according to the geographic conditions of each site, in order to reduce damage from natural disasters such as earthquakes and tsunamis. Going forward, we will maintain, review, and improve our BCP through training.

● Response to Wind and Flood Damage

To prepare for wind and flood damage, which has become increasingly severe in recent years, the Kobelco Group has been working systematically by checking hazard maps and other information and studying measures against anticipated disaster risks at each business site of our Group.

● Introduced and Operate Safety Confirmation System and Damage Information Collection System

In preparation for a major earthquake or other natural disaster, we have introduced and operate a safety confirmation system and a damage information collection system, and have built a system to quickly collect information on damages.

● Training for the Establishment of a Companywide Disaster Response Headquarters in the Event of a Major Earthquake

In case of extensive damage caused by a major earthquake or other natural disaster, we have a system in place to establish a Companywide disaster response headquarters at our Tokyo and Kobe head offices. In the training for the establishment of the Companywide disaster response headquarters, which was held in fiscal 2023, assuming the scenario of a Nankai Trough earthquake, members of the response headquarters of Head Office divisions and persons in charge of business divisions participated in the drill, reporting the status of damage at the affected business sites, confirming the situation, and responding to requests for assistance.



Training in progress

Disaster Prevention

2nd Kobelco Disaster Prevention Festa

The Group held the 2nd Kobelco Disaster Prevention Festa at the Kobe Head Office to pass on the memories of the Great Hanshin-Awaji Earthquake and maintain and raise awareness of disaster prevention among employees.

The event, which was held with the cooperation of experts in the field, featured the following activities to heighten awareness and knowledge of disaster prevention.

1. Presentation on disaster prevention: Correct Knowledge and Prevention for Disasters by Kobe Chuo Fire Station
(Conducted both on-site and online)
2. First-aid training: Hands-on first-aid training and learning conducted by a volunteer group
3. Exhibit of disaster prevention items: Various disaster prevention items and panel display of disasters

The Kobelco Group will continue to hold similar initiatives going forward to raise awareness among Group employees and prevent for contingencies.

Photographs from the Event



Presentation on disaster preparedness



First-aid class

Compliance with Disaster Prevention-Related Laws and Regulations

● Disaster Prevention Inspections

We conduct paper-based inspections and on-site inspections of Kobelco Group facilities in order to verify compliance with disaster prevention laws and regulations and to minimize risks that could potentially lead to accidents.

We will continue to reinforce the disaster prevention management structure throughout the Group.

Contributions to Society in Disaster Prevention

● Businesses, Products, and Technologies That Contribute to Disaster Prevention

To strengthen preventions for natural disasters, the Kobelco Group is developing businesses, products, and technologies that contribute to society. Our main initiatives are presented below.

Category	Company Name	Description
Power generation business	Kobelco Power Moka Inc.	Our power generation business was selected as a private-sector initiative for building national resilience by the Cabinet Office (2015).
Vehicle-type mobile power station	Shinko Engineering Co., Ltd.	Vehicles equipped with motors and generators, which can move to places where electricity is needed to generate and transmit electricity
High-strength bolt	Shinko Bolt, Ltd.	A product with high strength and tensile force used in steel structure joints of buildings, civil engineering structures, and bridges
Structural analysis	Kobelco Research Institute, Inc.	Analyzes structures during earthquakes by computer simulation
Construction machinery	Kobelco Construction Machinery Co., Ltd.	Utilized for restoration work during a disaster
Bridge cables	Kobelco Wire Company, Ltd.	A product that prevents bridges from collapsing caused by major positional changes in an earthquake, etc.
Aseismic cable braces	Kobelco Wire Company, Ltd.	A product used for aseismic reinforcement of walls and roofs

● Disaster Prevention Initiatives Contributing to Local Communities

The Kobelco Group has business sites equipped with a helicopter landing pad for rescue operations during a disaster. Some business sites have also concluded disaster agreements with local governments to provide assistance in case of a disaster in the form of provision of supplies, temporary evacuation shelters, water for firefighting activities, and cleanup supplies for marine pollution in case of an oil spill.

Kobelco Group Disaster Prevention Conference

We organize the Kobelco Group Disaster Prevention Conference every year in an effort to share information and strengthen disaster prevention initiatives. We share information on natural disasters and related problems with the aim of reducing disaster risks.

Human Resources

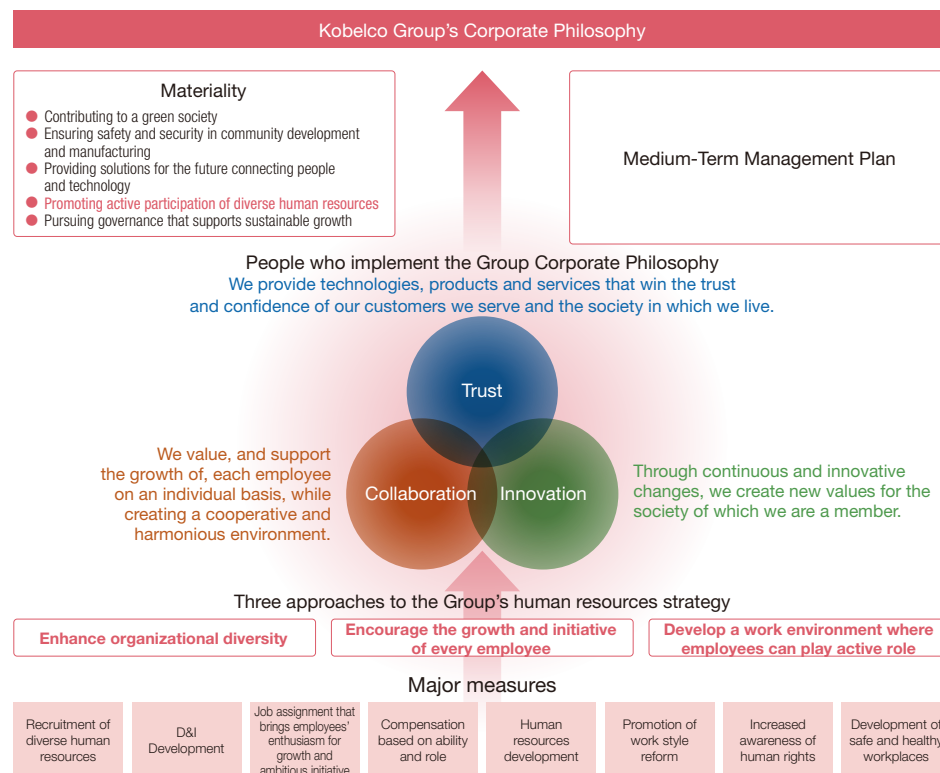
Basic Policy

Policies | Strategies and Targets

The Kobelco Group believes that in order to fulfill its social responsibilities as a corporate group and create new value, it is important to develop employees who understand and implement the Group Corporate Philosophy.

Our Group operates in a wide range of business fields, and possess human resources with diverse backgrounds, values, and skills. Amid changes in society and world trends, our bold efforts to contribute to society and realize a world we envision will be a key to further bolstering our strengths. In order to make it happen, we will strive to create a work environment in which our people can perform at their full potential.

