

Assessment Standards

Target Attribute		○	△	×
Quantitative	Single-year target	100% achievement	At least 80%	Less than 80%
	Medium- to long-term target (when target is to be achieved in the next several years)	Final target of 100% is achieved.	Working toward achieving the final target; partial success achieved (80% or more after linear interpolation)	Working toward the target, but short of success (less than 80% after linear interpolation)
Qualitative		Target is achieved.	Working toward the target; partial success achieved	Working toward the target but short of success

Note: For targets or KPIs set to assess the Group as a whole, the overall result will be that of the operating company that showed the lowest performance.

Area of Focus		Material CSR Issue	Operating Company	Targets/KPIs	Initiatives and Results for FY2019	Assessment	Targets/KPIs for FY2020
Activity	Provide quality products (customer satisfaction)	Stable supply of products	ST	(1) Maintain stable operations to ensure stable product supply (2) Make steady progress on strengthening the manufacturing base, including measures to stabilize blast furnace operation	<ul style="list-style-type: none"> Operation of facilities at each steelworks and district were stable as a result of steady progress in strengthening the manufacturing infrastructure, which led to improvement of the y-o-y on-time delivery rate 	○	(1) Flexibly respond to changes in demand arising from environmental changes and maintain stable operations to ensure stable product supply (2) Make steady progress on strengthening the manufacturing base, including measures to stabilize blast furnace operation
			EN	<ul style="list-style-type: none"> Secure a stable number of certificated managing engineers 	<ul style="list-style-type: none"> Stable number of managing engineers was secured while achieving high sales revenue 	○	<ul style="list-style-type: none"> Secure a stable number of certificated managing engineers
			SH	<ul style="list-style-type: none"> Make consistent investment in processing and distribution operations 	<ul style="list-style-type: none"> Investments necessary to realize stable product supply were all carried out during this fiscal year Details of investments (amount resolved): <ul style="list-style-type: none"> Reinforcement: 1.7 billion yen Renovation and security: 2.0 billion yen System: 1.8 billion yen 	○	<ul style="list-style-type: none"> Make consistent investment in processing and distribution operations
		Ensure quality	ST	<ul style="list-style-type: none"> Make steady progress on capital investments to improve the level of quality assurance and product testing in line with the Sixth Medium-term Business Plan 	<ul style="list-style-type: none"> Approval for investments for full automation of the four critical items set in the Sixth Medium-term Business Plan was mostly acquired during FY2019 (tensile test: 96.7%, molten steel analysis: 100%, automotive steel sheet thickness measurement: 100%, coating weight measurement: 100%) 	○	<ul style="list-style-type: none"> Make steady progress on capital investments to improve the level of quality assurance and product testing; achieve full automation of the four critical items: tensile test, molten steel analysis, steel sheet thickness measurement, and coating weight measurement
			EN	<ul style="list-style-type: none"> No major quality problems 	<ul style="list-style-type: none"> No major quality problems 	○	<ul style="list-style-type: none"> No major quality problems
			SH	<ul style="list-style-type: none"> Conduct quality audits on group companies Continue conducting quality audits at least once a year for the 30 group companies in Japan and overseas that engage in manufacturing (maintain 100% audit performance rate) 	<ul style="list-style-type: none"> Conduct quality audits at 30 group companies in Japan and overseas in accordance with the quality audit plan; audit for six companies was postponed to FY2020 from the end of FY2019 in view of COVID-19; audit performance rate: 80% (14 companies in Japan, 10 overseas) 	○	<ul style="list-style-type: none"> Conduct quality audits on group companies Continue conducting quality audits to 32 group companies in Japan and overseas that engage in manufacturing (expand the number of companies subject to audit from 30 to 32)
		Pursue research and development	ST	<ul style="list-style-type: none"> Make steady progress in research and development as set out in the Sixth Medium-term Business Plan 	<ul style="list-style-type: none"> R&D expense equivalent to the previous fiscal year was spent to put the new product into market as planned Optimal operation technology leveraging data science technology was implemented company-wide 	○	<ul style="list-style-type: none"> Pursue strategic research and development <ul style="list-style-type: none"> By developing data science application technology, in FY2020 aim to inaugurate the JFE Digital Transformation Center (JDXC), promote an AI application at blast furnaces, promote a DS application at three sintering plants in Fukuyama, and apply J-dscom** to all hot strip lines Number of new products and new technologies to be developed in FY2020: over 20 (target accumulated total of 135 for the period from FY2015 to FY2020) *JFE Detecting-anomaly-Signs & COlor-Mapping system
