

## Human Rights

### Basic Policy

The JFE Group views respect for human rights as both a corporate social responsibility and a foundation of its business. Our determination to prevent discrimination in our business operations is clearly expressed in our Standards of Business Conduct, which we have consistently upheld. In FY2018, the JFE Group Human Rights Basic Policy was established as a standard to which Group companies and their officers and employees must comply in order to further clarify the approach to our initiatives. Under the policy, we also seek cooperation from all stakeholders including our supply chain to respect and protect human rights.

We have been conducting human rights due diligence since FY2021 in accordance with the United Nations Guiding Principles on Business and Human Rights, while organizing seminars by external experts on human rights. Given recent changes in human rights awareness and concerns, the JFE Group Human Rights Basic Policy was revised in April 2023 to further strengthen the JFE Group's efforts to respect human rights. Under the new version of the policy, every operating company inspected and revised its procurement guidelines and related materials, thereby strengthening the Group's efforts throughout the supply chain.

We will continue to promote initiatives for realizing a society in which human rights are respected and protected.

### JFE Group Basic Policy on Human Rights

JFE hereby establishes the JFE Group's Basic Policy on Human Rights based on the United Nations Guiding Principles on Business and Human Rights in order to promote Group-wide efforts to respect human rights and to fulfill its responsibilities to all stakeholders that it influences in the course of its business activities.

#### 1. Basic approach to respect for human rights

We, the JFE group, support and respects the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights and the International Covenants on Human Rights, as well as the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

We believe that respect for human rights is a corporate social responsibility and a foundational aspect of our operations. In addition to clearly stating and implementing our policy for respecting all members of the company and the general public and refraining from any form of discrimination in our corporate activities, we implement initiatives to ensure that we are not complicit in human rights abuses.

This policy represents our commitment to respect human rights based on the JFE Group Standards of Conduct.

#### 2. Scope of application

This policy applies to all officers and employees of the JFE group. We also encourage all stakeholders, including members of our supply chain, to understand and support this policy.

#### 3. Compliance with applicable laws

We comply with the laws and regulations of Japan and all other countries and regions where we operate, but if there is any conflict with internationally recognized human rights and regulations, we seek ways to respect internationally recognized human rights as much as possible.

#### 4. Human rights due diligence

We identify negative impacts on human rights and utilize our internal mechanisms for human rights due diligence to prevent or mitigate such impacts.

#### 5. Corrections and remedies

We maintain reporting contact points for receiving reports from both internal and external sources regarding negative impacts on human rights caused by any of our business activities. If we are made aware that we have caused or been involved in a negative impact on human rights, we will follow the necessary procedures to correct and remedy the problem.

## 6. Education

We provide education on respecting human rights to ensure that all of our officers and employees understand and implement the company's basic policy.

## 7. Oversight

The JFE Group Sustainability Council, chaired by the President of JFE Holdings, Inc., oversees compliance with this policy and the implementation status of initiatives referred to herein.

## 8. Dialogue and consultations with stakeholders

Among the initiatives taken under this policy, we utilize outside experts as well as engage in discussion and consultation with internal and external stakeholders.

## 9. Information disclosure

We appropriately disclose all relevant information about our initiatives concerning respect for human rights and the progress of such initiatives via JFE group websites and other means.

## 10. Business-related human rights issues

### (1) Non-discrimination and equality under the law

We respect every individual connected with our corporate and business activities and do not discriminate on the basis of race, nationality, ethnicity, creed, religion, social status, lineage, age, gender, sexual orientation, gender identity, disability, or any other such factor.

### (2) Engaging with business partners

We seek the cooperation of all of our business partners in initiatives to respect and protect human rights in order to contribute toward creating a society in which the rights of all humans are respected and protected.

### (3) Harassment

We do not engage in any kind of harassment based on gender, status, or any other factors, including through language or behavior that offends or violates the dignity of others.

### (4) Forced labor and child labor

We never use forced labor or child labor in any country or region. We also do not tolerate or sanction any form of modern slavery, including bonded labor and human trafficking.

### (5) Occupational health & safety and appropriate working environments

In accordance with the fundamental idea that safety is our top priority above all else, we pursue health and safety in all of our activities and strive to create safe, healthy workplaces where all employees feel assured that their physical and mental health is protected.

