Contributing to Societal Development

JFE Group CSR Report 2019
Customers

Contributing to Societal Development

JFE Standards of Business Conduct (Excerpt)

(1) Provide quality products and services
Earn the trust and regard of customers by endeavoring to provide safe, high-quality products and services based on superior technology, and by fully respecting and protecting the privacy of personal and customer information. Also, leverage our superior technologies for the sustainable growth of the Group and society.

Quality Initiatives
The JFE Group manages quality by ensuring compliance with quality standards set by each operating company. All manufacturing sites that require ISO 9001 certification for their quality management have been duly certified.

Strengthening Quality Assurance System
To serve customers by meeting their quality requirements and delivering products that boast the world’s highest quality, JFE Steel has established a quality assurance system with advanced sensors for process monitoring, in addition to its ongoing efforts to develop new products and advanced manufacturing technologies.

The company’s quality assurance system is being continually improved based on the Guidelines for Enhancing Quality Assurance Systems, issued by the Japan Iron and Steel Foundation (JISF). Moreover, in an effort to enhance reliability in its product testing, the company has introduced high-precision equipment and is working to thoroughly eliminate human error and data tampering by automating various testing components, including reporting.

JFE Steel has received all quality assurance certifications required for steel products, including the JIS mark and approvals from ship classification bodies, regarding its quality management system based on ISO 9001. In response to customer demand, the company has also received certification under the national standards of relevant foreign countries.

Products and services that JFE Engineering designs, procures, manufactures or constructs must comply with all required rules and regulations, and quality must satisfy the needs of our customers. Under this corporate policy, the company continually strives to improve the quality of its products and services.

For example, certified inspectors conduct inspections at each phase of a plant construction project, including the design, construction and test-run phases. Immediately prior to final delivery to the customer, a witness inspection is conducted so that the customer can be directly assured of its quality with their own eyes.

In addition, JFE Engineering has published quality-management manuals based on the specific characteristics of each product and obtained ISO 9001 certification for each product category.

To further strengthen its quality assurance system, JFE Engineering is raising employee awareness through training while also seeking to prevent omissions in inspection data and data tampering by introducing an electronic document processing system into quality inspections.

JFE Shoji Trade is constantly striving to enhance its quality assurance through quality management. Its processing centers in Japan and abroad are systematizing and automating operations to eliminate human errors. Raising employee awareness is essential for preventing human error at every stage, including receiving orders, issuing work orders and shipping. The company continues to strengthen quality education for employees by introducing case studies of non-conformance at other companies as well as Group companies in Japan and abroad.

JFE Shoji Trade also recognizes that improving and maintaining the standard of control in product processing are the key to assuring quality. Accordingly, it implements a quality audit at all relevant Group companies in and outside of Japan at least once a year to confirm the quality of each processing center and to provide advice. Moreover, the company follows up as necessary by continuously monitoring the progress of improvements to maintain and enhance quality.

Ensuring Stable Supply
Under its Sixth Medium-term Business Plan, JFE Steel is continuously strengthening its manufacturing base while also seeking to bolster the capabilities of the West Japan Works by increasing its capacity and maximizing performance. In addition to making strategic investments that exceed the Fifth Medium-term Business Plan and upgrading old facilities, the company is establishing a system for
As a licensed contractor undertaking mechanical, civil engineering, and construction work, JFE Engineering is required by the Construction Business Act to assign dedicated managing engineers at construction sites to oversee the technical aspects of construction work. The smooth implementation of plant construction projects depends on licensed specialists. The company is always striving to secure the necessary human resources by encouraging employees to acquire qualifications by granting expenses and through mid-career hiring of licensed personnel.

Recognizing that processing and distribution operations represent the key for ensuring stable supply, JFE Shoji Trade is committed to investment in strengthening these operations.

### Improving Customer Satisfaction

#### Integration of a Maintenance System for Steel Manufacturing Plants and Use of Advanced ICT (AI)

Problems in steel manufacturing plants can result in lost opportunities for production and shipping, and any interruption in the supply chain can also considerably impact customer businesses.

To ensure the prompt recovery from malfunctions, JFE Steel has created a database that integrates massive information from manuals along with the knowledge and experience of veteran employees. By incorporating AI technology with the database, the company introduced the control recovery support system called J-mAlster™ in 2017, a first in the Japanese steel industry. The system enables maintenance staff to efficiently search for the information required for repairs and was deployed throughout the manufacturing line in FY2018.

JFE Steel will continue to deploy advanced ICT effectively in order to ensure the stable supply of steel products.

*JFE Maintenance AI of Smart TPM for Electric Repairs

#### Testing and Research Centers for Collaboration with Customers on Product Development

JFE Steel collaborates with customers in research and development. The Customers’ Solutions Lab (CSL) for auto industry customers and the Steel Structural Materials Solutions Center (THiNK SMART) for infrastructure-related customers are located in eastern Japan, while the Customer Center Fukuyama (CCF), which develops materials and conducts applied technology research, is in western Japan. Using these facilities to strengthen early vendor involvement (EVI)* enables the company to develop products that reflect an accurate understanding of customer needs, cutting-edge evaluation techniques and innovative production processes.

*Customer participation in product development is from an early stage to facilitate innovative new methods, functions, processes and evaluations for new steel materials.

#### Unified Customer Care

JFE Steel regularly conducts customer questionnaires and interviews to draft strategies for greater customer satisfaction. Business strategies are shared among the sales divisions, business sectors, steelworks, and research divisions to facilitate unified customer care and proposals that leverage the collective strengths of the JFE Group.

#### Training Sales Personnel to Excel in Customer Relations

To strengthen customer-oriented sales efforts, the Sales Department holds training sessions by position and job, according to their work experience, targeting sales personnel from the headquarters and branch offices (i.e., newly appointed sales employees, mid-rank sales employees and office heads). The department also provides group training in Japan for regional employees of overseas offices to enhance job performance. Training goals include developing abilities in areas such as engaging in technical conversations, picking up clues from customer relations and using them in product development, offering suggestions to improve logistics and distribution, and analyzing financial indicators and costs.
JFE Engineering uses customer surveys, interviews, and contractor performance evaluation forms to collect and assess data on the company’s construction management, product quality, advanced technologies and innovation. Each division analyzes and applies the data for quality improvement, new product development and the overall strengthening of after-sales service, to ultimately enhance customer satisfaction.

