

## JFE Steel Procurement Guidelines

JFE Steel has established these JFE Steel Procurement Guidelines in accordance with the JFE Group Standards of Conduct and the JFE Group Basic Policy on Human Rights, aiming to enhance sustainability across its entire supply chain.

We share these guidelines with our business partners and promote sustainability initiatives throughout our supply chain. In addition to asking all business partners to implement the guidelines, we also ask that partners' own suppliers be encouraged to do the same.

JFE Steel is committed to maintaining and improving mutual understanding and trust with its business partners as part of pursuing mutual development as a true business partner.

### 1. Compliance

#### ***Compliance with Applicable Laws and Regulations***

- We comply with all relevant laws, regulations, and social norms in countries and regions where we operate our business. We also respect treaties, agreements and other international rules in our international transactions.
- We develop and implement policies, systems, codes of conduct, education, and other frameworks to ensure thorough compliance.

#### ***Management of personal and confidential information***

We properly manage and protect all personal information of all parties involved in our business, including suppliers, customers and employees, as well as confidential information obtained through transactions and other business.

#### ***Cyber security***

We implement cyber security measures and manage our systems to prevent damage to our company and other parties.

#### ***Anti-Corruption***

We do not participate in bribery of government officials, other public servants, or business partners, and we strive to prevent corruption and maintain fair business practices.

#### ***Avoidance of Organized crime***

We refuse to have any relationship with criminals or groups that threaten civil order and safety, and we do not respond to illegal or unreasonable demands.

#### ***Fair competition***

- We comply with all laws and regulations of countries and regions where we operate our business, and we do not engage in practices such as private monopoly, unfair restrictions on trade (cartels, bid rigging, etc.), unfair trade practices, or abuse of superior bargaining positions.
- When selecting suppliers, we base our decisions on economic rationality as well as suppliers' thorough implementation of appropriate quality-control and quality assurance covering not only quality but also technology, price, delivery time, supply stability, reliability, business stability and commitment to CSR (corporate social responsibility) .

### ***Intellectual property (IP) policy***

We take all necessary steps to protect our own IP rights. In addition, we respect the IP rights owned by other parties and do not unlawfully obtain, use nor infringe such rights.

### ***Quality assurance***

- We comply with all applicable laws and regulations regarding the quality of our products and services as well as observe our own quality standards and the requirements of customers.
- We establish and operate quality-management systems that ensure high and stable quality.

## **2. Respect for Human Rights**

JFE Steel is committed to implementing [JFE Group's Human Rights Basic Policy](#), as outlined hereafter.

### ***Prohibition of Child labor***

To avoid hindering children's development and educational opportunities, we do not employ children under the minimum working age stipulated by the laws and regulations of counties and regions where we operate our business.

### ***Prohibition of Forced labor***

- We do not use labor obtained through inhumane means, such as forced labor, human trafficking, or "modern slavery." Also, we do not engage in any dealings that promote such inhumane acts.
- We do not force anyone to perform labor against their will. We do not retain employees' passports, official identification, or work permits as a condition of employment. We also do not require employees to pay recruitment fees or any other costs considered unreasonable under international norms.

### ***Prohibition of Discrimination and harassment***

We respect each person as an individual in all aspects of corporate activity and do not discriminate on the basis of race, nationality, ethnicity, creed, religion, social status, family origin, age, gender, sexual orientation, gender identity, disability or for any other reason. We also do not engage in any other form of harassment, including language or behavior that offends a person's dignity or causes them discomfort.

### ***Rights of indigenous and local peoples***

We respect and give due consideration to local people's land rights, water access, safety, and health as well as the rights of indigenous peoples in areas where we operate.

### ***Occupational health and safety***

Based on our policy of prioritizing safety above all else, we strive to prevent work-related accidents and illnesses as well as consistently maintain safe and healthy working environments.

### ***Working hours and leave***

We manage working hours appropriately, including by providing work breaks and time off in accordance with the labor laws and regulations of countries where we operate.

### ***Wages***

We pay at least the minimum wage, overtime pay and other allowances, including legally mandated benefits, as stipulated by the labor laws and regulations of countries and regions where we operate, and we do not reduce wages in violation of such legal mandates.

### ***Freedom of Association and Collective Bargaining***

We respect the rights of employees, including freedom of association and the right to collective bargaining, in accordance with international norms and the laws and regulations of countries and regions where we operate.

### ***Remedy and Grievance Mechanism***

We establish contact points for receiving complaints and reports from employees or business partners regarding any misconduct or concerns about human rights, the environment, and other issues, and we maintain systems that ensure whistleblowers are not subjected to disadvantageous treatment.

## **3. Environment**

### ***Harmony with the environment***

- We continuously promote our business activity with due consideration for resource conservation, environmental protection, and biodiversity, aiming to remain consistently in harmony with the environment.
- We comply with the environmental laws and regulations of countries and regions where we operate our business.

### ***Environmental management system***

We maintain environmental management systems for continuous improvements in order to reduce our environmental impact.

### ***Response to climate change***

We strive to reduce our own company's CO<sub>2</sub> emissions as well as contribute to the reduction of CO<sub>2</sub> emissions across society to support the pursuit of carbon neutrality.

### ***Preventing environmental pollution***

We give due consideration to environmental protection by complying with laws and regulations regarding air, water, soil, and marine pollution as well as waste disposal, noise, and vibrations in countries and regions where we operate our business.

### ***Resource recycling and Waste management***

We comply with all applicable laws and regulations of the countries and regions where we operate regarding the proper disposal and recycling of waste, and we also promote resource recycling.

### ***Chemical substance management***

- We manage chemical substances in accordance with all relevant regulations and laws.
- We comply with all applicable laws, regulations, and customer requirements relating to prohibitions or restrictions regarding the use of certain substances in our products.

## **4. Responsible Procurement**

### ***Approach to Conflict minerals***

We buy tin, tantalum, tungsten, gold, and cobalt only after confirming that these minerals were not extracted in conflict-affected or high-risk areas.

## **5. Business Continuity Plans**

### ***Formulation of BCPs***

To ensure that we can stably supply products and services even during a crisis, such as a natural disaster or pandemic, we maintain business continuity plans (BCPs) for thorough organization-wide crisis management.

## **6. Relationships with Stakeholders**

### ***Information disclosure***

We disclose corporate information in a timely and appropriate manner to maintain and develop mutual understanding and trust with our diverse stakeholders through open and fair communication.

JFE Steel may conduct questionnaires, on-site surveys, etc. to confirm the status of partners' efforts to comply with these JFE Steel Procurement Guidelines. If significant deviation from these guidelines is identified, JFE Steel will follow up in an effort to encourage improvements. If no improvement is made and significant deviations continue, JFE Steel may review its business dealings with that partner. If any misconduct occurs with respect to these guidelines in the course of business dealings with JFE Steel, the partner is sincerely requested to report such matters to JFE Steel.