### (6) Working hours and livable wages

We comply with all laws and regulations concerning working hours and wages applicable in the countries and regions where we operate. We work to ensure wages that allow employees to enjoy an adequate standard of living.

### (7) Right to freedom of association and collective bargaining

We respect employee rights to freely associate and collectively bargain in accordance with the laws and collective bargaining agreements in each country. In addition to taking into account each country's laws and labor practices, we work to build sound labor-management relations and resolve problems by engaging in sincere and constructive dialogue with employees in accordance with international norms.

### (8) Rights of local and indigenous peoples

We respect and give due consideration to local people's land rights, access to water, safety and health as well as the rights of indigenous peoples in regions where we operate.

Established: April 2018

Revised: April 2023

JFE Holdings, Inc.

This policy revision was formulated with the assistance of human rights experts and approved at the JFE Group Sustainability Council chaired by the President of JFE Holdings, Inc. Amendments to the policy have also been reported to the Board of Directors.

## Structure

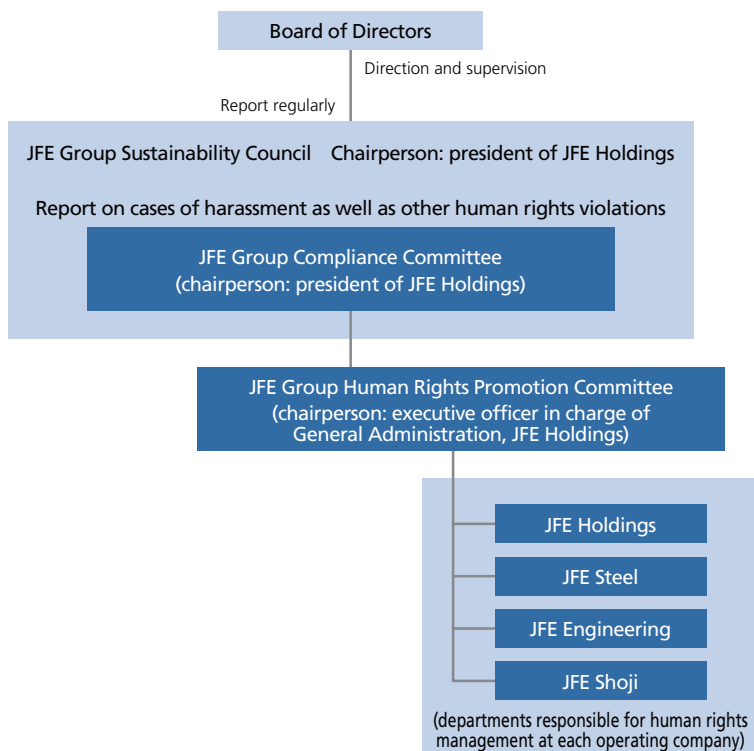
### Promoting Human Rights

In order to steadfastly focus on human rights initiatives, we formulated Group-wide policies at the JFE Group Sustainability Council, chaired by the president of JFE Holdings and reports periodically to the Board of Directors for guidance and supervision. In addition, we established the JFE Group Human Rights Promotion Council, chaired by the corporate officer of JFE Holdings under the JFE Group Compliance Committee, chaired by the president of JFE Holdings, which allows us to regularly share information with departments responsible for human rights issues that have been set up at each operating company.

In addressing all human rights risks, we emphasize communicating with stakeholders through such initiatives as setting up a Corporate Ethics Hotline at each operating company and an independent law firm as an external contact point, as well as dedicated consultation desks on harassment issues at major offices, all of which accept anonymous reporting and consultation on human rights and related issues. Furthermore, we receive inquiries, including anonymous requests concerning human rights issues and compliance from external stakeholders via the contact form on our corporate website. The operational status of these help desks and reports of harassment as well as other human rights violations are regularly reported to the JFE Group Sustainability Council and Board of Directors for their direction and supervision.

► [Development of the Whistleblowing System](#) (P. 228)

■ **Governance Structure for Human Rights Awareness Promotion**



## Targets and Results

Recognizing that contributing to the realization of a society in which the human rights of each and every individual are respected and protected is not only a corporate social responsibility but also a foundational principle of management, the JFE Group upholds respect for human rights across the supply chain as a key management issue and promotes its efforts by setting KPIs.

