


## 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 through surveys of our customers and business partners. Recognizing that improving management transparency is a top priority, we are promoting timely, appropriate, and extensive information disclosure.

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, with a focus on supporting the young people of the next generation.

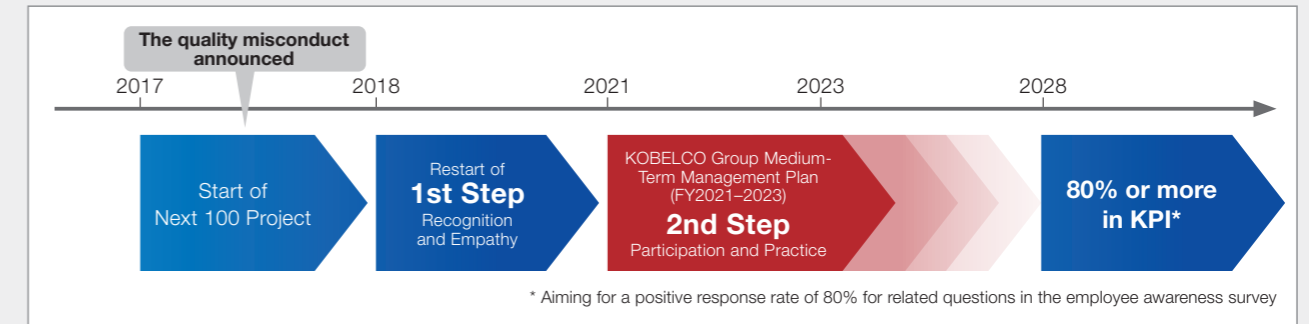
Stakeholders	Objectives	Main engagement activities
<b>Shareholders and Investors</b>	Promote understanding of the KOBELCO Group and enhance corporate value through timely and appropriate information disclosure	<ul style="list-style-type: none"> <li>Active dissemination of information, including timely disclosure of information through integrated reports and convocation notices</li> </ul> <p><b>Domestic and Overseas Institutional Investors</b></p> <ul style="list-style-type: none"> <li>Individual meetings with institutional investors</li> <li>Holding of financial results briefings and explanatory meetings about ESG initiatives, DX strategy, and other themes</li> </ul> <p><b>Individual Investors</b></p> <ul style="list-style-type: none"> <li>Publication of the "To Our Shareholders" booklet for our shareholders twice a year</li> <li>Provision of information on our corporate website</li> </ul> <p>Note: Due to the pandemic, plant tours for shareholders are currently suspended. However, we are considering resuming plant tours if the future situation permits.</p>
<b>Customers</b>	Improve product/service quality	<ul style="list-style-type: none"> <li>Questionnaire surveys that request our customers to answer questions covering a wide range of subjects, including product quality, services, and delivery periods</li> </ul>
<b>Business Partners</b>	Work together to build responsible supply chains with the aim of providing resolutions for various issues, including human rights and the environment	<ul style="list-style-type: none"> <li>Questionnaire surveys that request our major business partners to answer questions about their initiatives for the relevant issues</li> </ul> <p>For details, please refer to Building Responsible Supply Chains on p. 78.</p>
<b>Employees</b>	Encourage each and every employee to work with pride and a sense of fulfillment in their work, and to achieve self-improvement by demonstrating their own individuality and strengths	<ul style="list-style-type: none"> <li>Core Values of KOBELCO Next 100 Project activities</li> <li>Human resources development</li> <li>Initiatives for human rights</li> <li>Initiatives for diversity and inclusion (D&amp;I)</li> <li>Safety and health activities</li> </ul> <p>For details on the Core Values of KOBELCO—Next 100 Project, human resources strategy, human rights, D&amp;I, and safety and health, please refer to pp. 73–77.</p>
<b>Community Members</b>	<ul style="list-style-type: none"> <li>Contribute to society as a member of the local community</li> <li>Invigorate society through sports activities, including the Kobelco Kobe Steelers' activities aimed at ensuring the connection and harmony with the local community and society, and various sports support activities</li> </ul>	<p><b>Social Contribution Activities</b></p> <ul style="list-style-type: none"> <li>KOBELCO Community Contribution Fund Kobe Steel established the KOBELCO Community Contribution Fund in fiscal 2006 that marked the 100th anniversary of the Company's founding and has been carrying out activities to support children through the Fund.</li> <li>KOBELCO World Children Support Program This initiative was begun in fiscal 2021 as a program for making donations to support children living in poverty around the world.</li> <li>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.</li> </ul> <p><b>Contributions to Society through Sports</b></p> <ul style="list-style-type: none"> <li>Conclusion of business cooperation agreement with Kobe City</li> <li>Opened the Kobelco Kobe Steelers Rugby Academy</li> <li>Support for Activities of the Hyogo Guide Dogs Association</li> </ul>  

For details, please refer to Communication with Stakeholders on pp. 89–91 of the ESG Data Book.

