

ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

Kobe Steel, Ltd. Moka Works

CERTIFICATE NUMBER
364

ASI STANDARD
PERFORMANCE
STANDARD
(V3 2022)

CERTIFICATION LEVEL
FULL
CERTIFICATION

ASI ACCREDITED
AUDITING FIRM
ERM CERTIFICATION
AND VERIFICATION
SERVICES

DATE OF ISSUE
29 MAY 2024

DATE OF EXPIRY
28 MAY 2027

CERTIFIED SINCE
29 MAY 2024

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'J. H.', with a long horizontal line extending to the right.

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*Validity of this Certificate is subject to
continued conformance with the
applicable ASI Standard and can be
verified at
www.aluminium-stewardship.org*

CERTIFICATION SCOPE

Manufacture of Aluminium
products at Moka Works, Tochigi,
Japan.

AUDIT REPORT PERFORMANCE STANDARD

OVERVIEW

| | |
|-------------------------------|--|
| MEMBER NAME | Kobe Steel, Ltd. |
| ENTITY NAME | Kobe Steel, Ltd. Moka Works |
| CERTIFICATION SCOPE | Manufacture of Aluminium products at Moka Works, Tochigi, Japan. |
| SUPPLY CHAIN ACTIVITIES | <ul style="list-style-type: none">Aluminium Re-melting/RefiningCasthousesSemi-FabricationMaterial Conversion |
| ASI STANDARD | <ul style="list-style-type: none">Performance Standard V3 |
| AUDIT TYPE | <ul style="list-style-type: none">Initial Certification Audit |
| AUDIT FIRM | ERM Certification and Verification Services |
| AUDIT DATE | <ul style="list-style-type: none">18 – 22 December 2023 |
| AUDIT REPORT SUBMISSION | <ul style="list-style-type: none">14 February 2024 |
| AUDIT SCOPE | <p>The Audit Scope includes the manufacture of Aluminium products at Moka Works, Tochigi, Japan.</p> <p>Supply chain activities included in the Audit Scope:</p> <ul style="list-style-type: none">Aluminium Re-melting/RefiningCasthousesSemi-FabricationMaterial Conversion <p>All relevant Criteria in the ASI Performance Standard were included in the Audit Scope.</p> |
| AUDIT OUTCOME | <ul style="list-style-type: none">Certification |
| AUDIT METHODOLOGY DECLARATION | <p>The Auditors confirm that:</p> <ul style="list-style-type: none"><input checked="" type="checkbox"/> The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this report.<input checked="" type="checkbox"/> The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.<input checked="" type="checkbox"/> The Audit Scope and audit methodology are sufficient to establish confidence that the findings are indicative of the performance of the Entity's defined Certification Scope.<input checked="" type="checkbox"/> The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective. |

CERTIFICATION PERIOD 29 May 2024 – 28 May 2027

NEXT AUDIT TYPE Surveillance Audit

NEXT AUDIT DATE 28 November 2025

CERTIFICATE NUMBER 364



If you have an inquiry or complaint about this Certification, go to the third-party EthicsPoint portal at: <https://aluminium-stewardship.ethicspoint.com/>

EthicsPoint is a comprehensive and confidential reporting tool that enables complaints to be securely raised, managed and responded to. This enables anonymity to be maintained where desired by complainants, or as relevant to whistleblowing situations.

Information is available in five languages – English, French, Chinese, German and Portuguese (Brazil). Translation services provided by EthicsPoint enable complaints and correspondence to be managed in multiple languages.

ENTITY OVERVIEW

The Kobe Steel Group has annual sales of approximately 1.7 trillion yen. As the main plant of the Steel and Aluminium Business Division, the Moka Works (the 'Entity') commenced operation in 1969 and is solely responsible for the manufacture of Aluminium sheeting used in airplanes, Shinkansen trains, beverage cans, hard disk drives, automobiles and other applications. The Entity's rolling plant, is considered to be one of the most efficient in the industry, with one of the highest production volumes of any such facility in Japan. The advanced rolling technology used by the Entity since operation commenced has resulted in high-quality products which are lightweight, non-toxic, durable, and recyclable. The base material contains Primary Aluminium material and various scrap material (recycled metal).