To respond quickly to diversifying markets and increasingly sophisticated requests from customers, JFE Shoji Trade is strengthening its entire supply chain from materials procurement to processing and distribution.

The company is also aware that equipping employees to respond with information and proposals is a key element in serving customer needs and provides training to upgrade their abilities. Furthermore, selected regional employees of overseas subsidiaries and offices receive group training in Japan to strengthen the satisfaction of the company’s customers in Japan and overseas.

<table>
<thead>
<tr>
<th>JFE Shoji Trade Training Programs (FY2018)</th>
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<tbody>
<tr>
<td>Training</td>
</tr>
<tr>
<td>Technical Presentation by Overseas Group Companies</td>
</tr>
<tr>
<td>National Staff (NS) Training</td>
</tr>
</tbody>
</table>

Responsible Export Practices

Each JFE operating company promotes international peace and security by working against the spread of weapons of mass destruction and excess accumulation of conventional weapons. Specifically, the company carries out inspections to confirm the final destinations, customers and applications of its exported products, and then ensures that export procedures are carried out properly. In addition, the Legal Affairs Department conducts internal briefings to disseminate knowledge of export-related laws and regulations, such as the Foreign Exchange and Foreign Trade Act. Also, JFE provides education on export security controls and related measures for the employees of Group companies involved in trading.

Promotion of Research and Development

JFE Steel views automobiles, infrastructure materials and energy as the three key areas for research and development. In each area, the company intends to accelerate the pace of introducing new products and solutions. In regard to its manufacturing process, the company will work on developing innovative manufacturing technologies such as eco-friendly raw material pre-processing. These technological developments leverage data science and robotics to closely align with the needs of customers and society at large. JFE Steel plans to invest 110 billion yen into research and development over the span of three years, starting in 2018.

JFE Engineering’s “create” and “ni-na-u,” the foundation for life, support and remain responsible for the foundation for life. In regard to “create,” the company developed its own combustion technology for waste-treatment and power-generation facilities. The technology supports stable, clean incineration treatment and generates power at the highest level of efficiency in Japan. As for “ni-na-u,” JFE Engineering continues to develop technologies that collect and analyze data from the various types of plants it operates in Japan as well as technologies that leverage AI to achieve optimal plant operation and automation.

Internal Awards

The following technical and product developments were awarded in FY2018.

<table>
<thead>
<tr>
<th>JFE Steel</th>
<th>Prize/Award</th>
<th>Project</th>
<th>Recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellence Award</td>
<td>Development of coke oven refractory repair technology</td>
<td>Coke Technology Department and others</td>
<td></td>
</tr>
<tr>
<td>President’s Awards</td>
<td>Development of highly efficient combustion technology based on large-scale flow model</td>
<td>Plant Engineering Department, East Japan Works (Chiba District), and others</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JFE Engineering</th>
<th>Prize/Award</th>
<th>Project</th>
<th>Recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Prize, JFE Engineering President’s Awards</td>
<td>Establishment of automation technology for high-efficiency cranes in thin coil storage</td>
<td>Process Department, West Japan Works, and others</td>
<td></td>
</tr>
<tr>
<td>President’s Awards</td>
<td>Achievement of fully-automated operation of waste incineration furnace</td>
<td>Development Group, Environmental Solutions Sector, and others</td>
<td></td>
</tr>
</tbody>
</table>
Compliant purchasing and procurement activities are critical to becoming a good business partner and nurturing the understanding and trust of suppliers. Each operating company of the JFE Group clearly defines its purchasing and procurement policies and discloses them to suppliers to request that they maintain the same high standards.

As for material procurement, the company has established the Raw Material Purchasing Policy to develop and operate a sustainable procurement system for sourcing raw materials. Through the system, 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 after confirming that suppliers are not using conflict minerals.

JFE Steel upholds its Basic Policy on Procurement to conduct purchasing activities with fairness and sincerity and thereby continue earning supplier trust as a good business partner.

JFE Steel believes that its social responsibility is to raise stakeholder satisfaction and enhance its corporate value. To that end, the company prioritizes efforts in areas such as environmental protection, safety, disaster prevention, and compliance, which are fundamental to its survival, and requests its suppliers to pursue their own CSR initiatives.

JFE Steel establishes win-win relationships with our suppliers by leveraging their ideas for improving materials, designs, shapes, specifications and production methods. The company’s value-analysis activities allow them to propose how to reduce costs, improve materials functions, and upgrade quality, safety and work efficiency. The company then strives to implement the ideas wherever possible.

JFE Engineering requests that suppliers implement the following measures.

Requests to Suppliers Regarding CSR Initiatives

1. Comply with laws, regulations and social norms
2. Implement thorough information management
3. Provide safe and competitive products and services
4. Observe human rights, work environments and occupational health and safety
5. Respect the global environment
6. Develop an organization for promoting CSR

Corporate social responsibility (CSR) is a pivotal element in JFE Shoji Trade’s supply chain for the provision of products, functions and services through its global business. Customer demand for CSR-based procurement is increasing every year. In addition to its initiatives for quality, stable supply, safety and reasonable prices, the company is enhancing support for the global environment, human rights and occupational safety and health.
Contributing to Societal Development

Shareholders and Investors

JFE Standards of Business Conduct (Excerpt)

(2) Be open to society
Disclose corporate information actively and engage in constructive dialogues with diverse stakeholders to enhance our corporate value.

Returns to Shareholders

The JFE Group positions returns on shareholder investment as one of its top priorities. Profits are basically returned in the form of dividends.

The Group’s basic policy under its Sixth Medium-term Business Plan is to strengthen the domestic profit base and expand overseas businesses and their profitability to achieve sustainable growth for the Group. In addition, the Group intends to maintain our payout ratio at about 30% by improving profitability and cash flow toward realizing the sound financial standing required for an A international credit rating.

Proactive Information Disclosure

The JFE Group strives for fair disclosure based on established internal policy. The Group actively communicates with investors by holding meetings when announcing financial results, medium-term business plans or other important information. The executive directors explain the announced results and answers questions at investor meetings, and they also hold small-group briefing sessions and conducts individual interviews with institutional investors and securities analysts. In addition, they regularly visit investors in Japan and overseas, including institutional investors in North America and Europe.

