

Environmental Management and Reduction of CO₂ Emissions

Medium- to Long-Term Environmental Objectives and Initiatives

	Initiatives for Implementation	Long-Term Policies	Medium-Term Targets
VISION 1 Environmentally friendly manufacturing	Measures against global warming	Save energy, reduce CO ₂ emissions, and combat global warming in every aspect of the Group's operations	<ul style="list-style-type: none"> Continue implementing energy-saving initiatives, working toward achievement of each industry's Commitment to a Low Carbon Society
	Promoting resource recycling	Continue activities aimed at zero landfill waste	<ul style="list-style-type: none"> Continue reducing the amount of waste disposed and achieve the industry's voluntary action plan targets. Carry out appropriate disposal in accordance with the Guidelines Related to Management of Iron and Steel Slag Products
	Appropriate management of chemical substances	Reduce hazardous substances in accordance with the "Kobe Steel Group Policy on Controlling Hazardous Chemical Substances"	<ul style="list-style-type: none"> Properly manage and reduce or replace chemical substances, and properly comply with the PCB Special Measures Law and the Law Concerning the Discharge and Control of Fluorocarbons
	Reducing environmental impact	Make continuous efforts toward reducing the impact on the environment through comprehensive voluntary controls	<ul style="list-style-type: none"> Continue meticulous operational management and facility management in an effort to reduce environmental impact from air emissions, etc.
	Comprehensive risk management procedures	Pursue systematic and deliberate efforts to reduce risks	<ul style="list-style-type: none"> Continue on-site environmental audits by the Head Office and expand audits to Group companies and affiliated companies in an effort to improve independent environmental management systems Instill in overseas Group companies the same level of environmental management as in Japan and improve risk management through such activities as on-site environmental inspections
	Promoting environmental initiatives with full employee participation	Constantly improve the environmental awareness of all KOBELCO Group employees	<ul style="list-style-type: none"> Continue initiatives such as stratified training, e-learning, and environmental training for Group companies, and encourage use of the KOBELCO Eco-Life Notebook (household eco-account book), in efforts to increase environmental awareness
VISION 2	Contributing to the environment through technologies, products, and services	Keep all product and technical development environmentally friendly, and create environmentally sustainable products and new businesses	<ul style="list-style-type: none"> Contribute to the creation of a low-carbon society through the efforts of the entire KOBELCO Group by working on issues in the environment and energy fields, such as weight reduction of transportation vehicles, the creation of a hydrogen-based society, and the diversification of power sources
	Coexisting and cooperating with society	Promote coexistence and cooperation with local communities in regard to the environment	<ul style="list-style-type: none"> Promote the KOBELCO GREEN PROJECT, centered on the three key activities of the KOBELCO Forest Fairy Tale Prize, forest development, and environmental education outreach to children's centers, in an effort to cooperate and coexist in harmony with local communities
VISION 3	Disclosure of environmental information	Take active steps to disclose environmental information and improve communication with stakeholders	<ul style="list-style-type: none"> Continue disclosing information in an effort to communicate with all stakeholders

The KOBELCO Group is committed to environmentally friendly business practices. We established the Fiscal 2016–Fiscal 2020 Medium-Term Environmental Management Plan and are implementing initiatives in the six key areas of our Basic Environmental Management Policy.

Self-assessment ○: Progressing as planned ▲: Some issues remaining ✕: Plan not achieved