The Entity is located in the Moka-5 industrial park in Moka city, Tochigi Prefecture, Japan and has approximately 1,020 employees.

MATURITY RATINGS

A rating of maturity (low, medium or high) determined by the Auditor that provides a general assessment in terms of systems, Residual Risk and performance assigned to a Sustainability Component.

Maturity ratings are not a direct assessment of conformance to the Standard.

| | GOVERNANCE | ENVIRONMENT | SOCIAL | COMBINED RATING |
|--------------------|------------|-------------|--------|-----------------|
| SYSTEMS | Medium | Medium | High | MEDIUM |
| RISKS | Medium | High | Medium | MEDIUM |
| PERFORMANCE | Medium | Medium | Medium | MEDIUM |
| OVERALL | MEDIUM | | | |

FINDINGS

| CRITERION | RATING | COMMENT |
|--|-----------------------|--|
| 1. BUSINESS INTEGRITY | | |
| 1.1 Legal Compliance | Conformance | <p>Each Department at the Entity's Head Office is responsible for Compliance activities regarding major laws and regulations that relate to the entire Group. Each Department has jurisdiction over the laws and regulations related to the issues most related to their activities. Information on the Entity's Compliance is available in the ESG Data Book 2023, page 92: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf</p> <p>The Conduct Guide for Employees is available at: https://aah-grintra.kobelco.co.jp/wp-content/uploads/2023/01/Conduct-Guide-for-Employees_Ver.5.p</p> |
| 1.2 Anti-Corruption | Conformance | <p>The Entity has developed and implemented anti-Corruption Policies and initiatives, available at: https://www.kobelco.co.jp/english/about_kobelco/kobesteel/ethics-compliance/index.html https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/23_04_e.pdf https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf</p> |
| 1.3a-e Code of Conduct | Conformance | <p>The Entity utilises a 'Sustainability Management Framework' to promote sustainability management throughout the business, which is based on the Group's corporate philosophy ('Six Pledges of KOBELCO'), which acts as the Code of Conduct for all the Entity's employees. Employees are trained in the Code of Conduct. It also publicly discloses progress against this framework. Further information is disclosed in the Integrated Report, page 83: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/23_04_e.pdf#page=6</p> |
| 2. POLICY AND MANAGEMENT | | |
| 2.1a-f Environmental, Social, and Governance Policy | Minor Non-Conformance | <p>The Entity's basic philosophy and initiatives relating to corporate governance is a compilation of various Policies regarding the Group's governance, and is available at: https://www.kobelco.co.jp/english/about_kobelco/kobesteel/governance/files/Basic_Policy_and_Initiatives.pdf</p> <p>Whilst the Kobelco Group Policy is publicly disclosed, the Entity's site-specific Policy has not been publicly disclosed.</p> |
| 2.2a-c Leadership | Conformance | <p>The Entity has assigned two senior managers, including the Vice President (Sustainability Promotion Committee Chair) and the Head of Moka Works as persons responsible for ASI certification. Both representatives oversee all aspects of governance, environment, and social performance at the Entity.</p> |
| 2.3a Environmental and Social Management Systems - Environmental | Conformance | <p>The Entity has obtained external certification to ISO 14004:2015 for its Environmental Management System (issued January 2022, expiry December 2024).</p> |