● Kobelco Group's Human Resources Strategy



Enhance Organizational Diversity

Diversity and Inclusion (D&I)

● Activity Policy

Policies

We have been working to enhance the growth potential of the entire organization by encouraging people with diverse backgrounds and values to make the most of their abilities in the workplace. We believe this will lead to vigorous development of our business. The Kobelco Group has positioned D&I as an important management issue and set forth its vision for the future, basic policy, and KPIs for promotion of D&I, which it is working toward under our Medium-Term Management Plan (Fiscal 2024–2026). Our Group will further strengthen its D&I development so that people with diverse backgrounds and values can fully demonstrate their abilities in the workplace.

• Vision for the Future

Creating a Work Environment Where Diverse Human Resources Can All Play Active Roles

- Each employee achieves self-improvement by demonstrating their own individuality and strengths.
- The “Kobelco One Team” takes on challenges and creates new value from diverse ideas and experiences.

• Basic Policy

Value the Unique Strength of Individuals

- Accept each other's diverse individuality, and leverage strengths.
- Exchange opinions, deepen mutual understanding, and promote active participation of employees.

Promote the Variety of Work Styles

- Create a workplace environment where employees can work comfortably regardless of their job types, restrictions in work style, or life stages.
- Create a workplace that is highly motivating and fulfilling.

Take on the Challenge of Creating New Value

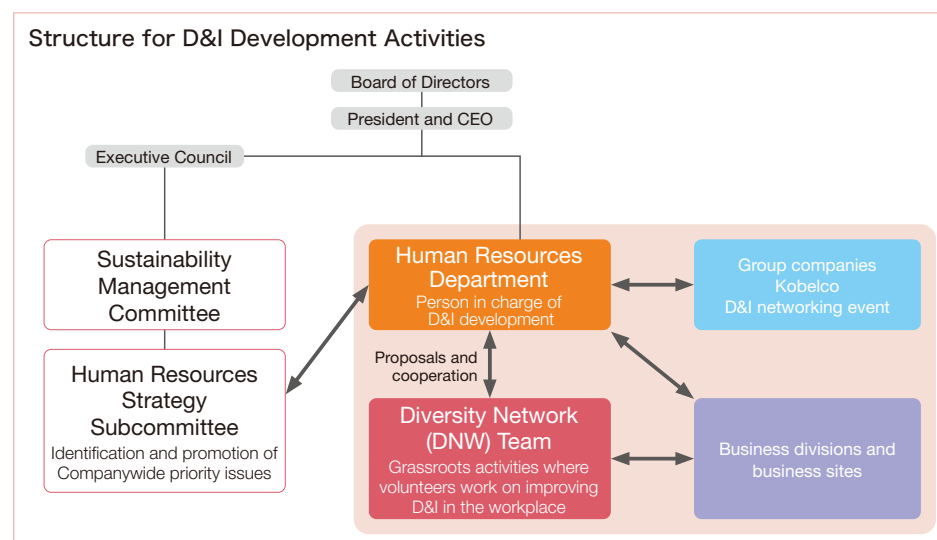
- Interact with and learn from each other beyond organizational boundaries.
- Respect new ideas that come from different viewpoints and ways of thinking.
- Create a corporate culture where employees can take on challenges without fear of failure.

Human Resources

● Organizational Structure for D&I Development

Structure

The Human Resources Department plays a leading role in D&I development activities and cooperates with various projects. We are also advancing D&I development activities mainly through the Human Resources Strategy Subcommittee and Diversity Network Team to strengthen cross-organizational activities.



● KPIs

Increasing the employment rate of new female graduates

Female administrative employees in career-track positions

50% or higher

Female technical employees in career-track positions

15% or higher

Female technical employees in general positions

10% or higher

Strategies and Targets

Development of female leaders

Target number of managers in fiscal 2026

100 persons or more

Support for male employees' participation in childcare

Percentage of employees taking special childcare leave

100%

● Fiscal 2023 Results

Increasing the employment rate of new female graduates

Female administrative employees in career-track positions

44%

Female technical employees in career-track positions

13%

Female technical employees in general positions

9%

Development of female leaders

Percentage of managers

3.1%
74 persons

Support for male employees' participation in childcare

Percentage of employees taking special childcare leave

95%

● External Awards and Assessments

- Received the Best Workplace award, the highest recognition, and the Semi-Grand Prize award at D&I Award 2022
- Received Gold ranking (2021 to 2023) and Best Practice Award (2022) in the PRIDE Index, an index for LGBTQ-related initiatives by companies

▶ Human Resources: Initiative to Support LGBT People

- Received "Platinum Kurumin" certification in recognition of support for child-rearing
- Endorsement of Action by Male Leaders Coalition for Empowerment of Women, Cabinet Office / Endorsement of the "30% by 2030" challenge
- Recognized as Hyogo Kobe Women's Empowerment Business (Mimosa Company)
- Received "Hyogo work-life balance company" award
- Registered as a company supporting the Tokyo metropolitan government's "barrier-free mindset" initiative



Human Resources

● Initiatives to Promote Understanding of Diversity

Results

● Diversity Communication Training

Since fiscal 2016, we have been conducting diversity communication training with the aim of improving communication with people of diverse backgrounds. Under the themes of "Improving Awareness of Gender Roles," "Unconscious Bias," and "Empathetic Communication," approximately 1,500 managers and supervisors and other employees who wish to participate take part in the course every year, providing an opportunity to think about how D&I can be utilized in our daily lives.

● D&I Training for Management at Group Companies

In July 2023, under the theme of "Significance and Importance of D&I Management: Leading to Specific Actions," we conducted training for the management of Group companies to become inclusive leaders in D&I development. A total of 42 employees from nine companies participated, and they committed to working on issues such as active communication, organizational diversity by hiring minorities, and prevention of harassment.

● Supporting the Participation of a Diverse Array of Employees in the Workplace

● Promoting Women's Participation in the Workplace

Policies Strategies and Targets Results

Both the number of female employees and female managers are increasing. In addition to our aim to increase the rate of female employees promoted to managerial positions, we are carrying out initiatives to build a vibrant culture that embraces each and every employee, regardless of gender.

● Percentage of Female Employees

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Percentage of female employees* (Including Group companies) (%)	9.9	10.6	10.3	14.3	14.2	14.6	14.9

* Data up to fiscal 2019 is for the Kobelco Group in Japan only.

● Recruitment

	Fiscal 2022			Fiscal 2023		
	Recruitment through the Regular Hiring Process	Mid-Career recruitment	Total	Recruitment through the Regular Hiring Process	Mid-Career Recruitment	Total
Men	224	188	412	234	304	538
Women	25	33	58	37	64	101
Total	249	221	470	271	368	639
Proportion of women (%)	10.0	14.9	12.3	13.7	17.4	15.8

● Workforce

	Fiscal 2022	Fiscal 2023
Men	10,284	10,428
Women	1,084	1,106
Total	11,368	11,534
Proportion of women (%)	9.5	9.6

● Continuous Years of Service

	Fiscal 2022	Fiscal 2023
Men (Years)	15.4	15.4
Women (Years)	14.5	14.5
Difference in average continuous years of service between men and women (%)	-5.8	-5.8

Note: Regular employees only

Human Resources

• Number of Managers

	Fiscal 2022	Fiscal 2023
Men	2,256	2,302
Women	65	74
Total	2,321	2,376
Proportion of women (%)	2.8	3.1

Note: Due to changes in the calculation method, the figures for fiscal 2022 have also been revised.