► [Material Issues of Corporate Management and KPIs \(P.18\)](#)

## Human Rights Due Diligence

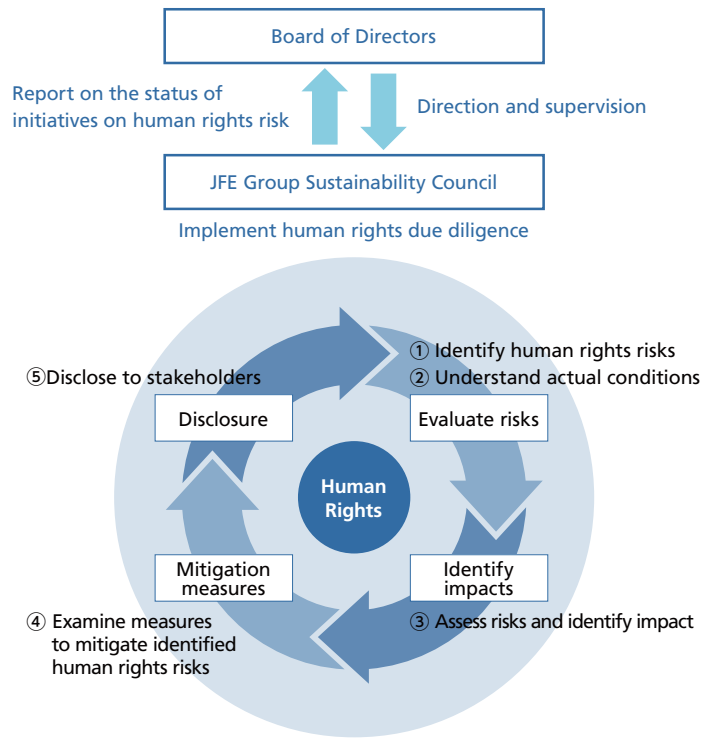
The JFE Group has been committed to human rights due diligence based on the United Nations Guiding Principles on Business and Human Rights since FY2021.

■ **Group's Past Initiatives and Future Plans**

	Overview
FY2021	<ul style="list-style-type: none"> <li>Identified human rights risks and examined corrective measures to be taken at the JFE Holdings and other Group companies, including operating companies</li> </ul>
FY2022	<ul style="list-style-type: none"> <li>Revised the JFE Group Human Rights Basic Policy (established in 2018) to further strengthen our efforts to respect human rights throughout the JFE Group</li> <li>Every operating company inspected and revised their procurement guidelines in line with the revised policy</li> </ul> <p><b>Expanding Human Rights Due Diligence to Group Companies</b></p> <ul style="list-style-type: none"> <li>Group companies implemented the following initiatives to identify, assess, reduce, and prevent human rights risks                             <ol style="list-style-type: none"> <li>Held briefings on human rights for Group companies</li> <li>Conducted a survey on human rights risks for major domestic Group companies that are significantly affected by human rights risks in terms of sales size, and other aspects.</li> </ol> </li> </ul>
	<p><b>Establishing a Human Rights Risk Management System for Suppliers</b></p> <ul style="list-style-type: none"> <li>Discussed the method, scope, and priorities for conducting a survey on human rights risks throughout the supply chain</li> <li>Selected suppliers that are a high priority for a survey, such as those based in countries with high human rights risks</li> </ul>
FY2023	<p><b>Expanding Human Rights Due Diligence to Group Companies</b></p> <ul style="list-style-type: none"> <li>Further expanded the survey to include all major domestic Group companies (about 100 companies)</li> </ul>
	<p><b>Establishing a Human Rights Risk Management System for Suppliers</b></p> <ul style="list-style-type: none"> <li>Conducted a survey on human rights risks for about 400 high-priority suppliers</li> </ul>
FY2024 (plan)	<p><b>Expanding Human Rights Due Diligence to Group Companies</b></p> <ul style="list-style-type: none"> <li>Conduct a survey on human rights risks for about 50 high priority overseas Group companies, including those based in countries that particularly exposed to human rights risks</li> <li>Continue to support major domestic Group companies that have already been surveyed to correct and improve their ability to manage human rights risks, consider conducting periodic surveys, and monitor the status of corrective action.</li> </ul>
	<p><b>Establishing a Human Rights Risk Management System for Suppliers</b></p> <ul style="list-style-type: none"> <li>Provide feedback on survey results to suppliers surveyed in FY2023 and request improvements as necessary</li> </ul>

## Human Rights Due Diligence Process

### Human Rights Due Diligence Process



#### 1 Identify human rights risks

We created a long list of human rights risks by referring to international norms and guidelines. Then, taking into account human rights risks specific to the industry, regional characteristics, and other relevant factors, we identified human rights risks related to the Group and its supply chain by stakeholder, such as employees and suppliers, including women, children, and local residents.