| CRITERION | RATING | COMMENT |
|---|-----------------------|--|
| 2.3b Environmental and Social Management Systems – Social | Conformance | The Sustainability Promotion Committee identifies issues, formulates plans, and monitors sustainability activities, including social aspects and risks, based on the Sustainability Promotion Committee Regulations. The Sustainability Promotion Committee Regulations define the composition of the Sustainability Promotion Committee, which is the core of the Social Management System. |
| 2.4a-e Responsible Sourcing | Conformance | <p>The Entity has developed and implemented the Basic CSR Procurement Policy, which covers environmental, social and governance (ESG) issues and establishes the process for requests to business partners for improvements and audits and the review of business relationships if improvements are not made. The Policy is available at: https://www.kobelco.co.jp/english/sustainability/files/csr-procurement-basic-policy_e.pdf</p> <p>The Entity has conducted a questionnaire survey for their major suppliers, including overseas suppliers and holds briefing sessions with suppliers. Further information is available in the Integrated Report, in the section Building Responsible Supply Chains: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf</p> |
| 2.5a-g Environmental and Social Impact Assessments | Conformance | Based on the ISO 14001 Environmental Management System, the Entity has identified environmental aspects from manufacturing processes, operations and activities of each Department, conducted Environmental Impact Assessments (EIA), and implemented an environmental management plan. Further information is available in the Integrated Report: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf#page=104 |
| 2.6a-h Human Rights Impact Assessment | Minor Non-Conformance | Based on the ‘Human Rights Due Diligence’ section of the KOBELCO Group Basic Policy on Human Rights, the Entity has conducted investigations and evaluations with the aim of preventing or reducing the negative impact on Human Rights of all business activities including its Aluminium business. Refer to: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf |
| 2.7a-f Emergency Response Plan | Minor Non-Conformance | <p>The Entity has implemented Disaster Prevention Management Regulations and the Disaster Prevention Committee meetings are held monthly as part of safety, health, environment, and disaster prevention meetings. Refer to the Integrated Report, pages 57-58: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf#page=104</p> <p>However, the Entity has not yet made its Emergency Response Plan publicly available.</p> |
| 2.8a-d Suspended Operations | Conformance | The Entity has developed a Business Continuity Plan (BCP) for situations where they are forced to suspend or significantly change operations due to factors beyond their control. When planning, implementing, and reviewing the BCP, the Entity uses its framework of sustainability management to consider ESG issues. |

| CRITERION | RATING | COMMENT |
|--|-------------|---|
| 2.9a-b Mergers and Acquisitions | Conformance | The Entity has implemented a Due Diligence process for mergers and acquisitions, and uses an 'Investment Project Risk Checklist' to conduct a wide-ranging review of risk items, including ESG practices related to the Business. |
| 2.10a-b Closure, Decommissioning and Divestment | Conformance | Under the 'Human Rights Due Diligence' section of the KOBELCO Group Human Rights Policy, the Entity conducts investigations and evaluations with the aim of preventing or reducing the negative impact on Human Rights that business activities may have on society, including cases of closure, decommissioning or divestment. The Policy is to establish a Human Rights Due Diligence system for corrective action through appropriate means, to continuously implement this system, and to disclose the progress and results to external parties. https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf |
| 3. TRANSPARENCY | | |
| 3.1a-b Sustainability Reporting | Conformance | The Entity has disclosed its ESG initiatives and performance in its Integrated Report (page 92) and ESG Data Book, available at: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/index.html The Entity has established a Sustainability page on its homepage to disclose the status of its ESG initiatives: https://www.kobelco.co.jp/english/sustainability/index.html |
| 3.2 Non-compliance and Liabilities | Conformance | The Entity publicly discloses its performance relating to the management of Bribery and competition law violations, which are considered by the Entity to be significant risks. For further information, refer to: https://www.kobelco.co.jp/english/about_kobelco/kobesteel/ethics-compliance/index.html |
| 3.3a-c Payments to Governments | Conformance | The Entity has developed and implemented a Bribery Prevention Policy and has implemented various initiatives based on this Policy: https://www.kobelco.co.jp/about_kobelco/kobesteel/ethics-compliance/files/anti-bribery_ja.pdf (Japanese) https://www.kobelco.co.jp/english/about_kobelco/kobesteel/ethics-compliance/files/anti-bribery_e.pdf (English) Donations to political parties are made public by each party. |
| 3.4a-f Stakeholder Complaints, Grievances and Requests for Information | Conformance | The Entity has established a contact point on the following website to receive reports and inquiries from various stakeholders: https://www.kobelco.co.jp/english/about_kobelco/kobesteel/ethics-compliance/index.html |
| 4. MATERIAL STEWARDSHIP | | |
| 4.1a Environmental Life Cycle Assessment | Conformance | The Entity has submitted Life Cycle Assessment (LCA) analysis data for Aluminium cans to the Japan Aluminum Association and published the 'LCI Investigation Report on Rolled Plates for Aluminum Beverage Cans'. Refer to: https://www.aluminum.or.jp/environment/pdf/2-2-4-4_2023_4.pdf https://www.aluminum.or.jp/environment/pdf/1-2-4_2023_3.pdf |