For individual investors, briefings are held at the branch offices of securities firms around Japan. The Group also distributes e-mails regarding IR information. Important press releases and Notices of the Ordinary General Meeting of Shareholders are provided in English for overseas investors.

In addition, JFE Holdings is committed to fair disclosure of information under its disclosure policy.

<table>
<thead>
<tr>
<th>Major IR Activities (FY2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
</tr>
<tr>
<td>Investor meetings</td>
</tr>
<tr>
<td>Individual interviews with institutional investors and securities analysts</td>
</tr>
<tr>
<td>Briefings for private investors at securities firms</td>
</tr>
</tbody>
</table>

Information for Shareholders and Investors

In Japanese:
https://www.jfe-holdings.co.jp/investor/index.html

In English:

Enhancing Communication with Shareholders

JFE Holdings created its Investor Relations and Corporate Communications Department in April 2015 to facilitate more interactive communication with diverse stakeholders. The collection and dissemination of integrated information is being enhanced to provide management with more useful information for constructive dialogues with shareholders, including individual investors as well as domestic and foreign institutional investors. General meetings of shareholders are opportunities for dialogue with shareholders, so JFE sends invitations at the earliest possible date to maximize attendance and avoid overlapping with the shareholder meetings of other companies.

The company has been posting an invitation on its website at the earliest possible date while allowing online voting for shareholders who are unable to attend. Also, plant tours and company briefing sessions are organized to foster shareholder understanding of the JFE Group.

In FY2018, workplaces of JFE Steel, JFE Engineering and Japan Marine United held such events for about 2,100 shareholders. In FY2019, such activities will continue along with direct communication with shareholders to deepen their understanding of the JFE Group.
Contributing to Societal Development

Local Communities

**JFE Standards of Business Conduct (Excerpt)**

**(3) Work with communities**
Actively contribute to host communities as a good corporate citizen by emphasizing harmony and cooperation.

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**Local Activities**

- **Host Communities**
  Every year, the JFE Group opens its manufacturing facilities to residents in local host communities for demonstrations, tours and other events.

- **On-site Events in FY2018**

<table>
<thead>
<tr>
<th>Location</th>
<th>Event</th>
<th>Date</th>
<th>Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Japan Works, Keihin</td>
<td>Keihin Community Festival</td>
<td>May 26</td>
<td>48,000</td>
</tr>
<tr>
<td>East Japan Works, Chiba</td>
<td>JFE Chiba Festival</td>
<td>October 28</td>
<td>40,000</td>
</tr>
<tr>
<td>West Japan Works, Fukuyama</td>
<td>JFE West Japan Festival in Fukuyama</td>
<td>May 13</td>
<td>59,000</td>
</tr>
<tr>
<td>West Japan Works, Kurashiki</td>
<td>JFE West Japan Festival in Kurashiki</td>
<td>November 3</td>
<td>110,000</td>
</tr>
<tr>
<td>Chita Works</td>
<td>Handa Community Industrial Festival</td>
<td>November 10</td>
<td>21,000</td>
</tr>
</tbody>
</table>

In addition, on-site recreational facilities are made available for community sports such as soccer, baseball, volleyball and basketball as well as other events sponsored by Group companies. Coaching sessions are offered by company baseball and track teams, which compete in Japan’s top-level corporate leagues. Such activities promote sports and health as well as stronger relationships with host communities.

- **Tours of Steelworks**
  Every year, JFE Steel invites over 100,000 guests, mostly elementary and junior high school students from host communities, to tour steel production sites at each steelworks, in conjunction with festivals and other events.

- **Education at Elementary Schools**
  JFE Steel conducts plant tours for students at nearby elementary schools. In addition, company employees visit schools to give lectures on iron and steelmaking processes, the features of steelworks, environmental initiatives and other topics to deepen understanding of the steel industry. These lectures have been given to over 165 classes since its start in FY2012. In FY2017, the company conducted the first class at a school for hearing impaired children.

- **Support for External Organizations**
  Contributing to the realization of a sustainable society is a key management concern for the JFE Group, which actively seeks to address issues in collaboration with external groups and NGOs in pursuing solutions for the 17 SDGs.

- **UN World Food Programme**
  The JFE Group seeks to resolve the global hunger issue by supporting the cause and activities of the Japan Association for the World Food Programme*.
  *An NPO-accredited supporter of the UN World Food Programme (WFP), which works to eliminate hunger

- **Supporting Training for Foreign Medical Professionals**
  The JFE Group supports the Japanese Council for Medical Training, spearheaded by the Toranomon Hospital in Tokyo. The council offers a training program in which doctors from developing countries, primarily in Southeast Asia, are invited to study in Japan to foster stronger relationships between those nations and Japan. The program also contributes to enhancing the medical standards of those countries.
Japanese Foundation for Cancer Research
Since its establishment in 1908, the Japanese Foundation for Cancer Research has upheld its basic philosophy of aiming to improve the well-being of people everywhere by achieving better cancer control. The JFE Group supports this foundation, which has played a leading role in research and treatment as well as human resource development in Japan.

Fund to Support Children’s Future
The JFE Group endorses the Japanese government’s national campaign for creating a society in which every child can grow with dreams and hopes. The Group supports the Fund to Support Children’s Future, which provides assistance to NPOs and other groups engaged in activities to eliminate poverty throughout Japan.

Support for Youth Development

Japanese Language Speech Contest
The JFE Group supports the All-China Japanese Speech Contest for university students in China as a way to promote stronger international exchange. The contest has been held since 2006 to further Japan-China relations through language and communication, and JFE has provided support from its launch. Through this activity, the JFE Group contributes to the development of Japanese language education in China and the promotion of friendly exchanges between the two countries.

High School Essay Contest
The Japan Science & Engineering Challenge is a national science-paper contest for high school and technical college students. Under the sponsorship of the Asahi Shimbun Company and TV Asahi Corporation, the contest has been supported by JFE Steel since 2006 to nurture future scientists and engineers.

Career Education for Students
JFE Steel and JFE Engineering provide plant tours for female junior high school, high school and university students to encourage them to pursue careers in science and technology. Since 2006, JFE Steel has participated in the Keizai Koho Center’s “Business Training for Japanese School Teachers.” Teachers from primary, junior high and high schools learn about business operations, human resource development, safety and environment-protection-related initiatives, among other topics, with the intention of sharing that knowledge with their students and leveraging it for better school management. In addition, some facilities invite local junior high students and host work-experience sessions.