• Directors

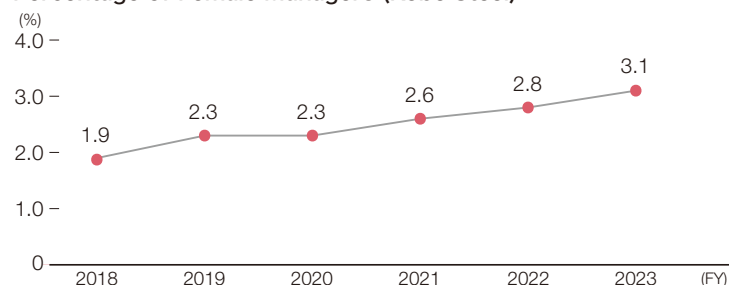
	Fiscal 2022	Fiscal 2023
Men	11	11
Women	2	2
Total	13	13
Proportion of women (%)	15.4	15.4

Note: After the Ordinary General Meeting of Shareholders held in June 2024, there are 10 male directors, three female directors, and the proportion of female directors is 23.1%.

• Initiative to Develop Female Leaders

We are working to develop female leaders with the target of increasing the number of female managers to 100 or more by fiscal 2026.

Percentage of Female Managers (Kobe Steel)



Note: Due to changes in the calculation method, the figures for fiscal 2018 to fiscal 2022 have also been revised.

• Training for Female Leaders

With the goal of thinking about one's own leadership and putting it into practice, we provide training specifically for women in mid-level positions. A total of four programs were held, including a panel discussion with female managers, role playing, and a networking session for participants.

Participants provided many positive comments, such as, "I realized that every leader is different and I learned that I could be a leader in my own way" and "It was a great opportunity to talk with my supervisor about leadership."

• Action Plan on the Act on the Promotion of Female Participation and Career Advancement in the Workplace

We have formulated our Third Action Plan under the Act on the Promotion of Female Participation and Career Advancement in the Workplace, which aims to realize a society in which women can fully demonstrate their qualities and capabilities.

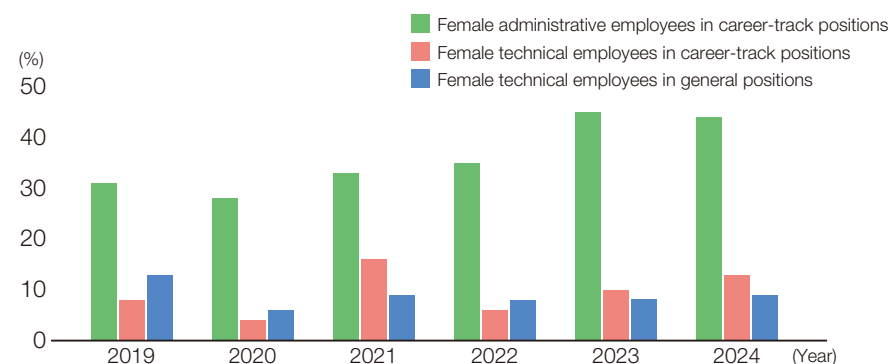
Third Action Plan (Fiscal 2024–2025)

Target 1	Increase the employment rate of female new graduates to 50% or higher for administrative career-track positions; 15% or higher for technical career-track positions; and 10% or higher for general technical positions
Target 2	Increase the number of female managers to 100 or more by fiscal 2026
Target 3	Increase the percentage of male employees taking childcare leave or special leave for child-rearing to 100%

• Initiative to Increase the Number of Female New Graduates Hired

Beginning with new hires for fiscal 2022, we have set new targets and are proceeding with initiatives aimed at increasing the number of new graduates hired.

Percentage of Female New Graduates Recruited by Job Types (As of April 1)



Human Resources

• Introduction of Maternity Work Clothes

For safety reasons, the Kobelco Group requires the wearing of standardized work clothing at all manufacturing sites, such as plants. Because the number of women hired is increasing not only in career-track positions but also at manufacturing sites, we have introduced maternity work clothes to help pregnant women to work safely and comfortably.

The fit of the maternity work clothes can be adjusted through the use of buttons and other features around the stomach area of the top garment, while the waist of the pants is made out of knitted material that stretches easily, thus adapting to the changes in body shape that occur with pregnancy. In addition, when women working on sites become pregnant, we work to transfer them to roles that lessen the physical burden.



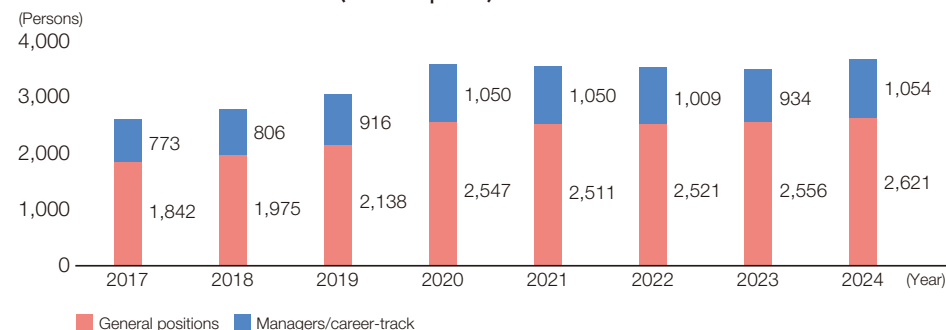
• Initiatives for Mid-Career Hires

Results

We actively promote mid-career hiring, and many employees who were hired mid-career are playing active roles in our Company.

With the aim of greater retention of mid-career hires and their active participation, we have revamped our onboarding measures to provide opportunities for them to form personal networks, understand the corporate culture, and learn what they need to do to readjust to the organization.

Number of Mid-Career Hires (As of April 1)



• Initiative to Support Employees from Overseas

Results

Employees from overseas are active in a wide range of fields at our Company. Since employees from overseas have various backgrounds, including where they are from, and diverse values, we support each individual so that they can draw out their strengths and play an active role.

• Cross-Cultural Management Training for the Supervisors of Employees from Overseas

We hold regular training sessions to help supervisors who have employees from overseas as subordinates deepen their understanding of differences in cultural backgrounds and learn management skills that are useful in their daily management.

• Providing a Guidebook for Workplaces with Employees from Overseas

We have created and distributed a guidebook that summarizes necessary information and essential knowledge about cultural differences for workplaces that have employees from overseas.



• Exchange Meetings for Employees from Overseas

With the aim of encouraging employees from overseas to create their own networks, share their respective experiences, and increase enthusiasm for future career formation and long-term employment, we host these meetings at the same time as training sessions for cross-cultural communication.