## Core Values of KOBELCO—Next 100 Project

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 Group Corporate Philosophy and to prevent us from

forgetting the quality misconduct (namely, passing on the lessons learned to future generations). The project is promoting recognition and empathy among all employees, 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.



### Review of Fiscal 2021 Activities

#### Ongoing Activities Further Deepened Amid the COVID-19 Pandemic

In the first year of the 2nd Step, we used online tools to continue with and add depth to our activities and promoted the participation of Group employees in remote locations, including those overseas. As part of dialogue activities between top management and employees, KOBELCO Gathering was held under the three themes of (1) Medium-Term Management Plan, (2) ESG/SDGs, and (3) DX strategy for better understanding of the various businesses of the KOBELCO Group. In addition, we also used online tools to promote visits to the KOBELCO Core Values Place, which is a facility for preventing us from forgetting the quality misconduct.

### Plan for Fiscal 2022 Activities

#### Improve Existing Measures and Thoroughly Address Issues at the Organizational Unit Level

Based on the results of the fiscal 2021 employee awareness survey, we will work to strengthen the "participation and practice" of employees in the implementation of the Group Corporate Philosophy and address issues specific to each organizational unit (e.g. each business location). Specifically, while improving existing measures, such as making videos of Declaration of Pledges by all directors and executive officers and boosting the KOBELCO Core Values Awards, we will promote the implementation of individual measures to address issues specific to each organizational unit. In addition, in light of the fact that five years have passed since the quality misconduct, we will continue our efforts to prevent ourselves from forgetting the quality misconduct by encouraging all KOBELCO Group employees to visit the KOBELCO Core Values Place and other means.

### Major Activities

	Measures	Description
Participation and practice	Declaration of pledges by top management, general managers, and employees	<ul style="list-style-type: none"> <li>We share the pledges made by top management throughout the Group and the pledges made by department heads in their respective divisions, while having individual employees declare their own pledges on their personnel evaluation sheets and on the Group Corporate Philosophy cards.</li> <li>From fiscal 2022, the video of declaration of pledges by all directors has been made available to the entire Group.</li> </ul>
	Training for department heads who preside over Dialogue Platforms	<ul style="list-style-type: none"> <li>Has been held every year since fiscal 2018 focusing on sharing issues and exchanging opinions, in order to improve the skills of department heads who act as facilitators of Dialogue Platforms.</li> <li>Target trainee: Department heads and heads of business sites in Japan and overseas (approx. 700 people)</li> </ul>
	Dialogue Platforms	<ul style="list-style-type: none"> <li>(1) Instilling the Group Corporate Philosophy</li> <li>(2) Preventing the quality misconduct from being forgotten</li> <li>(3) Has been held every year since fiscal 2018 for all persons engaged in the business of Kobe Steel and its Group companies for promoting two-way communication in the organization.</li> </ul>
	KOBELCO Core Values Awards	<ul style="list-style-type: none"> <li>Started in fiscal 2019 as an initiative to commend activities that exemplify the Group Corporate Philosophy and contribute to building a new corporate culture and to promote the practice of the Group Corporate Philosophy. In fiscal 2021, awards were given to 13 activities, including the Grand Prix and Semi Grand Prix awards.</li> </ul>
Recognition and empathy	Dialogues between top management and employees	<ul style="list-style-type: none"> <li>An activity to proactively demonstrate management's commitment to restoring trust through dialogues in which the president and other senior executives speak directly to employees about their thoughts</li> <li>The president has engaged in dialogues with approximately 1,500 people on a total of roughly 150 occasions, (as of March 31, 2022).</li> <li>Around 4,000 people (a cumulative total in fiscal 2021) attended the KOBELCO Gathering, a large-scale online dialogue.</li> </ul>
	KOBELCO Core Values Place	<ul style="list-style-type: none"> <li>Opened in 2019 within the Group's training center as a facility to share the lessons learned from the quality misconduct and pass them on to future generations</li> <li>Visited by around 12,000 people to date, including visitors to the online version and satellite facilities (as of March 31, 2022)</li> </ul>
	KOBELCO Core Values Day	<ul style="list-style-type: none"> <li>We have designated March 6, the day we announced the Report on Misconduct in Kobe Steel Group as KOBELCO Core Values Day to remind ourselves every year of our promise to society to not permit a recurrence and to ensure that the lessons learned are not forgotten. On this day, we share the president's message.</li> </ul>
Identification of issues	Compliance and employee awareness surveys	<ul style="list-style-type: none"> <li>Started in fiscal 2018 as a mechanism to comprehensively grasp the current status and issues of employee awareness about their work and the Company, as well as the state of the organization. Conducted annually. Necessary measures are taken based on survey results.</li> </ul>

