

Health and Safety/Stakeholder Relations

Health

Basic approach

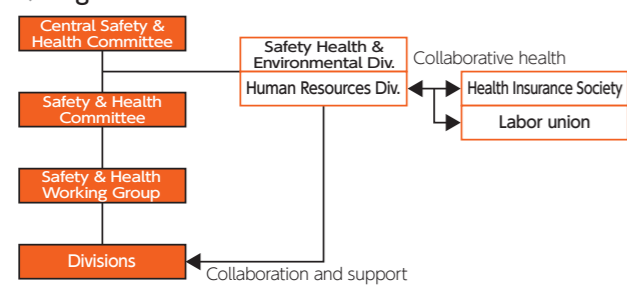
Since its foundation, Aichi Steel has practiced people-oriented management. People-oriented management means realizing "valuable living" and "happiness for employees and their families," with employees leading healthy and active lives both mentally and physically, thereby providing value to society. We position "employee health and safety" as a priority issue, striving to maintain and promote mental and physical health, and promoting the creation of a people-friendly workplace.

Implementation of health and productivity management

Aichi Steel believes that efforts to maintain and improve employee health bring a range of benefits, including vitality and productivity improvements for the organization. Based on this belief, we are committed to implementing health and productivity management for sustainable growth. In our Medium-term Management Plan, we have established quantitative targets for health, and are working on continuous improvement through a PDCA cycle. With mental health and the prevention of lifestyle-related diseases as our priority issues, we are working to enhance various measures by promoting collaborative health*, a cooperative effort among the company, health insurance society, and labor union. In recognition of these initiatives, we were recognized for the seventh consecutive year in 2024 as a Certified Health & Productivity Management Outstanding Organization.

*Efficient and effective implementation of disease prevention and health promotion for insured individuals through active collaboration between the insurer and the business with clearly assigned roles and favorable workplace environments

Organization chart



Prevention of lifestyle-related diseases

With the aim of improving lifestyle habits for better health, Aichi Steel is promoting its "Health Challenge 8" initiative to raise employees' health awareness and encourage behavioral changes. We are addressing health promotion by devising ways for employees and workplaces to proactively enjoy practicing healthy habits, such as by holding inter-workplace events aimed at creating habits related to eight items: bodyweight, breakfast, alcohol consumption, snacking between meals, smoking, exercise, sleep, and stress.

We have also made a companywide effort to prohibit smoking, and in 2024, on World No Tobacco Day (May 31), we launched a ban on smoking on all company premises.

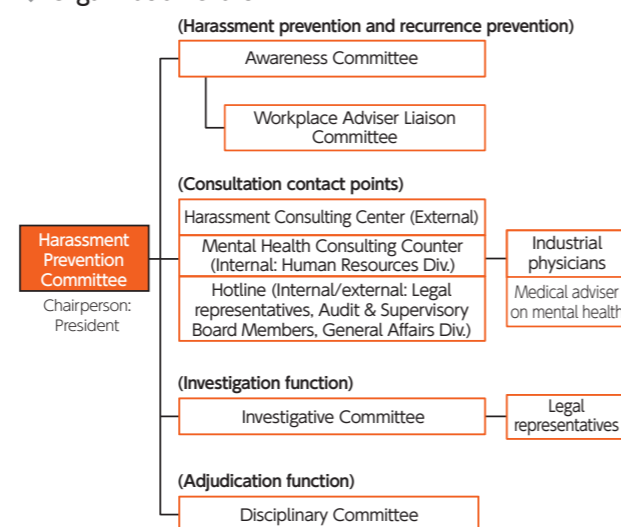
Mental health

Aichi Steel is working to prevent the occurrence of mental health issues and ensure their early detection and care by establishing a Mental Health Consulting Counter, providing education to both regular employees and supervisors, and providing consultations with a medical adviser on mental health for employees with mental health issues. In addition, we conduct stress checks once a year for all employees, and promote mental health by providing care for high-stress individuals and high-risk workplaces.