			EN	<ul style="list-style-type: none"> Make consistent or increased investment in research and development 	<ul style="list-style-type: none"> Investment was maintained/increased FY2017: 3.8 billion yen FY2018: 4.1 billion yen FY2019: 4.7 billion yen (15% increase from FY2018) 	○	<ul style="list-style-type: none"> Pursue technological development in three critical areas: leveraging ICT, climate change, and recycling plastics Numerical target: Ratio of R&D expenses for the three critical areas: 30% or more
		Respond to customer needs	ST	(1) All sales personnel are to take rank-based training for the sales department within two years of being posted to the department (2) Conduct CS survey and ensure feedback of results	(1) Office heads, managers, and newly appointed employees took the course within two years (2) Provided feedback on CS survey results	○	(1) All sales personnel are to take rank-based training for the sales department within two years of being posted to the department (2) Conduct CS survey and ensure feedback of results
			EN	<ul style="list-style-type: none"> Use data collected from customer surveys to enhance customer satisfaction 	<ul style="list-style-type: none"> Feedback was provided using construction evaluation forms for public works and quality management system customer surveys for private work 	○	<ul style="list-style-type: none"> Use data collected from customer surveys to enhance customer satisfaction
			SH	<ul style="list-style-type: none"> Invest in the development of strong sales personnel All target employees are required to meet the goal of human resource development through skill training and participation of overseas employees in joint training held in Japan 	<ul style="list-style-type: none"> Fully achieved the target of human resource development through skill training and the participation of overseas employees in joint training in Japan; skill training: 4 courses, 130 participants; national staff training: 24 participants 	○	<ul style="list-style-type: none"> Invest in the development of strong sales personnel All target employees are required to meet the goal of human resource development through skill training and participation of overseas employees in joint training held in Japan

Area of Focus		Material CSR Issue	Operating Company	Targets/KPIs	Initiatives and Results for FY2019	Assessment	Targets/KPIs for FY2020
Activity	Protect the global environment	Develop and provide eco-friendly products	ST	<ul style="list-style-type: none"> Make steady progress in developing new products and technologies, as set out in the Sixth Medium-term Business Plan 	<ul style="list-style-type: none"> Commercialized 16 eco-friendly products as planned: LALAC-HS (weathering steel for high-salinity environment), BRITE-ACE® (Tin free steel for a welded can with excellent high-speed weldability), FM800 (nickel-free alloyed steel powder), etc. 	○	<ul style="list-style-type: none"> Expand eco-friendly products and technological offerings: 15 or more in FY2020 (target accumulated total of 105 for the period from FY2015 to FY2020)
			EN	—	—	—	<ul style="list-style-type: none"> Create new business or products that contribute to environmental protection or expand business: at least one applicable case per year <ul style="list-style-type: none"> Promote plastic recycling business Promote food waste recycling business Promote home electronic appliance and fluorescent light recycling business Promote renewable energy-generated power supply business Develop and offer eco-friendly products
		Mitigate climate change	ST	<ol style="list-style-type: none"> CO₂ reduction target defined in the JISF's "Commitment to a Low Carbon Society" Continue to invest in energy conservation 	<ol style="list-style-type: none"> Continuing to work in line with the plan to achieve the CO₂ reduction target defined in the JISF's "Commitment to a Low Carbon Society" Made steady progress in energy conservation investment 	○	<ul style="list-style-type: none"> Aim to reduce our CO₂ emissions by at least 20% in FY2030 from FY2013 level Establish project team and formulate and implement a scenario by the end of FY2020 to realize the above Participate in technological development led by the New Energy and Industrial Technology Development Organization (NEDO) to realize zero-carbon steel; develop a long-term road map in 2020 to 2021 for technological development Begin actual operation testing with a ferro-coke pilot plant
			EN	<ol style="list-style-type: none"> Contribute to climate change mitigation through our products and services <ul style="list-style-type: none"> Promote waste-fueled power generation Promote biomass power generation Reduce energy use at water and sewage treatment plants Promote geothermal, solar photovoltaic, and wind power generation Distribute renewable energy-generated power Reduce the carbon footprint of factories and offices 	<ol style="list-style-type: none"> Exceeded the target of two offerings a year, providing three waste-to-energy power generation plants and three biomass power generation plants; CO₂ reduction achieved through our plants sold (currently in operation): 4.13 million t-CO₂/year Exceeded the target of 1% or more y-o-y reduction, achieving 13.7% reduction (FY2018: 13,100 t/year, FY2019: 11,300 t/year) 	○	<ol style="list-style-type: none"> Two or more offerings per year of products/services that contribute to climate change mitigation <ul style="list-style-type: none"> Promote waste-fueled power generation Promote biomass power generation Promote a digestion gas power generation plant Promote geothermal, solar photovoltaic, and wind power generation At least 1% y-o-y reduction of carbon footprint of factories and offices