## Human Resources Strategy

The KOBELCO Group believes that in order to fulfill its social responsibilities as a corporate group and create new value, it is important to develop human resources who understand and implement the Group Corporate Philosophy. To achieve this, we are implementing various initiatives, such as “encouraging the growth of future generations and developing a spirit of taking on new challenges,” “further promoting work style reforms,” and “developing diversity & inclusion.”

### Human Resources Development

Our human resources development is centered on on-the-job training, but also includes various other complementary training programs to increase effectiveness. The curriculum is reviewed annually, and we are proceeding toward the goal of “promoting a shift to a selective/autonomous education system” for the period of the current Medium-Term Management Plan.



Group training to complement on-the-job training

### Promoting a Shift to a Selective/Autonomous Education System (Managers and Career-Track Employees)

Amid changes in the external environment, including decarbonization and DX, as well as the diversification of lifestyles and work styles, the KOBELCO Group is reducing conventional standard/stratified programs and promoting a shift to a selective/autonomous educational system under the slogan of “self-directed, self-driven” in order to encourage the transformation and growth of individuals.

From fiscal 2022, we have started supporting the formulation of action plans for the growth of each individual by classifying the skills generally required for each rank and offering relevant training options.

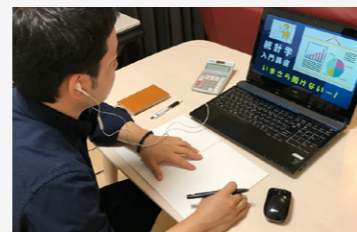
Looking ahead, we plan to introduce video-based curriculum services so that employees can learn anytime/anywhere and support their career planning through expanded career training opportunities. (Video-based curriculum services have been in place since July 2022.)

### Steps for Supporting Selective/Autonomous Education

Step 1 Clarification of individual challenges

Step 2 Identification of required skills

Step 3 Clarification of learning methods



Employees create their training program for themselves

### Work Style Reform Activities

The KOBELCO Group has been promoting various work style reform activities aimed at securing and retaining excellent human resources, creating time to enhance workplace communication, and creating a healthy working environment. Impacted by COVID-19, the work styles and

values of many employees have changed. With a view to how we live in pandemic and post-pandemic times, we will work to develop an environment where employees can choose flexible work styles according to the nature of work and circumstances for improved productivity.

#### Work Styles for the New Normal

Triggered by the spread of COVID-19, telework has become an established practice in our Group. In order to address issues that arise with remote work such as a lack of communication, we have adopted a hybrid work style that allows employees to work remotely as needed for further increased productivity, while requiring them to work in the office in principle.

We are working to increase awareness about new systems, expand their use, and facilitate their implementation, through measures such as the review of our telework system, the formulation of guidelines for tasks that are more appropriately done at the office or remotely, and the release of the video for remote work management.

#### Promoting Operational Improvement

We are promoting initiatives for operational improvement in order to increase the quality of work by reviewing operations and processes. Along with this, we are also working to foster a corporate culture and build mechanisms that boost operational improvement.

- Groupwide awards systems for activities that contribute to improved operations/operational efficiency in each workplace
- Promotion of paperless operations and elimination of stamps for approval
- Introduction of tools for automation and improved efficiency