• Initiatives for Employees with Disabilities

Results

• Employment of People with Disabilities

We actively promote the hiring of people with disabilities.

Recruitment activities are conducted throughout the year with the aim of having an increased number of employees with disabilities. Our efforts include collaboration with employment service centers (called Hello Work in Japan) and polytechnic schools for those with disabilities, participation in joint job interview events, school visits, and more.

Additionally, we strive to improve the work environment so that each individual can work with peace of mind while fully demonstrating their abilities.

Human Resources

Employment Rate of People with Disabilities

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Employment rate of people with disabilities (Non-consolidated)	2.30%	2.35%	2.37%	2.34%	2.57%	2.64%	2.62%

● Initiative to Support LGBT People

Results

We are working to promote greater understanding of the LGBT community.

We provide training to senior management and managers/supervisors and for general employees on LGBT topics. Also, we are improving the environment with better in-house offerings, including the Kobelco Familyship Program, in which LGBT individuals who are unable to legally marry can use the internal family program in the same way as legally married couples. We are also working to increase the number of people who become an Ally¹ through seminars and by distributing stickers with the Kobelco LGBT ALLY logo. In recognition of these initiatives, we received the highest ranking of Gold in the PRIDE Index² for the third consecutive year in 2023 and received the Best Practice Award in 2022.

In May 2024, we endorsed Business for Marriage Equality (BME)³.

- 1 An Ally is a person who acts proactively for LGBT issues as one's own matter.
- 2 An index that evaluates companies/organizations for their initiatives for LGBT and other sexual minorities in the workplace. Established by "work with Pride," a voluntary organization that supports the promotion and establishment of diversity management for sexual minorities.
- 3 Campaign to visualize companies that support marriage equality (legalization of same-sex marriage)

Kobelco
LGBT ALLY Logo



Gold Ranking in
2023 PRIDE Index



Best Practice



Business for
Marriage Equality

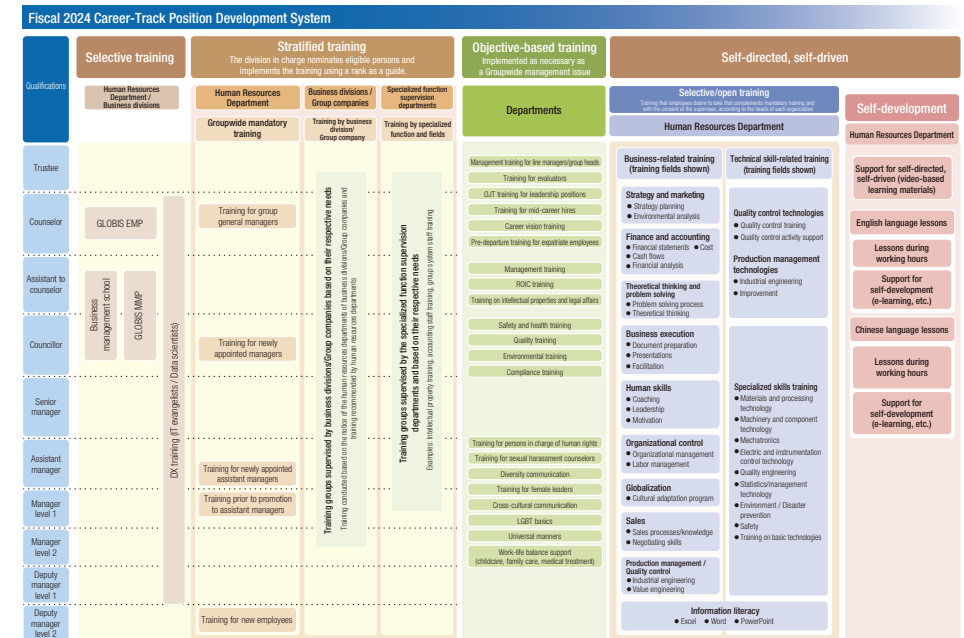


Encourage the growth and initiative of every employee

Results

Human Resources Development

To maintain and enhance *monodzukuri* (manufacturing) capabilities that are the source of our competitiveness, we have established various types of educational programs that are centered on on-the-job training (OJT) and classified by rank and job type.



Human Resources

Training System for Employees in General Technical Positions			
Qualification	Common and stratified training (Mandatory)		Specialty to College of Industrial Technology
	Details/Content, etc.	Period	
Section manager	Follow-up training for newly appointed section managers Training for newly appointed section managers (second half) Training for newly appointed section managers (first half)	1 day 5 days	
Foreman	(Stage I) Training seeks to strengthen management skills (leadership, coaching, etc.) and skills for developing subordinates in the workplace. Content: Knowledge of job responsibilities (environment, compliance, etc.), medium-term management plan, case studies, skills for instructing subordinates, etc. (Stage II) Training seeks to strengthen labor management skills necessary in the workplace and improve the ability to formulate and solve problems. Content: Knowledge of job responsibilities (safety and health, mental health, etc.), case studies and research on labor management, research into issues, communication skills in the workplace, etc.	10 days (Stage I: 5 days) (Stage II: 5 days)	
Group leader	Training for newly appointed group leaders (first half) Training for newly appointed group leaders (second half) Training for newly appointed group leaders to obtain qualification*	2 days 3 days	
Chief	Leadership training Training for employees in chief positions	3 days	
Specialized skill training in 1st to 5th years	Participants acquire basic knowledge and ways of thinking about safety and health (SC) activities (self-management and problem solving). Participants acquire skills and knowledge in a wide range of fields, from basic to applied, with the goal of passing skill tests (Level 2) in each field for each of the seven types of mechanical maintenance, electrical maintenance, assembly, processing, welding, operation jobs, and mechanical jobs in general positions. Content: Safety and health, QC methods and practical skills, computer literacy application (GC), machine measurement, mechanical drawing, machine assembly, machining, numerical control (NC) programming, hydraulics/pneumatics, control arc welding, carbon dioxide welding, non-destructive testing, sequence control, identification technology, equipment diagnosis, equipment maintenance and inspection, measurement technology, electrical system maintenance, mechanical system maintenance, etc. Qualification: Gas welding skill training	Approx. 40 to 60 days	
Common skills training	Content: Safety and health (hands-on classroom lecture), fundamentals of computer literacy (GC), electrical basics, mechanical elements, gas welding, arc welding, special training in arc welding, replacement of grinding wheels, special training on low-voltage electric handling and special training in full harness and safety shoes Optional qualifications for each business site: Crane driving license, slingshot skill training, forklift driving skill training	Approx. 20 days	
Engagement training	In addition to acquiring the mindset of a member of society, participants deepen understanding of the company's corporate philosophy, history, and the businesses and products, as well as acquire the basics as an employee of the Company. Contents: Mindset as a working professional, morals and etiquette, corporate philosophy, company history, introduction and tour of businesses and products, communication methods, and manufacturing experience.	7 days	
Training for newly hired employees	Content: Introduction of the Company, businesses and products, explanation of work rules and benefits, workplace tour, practical training, etc.		

* Trainings are conducted at each business site according to the training system of each business division and business site. Learning curriculum varies depending on the business site.