Fiscal 2019 Results	Initiatives for Fiscal 2020	
<ul style="list-style-type: none"> Established CO₂ Reduction Promotion Subcommittee and CO₂ Reduction Technology Study Working Group; set fiscal 2030 target for reducing CO₂ emissions from production processes Steadily implemented energy conservation initiatives while conducting energy-saving investments to achieve targets <ul style="list-style-type: none"> Target for reducing CO₂ emissions from production processes: Fiscal 2030 target: Reduction of 1.1 million tons of CO₂ (vs. BAU in fiscal 2013) Fiscal 2019 performance: Reduction of 0.68 million tons of CO₂ (actual value, vs. BAU in fiscal 2013) 	<ul style="list-style-type: none"> Begin formulating a long-term vision centered on the CO₂ Reduction Promotion Subcommittee and CO₂ Reduction Technology Study Working Group Steadily continue energy conservation initiatives while conducting energy-saving investments to achieve targets 	<p>○</p> <p>□ p. 18, 62</p>
<ul style="list-style-type: none"> Made steady progress in the waste treatment plans established by each business, with good prospects for achieving the targets of the fiscal 2020 voluntary action plan Implemented proper operations following the guidelines for Kakogawa Works and Takasago Works; conducted internal audits at all business locations regarding proper treatment of slag 	<ul style="list-style-type: none"> Implement waste treatment plans established by each business Carry out appropriate disposal in accordance with the Guidelines Related to Management of Iron and Steel Slag Products 	<p>○</p> <p>□ p. 66</p>
<ul style="list-style-type: none"> Conducted disposal of transformers, fluorescent lamps, and other high-concentration PCB waste according to plans (disposal anticipated to be completed by legally mandated deadline); disposed some of the low-concentration PCB waste and conducted surveys to identify low-concentration PCBs contained in equipment currently in use; appropriately responded to the requirements of the Act on Rational Use and Proper Management of Fluorocarbons 	<ul style="list-style-type: none"> Continue to carry out disposal of high-concentration PCB waste based on plans; continue to conduct surveys to identify low-concentration PCBs contained in equipment currently in use and formulate plans for disposal by legally mandated deadline; properly manage equipment using fluorocarbons 	<p>○</p> <p>□ Our website</p>
<ul style="list-style-type: none"> Continued thorough management of soot/smoke and wastewater Achieved voluntary targets every month (3t/km²/month) for dust fall at Kakogawa Works 	<ul style="list-style-type: none"> Continue meticulous operation management and facility management, with efforts to reduce the environmental impact from soot/smoke, etc. 	<p>○</p> <p>□ p. 66</p>
<ul style="list-style-type: none"> Aimed to increase environmental management levels at production sites through use of environmental management systems and carried out environmental audits and other measures to confirm progress Carried out on-site environmental assessments for Group companies in Thailand, India, and Vietnam and raised environmental management levels at each company 	<ul style="list-style-type: none"> Increase environmental management levels through training for employees at production sites, implement environmental audits and confirm progress. Carry out on-site environmental assessments for Group companies in Malaysia, Singapore, China, and U.S., and increase environmental management levels at each company 	<p>○</p> <p>□ p. 64</p>
<ul style="list-style-type: none"> Increased employees' environmental awareness and knowledge through environmental conferences, stratified training, and e-learning Promoted environmental awareness at employees' homes through the KOBELCO Eco-Life Notebook 	<ul style="list-style-type: none"> Raise environmental awareness by continuing measures such as stratified training and environmental training for Group companies, as well as promoting the use of the KOBELCO Eco-Life Notebook 	<p>○</p> <p>□ p. 64</p>
<ul style="list-style-type: none"> Established CO₂ Reduction Promotion Subcommittee and CO₂ Reduction Technology Study Working Group; set fiscal 2030 target for contribution to reduction of CO₂ emissions through technologies, products, and services Helped reduce CO₂ emissions by providing MIDREX® Process, which uses raw materials with low CO₂ emissions, and by improving fuel economy with ultra-high-strength steel <ul style="list-style-type: none"> Targets for contribution to reduction of CO₂ emissions through technologies, products, and services: Fiscal 2030 target: Contribution to reduction of 49 million tons of CO₂ emissions Fiscal 2019 performance: Contribution to reduction of 32.62 million tons of CO₂ emissions 	<ul style="list-style-type: none"> By expanding sales of technologies, products, and services and conducting technical development of multi-materials, undertake measures to reach targets for reduction of CO₂ emissions and help reduce CO₂ emissions in society 	<p>○</p> <p>□ p. 18, 63</p>
<ul style="list-style-type: none"> Received more than 600 submissions for the seventh annual KOBELCO Forest Fairy Tale Prize, with backing from all municipalities in which our 12 domestic business locations are located Performed environmental education outreach to children's centers in three locations; conducted forest development activities in two locations 	<ul style="list-style-type: none"> Continue to promote KOBELCO GREEN PROJECT (comprising KOBELCO Forest Fairy Tale Prize, forest development activities, and environmental education outreach to children's centers*) to better coexist and cooperate with local communities <p>* Environmental education outreach to children's centers has been suspended due to the COVID-19 pandemic.</p>	<p>○</p> <p>□ p. 67</p>
<ul style="list-style-type: none"> Disclosed environmental information via <i>Integrated Report 2019</i>, Company website, environmental monitors, and other sources; introduced Group environmental technologies and products at exhibitions Launched a website providing monthly environmental data for Moka Power Plant, which commenced operation in fiscal 2019 	<ul style="list-style-type: none"> Continue disclosing information and enhance communication with all stakeholders 	<p>○</p> <p>□ p. 67</p>