## Human Rights

### Initiatives for Human Rights

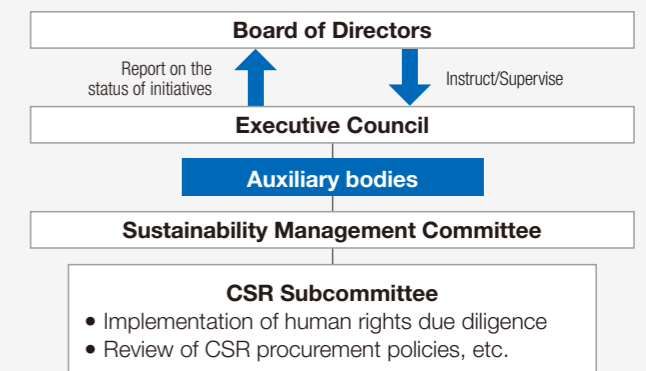
As a corporate group that operates businesses globally, the KOBELCO Group respects the International Bill of Human Rights adopted by the United Nations and pursues its corporate activities based on international standards such as the United Nations' Guiding Principles on Business and Human Rights. In order to clearly demonstrate our stance that respect for human rights is an important social responsibility, we established the Kobe Steel Group's Basic Policy on Human Rights, which

includes protections against child labor and forced labor, in October 2019.

In March 2021, we became a signatory to the United Nations (UN) Global Compact and we are working on activities as a member company. Going forward, as a company that endorses the principles of protecting human rights and eliminating improper labor practices, we will continue our efforts to achieve them and strengthen our initiatives to prevent human rights violations.

### Structure for Promoting Initiatives for Human Rights

We established the CSR Subcommittee under the Sustainability Management Committee, an auxiliary body to the Executive Council. This structure enables us to steadily carry out initiatives to ensure respect for human rights, including implementation of human rights due diligence.



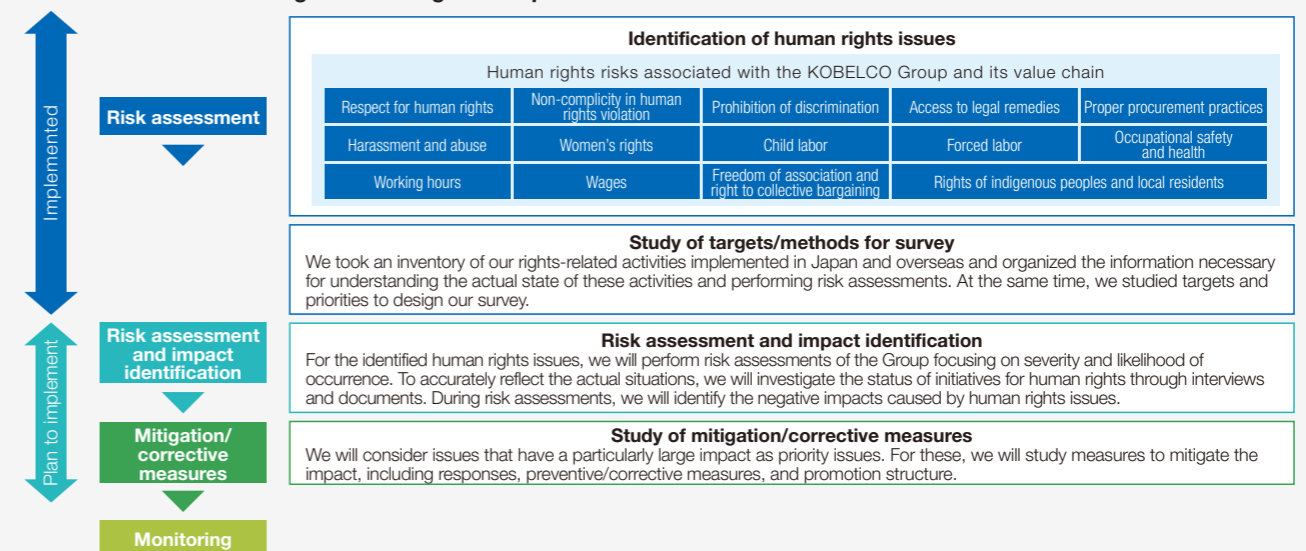
### Human Rights Due Diligence

We will identify and assess any potential adverse impact on human rights that the KOBELCO Group's business activities may cause in society, and take appropriate measures to prevent or mitigate any such impact. In fiscal 2021, we conducted human rights due diligence in accordance with the procedures of the UN's Guiding Principles on Business and Human Rights. Specifically, we referred to international standards and guidelines, such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work and identified industry-specific issues from which we

identified the human rights risks associated with the KOBELCO Group and its value chain, such as those related to occupational safety and health, ensuring proper procurement practices, and prohibition of discrimination. In fiscal 2022, we will perform risk assessments, identify impacts, and study mitigation and corrective measures, with a focus on the procurement environment of our Group's business sites in Japan and our primary suppliers.