As part of career education for high school and junior high school students, Kawasho Foods Corporation, a member of the JFE Shoji Trade group, cooperates with the School Support Center, a specified Nonprofit Corporation, to invite students for training. The participants learn how society is supported by specific kinds of work as well as the products and services related to such work.

FY2018 Internships
The JFE Group annually hosts many trainees and interns from overseas to help them gain practical experience at plants as well as design and construction sites. They also participate in group work.

Since FY2017, the JFE Shoji Trade Group has been providing opportunities for children with special needs to study outside the school. Students gain workplace
experiences such as serving coffee or cleaning offices while also learning about distribution by introducing and selling sweets and coffee shop goods that are produced at their school. The Group received 42 students in FY2018.

- **Supporting Elementary Schools in Ghana and Nigeria**
  Since 2011, the JFE Shoji Trade Group has continuously supported elementary schools in the West African countries of Ghana and Nigeria as part of its CSR activities. To address deficiencies in the local educational environment, it has also focused on donating goods related to education and food, which are essential for the sound development of children and greatly appreciated by the schools and governments in the countries. Donations in FY2018 included 700 sets of desks and chairs, 17,000 notebooks, and 12,500 cans of food. The ceremony was attended by many children and local educators.

  The JFE Shoji Trade Group is committed to continuing this project into the future that symbolizes the Group’s commitment.

- **Supporting School Meals in Developing Countries**
  JFE Shoji Trade participates in an activity led by TABLE FOR TWO International, a specified Nonprofit Corporation, in which a donation equivalent to one school meal for children in developing countries is made for every designated meal purchased by employees in the company’s cafeteria.

- **JFE 21st Century Foundation**
  The JFE 21st Century Foundation was founded in 1990 through a donation from the JFE Group (the former Kawasaki Steel) to operate as a public-service corporation that contributes to society. It engages in various public services, such as supporting research at universities and cultural development.

  Web JFE 21st Century Foundation ➡ http://www.jfe-21st-cf.or.jp/eng/

- **Support for Technology Research**
  The foundation has been highly acclaimed by many universities for its support of technology research since FY1991.

  In FY2018, it fielded 194 grant requests and provided a total of 52 million yen in the form of grants valued at 2 million yen each for 13 projects involving iron and steel technologies and 13 projects related to environmental technologies, including those designed to prevent global warming.

- **Support for Asian History Studies**
  The foundation began awarding grants in support of Asian history studies at Japanese universities in FY2005. In FY2018, 70 applications were received and 11 grants worth 1.5 million yen each were awarded, bringing the total to 16.5 million yen.

  Grants: Cumulative Number of Projects and Value

<table>
<thead>
<tr>
<th>Field</th>
<th>Projects</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Research</td>
<td>607</td>
<td>1,221.9 million yen</td>
</tr>
<tr>
<td>Asian History Studies</td>
<td>120</td>
<td>180 million yen</td>
</tr>
</tbody>
</table>

- **Support Regional Activities**
  The foundation financially sponsors community cultural activities including music, art, traditional events, community revitalization, community activities and the conservation of cultural property.

  In FY2018, it sponsored events in cities across Japan and overseas, including Chiba, Kawasaki, Kurashiki and Fukuyama as well as Jiaxing in Zhejiang Province, China.

- **Supporting the Japan Overseas Educational Services Writing Contest and Anthology Donation**
  The Japan Overseas Educational Services organizes contests in the areas of essays, poems, tanka and haiku for Japanese students attending elementary and middle schools overseas. The JFE Group has been cosponsoring the contest by offering JFE 21st Century Foundation prizes since FY1991. The foundation also donated 850 copies of “Chikyu ni Manabu” (Learn from the Earth), a collection of the winning entries again in FY2018, to 673 elementary and middle schools and 86 public libraries in the regions where the Group operates its steel business.
Contributing to Societal Development

Employees

JFE Group’s Basic Policy on Human Resource Management

❶ Respect Human Rights and Facilitate Fair Management of Human Resources
The Group manages human resources fairly by respecting the human rights of all employees and nurturing employees who embrace the Group’s corporate values and standards of business conduct.

❷ Foster a Corporate Culture that Nurtures People and Promotes Satisfying Workplaces
The Group facilitates interactive communication among employees to cultivate a corporate culture that nurtures human resources and creates safe, attractive environments where everyone can enjoy working.

❸ Diversify Human Resources
The Group ensures that diverse all people, including women, non-Japanese, the elderly and the disabled, can demonstrate their full potential.

❹ Recruit and Steadily Nurture Excellent Human Resources
To survive in an increasingly complicated and diversified global environment, the Group steadily recruits diverse, high-quality skilled human resources, ensures that they receive the skills and knowledge necessary to continue strengthening the Group’s technological capabilities, and nurtures their global capabilities.

JFE Group Health Declaration

❶ JFE, recognizing that safety and health are fundamental for fulfilling its mission, creates workplaces in which every employee can work with vigor.

❷ JFE and its health insurance union work together to advance initiatives for maintaining and upgrading the physical and mental health of employees and their families.

❸ JFE gives top priority to safety and health and to creating a health culture in which each employee takes personal responsibility.

Workstyle Reform

Management of the JFE Group recognizes that creating workplaces to provide dignity and job satisfaction for all is essential for maximizing the potential of individuals. The JFE Group carefully recruits and nurtures human resources to support sustainable growth and is advancing reforms to realize more flexible workstyles for everyone.

Systems to Support Workstyle Reform

JFE Steel is accelerating its efforts to enhance productivity and respond to more diverse needs of employees in their workstyles to help drive initiatives such as strengthening its manufacturing base and expanding overseas. Specific initiatives have been implemented to improve employee awareness and cultivate an organizational climate in which everyone can maximize their abilities. These include designating days in which employees are encouraged to leave work on time, conducting programs in standardizing the number of hours between work shifts* and work-at-home systems, and encouraging employees to take paid leave.

JFE Steel also has a work-life-balance vacation program to support employees in taking vacations for personal life events, self-enlightenment, or participation in volunteer activities.

