

# Integrated Management System

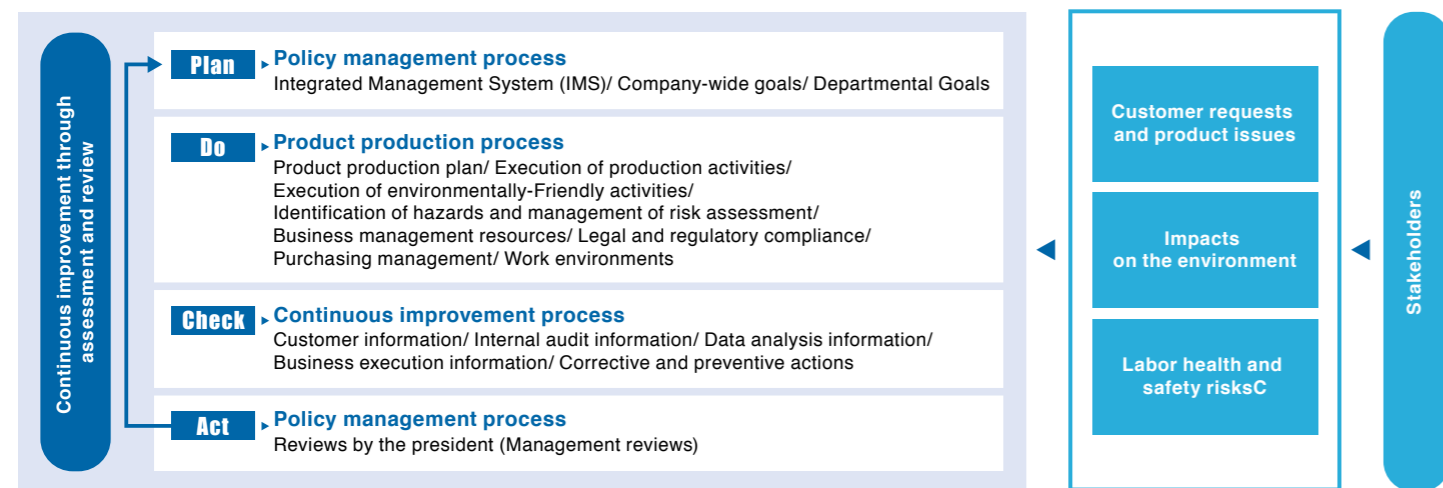


Three management systems - Quality Management, Environmental Management, and Occupational Health and Safety Management - are operated as an Integrated Management System (IMS). This system is maximally utilized, with management policies positioned with IMS policies as goal attainment tools in PAMCO-2021.

## Risk management via Integrated Management System (IMS)

We use an Integrated Management System to provide peace of mind to the local community and trust and satisfaction to our customers through the production of ferronickel and slag products that is harmonious with the environment and to realize safe and comfortable workplaces for all of our employees, and we are all working together as one company to reduce business risks and earn the trust of all stakeholders.

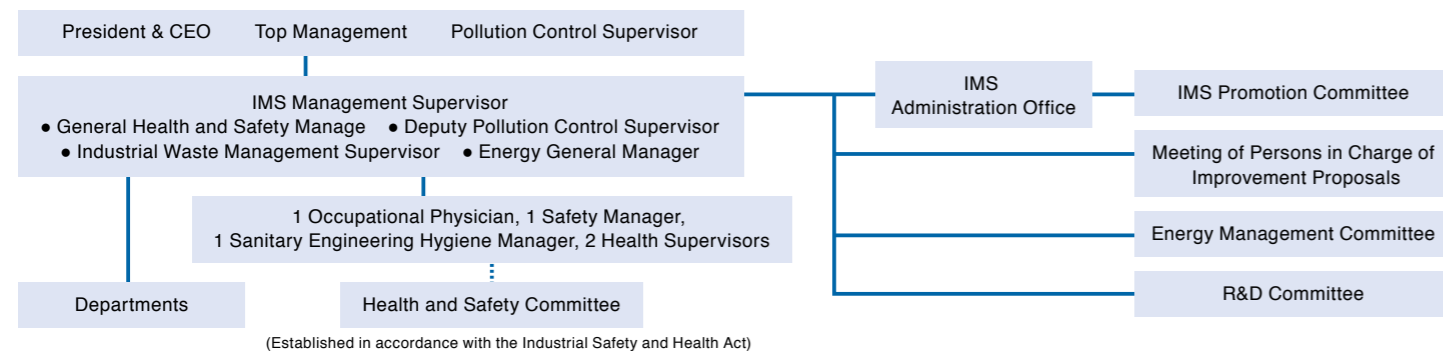
### Flow of main Integrated Management System (IMS) activities



## IMS system

The management system of the Integrated Management System is as shown below. With the President and Representative Director as top management, the IMS Promotion Committee, Energy Management Committee, Health and Safety Committee, etc. are held regularly to discuss issues and progress, and to discuss and report on important matters.