Within the next several years, we plan to conduct human rights due diligence throughout the entire KOBELCO Group and in its supply chain.

### FY2021-2022 Human Rights Due Diligence Implementation Process





## Diversity & Inclusion (D&I)

We have been working to enhance the growth potential of the entire organization by encouraging people with diverse backgrounds and values to make the most of their abilities in the workplace. We believe this will lead to vigorous development of our business. We are accelerating our activities by setting the vision and basic policy for diversity and inclusion development.

### D&I Activity Policies

#### Vision for the Future

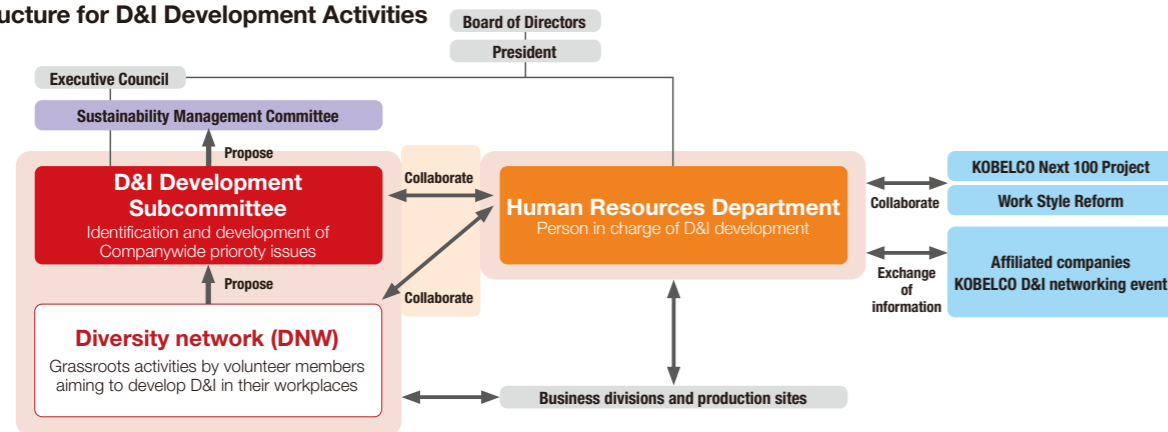
**Creating a work environment where diverse human resources can all play active roles**

- Each employee achieves self-improvement by demonstrating their own individuality and strengths.
- "KOBELCO One Team" takes on challenges and creates new value from diverse ideas and experiences.

#### Basic Policy

- Value the unique strength of individuals
- Promote a variety of working styles
- Take on the challenge of creating new value

### Structure for D&I Development Activities



### Lunchtime Sessions

We hold monthly online lunchtime sessions with the aim of providing new perspectives and promoting communication. The sessions serve as a two-way communication forum where leaders talk about their careers and D&I development and answer questions from employees. A total of 5,191 people participated in the event in fiscal 2021.



Lunch time sessions held online

### Support for Balancing Work and Childcare

As people's needs are diversifying, we are promoting a variety of initiatives to help employees balance their work and childcare. The results of our efforts include an increase in the percentage of male employees taking childcare leave. We will continue working to develop systems and corporate culture that make it easier for all eligible employees to take childcare leave.



For other D&I initiatives, please refer to Diversity & Inclusion (D&I) on pp. 75–81 of the ESG Data Book.

### Think about LGBT\*1

We are working to promote understanding of LGBT. We provide training to senior management and managers/supervisors and e-learning to all employees on LGBT topics. We have established the KOBELCO Familyship Program, in which LGBT individuals who are unable to legally marry can use the internal family program in the same way as legally married couples in order to create an environment in which all employees can work with their unique qualities fully demonstrated. We are also working to increase the number of people who become an Ally\*2 within the KOBELCO Group through seminars and stickers with the Ally logo. In November 2021, we received the highest ranking of Gold in the PRIDE Index\*3 in recognition of these initiatives.

\*1 LGBT stands for lesbian, gay, bisexual, and transgender. LGBT is an umbrella term that represents sexual minorities and suggests their self-identities in sexual orientation or in gender.

\*2 An Ally is a person who acts proactively for LGBT issues as one's own matter.

\*3 An index that evaluates companies/organizations for their initiatives for LGBT and other sexual minorities in the workplace. Established by "work with Pride", a voluntary organization that supports the promotion and establishment of diversity management for sexual minorities.