Flexibility Workstyle

JFE Engineering is striving to nurture a corporate culture of coming to work early and leaving early by designating 8:00 am to 4:45 pm as its standard working hours and in principle prohibiting work after 8 pm. Other initiatives include planning vacation schedules through discussions between employees and their supervisors and designating days when employees are encouraged to take paid leave or leave work on time. Telecommuting has been implemented to facilitate flexibility in workstyles. Now a working environment is in place in which employees can choose to work in one of the dozen shared offices around the country owned by a partner real-estate company.

JFE Engineering’s next goals are to enhance workstyle reform by taking advantage of the findings from an employee satisfaction survey conducted in FY2018 and to realize a five-day workweek in its construction operations department in order to overcome the difficulty in taking days off, which has been a problem faced by the entire industry.

Initiatives to Support Various Workstyles to Realize a Work-life-balance

As a measure to realize a work-life-balance, initiatives

* A program to set a certain length of time between clocking out and clocking in on the next day to protect an employee’s private life and sleeping hours.

Employees arrange their own schedules and choose the day when they will leave on time automatically.
JFE Engineering has been actively working on operational reforms since August 2014 and set up “Office of Smart-Work Promotion” in April 2018 to further expand this effort. By leveraging various IT tools and systems, and creating an unconventional working style in terms of time, location and method, the company aims to achieve both work-life-balance and improved productivity while maximizing overall output.

JFE Steel has about 200 teams and 2,100 employees, including those of group companies worldwide, involved in JE1 Activities. The results of these activities are showcased at a company-wide competition held at the end of the fiscal year. Activities focused on topics such as quality, efficiency, safety or costs contribute significantly to workplace vitality and corporate performance.

JFE Shoji Trade will continue its J-SLIM program, which is an operational reform aimed at increasing work efficiency and performance in four focus areas: systems, company-wide management, working environments and line work. The number of organizations using RPA has been rising since FY2018, when the implementation project took off. It has provided numerous advantages such as significantly reducing time spent on certain jobs through automation as well as expediting the provision of services. Also, JFE Shoji Trade is seriously considering implementing the newest IT tools to further increase productivity. JFE Shoji Trade will continue with its effort to think outside of the box and flexibly address change to create a corporate culture that encourages continuous innovation.

Operational Reforms

Promoting Operational Reforms that Leverage the Newest ICT

To reduce employee time spent on simple for repetitive tasks and free up more time for creative work, JFE Steel implemented robotic process automation (RPA), a software to facilitate the automation of human work done on terminal devices. In FY2018, RPA was deployed in over 100 types of operation, releasing over 10 thousand hours to be spent on other productive work. The company will also continue to expand RPA in FY2019.

JFE Steel is pushing ahead with a company-wide project launched in FY2016 to upgrade mission-critical systems at each steelworks toward promoting operational reform as well.

The company will actively engage in operational reform by leveraging the newest ICT and use the time generated by the operational reform to improve customer service.

Smart-Work Project

JFE Engineering has been actively working on operational reforms since August 2014 and set up “Office of Smart-Work Promotion” in April 2018 to further expand this effort.

By leveraging various IT tools and systems, and creating an unconventional working style in terms of time, location and method, the company aims to achieve both work-life-balance and improved productivity while maximizing overall output.

JFE Shoji Trade will continue to drive its J-SLIM program, which is an operational reform aimed at increasing work efficiency and performance in four

Invigorating Workplaces through Small Group Activities

JFE Steel has approximately 1,500 small groups that carry out J1 Activities* for quality and work improvement. In addition, the JFE Family Result Reporting Conference, which includes participation from domestic and overseas Group companies, is held twice a year. Also, groups selected through competition are given opportunities to go overseas as incentives.

*Designed to turn JFE into an excellent company and propel it to the number one position in its industry (called JE1 Activities at JFE Engineering).

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Since 2012, JFE Shoji Trade has been conducting J1 Activities in production divisions of its group companies in Japan as a means of improving their problem-solving skills in areas such as safety, quality, cost, operations and delivery target. The company holds annual competitions in which about 20 teams from the east and west districts report their activity results and compete against each other. Awards are given to the highest achieving teams. The company will continue to promote J1 Activities to improve workplace vitality and performance.
Workforce Diversity

By designating workforce diversity as a key business objective and to address the ever-evolving business environment, the JFE Group is promoting efforts to maximize the potential of employees regardless of gender, nationality, creed or lifestyle.

Moreover, in the face of the recent trends of a declining birthrate and aging population as well as a decreasing labor force, diversity has become increasingly important for reliably securing excellent human resources.

Company Policy Explained by the President

The president of JFE Holdings has endorsed the Declaration on Action that was introduced by a group of male leaders in Japan who intend to create “A Society in which Women Shine” with the support of the government’s Gender Equality Bureau Cabinet Office. He also announced additional measures to support the professional development of female personnel, thereby communicating both inside and outside the company that women can play active roles at JFE.

Supporting Women in Professional Development

The JFE Group is implementing a broad range of initiatives to support female employees, such as increased hiring, enhanced childcare-support programs that significantly exceed statutory requirements, and training and education.

The Group has set a target to triple its number of women in managerial positions by 2020. As of the end of August 2014, there were 94 female managers, or 1.8% of all managerial positions, at JFE Holdings and its three operating companies. By April 2019, the figure increased to 310, or 5.4%, owing to initiatives to increase earlier promotion.

Female Managers in the JFE Group: Actual and Target

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual</th>
<th>Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2014</td>
<td>94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April 2019</td>
<td>310</td>
<td>310</td>
<td>Yes</td>
</tr>
</tbody>
</table>

The JFE Group formulated an action plan to support women in their professional development in compliance with the Act on Promotion of Women’s Participation and Advancement in the Workplace (enforced in April 2016), based on which the company discloses relevant information. In recognition of its efforts to encourage the empowerment of women, JFE Holdings was selected three times as a “Nadeshiko Brand” during FY2013-FY2016.

The Nadeshiko Brand represents a joint initiative by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. It recognizes exemplary efforts by companies to encourage women to play active roles and continue working long-term. The targets are representative companies from business sectors listed on the TSE first section.

Activities by Diversity Promotion Sections

To ensure the consistent promotion of diversity, each operating company has a Diversity Promotion Section to organize educational activities, such as rank-based training and women’s exchange meetings, and to share and implement best practices across the Group.