#### International norms and guidelines referenced:

United Nations Guiding Principles on Business and Human Rights, International Bill of Human Rights, ILO's Core Labor Standards, OECD Guidelines for Multinational Enterprises, Ten Principles of the UN Global Compact, GRI Standards, FLA Workplace Code of Conduct, and CHRB Key Industry Risks

#### 15 human rights issues to consider:

Compliance with standards and guidelines for respect for human rights demanded by international norms	Avoiding complicity in human rights abuses, compliance, social security, and fair competition	Prohibition of discrimination and equality before the law
Access to remedy	Thorough supplier management	Harassment and abuse
Women's rights	Child labor	Forced labor
Occupational health and safety	Working hours	Appropriate working environment
Wages that guarantee a decent standard of living	Freedom of association and the right to collective bargaining	Rights of indigenous and local people

#### 2 Investigate current status

We ascertained the current status of the risk management system and activities by examining our disclosure of policies on child labor, forced labor and various other human rights risks, such as the JFE Group Human Rights Basic Policy and the Basic Procurement Policy of each company, our whistleblowing system for ensuring access to remedial action, our initiatives on compliance including prevention of corruption, and other initiatives, systems and rules concerning internal and external human rights issues.

**3 Assess risks and determine impacts**

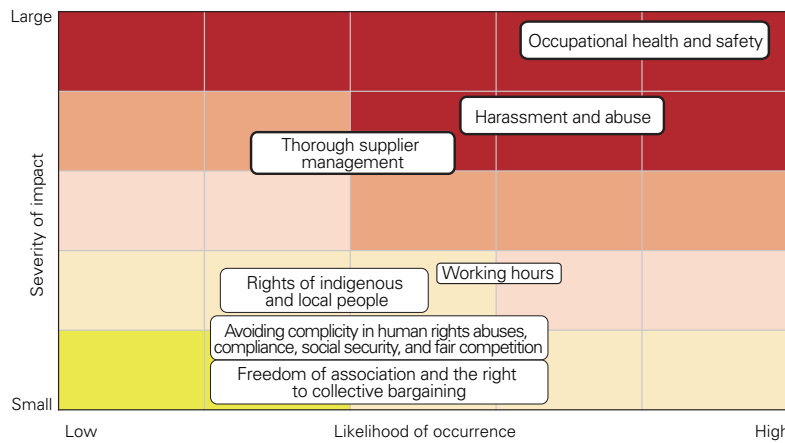
We assessed the risks of the identified human rights issues to be considered, based on the severity of impact and likelihood of occurrence, and determined the status of our initiatives on respecting human rights through written surveys and interviews in order to better identify that status in our future endeavors. During the risk assessment, we also determined the adverse impacts of human rights risks on the JFE Group and its stakeholders.

**▶ Stakeholder Engagement (P.38)**

Human rights risks identified as particularly high risk and requiring action:

- Occupational health and safety
- Harassment and abuse
- Thorough supplier management (establishment of a human rights risk management system for the entire supply chain)

**Map of Key Human Rights Risks**



**4 Consider mitigation measures for identified human rights risks**

We implement mitigation measures for the identified human rights risks, including response as well as preventive and corrective measures and promotion systems. For occupational health and safety and harassment, we continue to strengthen our efforts to eliminate accidents and harassment using KPIs.

To create a sustainable and resilient supply chain, we are establishing a human rights risk management system encompassing the entire supply chain. We will also conduct surveys on the human rights risks of suppliers by determining the priority of the surveys based on the severity of the impact of such risks and the likelihood of their occurrence.