Development of New Employees

For the first five years after joining the Company, new employees are provided with systematic group training to learn skills and specialized knowledge. In fiscal 2023, we introduced engagement training with the aim of further promoting employee growth, as the mindset of each individual affects their acquisition of technologies and skills.

In this training, participants experience the importance and fun of teamwork through hands-on manufacturing experiences and deepen their understanding of social contributions through *monozukuri*.



Engagement training for first-year employees

Technical Skills Competitions

Every year, we hold a technical skills competition for second-year technical track employees to measure their proficiency in the skills they have acquired and to confirm the fundamentals of safe work. As the automation of machine tools progresses at manufacturing sites, this competition is an important opportunity to foster awareness of safety and health.



Technical skills competition

Dispatch to the College of Industrial Technology

We have established a dispatch program for leader candidates on the front line to be sent to the College of Industrial Technology in Amagasaki City, Hyogo Prefecture.

In addition to acquiring technical theories and advanced specialized knowledge related to *monozukuri*, the purpose of the program is to grow employees into engineers with improved communication skills through interaction with working students and general students dispatched from industries such as steel companies, volunteer activities, club activities, and participation in academic conferences.

We hope that graduates will serve as role models for other employees as leaders in the field, and we provide opportunities to showcase their learning and achievements to their supervisors and prospective students in March every year.



Joint presentation by students dispatched to the College of Industrial Technology

Early Development and Systematic Placement of Management Personnel

We draw up succession plans for key positions at the general manager level and above, and conduct cross-field rotations for gaining a wide range of work experience. We also conduct selective training at multiple levels aimed at improving management skills.

Shift to and Entrenchment of Self-Directed, Self-Driven Learning Support

We are reducing the ratio of conventional standard/stratified programs, and shifting toward human resources development that is self-directed and self-driven. While employees are encouraged to autonomously build their own careers and learn on their own, the Company will provide growth opportunities for them and support the active participation of diverse human resources.

Human Resources

Results of Skills Development Training over the Past Three Years

	Fiscal 2021		Fiscal 2022		Fiscal 2023	
Number of employees (Persons)	11,296		11,368		11,534	
	Total hours for all employees (Hours/year)	Average hours per employee (Hours/person/year)	Total hours for all employees (Hours/year)	Average hours per employee (Hours/person/year)	Total hours for all employees (Hours/year)	Average hours per employee (Hours/person/year)
Learning hours	349,585	30.9	408,216	35.9	380,056	33.0

Human Resources Development Spending in Fiscal 2023

Human resources development spending	1,947 million yen
Human resources development spending per employee	171,000 yen

● Improving Operations through Initiatives by Employees

We are promoting operational improvement initiatives by employees in order to increase the quality of work through the review of operations and processes. In addition, we provide the operational improvement award for initiatives to improve and streamline efficiencies in each workplace.

We are working to expand those improvements to more employees by disseminating improvement examples Companywide on our internal portal site.



● Voice of an Operational Improvement Award Winner

With the desire to further improve our products, we have built a system that allows us to focus on improvement work by utilizing the macro function of Microsoft Excel to reduce repetitive and menial routine work such as tallying.

By promoting this initiative, we have increased our sensitivity to inefficient or unnecessary work in the workplace. We now have an atmosphere in which people can give suggestions and advice to each other about work efficiency, creating a virtuous cycle in the workplace.



An operational improvement award winner from the Steel & Aluminum Business

Develop a work environment where employees can play active role

Promoting Work Style Transformation

Policies Strategies and Targets

With the goal of establishing a fulfilling workplace environment that enables the acquisition and retention of outstanding human resources, the Kobelco Group is working on work style transformation activities for its employees, which include increasing the amount of annual leave taken, supporting a balance between work and family life, and increasing operational efficiency.

In our work style transformation activities, we are undertaking a variety of initiatives, from the development of systems and tools to the transformation of the corporate culture and mindset, with the aim of creating a work style that allows each and every employee to work with enthusiasm, demonstrate their fullest potential, and continue to create new value.

● Promotion of Flexible Work Styles

Results

• Telework System

We have established a system that allows employees to work without coming to the office, and introduced a telework system so that employees who are balancing childcare or family care or have time constraints can play an active role to the fullest while being conscious of improving productivity. We recommend that employees flexibly choose between coming to the office and teleworking depending on their work characteristics and circumstances.

• Flextime System

We have introduced a work system that allows employees to autonomously decide when to start/end work and how long they work each day according to their work and life circumstances. In fiscal 2023, we abolished core time and established a system to enable more flexible work styles.

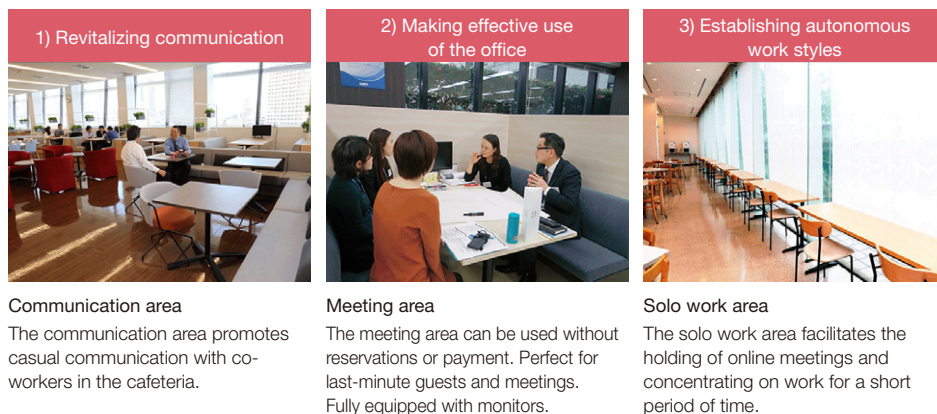
• Use of Microsoft Teams

We have introduced Microsoft Teams as a tool for promoting online meetings and communication.

Human Resources

• Initiatives for Effective Use of Office Space

Making effective use of the cafeteria, we have set up not only spaces for communication and meetings but also a solo work area to encourage autonomous work styles.



• Encouraging Addressing by Name, Not Title

We encourage employees to call each other by their names in emails and at the workplace. While it is only encouragement, this approach has taken root and led to smoother communications within the Company.

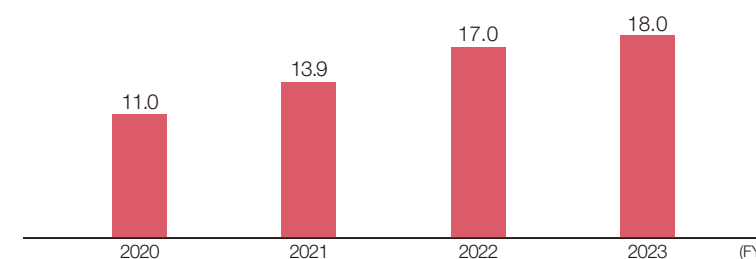
• Shift to Less Formal Attire

We have introduced the option of less formal attire at the Head Office, branch offices, and sales offices with the aim of fostering fresh and flexible thinking, and a sense of autonomy in a comfortable working style.