| CRITERION | RATING | COMMENT |
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| | | For other Products, the Entity reports its data to the Japan Aluminium Association, which publishes industry averages: https://www.aluminum.or.jp/environment/pdf/1-2-2.pdf |
| 4.1b-c Environmental Life Cycle Assessment - Disclosure | Conformance | Life Cycle Assessment (LCA) information on the Entity's Aluminium Products is provided upon customer request by the Entity. The Entity provides the LCA reports of the Japan Aluminum Association, including for Aluminium beverage cans: https://www.aluminum.or.jp/environment/index.html https://www.aluminum.or.jp/environment/pdf/2-2-4-4_2023_4.pdf https://www.aluminum.or.jp/environment/pdf/1-2-4_2023_3.pdf |
| 4.2 Product Design | Conformance | In order to improve the utilisation rate of recycled material, the Entity has established goals and promotes the use of internal Scrap within the plant and also the expansion and use of Scrap from outside the plant. |
| 4.3a-b Aluminium Process Scrap | Conformance | In order to improve the utilisation rate of recycled material, the Entity has established goals and promotes the use of internal Scrap within the plant and also the expansion and use of Scrap from outside the plant. The Entity has implemented a recycling strategy, which is published in the ESG Data Book, page 36: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf#page=37 |
| 4.4a-c Collection and Recycling of Products at End of Life - Material Conversion and other Manufacturing | Conformance | The Entity's promotion of its Resource Recycling (Waste Reduction) and Raw Materials Usage Reduction is detailed in the ESG Data Book, page 35: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf#page=35 The Entity's 2023 Business Strategy (Aluminium Plate Department) includes a recycling strategy, which specifies an increase in the recycling rate of Aluminium can. Recycling activities are reviewed annually and information on recycling is disclosed in the Integrated Report, page 61. |
| 4.4d Collection and Recycling of Products at End of Life | Conformance | As a member of the Aluminum Can Recycling Association, the Entity supports surveys of Aluminium can recycling rates and efforts to improve recycling rates. Refer to: http://www.alumi-can.or.jp/publics/index/103/ |
| 5. GREENHOUSE GAS EMISSIONS | | |
| 5.1a-b Disclosure of GHG Emissions and Energy Use | Conformance | Energy consumption and Greenhouse Gas (GHG) emissions are recorded and published as consolidated Group data in the annual ESG Data Book, pages 20-22: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf#page=20 GHG emissions data has been Third Party verified, as disclosed in the ESG Data Book. The Moka Plant is included in the scope of calculation. The Entity is a designated plant under Japan's Energy Conservation Law and reports emissions at the plant level, which are published by the Ministry of the Environment: |

| CRITERION | RATING | COMMENT |
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| | | https://eegs.env.go.jp/ghg-santeikohyo-result/office?spEmitCode=530000266&office=%E9%89%84%E9%8B%BC%E3%82%A2%E3%83%AB%E3%83%9F%E4%BA%8B%E6%A5%AD%E9%83%A8%E9%96%80%E7%9C%9F%E5%B2%A1%E8%A3%BD%E9%80%A0%E6%89%80 |
| 5.2a Aluminium Smelter GHG Emissions Intensity – Started production after 2020 | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |
| 5.2b Aluminium Smelter GHG Emissions Intensity – In production up to and including 2020 | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |
| 5.3a-e GHG Emissions Reduction Plans | Minor Non-Conformance | <p>The Kobe Steel Group has developed a CO₂ reduction roadmap to achieve carbon neutrality in 2050 which is in line with the 1.5°C warming scenario, as disclosed in the Integrated Report 2023, pages 46-50 and progress towards the goals is disclosed on page 74: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/integrated-reports2023_e.pdf#page=25</p> <p>However, five-year Group targets have not been made public.</p> <p>The Entity is part of the Aluminium Plate Division which has established its GHG emission reduction goals for 2030 (from a 2013 baseline), and includes specific actions including energy saving, improving yields, increasing recycling rates, expanding the use of green Aluminium and use of renewable energy in production of ingots. However, these goals are also not made public.</p> |
| 5.4 GHG Emissions Management | Conformance | Although the Entity has not introduced a formal GHG Management System, it is managing progress using existing systems. Furthermore, Energy Management Regulations have been established for the Group and the Entity has implemented Energy Management Standards. |
| 6. EMISSIONS, EFFLUENTS AND WASTE | | |
| 6.1a-f Emissions to Air | Conformance | <p>The type and amount of substances released into the atmosphere by the Entity's activities have been quantified and published in the ESG Data Book: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2022_e.pdf#page=29</p> |
| 6.2a-g Discharges to Water | Conformance | <p>The type and amount of substances released into water by the Entity's activities have been quantified and published in the ESG Data Book: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2022_e.pdf#page=29</p> |
| 6.3a-g Assessment and Management of Spills and Leakages | Minor Non-Conformance | The Entity has conducted Environmental Impact Assessments for each process in each Department and identified significant environmental aspects. In order to prepare for, and respond to emergencies, each Department has created Procedures for responding to Spills and Leakages. However, the management plan for Spills and Leakages is not disclosed. |

