

Summary of Evaluation Results for Nippon Steel's Participating Organizations

We evaluate the consistency of our stance set forth in the “Nippon Steel’s Policy Position” with the policy stance, policy recommendations and opinions expressed by major organizations (of which Nippon Steel is a member) that are engaged in activities related to climate change.

[Evaluation Results for Nippon Steel's Participating Organizations]

Organization name	1. Government GX policy	2. Energy policy	3. Carbon pricing	4. GX product market creation
Japan Iron and Steel Federation	Consistent	Consistent	Consistent	Consistent
Nippon Keidanren	Consistent	Consistent	Consistent	Consistent
World Steel Association	Consistent	Consistent	No position	Consistent
Kansai Economic Federation	Consistent	Consistent	Consistent	No position
Central Japan Economic Federation	Consistent	Consistent	Consistent	Consistent
Tokyo Chamber of Commerce and Industry	Consistent	Consistent	Consistent	No position

[Evaluation Method]

We evaluated the consistency of our policy positions with the main recommendations and activities posted on the websites of each organization.

Specifically, each organization’s stance on 1) Government GX policy, 2) Energy policy, 3) Carbon pricing and 4) GX product market creation is evaluated.

[Nippon Steel's approach to reflect the stance set forth in its policy position in the activities of the participating organizations]

In order to reflect the stance set forth in our policy position in the activities of the participating organizations, we will continue to engage in constructive dialog with each organization.

Evaluation of the Consistency of the Stance of the Participating Organizations with Nippon Steel’s Stance

Organization name	Japan Iron and Steel Federation (JISF)
Purpose	The JISF’s primary objectives are to promote the sound production, distribution, consumption and trade of steel products, thereby contributing to the development of the Japanese economy and the improvement of people's lives. To attain these objectives, the JISF carries out activities including steel-related research, technology development and promotion, environmental measures, and human resource development.
Participation of NSC’s officers	Tadashi Imai, Representative Director, President and COO

Item	Results	Summary
Stance on the Government GX policy	Consistent	➤ In order to contribute to Japan’s ambitious policy of achieving carbon neutrality by 2050, the Japanese steel industry has declared that it will boldly take on the challenge of achieving it. ➤ The JISF has requested the establishment of a national strategy for decarbonization, financial support for practical application and implementation of the results of technology development, and fostering of public understanding about the huge cost of decarbonization, and building of a mechanism to bear the cost by society.
Stance on energy policy	Consistent	➤ The JISF emphasized the need for concrete policies to promote decarbonization based on the premise of strengthening industrial competitiveness and stable, low-cost supply of energy, as the integration of energy policy and industrial policy is an extremely important viewpoint in promoting GX. ➤ The JISF has argued that it is very important from the viewpoint of energy security that Japan, which is poor in energy resources, has various options including renewable energy, nuclear power, and decarbonized thermal power. The JISF has thus advocated the need for decarbonized power sources including renewable energy.
Stance on carbon pricing	Consistent	➤ In its opinion on the GX2040 Vision, the JISF appreciates that the “Growth-oriented Carbon Pricing Initiative” has clearly indicated the time of introduction and basic framework of the emission trading system (ETS), etc. ➤ In preparation for the full-scale introduction of the GX-ETS, the JISF is trying to provide appropriate opinions so that it will be designed as a scheme that will contribute to the promotion of GX in steelmaking processes and the strengthening of the international competitiveness of the Japanese steel industry.
Stance on GX steel market formation	Consistent	➤ The JISF appreciates that the GX2040 Vision has broadly described the GX market creation, which is essential for enhancing the predictability of decarbonization investment, mainly focusing on the the matters to be currently undertaken, such as visualization of GX value, public procurement, and private procurement. ➤ As creation of the GX market is one of the important pillars, the JISF advocates that the government should clarify the direction and roadmap of specific measures such as “regulatory and institutional measures for procurement,” in light of the importance of government efforts in matters including creation of initial demand for market creation and in order to increase the predictability of investment returns.

Organization name	Keidanren (Japan Business Foundation)
Purpose	Keidanren, as a comprehensive economic organization, seeks to bring out the vitality of corporations, and individuals and communities that support corporations, and to contribute to the sustainable development of the Japanese economy and the improvement in the quality of lives for the Japanese people.
Participation of NSC’s officers	Chairman of the Committee on Industrial Competitiveness: Eiji Hashimoto, Representative Director, Chairman and CEO

Item	Results	Summary
Stance on the Government GX policy	Consistent	➤In order that the Japan's goal of carbon neutrality by 2050 can be achieved, Keidanren has advocated that the government must promote "Green Transformation (GX)," which is a transformation of the economy and society as a whole, while creating a virtuous cycle between the economy and the environment. Keidanren has recommended the government to formulate a "GX Policy Package," which will be a grand design for GX.
Stance on energy policy	Consistent	➤Keidanren believes that whether Japan succeeds in preserving its industries and growing its economy depends on securing sufficient decarbonized power sources such as renewable energy and nuclear power. Keidanren thus argues that it is essential to secure renewable energy that meets the three requirements of low cost, stable supply, and business discipline as much as possible, and to make the most of nuclear power with a good balance of 3E (Energy security, Economic efficiency and Environment).
Stance on carbon pricing	Consistent	➤Keidanren emphasizes the importance of materializing the growth-oriented carbon pricing concept, and argues that the appropriate design and operation of the GX-ETS (Emissions Trading Scheme), which can both reduce GHG and strengthen industrial competitiveness, is necessary.
Stance on GX steel market formation	Consistent	➤Keidanren argues that the GX market creation is essential to increase the predictability of GX investments. ➤Keidanren also argues that the increase in costs associated with the production of GX products should be reflected in the product price, and that consumers who purchase them should accept the increase in costs so that society as a whole can bear the costs fairly and equally.