### IMS system diagram



## ISO certification registration

We have registered certifications for ISO 9001, ISO 14001, and OHSAS 18001. In October 2020, we underwent an integrated examination in which found no important deficiencies in our management system and confirmed the system was being executed effectively, and we completed updates of ISO 9001 and ISO 14001 and transitions to OHSAS 18001 and ISO 45001.

The examination uncovered one minor nonconformity and 63 opportunities for improvement. The Administration Office and each department are forming action plans and engaging in correction and improvement initiatives. One a positive note, we were also given

good assessments on 51 items.

In FY2019, we advanced preparations for transitioning to OHSAS 18001 and ISO 45001, which involved a full review of our Integrated Management System manual and training all employees for the transition. Furthermore, in addition to implementing initiatives for preventing disasters and accidents due to small group activities with the goal of reducing labor disasters and accidents, we strengthened our health management initiatives, including mental health and work hour management, in collaboration with the HR Department.

### Certification Registration Information

Certification standard	Registration scope	Registration No.	Expiry date	Initial registration
ISO9001:2015	Hachinohe Head Office (Hachinohe Works)	0314	February 15, 2024	April 9, 1998
ISO14001:2015		E1998		March 19, 2009
ISO45001:2018	Tokyo Main Office	H063		February 16, 2012



ISO 9001 Registration Certificate    ISO 14001 Registration Certificate    ISO 45001 Registration Certificate

## Environmental accounting and safety accounting

Aggregated results for environmental accounting and safety accounting in FY2020 are shown below.

We spent about 470 million yen on environmental accounting as a whole. Pollution control costs, resource recycling costs, and environmental damage response costs account for the bulk of this spending.

We spent about 70 million yen on safety accounting as a whole. Most of this was for capital investments in safety countermeasure construction, etc. and in costs relating to health and safety protective equipment.

### Environment accounting aggregated result (environmental preservation costs)

Classification	Main content	Cost (10,000 yen)
(1) Business area costs	Pollution prevention costs	17,372
	Resource recycling costs	11,983
(2) Management activity costs	International Organization for Standardization (ISO) inspection costs	3,616
	On-site tree planting and management costs	
	Sustainability report publishing costs	
	Various monitoring equipment maintenance and management costs	
(3) Social activity costs	General road cleaning costs for the vicinity	22
(4) Costs of dealing with any environmental damage	Pollution load levy <sup>(*)1</sup>	13,858
<b>Total</b>		<b>46,850</b>

### Safety accounting aggregated results

Classification	Amount (10,000 yen)
(1) Capital investment (constructions for safety measures, etc.)	3,105
(2) Safety, health, and disaster prevention education costs	208
(3) Legal inspection costs (boilers, cranes, firefighting related)	552
(4) Health checkup fees	990
(5) Safety and health protective equipment costs	2,412
<b>Total</b>	<b>7,267</b>

\*1: We installed a soot and smoke generator as of April 1, 1987, and it is a levy required to be paid by businesses that emit sulfur oxides and have a certain level of exhaust gas. We have fulfilled our obligations since the start of the system.

## Initiatives to comply with regulations

We position legal and regulatory compliance as one our most important business activities, and, in addition to forming compliance procedures, we conduct regular site and document monitoring and inspection. There were no violations that exceeded laws, regulations, or standards in FY2020.

Additionally, there were two labor accidents in FY2020. The first was a burn accident that occurred during removal of coagulated slag. As recurrence prevention measures, we raised open portions of gutters, reconfirmed responses when slag overflows, and provided related notifications and training. The second was an accident involving slipping and coming into contact with hot water while checking slag pit water levels. In response, we added lighting points and installed an inspection deck.

In our efforts to prevent labor accidents, we aim to thoroughly implement continuous improvement via the "Plan, Do, Check, Act" protocol that is the standard for management systems, further promote voluntary workplace health and safety management, and join together with our partner companies to eliminate accidents.