- ▶ **Material Issues of Corporate Management and KPIs (P.18)**
- ▶ **Occupational Health and Safety (P.186)**
- ▶ **Social Data: Lost-Work Injuries and Accidents (P.253)**
- ▶ **Governance Data: Whistleblowing (P.263)**

**5 Information disclosure to stakeholders**

We disclose the JFE Group Human Rights Basic Policy, guidelines for procurement at each operating company, and other related information on our website to communicate our initiatives to respect human rights, including human rights due diligence, and their status to our stakeholders.

## FY2023 Initiatives

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### Expanding Human Rights Due Diligence to Group Companies

We conducted a series of surveys on human rights risks for about 100 major Group companies in Japan that are significantly affected by such risks in terms of sales volume and other factors. The surveys were completed in FY2023. We are working on measures to reduce and prevent human rights risks based on survey results.

### Establishing a Human Rights Risk Management System for Suppliers

We conducted surveys on human rights risks using the Global Compact Network Japan's CSR Procurement Self-Assessment Tool for about 400 high-priority suppliers, such as those based in countries with particular high exposure to human rights risks.

## Future Initiatives

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We will promote initiatives to correct and mitigate identified human rights risks and take the following actions to expand our human rights due diligence. To steadily advance our initiatives, we will conduct appropriate evaluations and make improvements under the supervision of the JFE Group Sustainability Council and Board of Directors, thereby enhancing effectiveness.

### Expanding Human Rights Due Diligence to Group Companies

In FY2024, we will conduct surveys on human rights risks for high priority overseas Group companies, such as those based in countries that have particularly high exposure to human rights risks. We will also continue to support major domestic Group companies that have already been surveyed to correct and improve their ability to manage human rights risks, consider conducting periodic risk surveys and monitor the status of corrective action.

### Establishing Human Rights Risk Management System for Suppliers

In FY2024, we will provide feedback on the results of the survey of suppliers in FY2023 and provide support for improvement to those who were determined to require a follow up. We will also consider the scope and priority of the survey in order to expand the survey in the future.

## Human Rights Promoting Activities

To consistently maintain our activities to respect human rights and raise employee awareness, we conduct human rights training courses, offer guaranteed equal employment opportunities, promote fair human-resource management, and actively prevent workplace harassment. Our training courses encourage employees to develop a thorough understanding of the JFE Group Human Rights Basic Policy and the respect for human rights expected of a company in the international community. To this end, we continuously monitor and following up on seminars against a KPI focused on attendance rate (attendance rate in FY2023: 100%).

We seek to prevent sexual harassment, power harassment, and other forms of harassment by addressing these issues in company regulations, displaying posters in workplaces, and organizing training by position (including management), individual offices, and executives. In addition, we invited an outside attorney to conduct a seminar on corporate ethics hotlines and harassment consultation desk staff (those who receive reports, including management) within the JFE Group. We regularly organize these training sessions for hotline and consultation desk personnel. (participants: approx. 200 in FY2020 and approx. 300 in FY2022).

Furthermore, we actively support and take part in initiatives undertaken by public organizations and groups promoting human rights as well as groups in which private enterprises participate, such as the Industrial Federation for Human Rights, Tokyo and the Corporate Federation for Dowa and Human Rights Issue, Osaka. By attending seminars and workshops sponsored or supported by such organizations and groups, we have become increasingly aware of human rights trends and challenges as well as issues specific to Japanese business. We then apply this knowledge in JFE human-rights awareness training programs and related initiatives.

### Respecting the Rights of Workers

The JFE Group adheres to the laws and regulations of various countries as well as collective agreements. It also respects the rights to freedom of association as well as their right to collective bargaining.

Upper management, including the president and the representative of the union, meets regularly to discuss matters such as management issues, work life-balance, working environments, and working conditions. By conducting earnest labor-management consultations, we strive to create a vigorous workplace while working to maintain healthy and sound labor-management relations.

The JFE Group complies with laws and regulations related to salary payments and sets salaries above the minimum wage designated by country, region and industry sector. In addition to meeting legal requirements concerning the upper limits for overtime and other mandates, the JFE Group establishes challenging and satisfying working environments by providing our employees with one of the top levels of employment conditions in the industry as well as performance-based bonuses linked to company profits.

We regularly review the wage situation in each region and business sector and engage in honest discussions with the labor union to ensure a fair return to our employees while also paying due consideration to management and business performance.