Key Initiatives

JFE Steel provides career support and management training for managers and other employees to cultivate a culture in which diverse human resources can demonstrate their full potential. Its steelworks employ more than 350 females who are currently working on-site. The company has recently been actively hiring foreign nationals to secure human resources to meet the company’s globalization strategy. Various measures have been implemented to support comfortable work environments for non-Japanese employees such as a training program for supervisors who will be working with them. The company also supports employees who are using childcare and nursing care by providing workplace nurseries and holding nursing care seminars. In April 2019, workplace nurseries opened in all districts of our east and west steelworks.

JFE Engineering actively hires personnel with diverse characteristics and values, as well as people from other business sectors. Around 80 people are hired each year as mid-career placements. The head office regularly provides training to about 80 regional employees of overseas group companies to cultivate mutual understanding and transcend differences in culture and customs. In addition, the company is striving to provide opportunities for management to improve awareness of diversity as well as providing leadership training and seminars for female employees.

JFE Shoji Trade is expanding opportunities for female employees by promoting them to

*The Nadeshiko Brand represents a joint initiative by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. It recognizes exemplary efforts by companies to encourage women to play active roles and continue working long-term. The targets are representative companies from business sectors listed on the TSE first section.
Employment of People with Disabilities

The JFE Group has three special subsidiaries, JFE Apple East Corporation, JFE Apple West Corporation and Mie Data Craft Co., Ltd., to employ people with disabilities and create enjoyable workplace environments for them.

Respect for Sexual Minorities (LGBT)

In order to promote diversity in the workplace, the JFE Group is cultivating a corporate culture that accepts diversity, including sexual minorities, through training to deepen awareness of human rights as well as position-specific curriculums. In FY2018, an LGBT study group was convened for human resources representatives in each district of JFE Steel’s business locations.

In addition, the Group recently included sexual minorities in the compliance guidebook it distributes to all employees as a means of promoting common understanding.

Reemploying Retirees

The JFE Group reemploys people after mandatory retirement at age 60, largely to ensure that the skills and experience of veteran employees are handed down.

In the spirit of Japan’s Act on Stabilization of Employment of Elderly Persons, the Group has created a system for all employees to work until the age of 65.

As of April 2019, 1,352 elderly employees, about 7% of the total, are working at JFE Steel, JFE Engineering, and JEF Shoji Trade.

For an enhanced work-life-balance, JFE Steel employees can choose full-time employment or shorter workweeks after reaching their retirement age.

JFE Engineering created the Skilled Partner Program to rehire employees who want to continue working after mandatory retirement at age 60.

For an enhanced work-life-balance, JFE Shoji Trade employees who reach retirement age may choose from a variety of working arrangements, including full-time employment, shortened workweeks, and shortened daily work hours.

To ensure sustainable growth, the JFE Group steadfastly recruits from a diverse pool of applicants and actively hires women, foreign nationals and midcareer personnel, and recruits year-round.

Securing Diverse Human Resources

Sixth Medium-term Business Plan (FY2018–FY2020)

FY2019 Results: Around 1,171 people

<table>
<thead>
<tr>
<th>Position Target</th>
<th>Career-track white-collar positions</th>
<th>Career-track technical positions</th>
<th>On-site positions at steelworks</th>
</tr>
</thead>
<tbody>
<tr>
<td>JFE Steel</td>
<td>At least 35%</td>
<td>At least 10%</td>
<td>At least 10%</td>
</tr>
<tr>
<td>JFE Engineering</td>
<td>At least 20%</td>
<td>At least 5%</td>
<td>At least 20%</td>
</tr>
<tr>
<td>JFE Shoji Trade</td>
<td>At least 25%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Human Resource Development

The JFE Group collectively carries out human resource development with an emphasis on nurturing the capacities of each employee and cultivating global human resources to support the expansion of our overseas business.

Utilizing Skill Data for Training Programs

The company utilizes an evaluation system at manufacturing sites to quantitatively analyze the skill level of each employee. By focusing on infrequent or irregular tasks involving relatively high skill levels, the training program is linked organically to accumulated skill data, backed by practical guidance from full-time instructors (technical experts) who possess advanced skills.

Training Programs to Support Independent Learning

To enhance the knowledge of underlying technologies that represent a technological foundation for an engineering enterprise, the Company’s leading expert lectures over 30 different courses on basic technology for younger employees and mid-career hires.

A new web-based learning curriculum was launched in FY2018 to offer employees opportunities to acquire business skills that cater to each job responsibility, including accounting and marketing.

Training and Measures to Maximize Employee Potential

In order to unlock the potential of employees with diverse backgrounds and exploit their maximum abilities, JFE Shoji Trade offers female employees a variety of training opportunities, including next-generation female leader training for increasing their active participation in business. JFE Shoji Trade also invites regional employees hired at overseas offices that require a high level of competency to Japan for training in order to increase their skills and motivation, and the company offers training for newly hired mid-career employees as well. In addition, a corporate recognition system has been established to boost employee motivation. JFE Shoji Trade annually presents achievement awards to employees and awards for performance, achievement, and safety to its group companies.

Developing Global Personnel

In addition to hiring and developing non-Japanese for career-track positions in Japan and hiring more local personnel overseas, the JFE Group is enhancing programs for Japanese employees to gain overseas study and training. The company is also developing younger employees through practical experience by dispatching them on overseas assignments.

Global Personnel Development Programs

<table>
<thead>
<tr>
<th>Company</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Study abroad</td>
</tr>
<tr>
<td></td>
<td>Short-term overseas language training</td>
</tr>
<tr>
<td></td>
<td>Overseas assignments for younger employees</td>
</tr>
<tr>
<td></td>
<td>Dispatching engineers to international conferences</td>
</tr>
<tr>
<td></td>
<td>Training for regional employees of overseas offices</td>
</tr>
<tr>
<td></td>
<td>On-site training in Japan for regional employees of overseas offices</td>
</tr>
<tr>
<td></td>
<td>Internship for international students</td>
</tr>
</tbody>
</table>
Employee Health and Safety

Providing for the health and safety of employees is a basic requirement of companies, particularly manufacturers, and is fundamental to the continued existence of any company. The JFE Group adheres to the philosophy of safety first, and, together with its group companies and business associates, works to consistently maintain safe working environments and secure workplaces for all employees. Top managers from each Group company conduct safety patrols and inspections to enhance occupational safety.