| CRITERION | RATING | COMMENT |
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| 6.4a-b Public Disclosure of Spills and Leakages | Conformance | Both the Entity's Environmental Monitoring Regulations and the Moka Works' Emergency Contact System Chart address the requirement for disclosing any Spills and Leakages. Further information is available in the ESG Data Book: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf#page=28 |
| 6.5a-c Waste Management and Reporting | Conformance | The goals and results of Waste reduction efforts are published at: https://www.kobelco.co.jp/english/sustainability/promoting-restheirce-recycling.html Data on the industrial waste discharged by type is submitted to the Japan Business Federation annually. For industrial waste treatment contractors, the Entity has formulated an annual plan and conducted on-site inspections to confirm that Wastes are being disposed of appropriately. |
| 6.6a-g Bauxite Residue | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |
| 6.7a-f Spent Pot Lining (SPL) | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |
| 6.8a-d Dross | Conformance | Dross is processed in an arc furnace to maximise Aluminium recovery from Dross. Treated ash is reused as an auxiliary raw material for refractories, cement and steel. Since arc furnace dust ash and cooling slag dust are disposed to landfills, the Entity is currently investigating the recycling of these materials. |
| 7. WATER STEWARDSHIP | | |
| 7.1a-b Water Assessment and Disclosure | Conformance | The Entity has undertaken a water risk assessment using the WRI Aqueduct tool and published data on quantity of water taken by each water source and the wastewater discharged by destination in the ESG Data Book, page 32: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf#page=33 |
| 7.2a-e Water Management | Not Applicable | This Criterion is not applicable to the Entity as no significant water-related risks were identified in the Entity's risk assessment. |
| 8. BIODIVERSITY AND ECOSYSTEM SERVICES | | |
| 8.1a Biodiversity and Ecosystem Services Risk and Impact Assessment | Conformance | Using the Integrated Biodiversity Assessment Tool (IBAT), the Entity investigated whether any areas around the Entity had potential to impact sites important for Biodiversity conservation. The investigation determined that there were no Protected Areas (Ramsar Site-registered wetlands, World Natural Heritage Sites, Protected Areas 1 to 3 as classified by IUCN) within a three kilometre radius. Additionally, the plant is located within an industrial park, and as such, the Entity determined that the risk to Biodiversity and Ecosystem Services is low. https://www.kobelco.co.jp/english/sustainability/biodiversity.html |
| 8.1b Biodiversity and Ecosystem Services Risk | Not Applicable | This Criterion is not applicable, as the Entity determined that the risk to Biodiversity and Ecosystem Services is low. |