### Respect for Freedom of Expression

The JFE Group upholds basic human rights in its Human Rights Basic Policy and is committed to respecting and protecting the human rights of each individual throughout its corporate activities. We pay due care to prevent violations of the freedom of expression, as recognized by the International Covenant on Human Rights and other international conventions, and to fully protect the right to privacy.

### Respect for Children's Rights

The JFE Group supports the Convention on the Rights of the Child and Children's Rights and Business Principles and will seek to eliminate child labor and respect every child's right to survival, right to development, right to protection and the right to participation, the four pillars of the Convention on the Rights of the Child.

The JFE Group Human Rights Basic Policy upholds recognizing the diverse values held by each individual in all aspects of corporate activity as well as respecting and protecting the human rights of each person in compliance with international conventions. It also explicitly prohibits child labor and forced labor. To promote concrete initiatives, the JFE Group has focused on nurturing the next generation as a key area of its public service and is engaged in activities that support the sound development of younger generations.



## Endorsing and Participating in External Initiatives

We are a member of the Global Compact Network Japan, an organization that promotes Global Compact activities in Japan, in support of the Ten Principles of the United Nations Global Compact, related to the protection of human rights, the elimination of unfair labor practices, environmental protection, and the prevention of corruption. We also participate in subcommittee activities of the Global Compact Network Japan and promote our own initiatives based on exchanging information with participating companies and organizations.

## Respecting Human Rights across the Supply Chain

### JFE Steel

#### Compliance with the JFE Steel Procurement Guidelines and Responsible Procurement of Raw Materials

In accordance with the JFE Group Human Rights Basic Policy, JFE Steel established the JFE Steel Procurement Guidelines in 2023, which incorporate more extensive and specific information on sustainability in general, in addition to respect for human rights. To promote sustainability initiatives throughout the supply chain, we disclose the guidelines on our website and request compliance from our suppliers.

In terms of raw material procurement in particular, there is concern that tin, tantalum, tungsten, gold, and cobalt provide a funding source for militias causing human rights violations and environmental destruction. Therefore, JFE Steel purchases them only after confirming that they have not been mined in conflict-affected or high-risk areas, in accordance with Japanese and overseas regulations governing the responsible procurement of minerals as well as international rules.

For JFE Steel Procurement Guidelines, please refer to the following.

▶ [JFE Steel Procurement Guidelines](https://www.jfe-steel.co.jp/en/company/purchase_policy.html#to-our-business-partners) (https://www.jfe-steel.co.jp/en/company/purchase\_policy.html#to-our-business-partners)

### JFE Engineering

#### Promoting Initiatives to Respect Human Rights in Cooperation with Suppliers

JFE Engineering is promoting sustainable procurement in accordance with its Purchasing and Procurement Policies to promote initiatives related to respect for human rights in cooperation with suppliers. In addition, JFE Engineering asks suppliers to respect basic human rights, eliminate all forms of discrimination, and strive to create a safe and comfortable working environment by establishing procurement guidelines while observing laws, regulations, and social norms in their business activities. JFE Engineering ensures that these policies are clearly communicated throughout the supply chain by publicizing them on the company's website.

For JFE Engineering's Procurement Policy and Procurement Guidelines, please refer to the following.

▶ [Procurement Policy](https://www.jfe-eng.co.jp/en/information/procurement_policy.html) (https://www.jfe-eng.co.jp/en/information/procurement\_policy.html)

▶ [Procurement Guidelines](https://www.jfe-eng.co.jp/en/information/procurement_policy.html) (https://www.jfe-eng.co.jp/en/information/procurement\_policy.html)

### JFE Shoji

#### Promoting Respect for Human Rights in the Supply Chain

JFE Shoji established the Basic Policy on Sustainability in the Supply Chain, which consists of eight items, including respect for human rights, prohibition of discrimination, prohibition of forced labor and child labor. It requests the understanding and cooperation of its suppliers in complying with this policy and also discloses related information on its website.

In 2021, it signed the Ten Principles of the UN Global Compact, recognized by the international community as advocating universal values in areas such as human rights and labor, and has been promoting respect for human rights across its supply chain.

For JFE Shoji's Basic Policy on Sustainability in the Supply Chain, please refer to the following.

▶ [Basic Policy on Sustainability in the Supply Chain](https://www.jfe-shoji.co.jp/en/sustainability/promote/) (https://www.jfe-shoji.co.jp/en/sustainability/promote/)