

Initiatives for Society Communication with Stakeholders

The KOBELCO Group is committed to proactive communication with stakeholders. We are earnestly listening to our stakeholders through dialogues with shareholders and other investors and surveys of our customers and business partners. In addition, we recognize that improving management transparency is a top management priority, and we are promoting timely, appropriate, and extensive information disclosure accordingly.

We also carry out various activities that contribute to local communities. Our efforts range from contribution to society through sports to initiatives undertaken by respective business locations, which include environmental activities, regional development, and community interaction centered on supporting the young people of the next generation.

Communication with Shareholders and Investors

The Company strives to provide information and engage in dialogue with shareholders and investors through various tools and opportunities, including the issuance of integrated reports, the enhancement of the contents of the notice of ordinary meeting of shareholders and its early disclosure, and the holding of explanatory meetings. We will continue our efforts to promote better understanding of the Company's management policy and business operations among shareholders and investors using IT tools as well.

Domestic and Overseas Institutional Investors

We are promoting understanding of the Company among domestic and overseas institutional investors through proactive discussions with analysts, ESG officers and persons in charge of exercising voting rights. In fiscal 2020, we had meetings with a total of 178 institutional investors, held

financial results briefings four times a year, and carried out theme-based briefings, for example, about KOBELCO Group's CO₂ Reduction Solution for Blast Furnace Ironmaking.

Individual Investors

We are working on promoting understanding of the Company among individual shareholders and investors by issuing shareholder newsletter "To Our Shareholders" twice a year and disclosing information on our corporate website. Due to the impact of the COVID-19 pandemic, plant tours for shareholders are currently suspended; however, we will review the tours including the resumption, in consideration of future situations.

Information for shareholders and other investors

 <https://www.kobelco.co.jp/english/ir/>



Communication with Customers and Business Partners

The KOBELCO Group conducts customer surveys with questions covering a wide range of subjects, including product quality, services, and delivery periods, as part of its

efforts to improve product and service quality. We consider seriously the results of these surveys, and we use this feedback to improve our products and services.

Communication with Community Members

Contributions to Society through Sports

Sale of Etiquette Masks to Support Healthcare Professionals

In September 2020, we sold etiquette masks remade of rugby sweats, which the members of the Kobelco Kobe Steelers, the Kobe Steel rugby club, had actually worn in official matches and other occasions. This event was held as a charity for supporting healthcare professionals who are struggling to prevent the spread of COVID-19, and was supported by many rugby fans.

We donated 935,376 yen, a revenue generated through the sale of etiquette masks, to the Kobe City Support Fund for Healthcare Professionals on December 24, 2020.



Support for Activities of the Hyogo Guide Dogs for the Blind Association

The Kobelco Kobe Steelers has been supporting the mission of the Hyogo Guide Dogs for the Blind Association: nurturing guide dogs and raising regional awareness of accepting guide dogs. The team has been working with the association in activities including a fund-raising campaign to support guide dogs and selling charity goods at match venues since last year. This year as well, many visitors came to the booth to participate in our activities.



Social Contributions in Japan and Overseas

Kobelco Construction Machinery Southeast Asia Co., Ltd. (KCMSA)

Aiming to foster a connection and coexist with the local community and promoting the employees' initiatives to share the joy of working in the KOBELCO Group and excitement gained from local contribution activities, we are carrying out mangrove planting activities, safety classes and safety awareness activities for students, and donation of supplies and equipment. By making employees and their families happy and proud to be members of the KOBELCO Group, we are striving to contribute to the creation of a corporate culture that leads to changes in awareness and organizational revitalization.



Kobe Wire Rod & Bar Plant and Kobe Power Plant

Triggered by a proposal from a member of the Foremen's Association, saying "Our office is supported by the local community. Let's do what makes the community happy," we have been providing Christmas presents such as sweets and home appliances to neighboring welfare facilities for children and the elderly. Many words of thanks that we received from them make us feel happy and motivated as well as the joy of being appreciated. The activities have taken root in the community.

This activity was awarded the Kobe City's citizen award (Flower Clock Award). Mayor of Higashinada Ward Office, Kobe City Government, Kanaya awarded a certificate of commendation to Foreman Akamatsu (in March 2021).



KOBELCO GREEN PROJECT

KOBELCO Forest Fairy Tale Prize

The KOBELCO Group solicits stories about forests from elementary, junior high, and senior high school students across Japan with the aim of helping children, who will lead the next generation, develop a feeling of cherishing the forest that offers various blessings of nature. The winning stories are transformed into picture books with illustrations by picture book authors. The finished picture books are donated to schools and public libraries under the jurisdiction of the local governments that support this activity. The eighth annual prize, held in fiscal 2020, garnered a total of 426 submissions. *Mori no Kakehashi* (Forest Bridge), written by Miu Hayashi (Elementary School Division), and *Mori no Inochi no Subarashisa* (Wonderfulness of Forest Life), written by Rena Masui (Junior High and Senior High School

Division) were selected as the grand prize winners.