| CRITERION | RATING | COMMENT |
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| and Impact Assessment - Priority | | |
| 8.2a-g Biodiversity Management | Not Applicable | This Criterion is not applicable, as the Entity determined that the risk to Biodiversity and Ecosystem Services is low. |
| 8.3a-c Management of Priority Ecosystem Services | Not Applicable | This Criterion is not applicable, as the Entity determined that the risk to Biodiversity and Ecosystem Services is low and no Priority Ecosystem Services were identified. |
| 8.4 Alien Species | Minor Non-Conformance | The Entity has undertaken a risk assessment on the impact of Alien Species and has implemented management for all wooden pallet materials used for export. |
| 8.5a-b Commitment to "No Go" in World Heritage Properties | Conformance | The Entity is located in an industrial park and does not have any impact on World Heritage Sites. |
| 8.6a-d Protected Areas | Not Applicable | This Criterion is not applicable to the Entity, as there are no Protected Areas located within a three kilometre radius and the Entity is located within an industrial park. |
| 8.6e Protected Areas - Bauxite Mining | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |
| 8.7a-i Mine Rehabilitation | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |
| 9. HUMAN RIGHTS | | |
| 9.1a-d Human Rights Due Diligence | Conformance | <p>The Entity has implemented the Group Basic Policy on Human Rights, which is publicly available: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf</p> <p>The Entity's progress on its Human Rights Due Diligence is described and published in the Integrated Report, available at: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/23_04_e.pdf#page=7</p> <p>Health and Safety, Harassment and procurement practices were identified as high-risk areas, while risks associated with Affected Populations and Organisations were identified as low. A process was developed in 2022 and has been evaluated for each business entity and in the future, it will extend to all Group companies.</p> |
| 9.2a-e Gender Equity and Women's Empowerment | Conformance | <p>The Entity has implemented the Group Basic Policy on Human Rights, which addresses gender equality: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf</p> <p>The Entity has included information on the female recruitment ratio and female managerial position ratio, which are KPIs for promoting the active participation of women in the FY2023 Integrated Report. The Report also includes the Entity's diversity and inclusion initiatives and the female external Directors, refer to pages P16-17, 79, and 90-91:</p> |

| CRITERION | RATING | COMMENT |
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| | | <p>https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/23_01_e.pdf#page=9</p> <p>https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/23_04_e.pdf#page=4</p> <p>https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/23_04_e.pdf#page=10</p> <p>The Entity has held information sessions and plant tours for female students and approached high schools for female students in the recruitment of new graduates. In addition, in terms of facilities provided, the Entity is working to create an environment where female employees can work comfortably onsite by securing a female dormitory for new graduates and adding female restrooms across the plant. As a result of the company-wide measures mentioned above and these measures at the Entity, the ratio of female employees, including graduates, is expected to reach 18% for new hires in 2024, reaching the target.</p> |
| 9.3a-i Indigenous Peoples | Conformance | <p>The Entity has implemented the Group Basic Policy on Human Rights, which clearly states consideration for the rights of Indigenous Peoples: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf</p> <p>The Policy was created in 2019 and was last reviewed in 2022.</p> |
| 9.4a Free, Prior, and Informed Consent (FPIC) - New Projects or Major Changes | Not Applicable | This Criterion is not applicable to the Entity, as it operates in a location (Japan) where there are no Indigenous Peoples present. |
| 9.4b Free, Prior, and Informed Consent (FPIC) - Bauxite Mining | Not Applicable | This Criterion is not applicable to the Entity's Certification Scope. |
| 9.4c Free, Prior, and Informed Consent (FPIC) - Demonstrate support | Not Applicable | This Criterion is not applicable to the Entity, as it operates in a location (Japan) where there are no Indigenous Peoples present. |
| 9.5a Cultural and Sacred Heritage - Identification | Conformance | <p>The Entity has implemented the Group Basic Policy on Human Rights, which clearly states consideration for the rights of Indigenous Peoples, including their unique culture and history. https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf</p> <p>The Entity is located within an industrial park with no cultural and sacred heritage sites or values.</p> |
| 9.5b Cultural and Sacred Heritage - Impacts | Not Applicable | This Criterion is not applicable to the Entity, as there are no cultural and sacred heritage sites or values or Indigenous Peoples identified as present. |
| 9.6a-i Displacement | Minor Non-Conformance | <p>The Entity has implemented the Group Basic Policy on Human Rights, which clearly states consideration for the rights of Indigenous Peoples: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf</p> |

