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 Engineering requests that suppliers implement the following measures.

**Fair and Sincere Procurement**
JFE Engineering, viewing its suppliers as key partners in achieving mutual growth, strives to nurture mutual trust and reinforce partnership relationships. The company seeks to engage in procurement activities with integrity by complying with guidelines on fair procurement and codes of conduct towards suppliers and providing training for staff who are responsible for contracts.

The company collaborates with suppliers on CSR initiatives and upholds its Purchasing and Procurement Policies as a standard for fair and transparent procurement activities.

**Ensuring a Safe, Fair Supply Chain**
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.