

Supply Chain Management

Basic Policy

Through the adoption of the Sustainable Development Goals (SDGs) and the Paris Agreement, the international community has called on companies to actively engage in actions to resolve global issues toward realizing a sustainable society. Existing harmoniously with the global environment, respecting human rights, and providing challenging work environments are some of the JFE Group's commitments in the JFE Standards of Business Conduct and the Group promotes initiatives under these standards. In order to realize a sustainable society, we believe it is important to address these challenges within the Group itself as well as across the entire supply chain. We will continue to push forward with our initiatives supported by the understanding of our suppliers and other business partners.

Promoting Green Procurement

The JFE Group's procurement policies help to conserve resources and protect the environment by ensuring adherence not only to all laws and regulations but also to procurement principles stated in the Charter of Corporate Behavior developed by the Japan Business Federation. Going forward, the JFE Group expects to accelerate such efforts in its supply chains.

Procurement Policy and Initiatives by Each Business

JFE Steel

JFE Steel Procurement Guidelines and Requests to Suppliers to Promote Sustainability

To guide its procurement of raw materials, JFE Steel established the JFE Steel Procurement Guidelines, in accordance with the JFE Group Standards of Conduct and the JFE Group Basic Policy on Human Rights, to promote activities for realizing sustainability across its entire supply chain. Under the guidelines, JFE Steel pays due consideration to human rights, including the prohibition of child labor and forced labor, as well as legal compliance and environmental protection. In addition, the company purchases raw materials such as tin, tantalum, tungsten, gold, and cobalt only after confirming that they have not been mined in conflict-affected or high-risk areas. We share these guidelines with our business partners and promote sustainability initiatives throughout our supply chain.

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

▶ **JFE Steel Procurement Guidelines** (<https://www.jfe-steel.co.jp/en/company/pdf/procurement-guidelines.pdf>)

JFE Engineering

Basic Procurement Policy, and Requests to Suppliers to Promote CSR

Viewing its suppliers as key partners in achieving mutual growth, JFE Engineering strives to nurture mutual trust and reinforce partnership relationships.

JFE Engineering established its Basic Procurement Policy to implement fair and transparent procurement activities. Under its Procurement Guidelines, it also makes specific requests to its business partners and asks for their compliance. To ascertain the status of suppliers' efforts based on the request for compliance, the company started a questionnaire survey in FY2023. The results are compiled and shared with suppliers so that they can apply the results for their own initiatives.

Through these efforts, JFE Engineering will develop CSR activities with its suppliers to promote sustainable procurement.

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

- ▶ [Basic 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

Ensuring a Safe, Fair Supply Chain

The JFE Shoji Group engages in activities toward becoming a company with a strong presence that can achieve sustainable development and growth together with its customers, the JFE Group, and all other stakeholders. JFE Shoji believes that ensuring sustainability across the supply chain is a key issue for achieving this goal and established the Basic Policy on Sustainability in the Supply Chain to guide its efforts on human rights, labor issues, the global environment, and other matters. The JFE Shoji Group seeks the understanding and cooperation of its suppliers and other business partners in complying with the policy and will work with them to establish a more sustainable 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/)