

KOBELCO Group Basic Policy on Human Rights

The KOBELCO Group has established the Basic Policy on Human Rights (hereinafter, “this Policy”) in order to clearly demonstrate its commitment as a corporate group that operates globally to respect human rights in compliance with international norms and standards.

1. Respect for International Norms and Standards

Our Group recognizes that respecting human rights is an important corporate social responsibility. Based on the principles of the UN Global Compact, in which we joined in 2021, we fully respect internationally recognized norms and standards on human rights, such as the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, for all people who may be affected by our business activities, and support and practice the UN Guiding Principles on Business and Human Rights.

2. Scope of Application

This Policy applies to all directors, executive officers, and employees of our Group, including all persons working in the Group, including permanent, contract and temporary employees. In addition, we expect our Group’s business partners, including suppliers, to understand and support this Policy.

3. Compliance with Applicable Laws and Regulations

Our Group complies with the laws and regulations of the respective countries and regions in which it operates.

4. Training

Our Group provides appropriate training to its directors, executive officers, and employees and strives to prevent any negative impacts on human rights.

5. Human Rights Due Diligence

Our Group establishes a system of human rights due diligence, in which we conduct research and evaluation to prevent or mitigate any negative impacts that its business activities may have on society in terms of human rights and promote corrective actions through appropriate means. We continuously implement this and disclose the progress and results we have achieved to the public.

6. Dialogue and Consultation

Our Group strives to engage in dialogue and consultation with relevant stakeholders in order to prevent and mitigate any potential and actual negative impacts on human rights.

7. Corrective and Remedial Measures

Our Group takes appropriate steps to correct or remedy any negative impacts on human rights in its business activities. When negative impacts on human rights are evident among our Group's business partners, including suppliers, we request them to take appropriate actions.

8. Promotion of This Policy and Handling of Complaints

Our Group has a system in place where the Sustainability Management Committee of Kobe Steel, Ltd. promotes and monitors compliance with this Policy and efforts to respect human rights. Important matters are presented/reported to the Executive Council and the Board of Directors of Kobe Steel. In addition, we work to establish an effective complaint handling system for human rights violations.

9. Decision on This Policy

This Policy represents our commitment to respect fundamental human rights based on the Group corporate philosophy and is subject to approval by the Board of Directors of Kobe Steel.

10. Appendix to This Policy

In order to promote our business activities in accordance with this Policy, our Group formulates an appendix to this Policy for specific areas of human rights that should be observed in light of the Group's business characteristics and works to make it widely known throughout the Group. The contents of the appendix are reviewed as appropriate in consideration of laws and regulations as well as social conditions.

Issued: October 1, 2019

Revised: December 1, 2022

A handwritten signature in black ink, appearing to read 'Y. Katsukawa', written in a cursive style.

President, CEO and Representative Director

Appendix to the KOBELCO Group Basic Policy on Human Rights

The KOBELCO Group focuses on the following human rights issues in order to respect the human rights of all those involved in our business activities.

1. Elimination of Forced Labor

Our Group will not tolerate any form of modern slavery, including forced labor, labor involving human trafficking, and bonded labor, in any country or region in which it operates.

2. Elimination of Child Labor

Our Group will not tolerate child labor in any country or region in which it operates. In addition, we will adhere to the minimum working age stipulated by each country's laws and regulations and respect the rights of children in accordance with the Children's Rights and Business Principles, developed by UNICEF, and the United Nations Convention on the Rights of the Child.

3. Prohibition of All Forms of Discrimination

Our Group will not tolerate any unfair discrimination based on race, creed, skin color, religion, nationality, language, ethnicity, gender, sexual orientation, gender identity, marital status, age, physical characteristics, diseases, disabilities, social status, property, place of origin, etc.

4. Respect for Freedom of Association and Right to Collective Bargaining

Our Group will observe labor laws and regulations and follow practices of all countries and regions in which it operates. We will respect freedom of association and the right to collective bargaining and build sound labor-management relations through honest dialogue with each employee or their representatives.

5. Appropriate Management of Working Hours

Our Group will comply with laws and regulations regarding working hours, holidays and vacations in all countries and regions in which it operates and conduct appropriate management accordingly.

6. Ensuring Adequate Wages

Our Group will comply with laws and regulations regarding minimum wages and statutory benefits specified by all countries, regions and industrial sectors in which it operates. We will strive to pay more than a living wage and will not reduce wages unfairly.

7. Respect for Diversity and Realization of a Comfortable Work Environment

Our Group will create a safe, healthy and secure work environment for all employees. We will strive to create a comfortable workplace environment in which employees can demonstrate their abilities to the fullest and realize their personal growth and self-fulfillment, while promoting mutual respect for diverse values and qualities of individuals. In addition, we will not tolerate any form of harassment or speech that infringes on human rights based on gender or status.

8. Consideration for the Rights of Indigenous Peoples

If there are indigenous peoples living in the countries and regions in which our Group operates, we will respect their unique cultures and histories, comply with the laws and regulations of such countries and regions, and give consideration to the impact that our activities may have on their rights.

9. Contribution to the Local Community

Our Group will build a relationship of trust with the local community and strive to create an appropriate personnel system that meets local needs and contribute to local employment, while working together to resolve local issues. We will also take necessary measures to prevent or mitigate any negative impacts that our business activities may have on the health, land rights, and water access of local residents in the areas where we conduct our business activities.

10. Supply Chain

Our Group will strive to understand the situation of all suppliers and to establish a supply chain that respects human rights while seeking understanding and cooperation from our Group's business partners, including suppliers, regarding respect for human rights.

With regard to the above human rights issues, we will review the items and details of our efforts as appropriate, in accordance with changes in our business activities and the implementation of human rights due diligence, and as required by laws and regulations as well as social demands.