## Safety and Health

We believe that occupational safety and health are fundamental to our business operations and take priority over all business activities. In accordance with this principle, we comply with all relevant laws and regulations and carry out various safety and health activities to create vibrant workplaces where employees can work in a safe and secure environment.

### Safety Code of Conduct Based on the Core Values of KOBELCO

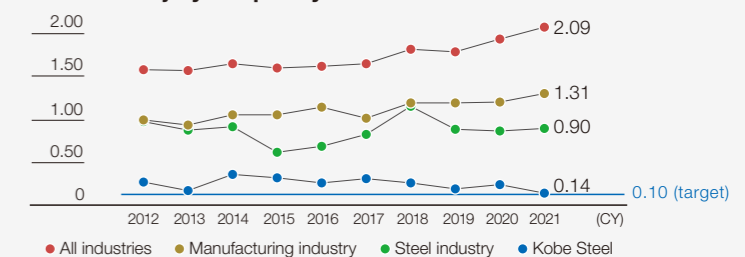
- We follow the rules at the workplace and build trust with families and coworkers.
- We value each and every one of our coworkers and care for each other.
- We aim for higher levels of safety and security through continued improvement of workplace facilities and systems.

### Key Objectives (Fiscal 2022)

- Accidents leading to death or serious injury (involving three or more people at the same time): Zero
- Lost time injury frequency rate (LTIFR): 0.10 or less

In fiscal 2021, the first year of the Medium-Term Management Plan (FY2021–2023), we implemented the following items: (1) Implementation of all-hands activities for raising safety awareness and watching out for each other (promotion with Safety Card, etc.), (2) Identification of actual safety and health management status through safety and health diagnoses, identification of issues, and efforts for improvement (support activities by the Safety Caravan Team), (3) Test operation and evaluation of machine safety and safety support tools, and (4) Identification of actual safety management status at overseas Group companies and study of support measures. In addition to these, we worked to strengthen our stratified safety and health training.

### Lost Time Injury Frequency Rate\*



\* Lost time injury frequency rate (LTIFR) = (Number of injuries requiring absence from work / Number of total hours worked) × 1,000,000

Issues we have identified include partial weaknesses in basic management and activities (inconsistencies among workplaces), with specific matters as follows.

- Policy management (Insufficient sharing of activity targets and improvement plans/activities for identified issues)
- Skill management (Insufficient clarification and documentation of work procedures, variations due to personalization)
- Risk management (Need to ensure completeness and appropriateness of risk assessments and mitigate risk)

In fiscal 2022, we will promote the creation of a PDCA framework to link various activities with the main goal of steadily implementing the priority items set out in the Medium-Term Management Plan.

For details on our efforts in safety and health, please refer to Safety and Health on pp. 67–69 of the ESG Data Book.

### Creating a Healthy Work Environment

We aim to create a healthy work environment with safety and security ensured where employees can maintain and improve their mental and physical well-being.

#### Mental Health Initiatives

- All of our business locations have consultation offices staffed by industrial counselors.
- We are creating a healthy workplace environment with an emphasis on work engagement based on the results of stress checks.
- We added sleep-related items to the stress check questionnaire for improvement. We also developed an educational video aimed at improving sleep.

#### Providing Improved Health Checkups (in cooperation with Health Insurance Association)

- Employees receive regular blood tests and endoscopic checkups, and all employees who are infected with Helicobacter pylori receive treatment.
- Employees aged 50 and over receive full compensation for optional checkups at health screening clinics (tumor markers, breast cancer checkups, brain disease checkups, etc.). In addition, employees and their spouses aged 50 and over are partially compensated for medical costs.

#### Activities to Help Employees Maintain and Improve Their Health

- As part of our effort to address lack of exercise, we post videos of stretching and back pain prevention exercises on our intranet.

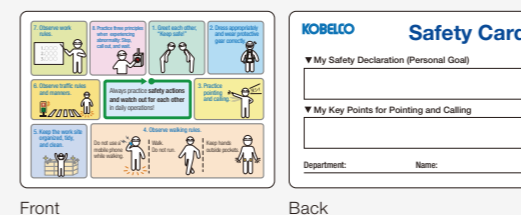
For details on the initiatives, please refer to Health & Productivity Management on pp. 84–85 of the ESG Data Book.

