Materiality of Sustainability Issues

Nippon Steel recognizes that sustainability initiatives are one of the priority issues and form the base that supports the very existence and growth of the company.

Among these initiatives we have identified our materiality in due consideration of requests from stakeholders, the corporate philosophy and values, as well as growth strategy.

Corporate Philosophy

Our Values

Nippon Steel Corporation Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services.

Management Principles

- 1. We continue to emphasize the importance of integrity and reliability in our actions.
- 2. We provide products and services that benefit society, and grow in partnership with our customers.
- 3. We pursue world-leading technologies and manufacturing capabilities.
- 4. We continually anticipate and address future changes, innovate from within, and pursue unending
- 5. We develop and bring out the best in our people to make our Group rich with energy and

Nippon Steel Group's Values

Paying every possible attention to critical matters of safety, environment, disaster prevention, quality, and compliance is basic to our existence as a responsible manufacturing company that delivers excellent products and services.

The development of excellent personnel is a prerequisite for our production of excellent products.

Process to identify materiality

Consider requests from stakeholders on environmental, social issues and listing candidate issues

Generalize the issues in due consideration of the company's corporate philosophy and values

Verify the issues from the viewpoint of the company's value creation process and strategy

Discuss and approve issues in the Board of Directors meeting

Nippon Steel Group's contribution to SDGs

In keeping with our dedication to the Nippon Steel Group's pursuit of world-leading technologies and manufacturing capabilities, and to contribute to society by providing excellent products and services, we have taken up numerous challenges in order to play an important role supporting social infrastructure through steelmaking. We firmly believe that contributing to the development of a sustainable society through our group's initiatives will also work for achievement of the United Nations' 2030 Agenda for Sustainable Development, featuring Sustainable Development Goals (SDGs).









Nippon Steel's Materiality of Sustainability Issues



- Environment

Circular Econom

Disaster prevention

Measures to prevent global

warming Contributing to construction of

Environmental risk management

- Industrial Safety and Health

- Quality control and
- R&D and intellectual
- property management Solutions that result in customer satisfaction



- Respect for human rights - Diversity & Inclusion
- Utilization and fostering of



- Environmental preservation/creation activities in communities
- Contribution to society mainly in the support of education, sports, and arts



- Generation of profit and corporate value - Profit distribution

Thorough implementation of

- Adhering to laws and regulations as a base of all activities

Nippon Steel's Materiality

1 Materiality with due consideration of the corporate philosophy and priorities in manufacturing

Our Corporate Philosophy (Our Values) states: "The Nippon Steel Corporation Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services."

Concerning "provision of excellent products and services," our critical mission as a responsible manufacturing company is to reliably produce and deliver quality products that satisfy customers. Needless to say, the prerequisites to enable this mission include "safety, environment, and disaster prevention" as well as thorough compliance to rules and regulations.

The "world-leading technologies and manufacturing capabilities" are realized by our human capital. Securing and fostering of outstanding personnel is a critical challenge to be overcome in order to strengthen overall manufacturing capabilities. We firmly believe that respect for human rights, diversity & inclusion, and development of human capital are

the basics for our employees to work vigorously.

With regard to the relationship with society, we must maintain good relationship with the community where our steelworks or other facilities are located. This is indispensable for us to continue operating business. We are pledged to operate in an environment-friendly manner and maintain good communication with local communities, as a corporate citizen.

2 Materiality with due consideration of the company's value creating process and potential changes in business environment

Basic to our value creation process is use of a diverse range of financial/non-financial assets and competitive advantages. and provision of products and solutions to customers. In order to reproduce such processes, stable production and continual profit generation are indispensable.

We place the environmental themes as the materiality positioned at the core of management. In order to contribute

to establishing a environment-friendly society, and do so with minimal environmental impact, we are engaged in reducing CO₂ emissions by the three "Eco" initiatives and innovative technology development, increasing effective use of internally-generated resources, and promoting zero emissions. In addition, we make efforts to build a circular economy through recycling of industrial waste (such as plastics) generated in society.

Concerning climate issues which threaten the future of mankind, we are advancing initiatives on two fronts: provision of high-function steel products and solutions for contributing to CO2 emission reductions of the society; and breakthrough technology development for decarbonizing the steelmaking process. These initiatives are aimed at achieving carbon neutral by 2050.

3 Corporate value enhancement and profit distribution

We are committed to continuing operations as a

raising corporate value from business activities, including sustainability initiatives. We will also contribute to society by providing excellent products and services, and distributing profit to employees, government, shareholders, and other stakeholders.

4 Thorough compliance

As a responsible leading company, we thoroughly adhere to laws

We believe compliance should be achieved by our independent efforts, based on our corporate philosophy, value, code of conduct and the like.

sustainably growing company by generating profit and

and regulations, which is fundamental to all of our activities.