| CRITERION | RATING | COMMENT |
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| | | Whilst there has been no displacement associated with the Entity's establishment or any Major Changes or New Projects, the Entity has not made any specific provision for consideration for vulnerable and at-risk populations in the event of any future displacement. |
| 9.7a-h Affected Populations and Organisations | Conformance | <p>The Entity has implemented the Group Basic Policy on Human Rights, which clearly states consideration for the rights of Indigenous Peoples and contribution to Local Communities: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf</p> <p>The Entity plans to conduct a Human Rights Due Diligence evaluation for all domestic Group companies and some international sites by 2026.</p> |
| 9.8a Conflict-Affected and High-Risk Areas - Strong Management Systems | Conformance | <p>The use of conflict minerals is prohibited in the Entity's CSR Procurement Policy: https://www.kobelco.co.jp/english/sustainability/files/csr-procurement-basic-policy_e.pdf</p> <p>Procurement management rules have been formulated and implemented for the Entity. A risk assessment is undertaken by the Entity on an annual basis and to date, there have been no hazard signals in the supply chain and the Entity maintains good relationships with all material suppliers.</p> |
| 9.8b Conflict-Affected and High-Risk Areas - Identify and assess risks | Conformance | As part of the Entity's supply chain Due Diligence assessment process, all suppliers are evaluated according to the Supplier Evaluation Standard. |
| 9.8c Conflict-Affected and High-Risk Areas - Strategy to respond to risks | Not Applicable | The Criterion is not applicable to the Entity, as the supply chain assessment process for CAHRAs did not identify any significant risks. |
| 9.8d Conflict-Affected and High-Risk Areas - Audit of due diligence | Conformance | This ASI Performance Standard Audit addresses the requirements of this Criterion. |
| 9.8e Conflict-Affected and High-Risk Areas - Report annually | Conformance | <p>The Entity has performed an annual risk assessment. There have been no hazard signals in the supply chain and the Entity maintains good relationships with all material suppliers. A report on supply chain Due Diligence is published annually in the ESG Data Book, pages 86-89: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/2022/files/esg-databook2022_e.pdf#page=45</p> |
| 9.9 Security practice | Conformance | <p>The Entity has implemented the 'correction and remedies measures' of the Group Basic Policy on Human Rights, which stipulates that "If it is clear that there is a negative impact on human rights at our group's business partners, including suppliers, we will encourage them to take appropriate measures". Business partners include security services contractors: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf</p> |

| CRITERION | RATING | COMMENT |
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| 10.1a-c Freedom of Association and Right to Collective Bargaining | Conformance | <p>The Entity has implemented the Group Basic Policy on Human Rights, which includes respect for Freedom of Association and the right to Collective Bargaining: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf and https://www.kobelco.co.jp/english/sustainability/human_rights.html</p> <p>Article 3 of the Collective Agreement confirms the freedom to join. There is only one Labour Union active at the Entity. Two full-time officers and three non-full-time executive committee members represent Workers. The Entity has a check-off agreement for the Labour Union membership, and all full-time employees are members of this Union.</p> |
| 10.1d Freedom of Association and Right to Collective Bargaining - Alternative means in context of Applicable Law | Not Applicable | <p>This Criterion is not applicable to the Entity, as the Freedom of Association and right to Collective Bargaining is not restricted in the country in which the Entity operates (Japan).</p> |
| 10.2a Child Labour | Conformance | <p>The Entity has implemented the Group Basic Policy on Human Rights, which address Child Labour: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf and https://www.kobelco.co.jp/english/sustainability/human_rights.html</p> <p>The youngest employee at the Entity is 18 years old, as confirmed directly with the employee during the Audit.</p> |
| 10.3a-c Forced Labour | Minor Non-Conformance | <p>The Entity conducted a risk assessment of their Human Rights issues based on the assessment method required by the United Nations and determined that the risk of Forced Labour is low. The Entity has implemented the Group Basic Policy on Human Rights, which addresses Forced Labour: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf and https://www.kobelco.co.jp/english/sustainability/human_rights.html</p> <p>The Entity's Procurement Policy clearly states that they do not use Forced Labour, including that associated with bonded, exploitative prison labour, slavery or Human Trafficking. The definition of "slavery" in the Procurement Policy is explained with reference to the definitions in the US State Department and the UK Modern Slavery Act.</p> <p>However, the Entity has not yet published a specific Modern Slavery Statement.</p> |
| 10.4a-c Non-Discrimination | Conformance | <p>The Entity has implemented the Group Basic Policy on Human Rights, which prohibits all forms of Discrimination: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf and https://www.kobelco.co.jp/english/sustainability/human_rights.html</p> <p>Risk assessments are conducted regarding the identification and evaluation of Human Rights issues. Diversity and respect for Human Rights is addressed in the Entity's training on Harassment and diversity communication training. The Human Resource Department has conducted objective job assessments to establish fair pay rates.</p> |

