



















# Indicators/Targets for Materiality

Materiality of the KOBELCO Group		Indicators/Targets		
		Indicators	Targets	Actual (FY2020)
<b>Contributing to a green society*1</b>   	Response to climate change	(1) Reduction of CO <sub>2</sub> emissions in production processes	FY2030: Down 30–40% (compared to FY2013 levels) FY2050: Taking on the challenge of realizing carbon neutrality	Down 21%
		(2) Reduction of CO <sub>2</sub> emissions through technologies, products, and services	FY2030: 61 million tons (including at least 45 million tons through MIDREX <sup>®</sup> Process) FY2050: 100 million tons or more	40.9 million tons
		(3) Reduction of CO <sub>2</sub> emissions in the electric power business	FY2030: Increasing efficiency of coal-fired power plants USC or higher FY2050: Taking on the challenge of realizing carbon neutrality	—
	Response to resource recycling	(4) Water recycling rate	Maintaining at 95% or higher	95.9%
		(5) Waste recycling rate	Recycling of three major items*2 FY2025: 99%	98.7%
<b>Ensuring safety and security in community development and manufacturing</b>    	Supplying energy focused on energy security, economic efficiency, environment, and safety (3E plus S)	—	—	
	Providing materials and machinery that meet needs	(6) Percentages of target products in the product mix	FY2025: Percentage of wire rods/bars and high-strength steel in the steel business: 52%	44%
	Improving safety and productivity	—	—	—
<b>Providing solutions for the future connecting people and technology</b>   	Reforms in manufacturing and operations through digital transformation (DX)	(7) Number of digitization projects	—	— <sup>*3</sup>
		(8) Progress rates of reconstruction of existing systems	—	—
		(9) Number of DX personnel trained	a. FY2023: About 500 <sup>*4</sup> b. FY2023: About 140 <sup>*4</sup>	a. 35 b. 99
	Fusion and innovation of diverse intellectual assets	(10) New business creation	FY2025: Multiple task forces (TFs) to move toward creating new businesses FY2030: Multiple TFs to launch new businesses (annual target earnings of 1 billion yen or more per business)	—
		(11) Number of employees with PhD	—	177
<b>Promoting active participation of diverse human resources</b>    	Diversity & inclusion <sup>*5</sup>	(12) Employment rate of female new graduates	FY2023: a. Career-track administrative positions: 50% or more b. Career-track technical positions: 15% or more c. General technical positions: 15% or more	a. 34% b. 16% c. 9%
		(13) Ratio of female managers	Doubled from fiscal 2020	2.7%
		(14) Employment rate of people with disabilities	2.3% (statutory employment rate)	2.34%
		(15) Number of non-Japanese employees	—	87
		(16) Percentage of employees taking special childcare leave (Male employees)	FY2023: 100%	77.8%
	Work style reform	(17) Turnover of employees within 10 years	Less than 15%	15.8%
		(18) Overtime hours worked	—	16.6 (per month/employee)
		(19) Average number of days of annual paid leave taken	15 (per year/employee)	11
		(20) Actual total of hours worked	Under 2,000 per year	1,978 h
		(21) Continuation of employee awareness survey	—	Ongoing
		Human resource development	(22) Improving and expanding employee training	a. Total hours trained (across all employees) b. Average hours of training per employee
<b>Pursuing governance that supports sustainable growth</b>    	Compliance and risk management	(23) Number of internal reporting (whistleblowing) cases	—	112
	Respect for human rights	(24) Improving and expanding employee training	— <sup>*6</sup>	—
	Health and safety	(25) Lost time injury frequency rate	0.10 or less	0.24 (calendar year)
		(26) Improving and expanding supervisor training	—	65
	Quality assurance	(27) Accreditation rate in compliance with Quality Guidelines in internal quality audit	70% of internal quality audit target locations in FY2023	— <sup>*7</sup>
		(28) Automation rate of testing and inspection equipment as defined by the Company	— <sup>*8</sup>	—
		(29) Continuation of customer satisfaction survey	—	Ongoing
	Corporate governance	(30) Improving the effectiveness of the Board of Directors	—	Ongoing

\*1. A green society is not limited to the narrow meaning of a society that merely uses natural energy, but is defined as a society that addresses climate change and resource recycling.

\*2. Three major items: Slag, dust, and sludge

\*3. From fiscal 2021, we started to count the number of projects with the target carefully selected.

\*4. a. IT evangelists (those who take the initiative to plan and promote business reforms in their respective divisions utilizing IT)

b. Data scientists (those capable of advanced data analysis)

\*5. To ensure diversity among core personnel, we will continue to examine our response to the revised Corporate Governance Code.

\*6. We are studying ways to improve and expand human rights training for employees and to implement human rights due diligence.

\*7. We began Quality Guideline accreditation from the quality audit in fiscal 2021.

\*8. Medium- to long-term targets are under consideration.