### Implementation Status of Safety and Health Training

Target	Objectives	Number of participants in FY2021
New employees (1–5 years of service)	• Understand basic rules for safety and health management thoroughly	223
Supervisors	• Learn about safety and health management and due attention to safety as a supervisor	539
Line managers	• Learn about how to create a workplace culture that embraces a safe work environment and how to develop a mechanism/systems to foster sustainable manufacturing capabilities	16

### Safety Card

We provide a Safety Card to all employees with the aim of making it a habit to act with awareness of basic rules and manners, and raising safety awareness and increasing the momentum for all employees to participate in activities by encouraging each and every individual to think about safety as their own matter and continuously making safety the highest priority both in awareness and action.



Although the LTIFR in 2021 was 0.14, failing to achieve the target of 0.10, it remains below the national average, and is the lowest level in the past 10 years. However, in August 2021, a fatal accident occurred due to a fall from height in a Group company, and in March 2022, another fatal accident occurred in the Company\*. These accidents took the precious lives of members of our Group. We will thoroughly investigate the cause of these accidents and implement activities to prevent fatal accidents from happening again.

\* Covers all employees in the Company (including seconded employees and temporary or part-time employees)

## Building Responsible Supply Chains

In order for the KOBELCO Group to realize KOBELCO's View of the Future, as a responsible member of the global supply chain, we actively promote initiatives to address issues such as human rights and environmental challenges, not only in our own Group but also throughout its supply chains.

The KOBELCO Group has formulated its basic procurement policy toward building responsible supply chains. We will fulfill our social responsibilities while working to grasp the supply chain issues in the procurement of raw and other materials in order to ensure a stable supply of our products and services.

### Promotion System

The Companywide policy is proposed by the Sustainability Management Committee to the Executive Council for deliberation to build consensus. The approved policy is promoted by operation managers at procurement divisions under respective business divisions. From the viewpoint of risk management, procurement activities are conducted in collaboration with the Risk Management Committee to strengthen the policy implementation.

### Basic Procurement Policy

The KOBELCO Group's procurement divisions act in accordance with the basic procurement policy as provided below.

1. Compliance with laws, regulations and other social norms
2. Fair and impartial transactions
3. Coexistence with the global environment through procurement
4. Strengthening of partnerships with business partners
5. Management of confidential information

### Requests to Our Business Partners

The KOBELCO Group requests its business partners to understand and practice the following in order to work together to build responsible supply chains.

Compliance	Human rights and labor	Safety and health
Environment	Fair trade and ethics	Quality and safety
Information security	Business continuity plan	Social contribution

### Approaches to Our Business Partners

In fiscal 2021, the KOBELCO Group began activities to promote a deeper understanding of our Group policies among its business partners and initiated surveys on the current status of their initiatives.

Going forward, we will continue to collaborate with our business partners to build responsible supply chains.

### Main Initiatives in Fiscal 2021

#### • Sharing of Explanatory Video

In September 2021, a video explaining the KOBELCO Group's approach for building responsible supply chains was made available to all of our business partners.

The explanatory video is available on our corporate website.

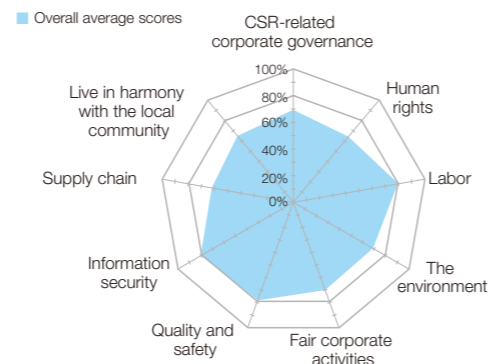
<https://www.kobelco.co.jp/english/sustainability/procurement.html>

#### • Survey by Questionnaire

We conducted a questionnaire survey targeting Tier 1 suppliers in Japan and overseas to investigate the status of their initiatives.

- Period: February–May 2022
- Target: 330 major suppliers of raw and other materials
- Responding companies: 271 (Response rate: Approx. 82%)

→ Scores for "Human rights" and "Supply chain" were relatively low in comparison to "Labor" and "Quality and safety," which are the themes that the manufacturing industry has long been working on. Since there are differences depending on the size of the company, we believe that more detailed study and analysis are required from various perspectives, such as the business scale and business items.



### Initiatives Scheduled for Fiscal 2022 and Beyond

We plan to request the cooperation of our business partners and conduct a questionnaire survey on their compliance status, focusing on important items such as "human rights and labor," and "disputes over minerals."

For details, please refer to Building Responsible Supply Chains on pp. 86–88 of the ESG Data Book.