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| 10.5 Communication and engagement | Conformance | <p>The Entity has implemented the Group Basic Policy on Human Rights, which includes respect for Freedom of Association and the right to Collective Bargaining: https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf and https://www.kobelco.co.jp/sustainability/human_rights.html</p> <p>The Collective Bargaining Agreement stipulates that a committee is established between the Entity and the Union.</p> |
| 10.6a-g Violence and Harassment | Conformance | <p>In order to create workplace environments in which Harassment does not occur, it is clearly stated in the Group Basic Policy on Human Rights and in the Employment Regulations that Harassment will not be tolerated. In addition, regular education in the form of e-learning and group training for employees is undertaken so that all employees in the workplace have a proper understanding of Harassment. Further information is available in the ESG Data Book. https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf and https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf#page=51</p> |
| 10.7a-c Remuneration | Conformance | <p>Employee Wage Regulations stipulate how wages are calculated and paid, and the Regulations are posted on the company intranet. The minimum wage is stated in the Policy and is described in the Employee Wage Regulations. The Entity pays wages on the 25th of every month, with payslips issued to Workers via email.</p> |
| 10.8a-c Working Time | Conformance | <p>Working hours are stipulated in the Employee Work Regulations and Overtime in the Labour Agreements. Japan's Labor Standards Law stipulates a maximum overtime limit of 45 hours per month and 360 hours per year when a '36-hour Agreement is concluded. At the Entity, based on the Labor Standards Law, a 36-hour Agreement is concluded between the Workers and management, and in principle, Overtime work is capped at 45 hours per month. Under special circumstances, such as when dealing with budget and financial statements, a major breakdown of manufacturing equipment, or a customer complaint, the total of Overtime and holiday work is limited to less than 100 hours per month, and annual Overtime work is limited to 720 hours. No Overtime work occurred in excess of the hours stipulated in the 36-hour Agreement.</p> <p>The daily attendance records, including Overtime, are recorded by employee identity cards and managed by a linked system. The payment of premium wages for Overtime is properly performed.</p> |
| 10.9a-b Informing Workers of Rights | Conformance | <p>The Entity has delivered training to Workers on their rights, as described in the Integrated Report: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/23_04_e.pdf#page=7</p> <p>The Entity has provided all Workers with the Employee Work Regulations to inform Workers of their rights. Each year, directors and executive officers send out a message to group executives and employees, and the message informs everyone on the Human Rights Policy.</p> |

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| 11. OCCUPATIONAL HEALTH AND SAFETY | | |
| 11.1a Occupational Health and Safety (OH&S) Management System | Minor Non-Conformance | <p>The Entity's Safety and Health Management Policy is disseminated and communicated by senior management, and their activities are implemented based on the Policy. A training plan is delivered as part of the Management System. The performance of the Policy is reviewed annually: https://www.kobelco.co.jp/english/about_kobelco/outline/integrated-reports/files/esg-databook2023_e.pdf#page=52</p> <p>Although risk assessments are undertaken for each work task, including those of subcontractors, there are some works for which risk reduction measures and risk reassessment have not been implemented. Additionally, risk assessments for chemical substances have not been conducted and results are not communicated to employees.</p> |
| 11.1b-e Occupational Health and Safety (OH&S) Management System - Reviews and disclosure | Minor Non-Conformance | <p>The Entity publicly discloses the effectiveness of the OH&S Management System on an annual basis, including leading and lagging indicators and comparative analyses of performance with leading practice and other companies and factories in the steel and Aluminium industries.</p> <p>However, comparison results of leading and lagging indicators and benchmarks have not been publicly disclosed.</p> |
| 11.2 Employee engagement on Health and Safety | Conformance | <p>The Entity's Safety and Health Committee meeting is held every month to meet with the Labor Union representing the Entity's Workers. This Committee also discusses various issues including safety performances and includes some employee engagement activity.</p> <p>Additional employee engagement activities include the Zero Accident Group activities including monthly activity reporting and activity awards, twice-yearly safety declaration, daily safety chant/meeting, and the pray for safety undertaken several times per year.</p> |

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DOCUMENT CONTROL AND VERSION HISTORY

| REVISION | DATE | NOTES |
|----------|-------------|--|
| 0 | 29 May 2024 | Initial Certification Audit – Full Certification |