		Protect the global atmosphere	ST	<ol style="list-style-type: none"> Continue to work on keeping NO_x and SO_x emissions at low levels VOC emissions: maintain a low level (30% decrease compared to FY2000) Benzene emissions: maintain a low level (80% decrease compared to FY1999) Dichloromethane emissions: maintain a low level (40% decrease compared to FY1999) 	<ol style="list-style-type: none"> Maintained low emissions of NO_x and SO_x through thorough combustion management VOC emissions: 51% decrease Benzene emissions: 93% decrease Dichloromethane emissions: 71% decrease 	○	<ol style="list-style-type: none"> Continue to work on keeping NO_x and SO_x emissions at low levels VOC emissions: maintain a low level (30% decrease compared to FY2000) Benzene emissions: maintain a low level (80% decrease compared to FY1999) Dichloromethane emissions: maintain a low level (40% decrease compared to FY1999)
			EN	<ul style="list-style-type: none"> Continue to work on keeping NO_x and SO_x emissions at low levels 	<ul style="list-style-type: none"> Maintained low emissions as the amount discharged was significantly less than the total annual volume restriction equivalent; NO_x: 178 Nm³ (18,000 Nm³); SO_x: 40 Nm³ (100 Nm³) <p>Note: The amount in parenthesis represents the total annual volume restriction equivalent.</p>	○	<ul style="list-style-type: none"> Continue to work on keeping NO_x and SO_x emissions at low levels <p>Numerical targets (to maintain the emission below the total annual volume restriction equivalent): NO_x: 18,000 Nm³ SO_x: 100 Nm³</p>
		Pursue resource recycling	ST	<ol style="list-style-type: none"> Maintain the efficient use of water Recirculated water usage rate: 90% or more Recycling rate of co-products: 99% or more 	<ol style="list-style-type: none"> Recirculated water usage rate: 93.4% Recycling rate of co-products: 99.7% 	○	<ol style="list-style-type: none"> Maintain the efficient use of water Recirculated water usage rate: 90% or more Recycling rate of co-products: 99% or more
			EN	<ol style="list-style-type: none"> Recycling rate at construction sites <ul style="list-style-type: none"> Recycle at least 99.5% of rubble Recycle at least 95.0% of sludge Recycle at least 98.0% of recyclable wastes generated at the Yokohama head office Promote recycling business (plastics, foods, home appliances, fluorescent lamps, etc.) 	<ol style="list-style-type: none"> Recycling rate at construction sites <ul style="list-style-type: none"> Recycled 99.7% of rubble Recycled 98.8% of sludge 98.8% Promote J&T Recycling Corporation's food waste recycling business 	○	<ol style="list-style-type: none"> Recycling rate at construction sites <ul style="list-style-type: none"> Recycle at least 99.5% of rubble Recycle at least 95.0% of sludge Recycle at least 98.0% of recyclable wastes generated at the Yokohama head office
			SH	<ul style="list-style-type: none"> Global recycling of steel scraps Increase scrap transaction to exceed the volume for FY2017 (FY2020 target: +3% from FY2017) 	<ul style="list-style-type: none"> Increased scrap transaction to exceed the volume for FY2017 (+2.8%); contributed to the expansion of a recycling-oriented society by focusing on expanding domestic and overseas supplier bases as well as increasing Japanese exports and overseas transactions 	○	<ul style="list-style-type: none"> Global recycling of steel scraps Increase scrap transaction to exceed the volume for FY2017 (FY2020 target: +3% from FY2017)

Area of Focus		Material CSR Issue	Operating Company	Targets/KPIs	Initiatives and Results for FY2019	Assessment	Targets/KPIs for FY2020	
Activity	Ensure occupational safety and health	Prevent workplace accidents	All Group	<ul style="list-style-type: none"> Workplace fatalities: zero occurrences 	<ul style="list-style-type: none"> Number of workplace fatalities for FY2019: ST 4 EN 2 SH 0 	×	(1) Workplace fatalities: zero occurrences (2) ST Lost-work injuries rate for ST: up to 0.10 Key measures: (1) Strengthen safety activities at each business unit to cover weak areas (2) Restructure the safety and health management system (introduce ISO) (3) Implement safety activities that utilize ICT (specific initiatives: introduce safety monitoring system, support for safe work using AI image analysis, etc.) EN Lost-work injuries rate for EN: up to 0.25 Key measures: (1) Build floor or hand rail for work in high places and wear safety belt (2) Do not allow people near hoisted objects or heavy machinery in operation (3) Turn off equipment, machines, and tools when not in use (4) Verbal communication on safety awareness during site patrol and implementing corrective measures Example of advanced initiative: Safety training by experiencing dangerous situations using VR and special vehicles made to instill understanding of the sense of safety SH Key measures: Improve equipment (promoting installation of safety sensors, etc.) to prevent contact between people and objects in motion	