In addition to the prize, the Group is engaged in forest development programs carried out by employee volunteers and environmental education outreach to children's centers, and promotes these environmental contribution activities collectively called the KOBELCO GREEN PROJECT across the Group to better coexist and cooperate with society in the environmental aspect as well.

*In fiscal 2020, forest development programs and environmental education outreach to children's centers were canceled due to the COVID-19 pandemic.



KOBELCO Community Contribution Fund

The Company established the KOBELCO Community Contribution Fund in fiscal 2006 that marked the 100th anniversary of the Company's foundation and has been carrying out activities to support children through the Fund.

TOPICS Letter of Appreciation from Kobe City

Kobe Corporate Research Laboratories, Kobe Steel, in cooperation with Nishi Ward Office, Kobe City Government, offered educational toys and picture books to childcare support groups in the ward as an activity of the Fund. This support activity was appreciated, and we received a letter of appreciation from the Kobe City Council of Social Welfare.



Initiatives for Society Communication with Stakeholders

Core Values of KOBELCO Next 100 Project (Communication with Employees)

As an initiative for aiming to unite all employees, create a corporate group full of pride, confidence, passion and hope, and achieve sustainable development, the KOBELCO Group launched the Core Values of KOBELCO Next 100 Project in fiscal 2017. A key focus of this initiative is to further instill the KOBELCO Group's Corporate Philosophy and to prevent us from forgetting the quality misconduct (namely, remembering the lessons learned). The project is promoting recognition and empathy among all employees toward the Next 100 Project activities, as well as participation and practice by all employees, hoping that such actions of each individual will grow into the corporate culture and take firm root in the organization.



*Percentage of positive answers for relative questions in the employee awareness survey

Initiatives Focusing on Raising Awareness of the New Group Corporate Philosophy

In fiscal 2020, we worked to further increase awareness of our ongoing efforts, such as dialogue activities between top management and employees, based on the Group Corporate Philosophy established in May 2020. In addition, by sharing pledges made by senior management and department heads among employees and encouraging all employees to make a pledge by themselves and take actions as expressed in their pledges, we promoted participation and practice. We are also actively using online tools and promoting the initiative even amid the COVID-19 pandemic.

Initiatives toward the New Phase

During the period from fiscal 2021 to 2023, which is defined as the 2nd Step, we are continuously implementing the ongoing activities and adding further depth to them. Specifically, in order to strengthen participation and practice identified as an issue in the fiscal 2020 employee awareness survey, we are focusing on making the KOBELCO Core Values Awards more familiar and promoting the understanding of the Group's diverse businesses (including contribution to a green society and other contributions to solving social issues).

Major Actions and Schedule for Implementation

| | Initiatives | Description | Actions Implemented/Planned |
|----------------------------|---|--|--|
| Participation and practice | Declaration of pledges by senior management, department heads and all employees | All employees make pledges using the KOBELCO Group's Corporate Philosophy cards. In fiscal 2020, we launched an initiative to share pledges by senior management across the Group companies both in Japan and overseas, and pledges by department heads in each workplace. | In fiscal 2021 as well, all of the executives have shared their pledges across the Group companies in Japan and overseas. Starting from the KOBELCO Core Values Day on March 6, while department heads announced their pledges in their workplaces, all employees wrote their pledges on the KOBELCO Group's Corporate Philosophy cards. |
| | Dialogue Platforms | (1) Instilling the Group Corporate Philosophy (2) Preventing the quality misconduct from being forgotten (3) Implementing Dialogue Platforms in each workplace for promoting two-way communication within the department | We continue to implement Dialogue Platforms with participation of all employees of Kobe Steel and its Group companies as a central initiative in the KOBELCO Core Values Month every October. |
| | KOBELCO Core Values Awards | We have been promoting the practice of the Corporate Philosophy throughout the Group through presenting awards to activities that exemplify the Group Corporate Philosophy and contribute to building a new corporate culture. | In fiscal 2020, 34 activities were awarded. By sharing good examples of activities throughout the Group, we continue to implement the initiative and promote the practice of the Group Corporate Philosophy. |
| Recognition and empathy | Dialogues between management and employees | President Yamaguchi and other senior executives communicate their thoughts to employees in an effort to proactively express management's commitment to initiatives to restore trust. | As of the end of fiscal 2020, President Yamaguchi was engaged in dialogues with approximately 1,400 Group employees on a total of 141 occasions in Japan and overseas. The dialogue activities are being continued in fiscal 2021. |
| | KOBELCO Core Values Place | The facility aims to share the lessons learned from the quality misconduct and pass it on to future generations. | As of the end of fiscal 2020, a total of approximately 5,200 people visited the facilities including online visits and actual visits to the satellite facilities. In fiscal 2021, we plan to further utilize the online version. |
| Identification of issues | Compliance and employee awareness surveys / feedback report | The surveys aim to comprehensively understand the current status and issues of employees' awareness in terms of their work and the Company, as well as the state of organizations. | We anticipated the Company's fiscal 2020 survey results would worsen due to changes in the management environment amid the COVID-19 pandemic, but we saw overall improvement. The survey will continue to be conducted in fiscal 2021. |