In addition, the Group exchanges ideas on safety and health with the labor union through its Occupational Safety and Health Committee.

<table>
<thead>
<tr>
<th>Lost-work Injuries and Severity (Rates)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>JFE Steel</td>
<td>0.15</td>
<td>0.15</td>
<td>0.21</td>
<td>0.17</td>
<td>0.17</td>
</tr>
<tr>
<td>Severity</td>
<td>0.09</td>
<td>0.16</td>
<td>0.15</td>
<td>0.15</td>
<td>0.15</td>
</tr>
<tr>
<td>JFE Engineering</td>
<td>0.42</td>
<td>0.28</td>
<td>0.19</td>
<td>0.71</td>
<td>0.82</td>
</tr>
<tr>
<td>Severity</td>
<td>0.40</td>
<td>0.01</td>
<td>0.3</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>JFE Shoji Trade Group</td>
<td>0.65</td>
<td>0.67</td>
<td>1.16</td>
<td>1.22</td>
<td>0.60</td>
</tr>
<tr>
<td>Severity</td>
<td>0.07</td>
<td>1.02</td>
<td>0.41</td>
<td>0.97</td>
<td>0.04</td>
</tr>
<tr>
<td>Manufacturing industry average</td>
<td>1.06</td>
<td>1.06</td>
<td>1.15</td>
<td>1.02</td>
<td>1.20</td>
</tr>
<tr>
<td>Severity</td>
<td>0.09</td>
<td>0.06</td>
<td>0.07</td>
<td>0.08</td>
<td>0.10</td>
</tr>
</tbody>
</table>

- JFE Steel and JFE Engineering: parent company, business associates and contractors in Japan; JFE Shoji Trade: parent and consolidated subsidiaries, business associates and contractors in Japan
- Lost-work injuries (rate) = number of employees with lost-work injuries/total working hours × 1,000
- Severity = number of lost working days/total working hours × 1,000

<table>
<thead>
<tr>
<th>Lost-work Injuries Involving Employees (Number of Fatal Injuries Shown in Parentheses)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>JFE Steel</td>
<td>6 (1)</td>
<td>4 (1)</td>
<td>7 (1)</td>
</tr>
<tr>
<td>JFE Engineering</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>1 (0)</td>
</tr>
<tr>
<td>JFE Shoji Trade Group</td>
<td>8 (0)</td>
<td>9 (1)</td>
<td>5 (0)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lost-work Injuries Involving Business Associate Employees (Number of Fatal Injuries Shown in Parentheses)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>JFE Steel</td>
<td>16 (1)</td>
<td>14 (1)</td>
<td>11 (1)</td>
</tr>
<tr>
<td>JFE Engineering</td>
<td>4 (1)</td>
<td>14 (0)</td>
<td>17 (0)</td>
</tr>
<tr>
<td>JFE Shoji Trade Group</td>
<td>1 (0)</td>
<td>1 (0)</td>
<td>0 (0)</td>
</tr>
</tbody>
</table>

In FY2019, JFE Steel is following three basic strategies: promote the autonomous resolution of issues, strengthen health and safety at business associates and Group companies and develop activities in line with the Group’s Health Declaration. For example, JFE Steel’s safety level was inspected by an external organization, Du Pont, and the company received feedback on its auditing methods. With this feedback, an internal audit system was implemented and applied to all parts of the company. In addition, the company plans to obtain ISO (JIS) 45001 certification, an international standard for occupational health and safety management systems established in 2018. Iterating through the PDCA cycles of these safety and health initiatives, the company is working to establish a corporate culture of safety that is voluntary and independent.

JFE Engineering strives to eliminate accidents at its construction and operating sites and manufacturing plants. By establishing “priority items to be shared across the company” to which all employees and all members of associated companies adhere and promoting “identification of sources of danger and safety measures based on risk assessments” in accordance with each operation, the company is committed to disaster elimination. Additionally, driving efforts such as “physical and mental health promotion” and “creation of comfortable working environments” help to ensure the health of employees and raise the level of occupational health. In 2016, the company obtained OHSAS 18001 certification, an international standard for occupational health and safety management systems, for its construction activities in Japan as well as its manufacturing operations at the Tsurumi and Tsu Works. The company plans to upgrade certification to ISO 45001 in 2019.

JFE Shoji Trade is actively working on eliminating unsafe operations that could lead to severe accidents and targeting zero severe accidents at its processing sites such as coil centers.

For each of its group companies, JFE Shoji Trade assigns a safety manager, who is responsible for improving safety at each company. Every safety manager is also responsible for activities such as (1) strengthening on-site patrols, (2) establishing safety monitors, (3) enforcing risk assessment and hazard...
prediction, and (4) identifying unsafe operations. Safety managers meet every other month to share information. All workplace accidents that result in employees being absent from work must be reported to the top management from the president of each Group company as part of the JFE Shoji Trade Group’s group-wide effort to address safety management. Annual safety awards are also presented. Through these initiatives, the company will raise the level of safety management within the whole group and continue to maintain safe working environments.

**Employee Health**

The JFE Group has made the JFE Group Health Declaration (page 67) and collaborate with its health insurance union and industrial health staff to strengthen employee health so that everyone can work with vigor.

- **Physical Health Initiatives**
  - Ensure the implementation of regular physical examinations and strengthen cancer screenings.
  - Prevent aggravation of lifestyle diseases by conducting metabolic syndrome checkups and offering health guidance.
  - Encourage participation in sports by supporting club activities and using the Powering Up Health Care program of the health insurance union.
  - Promote non-smoking areas and maintain separate areas for smokers and non-smokers in buildings. Provide guidance to help employees quit smoking through industrial physicians and public health nurses.

- **Maintaining and Promoting the Health of Employees’ Families**

  The JFE Group strengthens the health of employees and their families by, for example, encouraging spouses to undergo health examinations. The rate of health examinations for dependents (age 40 or older) has been steadily increasing over four years, to 48.2% in FY2018, up 10.6 points from 37.6% in FY2014.

- **Mental Healthcare**

  The JFE Group conducts four basic initiatives to maintain the mental health of employees: “self-care” for workers who strive to remain aware of stress and take preventive measures; “care by management supervisors” who provide advice to subordinates; “care by industrial health staff” who support employees, managers and supervisors; and “care by human resources outside workplaces,” including specialist clinics and individuals.