Harassment

This is not only an assault on personal dignity and a disturbance in the workplace, but also a problem that severely impacts business management. This is why labor and management are working together to create harassment-free workplaces. We have established the Aichi Steel Harassment Prevention Guidelines, which stipulate measures for preventing harassment and other matters for the company and employees to observe, and provide education to all executive officers and employees. We have also established dedicated consultation contact points internally and externally to address harassment issues, and we are allocating consultants in each workplace to systematically suppress harassment while achieving early detection and resolution. In FY2023, we received 15 consultation requests and reports. These are promptly examined and fact-checked by the Investigative Committee, which is comprised of members from both labor and management, and efforts are made to prevent recurrence, including strict action and education for supervisors. In addition, workplace counselors themselves raise awareness of harassment by regularly publishing "Counselor News" on the subject and distributing it to all employees, and by providing education on harassment to all employees.

Organization chart



Safety

Basic approach

The Aichi Steel Group recognizes that safety takes priority over all. In accordance with our Basic Philosophy for Safety and Health, we aim to create a safe and secure work environment for everyone working on our premises, and to transform into a company with a safety culture.

Basic Philosophy for Safety and Health

Safe work, Reliable work, Skilled work. Safe work is "the gate" to all work. Let us pass through this gate.

Promotion structure

Recognizing that safety and quality are the foundation for creating added value, we promote companywide activities with the Risk Management Headquarters as the overall driving force. The Safety, Health & Environment Division plays a central role in safety, and based on the belief that all accidents and injuries can be eliminated, it strives to create a safe and healthy work environment for all employees on our premises by sharing companywide policies with our in-house companies, headquarters, Group companies, and cooperating companies.

Activity policy

To prevent accidents, the Aichi Steel Group is developing safety activities based on the three pillars of safety management, fundamentally safe designs, and the development of safety-conscious human resources.

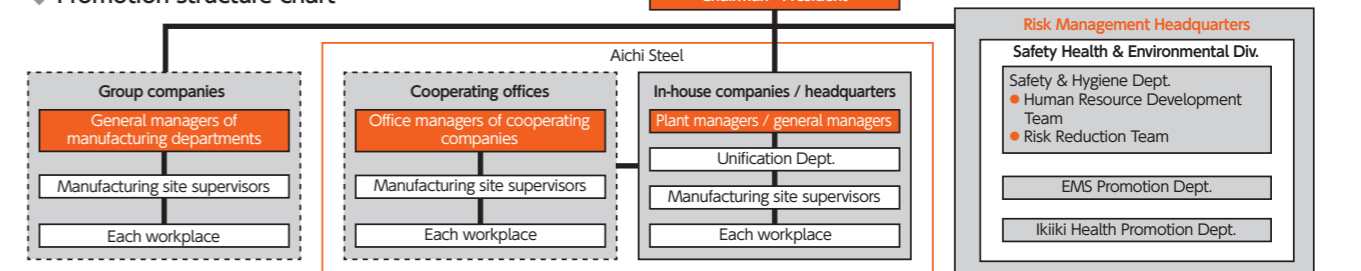
Transform into a company recognized by society as having a safety culture

- Safety takes priority over all
- Develop a culture of mutual awareness



* Occupational Safety and Health Management System

Promotion structure chart



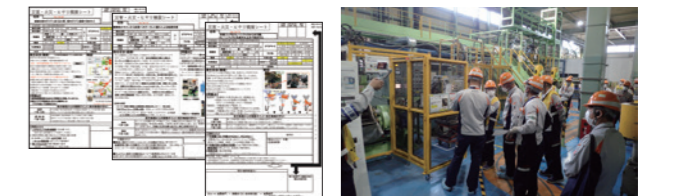
Fiscal 2023 initiatives

Safety management

● Recurrence prevention activities
Whenever there is an internal or external disaster that could potentially occur in other workplaces, we issue a Disaster, Fire, and Near-miss Cross-Division Deployment Sheet to try to prevent a recurrence.

● Prevention activities

For safer implementation of high-risk operations identified in risk assessments, we promote prevention activities by making improvements and conducting safety reviews.



Disaster, Fire, and Near-miss Cross-Division Deployment Sheet

Safety review

Fundamentally safe designs

● Management Safety Inspection Meeting
This initiative promotes the horizontal implementation of safety-related initiatives through guidance on and sharing of measures to eliminate hazardous sources specific to the workplace based on onsite inspections by top management.