Evaluation of the Consistency of the Stance of the Participating Organizations with Nippon Steel’s Stance

Organization name	World Steel Association (Worldsteel)	
Purpose	With the aim of promoting the development and sustainability of the steel industry, Worldsteel defends the interests of the industry and makes policy recommendations as an international representative of the steel industry. It is also engaged in reducing the environmental burden through innovation in steelmaking technology, ensuring the safety and health of steel workers, providing data and information on the steel industry, and strengthening cooperation with the steel industry around the world.	
Participation of NSC’s officers		
Item	Results	Summary
Stance on the Government GX policy	Consistent	➤Worldsteel fully supports the goals of the Paris Agreement and is committed to a low-carbon future.
Stance on energy policy	Consistent	➤As an important element of climate change countermeasures in the steel industry, Worldsteel has proposed the use of low-carbon energy such as renewable energy, nuclear power, and fossil fuels equipped with CCS and other GHG reduction technologies.
Stance on carbon pricing	No position	
Stance on GX steel market formation	Consistent	➤As a way to supply low carbon steel products to the market at a time of growing demand for low carbon products, Worldsteel proposes a Chain of Custody (CoC) approach to assign GHG emission reductions to specific products. This would provide transparency and clarity of the application of the CoC approach in the steel industry and facilitate development of a set of principles and guidelines.

Organization name	Kansai Economic Federation (Kankeiren)	
Purpose	To enhance Kansai’s ability to contribute to the sound economic development of the Kansai region, Japan and the world, Kankeiren undertakes research studies that anticipate future trends, makes policy proposals, and takes practical actions based on the study results.	
Participation of NSC’s officers	Corporate member	

Item	Results	Summary
Stance on the Government GX policy	Consistent	➤Kankeiren argues that reducing GHG -- that affects global climate change -- is an urgent issue that the international community as a whole should tackle, and that effective policies which can lead the world based on a long-term strategy should be promoted. ➤In order to promote investment, R&D, and technological development, Kankeiren argues that the government should make efforts to create an environment that maximizes private-sector vitality.
Stance on energy policy	Consistent	➤ Kankeiren argues that the government’s energy policy should be based on the S+3E principle, and that it should clearly state its policy on R&D of cutting-edge technologies and infrastructure development to ensure medium- to long-term predictability. ➤ Kankeiren has highly evaluated the Government’s Seventh Strategic Energy Plan for its clear stipulation of a policy to make maximum use of nuclear power, as well as renewable energy, and showed a path toward realizing a decarbonized society while preparing for future uncertainties.
Stance on carbon pricing	Consistent	➤So that there can be implemented explicit carbon pricing in proportion to the amount of carbon emitted, Kankeiren hopes that measures such as the introduction of the emission trading system and a fossil fuel surcharge implemented by the government will promote changes in the behavior of people and companies. ➤Kankeiren believes that it is important to design a system that takes into account demand-side decarbonization efforts and supports the fairness of benefits and burdens in a way that does not adversely affect international competitiveness in Japan, where implicit carbon pricing has already been introduced.
Stance on GX steel market formation	No position	

Organization name	Central Japan Economic Federation (Chukeiren)	
Purpose	Chukeiren conducts research studies on various industrial and economic issues at home and abroad, gathers opinions from the Chubu business community, and strives to realize the community’s objectives. Through the comprehensive promotion of the regional economy, Chukeiren seeks to contribute to the development of the Japanese economy.	
Participation of NSC’s officers	Director: Noriyuki Hiramitsu, Managing Executive Officer and General Manager of Nagoya Works Advisor: Tadashi Imai, Representative Director, President and COO	

Item	Results	Summary
Stance on the government GX policy	Consistent	➤In order to achieve carbon neutrality by 2050, innovation on both the supply and demand sides of the energy market and the transformation of industrial structures are required. Chukeiren has asked the government to formulate a comprehensive national roadmap with milestones so that entities engaged in initiatives in various fields (national and local governments, businesses, and citizens) can be organically connected and make optimal investments.
Stance on energy policy	Consistent	➤In order to secure a resilient energy supply, Chukeiren argues that the government and the private sector should work together to make full use of decarbonized power sources such as renewable energy and nuclear power, as well as utilizing thermal power (CCS) and decarbonization technologies. ➤In view of the large potential for the introduction of wind power generation, especially offshore, among renewable energies, Chukeiren argues for the need for support that contributes to reduction in costs for developing power plant port facilities, offshore wind power-related facilities for in-house production of parts and maintenance, etc.
Stance on carbon pricing	Consistent	➤In addition to the consolidation and integration of the current tax system, Chukeiren has made a proposal for a system design in which decarbonization leads to the next generation of new business, while taking into consideration the maintenance and improvement of international competitiveness without hindering the activities of the Japanese economy and companies.
Stance on GX steel market formation	Consistent	➤In order to promote the spread of GX products such as Green Steel, which tends to be expensive as a way to promote GX, Chukeiren has asked the government to quickly include GX products in the nation’s technical standards, and to consider measures to promote their adoption in public works and incentives for contractors to promote their adoption in private works.