		Ensure the health of employees and their families	All Group	<ul style="list-style-type: none"> Provision rates of health guidance (by FY2020): ST 35% EN 35% SH 40% 	<ul style="list-style-type: none"> Provision rates of health guidance: ST 56.9% EN 28.9% SH 36.8% 	△	<ul style="list-style-type: none"> Provision rates of health guidance: ST 60% (by FY2023) EN 35% (by FY2020) SH 40% (by FY2020) 	
	Recruit and nurture diverse human resources	Pursue diversity and inclusion	All Group	<ul style="list-style-type: none"> Ratios for female recruits ST Career-track (white-collar position): 35% or more Career-track (technical position): 10% or more On-site position: 10% or more EN Career-track (white-collar position): 20% or more Production/construction position (technical): 5% or more SH Career-track (white-collar position): 25% or more 	<ul style="list-style-type: none"> Ratios for female recruits ST Career-track (white-collar position): 27% Career-track (technical position): 7% On-site position: 10% EN Career-track (white-collar position): 14% Production/construction position (technical): 14% SH Career-track (white-collar position): 25.5% 	×	<ul style="list-style-type: none"> Ratios for female recruits ST Career-track (white-collar position): 35% or more Career-track (technical position): 10% or more On-site position: 10% or more EN Career-track (white-collar position): 20% or more Production/construction position (technical): 5% or more SH Career-track (white-collar position): 25% or more 	
			All Group	<ul style="list-style-type: none"> Females in managerial positions: five times the 2014 August figure by 2025 	<ul style="list-style-type: none"> Females in managerial positions: 3.5 times the 2014 August figure 	△	<ul style="list-style-type: none"> Females in managerial positions: five times the 2014 August figure by 2025 	
	Basis of activity	Thoroughly enforce compliance	Ensure adherence to corporate ethical standards and compliance	All Group	<ul style="list-style-type: none"> Improve technical skills and conduct high-quality training programs 	<ul style="list-style-type: none"> ST Training programs held Total program hours: 1,197,045 EN Developed human resources through various training programs Rank-based training: 389 participants Overseas project human resources development program: 20 participants SH Improve technical skills and conduct high-quality training programs (100% attendance from the target audience of rank-based training) 	○	<ul style="list-style-type: none"> Training hours per person ST Over 40 hours in each year EN Over 20 hours in each year SH Over 20 hours in each year SH 100% attendance from the target audience of rank-based training
				All Group	<ul style="list-style-type: none"> 100% attendance from the target audience for human rights awareness training 	<ul style="list-style-type: none"> Human rights awareness training attendance rate: ST 99.98% EN 100% SH 100% 	△	<ul style="list-style-type: none"> 100% attendance from the target audience for human rights awareness training
Basis of activity	Thoroughly enforce compliance	Ensure adherence to corporate ethical standards and compliance	All Group	<ul style="list-style-type: none"> Steady execution of training to foster and maintain a sense of compliance (100% achievement) 	<ul style="list-style-type: none"> ST Conducted rank-based compliance training (100% achievement) EN Conducted rank-based compliance training and law-specific training (classroom instruction: total of 4,165 participants, e-learning: total of 17,897 participants) Conducted hotline training and awareness-building activity (hotline training: 29 participants including group companies) SH Conducted training to foster and maintain a sense of compliance (100% achievement) Compliance training: 13 bases in Japan (677 participants), 16 bases overseas (337 participants) Rank-based compliance training (237 participants) E-learning (3,487 participants) 	○	<ul style="list-style-type: none"> Steady execution of training to foster and maintain a sense of compliance (100% achievement) 	
			All Group	<ul style="list-style-type: none"> Improve employee awareness of ethics reflected in the Corporate Ethics Awareness Survey Conduct the Corporate Ethics Awareness Survey for all employees 	<ul style="list-style-type: none"> Conduct the Corporate Ethics Awareness Survey for all employees ST Compliance awareness increased by four points from the previous survey (65% → 69%) Question: Do you think the Company's system and compliance initiatives have been improving, and has your own awareness increased as well? EN Recognition of the hotline system increased by 14 points from the previous survey (63% → 77%) SH Employee compliance awareness was confirmed to have increased in general compared to the previous survey; work is needed to address power harassment and increase recognition of the whistleblowing and hotline system 	○	<ul style="list-style-type: none"> Improve employee awareness of ethics reflected in the Corporate Ethics Awareness Survey 	