

Human Rights (Respect for Human Rights)

The JFE Group endorses and abides by the Universal Declaration of Human Rights, the International Covenant on Human Rights and other international conventions as well as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

The JFE Group views respect for human rights as both a corporate social responsibility and a foundation of its business. Our determination to not engage in discrimination in our business activities is clearly expressed in our Standards of Business Conduct, which we have upheld throughout our actions. Recent Group-wide initiatives, based on the United Nations Guiding Principles on Business and Human Rights, include establishing the JFE Group Human Rights Basic Policy in FY2018 and organizing seminars on business and human rights in FY2019, by external experts who spoke about international trends.

Human Rights Basic Policy

1 Respect for basic human rights

We recognize the diverse values of individuals in all aspects of corporate activities and respect and defend all human rights in accordance with international norms.

2 Abolition of discrimination

We respect each person as an individual in corporate activities and shall not discriminate in any way with regard to race, nationality, ethnicity, creed, religion, social status, family origin, age, gender, sexual orientation, gender identity, or presence or absence of any disability.

3 Prohibition of harassment

We shall not engage in harassment with respect to gender, position or in any other way, or by any behavior that demeans degrades the dignity of others or causes mental discomfort.

4 Respect for fundamental labor rights

We value healthy labor-management relations and work to solve problems through constant dialogue between management and employees in good faith and in accordance with international norms, taking into account the laws and labor practices of each country. In addition, we always strive to upgrade worker safety and work environments that are rewarding for all employees.

5 Prohibition of child labor and forced labor

We shall not engage in any way in child labor or forced labor in any country or region.

6 Seek the cooperation to all stakeholders

Respecting and defending human rights is not only mandatory of all officers and employees of the JFE Group, we also seek the cooperation of our supply chain members and all other stakeholders to observe these principles and practices.

Promoting Human Rights

In order to steadily work on human rights initiatives, we established the JFE Group Human Rights Promotion Council, chaired by the executive officer in charge of general administration, under the JFE Group Compliance Committee, chaired by the president of JFE Holdings. This framework allows us to define Group-wide policies and share information with departments responsible for human rights issues that have been set up at each operating company.

In addressing human rights risks, we emphasize communicating with stakeholders through such initiatives as setting up a Corporate Ethics Hotline at each operating company and dedicated consultation desks on harassment issues at major offices. The Board of Directors receives regular reports on the operational status of these help desks and cases of harassment as well as other human rights violations.

■ Governance Structure for Human Rights Awareness Promotion



Human Rights Promoting Activities

We conduct human rights training courses, offer guaranteed employment opportunities, promote fair human-resource management, and work to prevent workplace harassment. Our training courses encourage employees to develop a thorough understanding of the JFE Group's 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 by designating 100% attendance as a KPI.

We seek to prevent sexual harassment, the abuse of power and other forms of harassment by addressing these issues in company regulations, displaying posters in workplaces and organizing training for each position, individual offices and executives. In 2019, we invited an outside attorney to hold a seminar for about 150 hotline staff within the JFE Group. We regularly organize such training sessions for hotline and consultation desk personnel.

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 of such organizations and groups, we have become increasingly aware of human rights trends and challenges as well as issues specific to Japanese business. In turn we apply this knowledge in JFE human-rights awareness training programs and related initiatives.

Human Rights Initiatives for the Supply Chain

Tantalum, tin, tungsten and gold produced in certain regions, such as the Democratic Republic of the Congo, are defined as conflict minerals under the U.S. Wall Street Reform and Consumer Protection Act. There is concern that such minerals provide a funding source for militias causing human rights violations and environmental destruction.

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JFE Steel recognizes that human rights violations and environmental issues pose actual business risks in procuring raw materials. We therefore established the Raw Material Purchasing Policy to develop and operate a sustainable procurement system for sourcing raw materials and practice purchasing with due respect for human rights, regulatory compliance and environmental protection. We also established Business Conduct Guidelines, asking suppliers to comply with this initiative, and seek to publicize the guidelines across the supply chain via our website.

With regard to conflict minerals, we have clearly stated our policy to avoid purchasing them in our Business Conduct Guidelines. We comply with Japanese and overseas regulations governing the responsible procurement of minerals as well as international rules and investigate and confirm with suppliers that they are not selling conflict minerals.

For more on the procurement of raw materials, please refer to the following information.

▶ [Business Conduct Guidelines of the Raw Materials Purchasing Policy](https://www.jfe-steel.co.jp/en/company/purchase_policy.html)

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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.

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.

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.