

Environmental Management Promotion

The Kobe Steel Group recognizes that the obligation to protect the global environment is its most urgent task and, therefore, has adopted the mission to pass on a healthy world to future generations. The Kobe Steel Group formulated a Basic Environmental Management Policy and, accordingly, stepped up efforts to promote environmental management in every facet of its business activities. An Environmental Management Committee is in place to address environmental management issues for the entire Group.

Basic Environmental Management Policy

Further Enhancing Enterprise Value through Groupwide Environmental Management

— Improving the Group's Environmental Capabilities —

Aiming to remain an advanced environmental business enterprise, the Kobe Steel Group shall fulfill its corporate social responsibilities, improve its environmental capabilities and raise its corporate value by putting the following three principles into practice:

1. Reducing the environmental impact from production
2. Contributing to efforts to reduce environmental impact through environment-friendly products, technologies and services
3. Maintaining a relationship of trust and collaboration with society at large

Group Environmental Management Promotion System

To promote Groupwide environmental management, Kobe Steel established the Environmental Management Committee as a body to review and recommend six principal initiatives based on its environmental management policies.

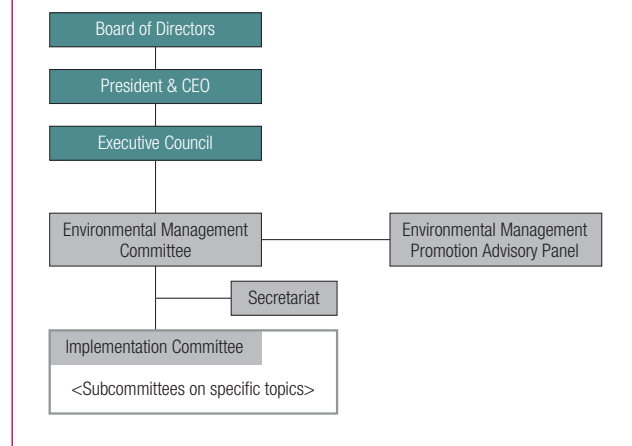
The Environmental Management Committee convenes once a year to confirm and evaluate the results of annual initiatives. It also defines which initiatives it will promote and then reports its recommendations to the Executive Council.



In particular, subcommittees have been set up to study specific issues that need to be implemented, and then action is taken to provide a swift and well-targeted response.

In addition, an Environmental Management Promotion Advisory Panel is convened when needed to serve as a conduit for relevant and timely advice received from outside academic experts.

Group Environmental Management Promotion Structure



Measures against Global Warming

Today, companies are being urged to swiftly respond to the problem of global warming.

The Kobe Steel Group is tackling this issue by moving forward on R&D and rationalizing energy use through energy conservation, among other steps taken across its various business activities. The Group is working to achieve the goals of each industry's voluntary action plans as well as to further conserve energy and reduce CO₂ emissions.

Energy Conservation in Production Processes

In fiscal 2010, the Kobe Steel Group as a whole consumed 223PJ of energy. Of this amount, approximately 95% was used by the Iron and Steel segment, while nearly 4% was used by the Aluminum and Copper segment.

Each business segment has improved operations by installing highly efficient equipment, energy conservation measures using exhaust heat recovery, better combustion heat management and higher production efficiency.

Contributions to Biodiversity

The Kobe Steel Group has organized its activities in the area of environmental management from a biodiversity perspective and established its own biodiversity guidelines. Key initiatives of the Kobe Steel Group are as follows.

Kobelco's Biodiversity Guidelines

Recognizing the importance of maintaining biodiversity, the Kobe Steel Group promotes activities to preserve biodiversity under the following guidelines.

1. Realizing that our business activities impact biodiversity, we will continuously work to reduce that impact.
2. We will develop products, technologies and services that contribute to biodiversity.
3. We will publicly disclose our biodiversity initiatives and share them with society at large.
4. We will promote biodiversity-related activities in cooperation with local communities.
5. All employees will act with strong biodiversity awareness.

Kobe Steel was recognized as one of "100 Corporate Greenspaces Helping to Preserve Biodiversity."

Nadahama Science Square Biotope

Kobe Steel's community exchange facility, "Nadahama Science Square," was recognized as one of "100 Corporate Greenspaces Helping to Preserve Biodiversity," which was compiled nationwide by the Urban Green Fund. The awarding of this recognition was timed to coincide with the 10th Conference of the Parties (COP10).

Nadahama Science Square, which contains a biotope, works to preserve biodiversity. It regularly offers visits to local children to view natural life forms and collaborates with non-profit organizations (NPOs) and relevant experts. Despite being located in a harsh natural environment on reclaimed land along the seacoast, the biotope, which was able to restore the ecology along with rare plant and fish species, has been highly rated for its use as a place for local environmental education. Kobe Steel plans to carefully conserve this biotope.



Observation of diverse life forms

Iron and steel byproducts nurture seaweed and fish.

New reef developed using iron and steel slag

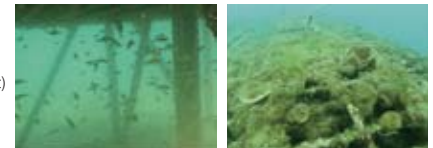
In order to use iron and steel slag—byproducts in the production of iron and steel—as restorative material for preserving the environment, Kobe Steel, in collaboration with Shinko Slag Products Co., Ltd., Shinko Kenzai, Ltd., and Kobelco Research Institute, Inc., installed a steel reef in the areas surrounding the Ieshima islands (off the coast of Himeji in Hyogo Prefecture), the seawall on the north side of Kobe Airport, and Yonabaru Town in Okinawa Prefecture. Investigative research aimed at seaweed cultivation and improvement of fishing ground environments is now underway with the cooperation of industry, government and academia.

Expected benefits from restoring the marine habitat include the flourishing of seaweed, thanks to nutrients such as iron and minerals contained in iron and steel slag.

At the moment, everything is progressing smoothly with seaweed thriving and fish migrating to the steel reef.



Steel reef



Three months after (left) and six months after (right) reef was installed off the coast of Himeji in Hyogo Prefecture

Protecting both people's safety and the river's ecosystem.

Construction of grid-type sediment control dams

Kobe Steel's grid-type sediment control sabo dams have been constructed at streams nationwide that are in danger of mudslides. By effectively trapping mudslides, we can protect people's lives. In recent years, from an environmental conservation perspective, grid-type sabo dams, which are in harmony with nature, have attracted much attention.

To keep the river flow unimpeded, grid-type sabo dams enable sediments to run off downstream and prevent the receding of coastlines and the erosion of riverbeds. Grid-type sabo dams have proven effective in preserving the ecosystems of aquatic organisms so that the free movement of fish is unimpeded. Kobe Steel is developing large-scale sabo dams with the goal of spreading their use.



Sediment control dam on Ikazawa River (Niigata Prefecture)