● Learning and sharing past accidents
This initiative aims to prevent the recurrence of accidents by making sure that measures to prevent past accidents are being maintained and continued.



Management Safety Inspection Meeting

Onsite Disaster Inspections

Developing safety-conscious human resources

- Training people in charge of safety
We are working to raise the level of our company's safety and health management, developing highly safety-conscious personnel by giving the foremen responsible for on-site safety two months of classroom learning about health and safety and practical on-site training in safety diagnosis skills.
- Skill competition
This competition is designed to raise the level of our daily safety awareness and skill training by confirming and improving this level through competition.



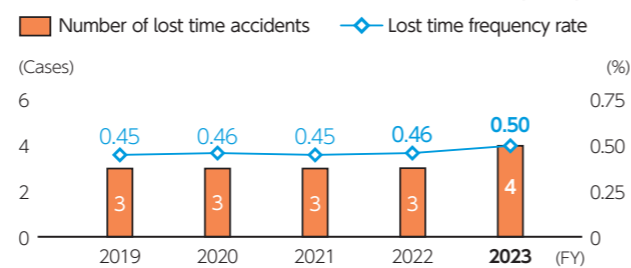
Safety diagnosis training to educate key safety personnel

Slinging competition at Skill Competition

Prevention of occupational accidents

We conduct risk assessments aimed at eliminating occupational accidents. Especially for high-risk work that could lead to significant or serious accidents, we strive to prevent accidents by systematically implementing improvements through fundamentally safety measures that eliminate the causes and reduce the risks. For all occupational accidents, we work to prevent recurrence by clarifying the true cause, including the context, and informing the group and cooperating companies of the accident.

◆ **Number of lost time accidents and lost time frequency rate**



Stakeholder relations

Basic approach

Aichi Steel conducts its business activities through relationships with various stakeholders, so building positive relationships with those stakeholders is important for improving our corporate value. Through proactive dialogue with stakeholders, we are able to incorporate the needs of society and expectations for us into our business activities, and encourage them to feel a sense of closeness with Aichi Steel. In this way, we are able to grow alongside all of our stakeholders, including customers, shareholders and investors, employees, suppliers, and local communities.

Promotion of dialogue with employees

To provide value to society and achieve sustainable growth, it is essential for Aichi Steel to ensure a high level of employee engagement, which is the source of value creation. We are promoting initiatives to increase employee engagement by building dialogues with our employees, creating comfortable workplaces, and improving our personnel system. In 2020, the 80th anniversary of our founding, we signed the Declaration on Labor-management Cooperation, in which labor and management mutually confirm and share the goal of overcoming any difficulties through mutual trust between labor and management and aiming for a company full of

◆ **Initiatives and achievements for each stakeholder**

Stakeholders	Initiatives to promote dialogue	FY2023 results
Customers	● Customer consultation service: Improvement by responding to customer comments and providing feedback internally	Number of inquiries 1,225
Shareholders and investors	● General Meeting of Shareholders: Business reports, discussions and resolutions on financial matters, Q&A with shareholders ● Dialogue with investors: Through briefings on financial statements and future strategy, individual talks, etc.	Number of dialogues with institutional investors (total) 45
Employees	● Regular meetings of the Labor-Management Committee: Mutual understanding, discussion and negotiation, and exchange of views between labor and management ● Various awareness surveys: Surveys on organizational and workplace culture, working lives, etc.	Number of labor-management roundtables and conferences 19
Suppliers	● Suppliers convention: Sharing of procurement policy, mutual learning opportunities, strengthening of partnerships	Number of participating companies 125
Local communities	● Collaboration and volunteer activities with NPOs, etc.: Communication through active participation in social contribution and community volunteer activities ● Collaboration with industry groups: Proposals on common industry issues and facilitation of information sharing through the Japan Iron and Steel Federation, etc.	Employee participation rate in social contribution activities 78%

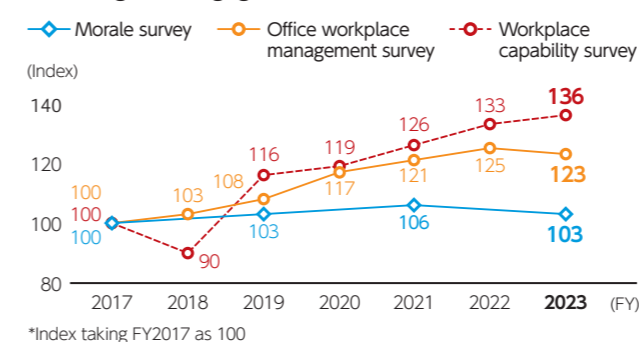
smiles with everyone involved. In addition, labor-management meetings were reviewed and new labor-management roundtables at the in-house company and headquarters levels were held twice, to allow the two parties to more frankly exchange opinions and accelerate reform.