  JFE’s health insurance union also provides mental health counseling, including a 24-hour hotline for employees and their families (spouse and dependents).

- **Active Exercise**

  JFE Steel business sites offer the Active Exercise program, which the West Japan Works designed to help people increase their physical strength and prevent injuries due to falling. The program’s effectiveness in preventing occupational accidents and improving health has even attracted attention outside the company, so it is being shared as a contribution to society.

- **Company-wide Goals and Follow-ups**

  To drive initiatives regarding maintaining and improving the health of employees and their families, JFE Steel has established and is monitoring the achievement of medium- to long-term goals applicable to all affiliate companies.

### Company-wide Targets for 2020

<table>
<thead>
<tr>
<th>Targets</th>
<th>2018 Results (est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thorough implementation of physical examinations</td>
<td>Rate of complete exams: 100%</td>
</tr>
<tr>
<td>Preventive health measures</td>
<td>Rate of providing specific health guidance: at least 35%</td>
</tr>
<tr>
<td>Maintaining and improving health</td>
<td>Participation in the Powering Up Health Care program: at least 50%</td>
</tr>
<tr>
<td>Promotion of nonsmoking</td>
<td>Smoking rates: 25% or less</td>
</tr>
</tbody>
</table>

Data on those aged 40 or older and insured by the JFE Group’s health insurance union.
Recognizing that labor-management cooperation is essential for the company to fully tackle its business challenges, JFE Steel has established a strong relationship with its labor union based on understanding and trust. The company convenes its Labor-Management Business Discussion Committee four times a year to bring the president and other executives together with labor representatives for the purpose of exchanging ideas on business challenges. The two sides also share views on working conditions and workplaces and hold joint consultations whenever the labor system is revised. In 2018, an employee satisfaction survey was conducted as a step toward creating a workplace in which every employee can experience pride and a sense of fulfillment. Looking ahead, the company will incorporate our findings into management and other areas.

Promoting Satisfying Work Environments

In addition to meeting legal requirements for the minimum wage, upper limits for overtime, and other mandates, the JFE Group establishes challenging and satisfying work 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. Furthermore, the Group offers generous welfare benefits, including dormitories and company housing in order to provide a stable environment for our employees and encourage them to remain with the company for many years.
The JFE Group strives to maintain agreeable and favorable relationships with all stakeholders, including shareholders, customers, clients, employees and local communities, for the sustainable growth and medium-to long-term increase of corporate value.

### Stakeholder Engagement

The JFE Group's Major Stakeholders

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Approach</th>
<th>Major communication methods, etc.</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shareholders/ Investors</strong></td>
<td>We work to disclose information accurately, fairly and in a timely and appropriate manner as well as strive for active communication. We established the Investor Relations and Corporate Communications Department as an organization responsible for communication with domestic and international shareholders and investors, and promote constructive dialogue as well as provide management with the information acquired, with the aim of maintaining and improving the relationship of trust.</td>
<td>Ordinary general meeting of shareholders (convocation notices, notices of resolutions, etc.) 1 Approx. 150,000 (unit shareholders) Investors meeting (financial results, medium-term business plan, etc.) 4 Approx. 500 persons in total Individually meeting (financial results, medium-term business plan, etc.) As needed Approx. 400 persons in total Briefings (at the branch offices of securities firms, etc.) 10 Approx. 1,000 persons Plant tours for shareholders (steel, engineering, shipbuilding bases, etc.) 25 Approx. 2,100 persons Publishing shareholder newsletters (JFE Dayori) 2 (mid-year and annual) Approx. 220,000 copies/issue Various reports, including integrated reports and CSR reports 1 Approx. 40,000 copies Information via websites (for shareholders and investors), etc. As needed</td>
<td>Frequency (per year) Scale, etc.</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>The Group believes that the stable supply of products and services and reliable quality assurance, along with advancing research and development, are necessary to meet customer needs. We will work to establish win-win relationships by continuously meeting customer needs and the trust they place in us.</td>
<td>Communication through sales activities and support for quality assurance, along with advancing research and development As needed Conducted at each operating company Interviews and questionnaires, such as that on customer satisfaction As needed Conducted at each operating company Information via websites (product information), etc. As needed</td>
<td></td>
</tr>
<tr>
<td><strong>Clients</strong></td>
<td>CSR initiatives are being actively pursued together with our clients, who are important business partners. We have established Purchasing and Procurement Policies to promote fair and sincere procurement activities and to construct healthy relationships with clients.</td>
<td>Communications through purchasing activities As needed Conducted at each operating company Briefing and discussions As needed Conducted at each office Information via website, etc. As needed</td>
<td></td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>With the recognition of top management that creating workplaces to provide dignity and job satisfaction for all is essential for maximizing the potential of individuals, we have formulated the Basic Policy on Human Resource Management and Health Declaration and are conducting various activities toward attaining the goals.</td>
<td>Communications through daily operations and in the workplace As needed Various labor-management committees 2 to 4 Management and labor unions at each operating company Corporate Ethics Hotline As needed 80 calls in FY2018 Various training sessions As needed Position-specific, compliance, human rights, etc. Family days (visits by employee families, lunch at employees' cafeterias, etc.) As needed Conducted at each operating company Corporate Ethics Awareness Survey 1 (every 3 years) At the company and operating companies</td>
<td></td>
</tr>
<tr>
<td><strong>Local communities</strong></td>
<td>To ensure business continuity at manufacturing bases where steelworks are located and elsewhere, constructing a relationship of trust with citizens in local communities and realizing coexistence and prosperity are crucial. We will pursue various activities with the aim of realizing sustainable growth and regional development, including continued initiatives toward ensuring safety and reducing our environmental impact.</td>
<td>Communication through local residents' associations, events, etc. As needed Events at manufacturing bases (festivals, etc.) Approx. once in each region Approx. 260,000 persons a year Plant tours As needed 100,000 or more persons a year Clean-up activities (vicinity of manufacturing bases, regional cleaning, etc.) As needed Others (education at elementary schools, craft workshops, workplace experience events, etc.) As needed Information via websites (environmental info, etc.) As needed Social contribution through JFE 21st Century Foundation (various research support, regional activity support, etc.) As needed</td>
<td></td>
</tr>
</tbody>
</table>