● Initiatives to Reduce Working Hours

To create an environment in which employees can work healthily for a long period of time, we are promoting initiatives to improve operational efficiency and reduce working hours throughout the company via work style transformation activities. In order to improve productivity and offer work styles with greater balance, each division does not work past 7 p.m., and sets a no-overtime day and a day to leave work at the end of the work day. Also, a goal for employees has been established for taking 15 days of annual paid leave to encourage them to take days off in a planned manner.

Number of Days of Paid Leave Taken (Days per employee per year)



Work-Life Balance

Support for Work-Life Balance

Policies

Strategies and Targets

Results

To help employees achieve work-life balance, we are actively providing information on training and seminars to support balancing childcare, nursing care, and medical treatment, and are working to improve the workplace environment.

Not only for those eligible but also for their supervisors, we post information on how to review internal systems and work styles, as well as on various other services, on the internal D&I promotion website so that employees can access this information at any time.

Childcare Support

We are moving forward with initiatives to support a balance between work and childcare, regardless of gender. Our initiatives in childcare support have gained recognition, and the Company received the "Platinum Kurumi¹" certification as an Outstanding Childcare Support Company (acquired in 2019).

In the past, we have received "Kurumin²" certification twice, in 2012 and 2015. The Platinum Kurumin certification was awarded to our Company for the recognition of our efforts such as promoting work style transformation activities, which increased the rate of employees taking annual paid leave, and encouraging male employees to take the Company's own special leave for childcare.

- 1 A special certification awarded to Kurumin-certified companies that have implemented initiatives aiming for a higher standard and fulfilled certain conditions, with the designation of Outstanding Childcare Support Company.
- 2 A certification awarded by the Minister of Health, Labour and Welfare to companies that support childcare based on the Act on Advancement of Measures to Support Raising Next-Generation Children. It is awarded when certain requirements are fulfilled, such as formulating and reporting an action plan and achieving targets.



Usage of Main Childcare Support Systems

Results

● Usage of Childcare Support Systems

Percentage of Employees Taking Childcare Leave¹ and Average Number of Days Taken²

	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Men	8.2%	16.5%	32.0%	42.3%
	76 days	57 days	62 days	72 days
Women	97.3%	100.0%	100.0%	100.0%
	470 days	431 days	487 days	465 days

- 1 Percentage of employees taking leave for a child born within the fiscal year
- 2 Number of days includes persons who took leave the previous fiscal year and the current fiscal year.

Percentage of Employees Taking Special Childcare Leave

	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Men	77.8%	78.5%	88.0%	95.0%

● Support for Male Participation in Childcare

With the aim of supporting men's participation in childcare, we are conducting activities to encourage male employees to take childcare leave* with the goal of reaching a 100% rate of male employees with infants taking childcare leave* by the end of fiscal 2024.

We inform eligible employees of this system through emails and letters, and we also hang posters and other notices in workplaces and Company housing to encourage people to take leave under the childcare leave system and related systems. Through our internal D&I promotion website, we discuss how to take childcare leave, introduce examples of male employees who have taken childcare leave, and hold seminars and other events for taking childcare leave.

As a result of these activities, the number of employees taking childcare leave is increasing, and the average number of days taken is also on the rise.

* Special paid leave that can be taken by employees with children under the age of three

Strategies and Targets



Nursing Care Support

Policies

We have created an environment that supports a balance between work and nursing care. Nursing care leave can be taken for up to three years for making necessary preparations for nursing care at home. We have also established a system for responding to consultations from employees by assigning nursing care counselors at each business site. We create and distribute a handbook to support balancing work and nursing care as part of our active efforts to provide information on nursing care.

● Nursing Care Seminar

To help employees begin preparing for providing a loved one with nursing care, we hold training to support balancing work and nursing care, and provide them with information about nursing care and tools to communicate with family members who may need nursing care.

Work-Life Balance

Support for Employees Battling Illness or Undergoing Infertility Treatments

Policies

By reviewing the leave system, we are supporting employees to balance work while battling illness or undergoing fertility treatments. In addition, we hold various seminars to provide information and promote understanding of those around them.

● Women's Health Seminars

We hold seminars on themes such as symptoms associated with menstruation, menopausal symptoms, and infertility treatment to deepen understanding of the decline in the performance of female employees due to health issues specific to women and the Company's support for helping women to balance work and life. We also hold networking sessions for new female employees on the technical career track where they can hear from senior female employees about communication methods related to women's health issues in a workplace dominated by men.

Other Support for Work-Life Balance

Policies

In order to enable employees to continue working, not only through child-rearing and family care but also through variety of life events, we have established various support programs.

● Kobelco Life Support Leave

In order to build a flexible employment system that contributes to the active participation of our diverse workforce, we established the Kobelco Life Support Leave program in fiscal 2023 with the goal of expanding support for employees who are temporarily restricted from working due to reasons such as medical treatment, family care, volunteer activities, or reskilling, in addition to conventional childcare and nursing care support.

Overview of Kobelco Life Support Leave Program

Number of days granted annually	5 days (granted April 1 every year)
Increments of leave	1 day or half day
Unique feature	Can accumulate up to 60 days
Reasons for taking this leave	Leave can be taken as needed for childcare, nursing care, medical treatment, volunteer activities, reskilling, etc.
Number of employees who took this leave in fiscal 2023 (at least one day)	2,684

● Career Continuation Leave System

Under this system, employees who are living apart from their spouse due to their spouse having been transferred elsewhere, or for other reasons, may take leave of up to three years in order to resolve this separated state.

With the number of households in which both partners work increasing, there has also been an increase in cases where employees of the Company end up separated from their spouse due to the need to stay in their respective work locations. In light of this situation, this system provides a new option that could be an alternative to a commuter marriage or leaving the Company (to live with their spouse) in the event of an unwanted separation from their spouse due to each person's need to stay in their respective work locations. By doing so, we aim to help employees who have to live separately from their spouse to continue to work, and at the same time, reduce their anxiety about future separation from their spouse.

● Reemployment Entry System

For employees who enter this system when they resign due to marriage, childcare, nursing care, or transfer of their spouse, and who subsequently request reemployment at the Company due to a change in circumstances within five years of having resigned, this system matches the candidate with the Company's reemployment needs.

Entering the system at the time of resignation enables employees who had no choice but to resign for childcare or other reasons to select the Company as a destination for reemployment when searching for a place to work.

● System Supporting Early Return from Childcare Leave

This system allows employees with a child under one year old who have returned to work after childcare leave to receive a subsidy equal to the difference between the licensed and unlicensed nursery usage fees (a maximum of 50,000 yen for up to a year) when their child has to be placed in an unlicensed nursery in spite of the attempt to enter a licensed nursery.

One major issue when it comes to returning to work from childcare leave is finding a nursery to take care of the child. In many cases, employees wish to leave their children at licensed nurseries, which are less expensive, but it may not be easy to have their children taken care of for the desired period at licensed nurseries as many of them have no vacancies. In this situation, they can have the option of leaving their child at an unlicensed nursery, but the reality is that many choose to extend their leave from the workplace due to the higher childcare fees of unlicensed nurseries. This system aims to reduce these barriers to returning from childcare leave early by providing subsidies.