## Quality

### Trust Improvement Project

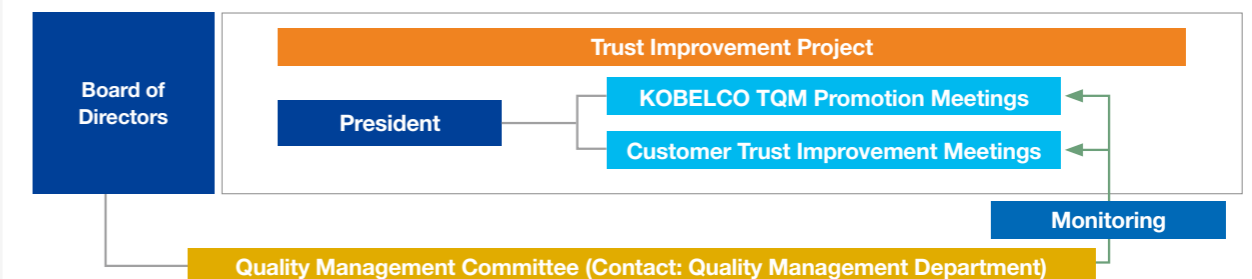
The KOBELCO Group has implemented measures to prevent recurrence of the quality misconduct since fiscal 2018 and completed planned activities. In fiscal 2020, we launched an initiative for KOBELCO Total Quality Management (TQM)\* to prevent the quality misconduct from fading away, achieve sustainable growth, and realize our Group Corporate Philosophy. In fiscal 2021, we reorganized the Project for Restoring Trust into the Trust Improvement Project led by the president to implement TQM activities Groupwide. The project is composed of

KOBELCO TQM Promotion Meetings and Customer Trust Improvement Meetings.

Under the Trust Improvement Project, the Quality Management Committee, an advisory body to the Board of Directors, continues to monitor and make recommendations from an objective perspective.

\* As the next step to prevent recurrence, KOBELCO TQM aims to strengthen the management of each operating segment while identifying issues that serve the needs of customers and society and addressing them with the participation of all employees.

#### Trust Improvement Project Structure



### KOBELCO TQM Promotion Meetings

We promote activities across the entire Group through five task forces dedicated to Planning and Promotion, Human Resources Development and Training, Operational Quality Improvement, Quality Assurance Improvement, and *Monozukuri* (Manufacturing) Support. We also provide TQM training for management and employees as comprehensive training program for all members. As well, we are working to revitalize quality control activities and other improvement activities, and to strengthen our quality assurance structure centered on quality guidelines.

### Customer Trust Improvement Meetings

We are working to achieve and maintain a state where customers recognize that Kobe Steel has changed and where employees also feel that the Company has changed, and we have earned trust from customers. As measures to achieve this goal, we are working in collaboration with relevant departments to promote the sharing of customer information, and customer satisfaction surveys.

### Message from the Director Overseeing Companywide Quality

We started KOBELCO TQM activities in 2020.

The "Q" in TQM, which stands for quality, covers not only the quality of products and services, but also the quality of overall Company activities, which encompass organizations, operations, and people. There are three basic elements of TQM activities: daily management, policy management, and small group improvement activities. Training, which underpins these elements, is also important. The purposes of TQM activities are to conduct management for improving the quality of these three elements, and to make our Group a strong and good corporate body through continuing improvement activities to address problems and issues with the participation of all members of the Group.

The action principles of KOBELCO TQM set forth "customer perspective (trusted quality)," "participation of all members (harmony of the Group)," and "constant improvement" in accordance with the Core Values of KOBELCO in the Group Corporate Philosophy. We will link the TQM activities with other initiatives such as the Core Values of KOBELCO—Next 100 Project, DX strategy, work style reforms, promotion of D&I, and ROIC management with the aim of increasing the effectiveness of our activities. In order to realize a world envisioned in our view of the future through the diverse businesses that characterize the KOBELCO Group, we will pursue solutions leveraging synergies created by the enhancement of collaboration among business divisions, while promoting the contribution of each organization to fulfilling our Group's mission of providing solutions to the needs of society. Under our policies and goals focused on the customer's perspective, our Group will, with a firm resolve for continuous transformation, strive to continue to achieve its management goals through improvement activities with the participation of all members in pursuit of the KOBELCO Group that grows sustainably.



**Fusaki Koshiishi**  
Executive Vice President  
and Representative Director

For details on our quality initiatives, please refer to Quality on pp. 114–115 of the ESG Data Book.