We are making efforts to have labor and management honestly exchange opinions, deepen understanding, and cooperate with each other on familiar issues and countermeasures at the in-house company and headquarters levels. In FY2023, we increased subsidies for workplace trips and get-togethers in order to revitalize workplace communication, which had been somewhat lacking since the COVID-19 pandemic. To create open workplaces where diversity is respected and everyone can work comfortably, we have also focused on improving workplace environments by conducting a morale survey of all employees, improving rest areas at workplaces, constructing a multi-story parking garage, and rebuilding our dormitory for single employees.

Initiatives to improve engagement

Aichi Steel conducts an annual engagement survey of all employees. Based on the results of the analysis from various perspectives, such as motivation toward work, sense of growth through work, support from superiors, and workplace culture, we are working to develop various personnel measures and improve management in each workplace. In addition, managers are working to improve their management skills such as by attending expert lectures and annual leadership courses. In FY2023, we revamped the survey with the goal of deepening our analysis and clarifying issues for each workplace. Going forward, we will continue by incorporating our responses to emerging issues into a newly launched leadership training program, and by confirming improvements to our workplace culture and the results of our efforts.

◆ **Changes in engagement evaluation**



*Index taking FY2017 as 100

Morale survey	Survey of employee attitudes toward company management and policies, work motivation, etc. (once every two years)
Office workplace management survey	Survey of attitudes of general workers to workplace management, relationships with supervisors and co-workers, etc. (once a year)
Workplace capability survey	Survey of attitudes of skilled workers to workplace management, relationships with supervisors and co-workers, etc. (once a year)

Strengthening partnerships with suppliers

Superior raw materials, parts, and technologies supplied by our suppliers are essential for manufacturing Aichi Steel's products. Based on our belief that collaboration with suppliers is important in addressing various sustainability issues, we are working to build a relationship of trust with them through close communication, and to establish and strengthen a sustainable supply chain that allows us to grow together and share our achievements.

Every year in April, Aichi Steel holds the Hokokai* General Meeting to explain the business environment and company policies and share information on initiatives and goals regarding safety, compliance, and sustainability. In FY2023, we established our Supplier Sustainability Guidelines, which specify in more detail the actions expected of our suppliers, and we require them to conduct activities based on these guidelines. The guidelines were distributed at the Hokokai General Meeting to all 125 companies to inform them and encourage their cooperation. We also provide support activities to each company by offering advice on safety, quality, and other issues according to their circumstances, and engage in improvement activities throughout the supply chain, such as mutual improvement through improvement case study meetings and the VA Exhibition as well as the horizontal development of good practices.

*An organization consisting of suppliers aiming for mutual development based on partnership and mutual trust with Aichi Steel

Strengthening relationships with local communities

As a good corporate citizen, we recognize the importance of communicating with local communities through social contribution activities and so on, and are engaged with them in co-creation activities. Specifically, we are developing activities based on the four pillars: clean, green, creative, and volunteer support. Such activities not only strengthen our relationships with local communities, but also help develop a social issue solving mindset among employees and provide feedback on our business activities. We will continue working actively toward the realization of a sustainable local community, to which every one of our employees can make a contribution.

4 pillars	Main Activities
Clean	● Cleanup activities by executives and employees in areas around the head office and plant
Green	● Beautification of the area in front of Shurakuen Station (Maintenance of flower beds, etc.)
Creative	● Cooperation with Tokai City's Monozukuri Dojo ● Plant tours for local residents
Volunteer support	● Management of a volunteer fund backed by donations from employees and others involved, and a call for fundraising activities ● Support for volunteer activities conducted by welfare organizations