Making the Various Systems for Supporting Work-Life Balance Known to All

We distribute various handbooks to all employees who have had a baby, or who take nursing care leave.



Building Responsible Supply Chains

Basic Policy

Strategies and Targets

In order to realize KOBELCO's View of the Future, as a responsible member of the global supply chain, the Kobelco Group actively promotes initiatives to address issues such as human rights and environmental challenges, not only within the Group but also throughout its supply chains.

In accordance with our Basic CSR Procurement Policy for Responsible Supply Chains, we will fulfill our social responsibilities while working to grasp the supply chain issues in the procurement of raw and other materials in order to ensure a stable supply of our products and services.

Basic CSR Procurement Policy

Policies

Our Group has formulated the Basic CSR Procurement Policy, which systematizes its approach and action agenda to build responsible supply chains and shares it with all of its business partners.

► Procurement

(The entire Basic CSR Procurement Policy is available on our corporate website.)

Approach	· Basic Procurement Policy · Requests to Our Business Partners	
Response policies	1. Notification of Requests to Our Business Partners to the suppliers of our business partners	3. Information disclosure
	2. Solicitation for compliance with Requests to Our Business Partners and support for improvements	4. Cooperation with business partners 5. Cooperation with employees, Group companies, and affiliates

Basic Procurement Policy

Policies

The Kobelco Group's procurement departments will conduct their activities based on the following basic procurement policies.

1. Compliance with laws, regulations, and other social norms

In conducting purchasing operations, we will comply with relevant domestic and overseas laws, social norms, and internal regulations. The person in charge of procurement will have no private benefit in any business partner.

We will 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.

2. Fair and impartial transactions

Purchasing operations will be conducted based on reasonable standards, in terms of quality, delivery time, and price, and will be open to the public both in Japan and abroad.

3. 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.

4. Strengthening of partnerships with business partners

We aim for mutual development by establishing a relationship of trust with our business partners.

5. Management of confidential information

We will strictly manage information and personal information obtained through purchasing operations and use it only for the permitted purposes.

Requests to Our Business Partners

Strategies and Targets

The Kobelco Group requests its business partners to understand and practice the following in order to work together to build responsible supply chains. (For details, please visit our corporate website.)

► Procurement

1. Compliance

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

2. Human rights and labor

- Prohibited items (forced labor, child labor, inhumane treatment, and discrimination)
- Consideration for working hours, adequate wages and benefits, and freedom of association/right to collective bargaining

3. Safety and health

Occupational safety, emergency preparedness, occupational accidents and diseases, industrial hygiene, consideration for physically demanding tasks, safety measures for machinery and equipment, safety and health of facilities, safety and health communication, and health care of workers

4. Environment

Obtain environmental permits and reports; reduce energy consumption and greenhouse gas emissions as well as emissions into the atmosphere; ensure management of water, effective use of resources, and waste management; promote control of chemical substances and management of chemical substances contained in products

5. Fair trade and ethics

Anti-corruption, prohibition of giving or receiving unreasonable or improper benefits or facilities, appropriate information disclosure, respect for intellectual property, conduct business fairly, protection of the informant, and prohibition of the use of conflict minerals

6. Quality and safety

Ensuring product safety and establishment and operation of quality management system

7. Information security

Defense against cyberattacks, protection of personal information, and preventing leakage of confidential information

8. Business continuity plan

Business continuity planning and preparation

9. Social contribution

Voluntary engagement in activities that contribute to the development of international and local communities

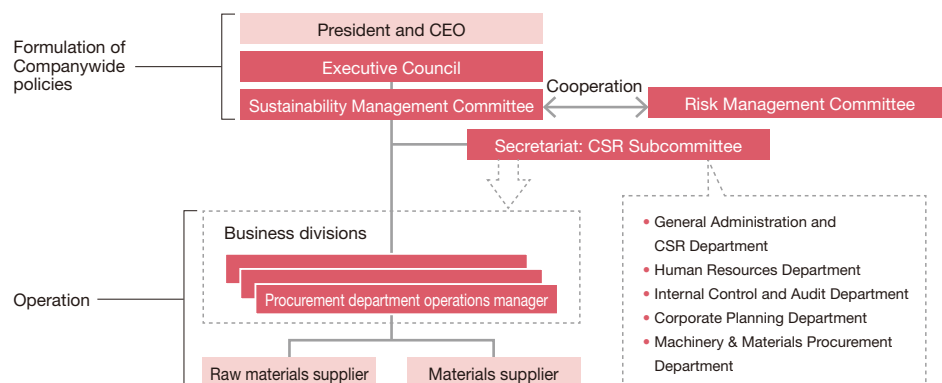
Building Responsible Supply Chains

Steering System

Structure

Our Companywide policy is proposed by the Sustainability Management Committee to the Executive Council for deliberation to build consensus. The approved policy is carried out by operation managers at procurement divisions under respective business divisions.

From the viewpoint of risk management, procurement activities are conducted in cooperation with the Risk Management Committee to strengthen the policy implementation.



Response Policies

Policies

1. Notification of Requests to Our Business Partners to the suppliers of our business partners

We also ask our business partners to ensure that their suppliers thoroughly understand and implement the above Requests to Our Business Partners.

2. Solicitation for compliance with Requests to Our Business Partners and support for improvements

- We confirm the progress of business partners that require improvements while providing support.
- We may visit business partners in person, including performing third-party audits as needed.
- If appropriate improvements are not made, we may elect to terminate the business relationship.

3. Information disclosure

We disclose relevant information in a timely and suitable manner.

4. Cooperation with business partners

We share the Basic CSR Procurement Policy with business partners and pursue various avenues of collaboration while striving to understand any issues.

5. Cooperation with employees, Group companies, and affiliates

We continuously raise awareness and organize training with regard to the importance of the environment and human rights in the supply chain and our Basic CSR Procurement Policy.

Initiatives for Fiscal 2023

Results

In order to build responsible supply chains, we have conducted surveys to better understand the current situation and used the PDCA cycle.

Governance Structure

To confirm the development of internal governance structures at major business partners (approximately 330 companies), we conducted the first general CSR survey in February 2022. Following this, we conducted a second survey of the same business partners to understand the changes from the first survey.

● Detailed Items of the Survey

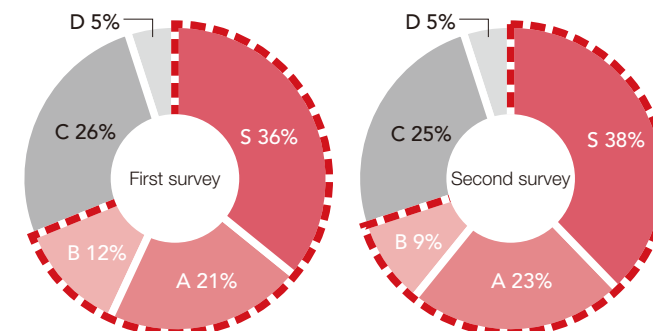
In accordance with the United Nations Global Compact CSR/Sustainable Procurement Self-assessment Tool, we asked questions about business partners' basic stance on each item, legal compliance, and internal management structure, etc.

Item	Number of Questions
(1) Corporate governance related to CSR	20
(2) Human rights	9
(3) Labor	23
(4) Environment	15
(5) Fair business activities	22
(6) Quality and safety	7
(7) Information security	9
(8) Supply chain	7
(9) Live in harmony with the local community	4
Total	116

● Results

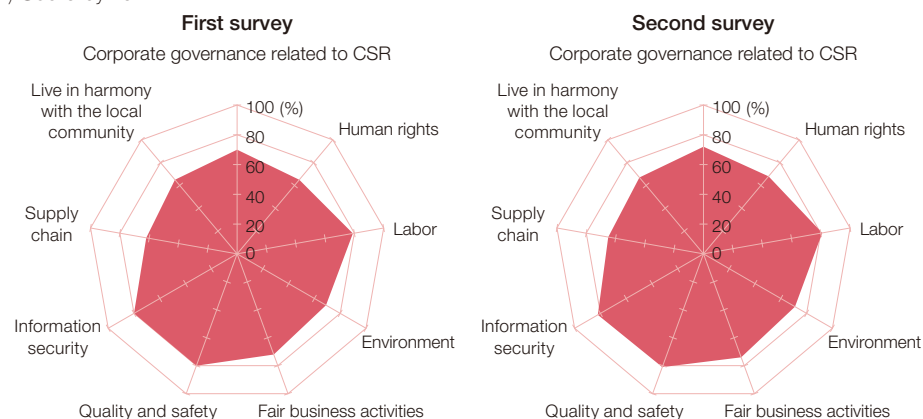
(1) Score distribution

Rank	Score
S	85% or more
A	70–84%
B	60–69%
C	30–59%
D	Less than 30%



Building Responsible Supply Chains

(2) Score by item



Analysis of Results

- 70% of all respondents had an average score of 60% or more (S to B rank) (+1% compared to the previous survey).
- The average score was 73% (+2% compared to the previous survey). The scores of all items increased compared to the previous survey. The scores for "Human rights," which is an important item, increased (+3%) compared to the previous survey, but the score is still relatively low.
- We will continue to conduct the survey going forward.

Human Rights and Labor

In February 2024, we distributed a guidebook to support the improvement of human rights issues, which clearly states the items that we request to address in the area of "human rights and labor," to suppliers who were found to be inadequacies in their internal governance structure in terms of "human rights and labor" in the first general CSR survey. At the same time, we conducted the first detailed survey on human rights for the purpose of confirming compliance with laws and regulations related to human rights and labor at each business partner. We are now providing feedback to each business partner based on the results of the responses.

Items in the Detailed Human Rights Survey (41 questions in total)

Domain	Number of Questions	Domain	Number of Questions
General	2	Adequate wages and benefits	8
Non-Japanese technical trainees	10	Prohibition of harassment	5
Prohibition of child labor	2	Prohibition of discrimination	3
Consideration of working hours	10	Protection of whistleblowers	1

Conflict Minerals

- We conducted a survey on conflict minerals covering Kobelco. As a result, we found that we did not purchase minerals (tin, tantalum, tungsten, and gold) mined in conflict areas (Democratic Republic of the Congo and nine neighboring countries) regulated by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act").
- We will also conduct a survey on cobalt and mica, which are considered the most likely to violate human rights after the above minerals.

○: No purchases made from conflict areas —: No purchases of minerals

Mineral	Steel & Aluminum	Advanced Materials	Welding	Machinery	Engineering	Electric power	Technical Development Group
Tin	—	○	—	—	—	—	○
Tantalum	○	—	—	—	—	—	○
Tungsten	○	○	○	—	—	—	—
Gold	—	—	—	—	—	—	—

Establishment of Supply Chain Grievance Desk

In order to receive requests for consultation on human rights in supply chains, we joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) in April 2024, and established a structure to respond appropriately, fairly, and transparently to the opinions received through JaCER's engagement and remedy platform as a third-party point of contact. (Information about the Supply Chain Grievance Desk can be found on our corporate website.)

► Procurement

Initiatives Scheduled for Fiscal 2024 and Beyond

Strategies and Targets

We have designated "human rights and labor" and "conflict minerals" as important items, and will advance initiatives based on the PDCA cycle, continuously understanding the situation at our business partners and promoting support and other measures.

Fiscal 2024	Fiscal 2025	Fiscal 2026
<ul style="list-style-type: none"> Feedback on responses to the first detailed survey on human rights Survey on conflict minerals (cobalt and mica) 	<ul style="list-style-type: none"> Third CSR survey Second detailed survey on human rights 	<ul style="list-style-type: none"> Provide in-depth support to business partners found to have room for improvement based on the results of the second detailed survey on human rights

Social and Labor Data

				Fiscal 2021	Fiscal 2022	Fiscal 2023
Employees	Consolidated	Consolidated	Persons	38,106	38,488	38,050
	Non-consolidated	Total	Persons	11,296	11,368	11,534
		Men	Persons	10,231	10,284	10,428
		Women	Persons	1,065	1,084	1,106
		Non-Japanese employees	Persons	76	74	87
Percentage of female managers ¹	Non-consolidated		%	2.6 (61 persons)	2.8 (65 persons)	3.1 (74 persons)
Employment rate of people with disabilities ²	Non-consolidated		%	2.57 (2.3)	2.64 (2.3)	2.62 (2.3)
Number of employees taking childcare leave ³	Non-consolidated	Men	Persons	82	142	183
		Women	Persons	49	31	73
Percentage of employees returning from childcare leave	Non-consolidated		%	99.0	99.4	99.6
Number of new graduates employed	Non-consolidated	Men	Persons	254	224	234
		Women	Persons	39	25	37
Turnover of employees with less than 3 years of service ⁴	Non-consolidated		%	17.7	10.4	4.1
Turnover of employees with less than 10 years of service (Non-consolidated) ⁵			%	19.5	20.0	21.1
Number of annual paid leave days taken	Non-consolidated		Days/year per employee	13.9	17	18
Overtime hours	Non-consolidated		Hours/month per employee	17.2	16.5	16.1
Total hours worked	Non-consolidated			2,057.0	2,050.1	2,050.4

¹ Due to changes in the aggregation method (including seconded employees and employees on leave of absence), the figures for fiscal 2021 and fiscal 2022 have been revised.

² Figures in parentheses are the statutory employment rate.

³ The period of the Company's childcare leave is up to three years. The number of employees includes those who continue to be on leave from the previous fiscal year.

⁴ The figure shows the percentage of those who retired with less than three years of continuous service, among the employees who joined the Company during these fiscal years through the regular hiring process (for fiscal 2021 and 2022, the percentage of those retiring by the end of fiscal 2023).

⁵ The figure shows the percentage of those who left the Company with less than 10 years of continuous service, among the employees who joined the Company during these fiscal years through the regular hiring process (the percentage of employees who left the Company between fiscal 2014 and the end of fiscal 2023).