

Initiatives for Society

Human Resources

The KOBELCO Group believes that in order to fulfill its social responsibilities as a company and further enhance its corporate value, it is important to encourage its diverse employees to demonstrate their individuality and utilize their talents so that they can work with pride and passion. Along with this, it is also important to develop human resources who have enthusiasm to tackle issues that our society faces and flexibility to respond to social changes. In order to achieve these goals, we have been implementing a variety of initiatives under the Medium-Term Management Plan starting from fiscal 2021 with the themes of: 1) Building a new personnel system to heighten awareness of making changes, taking on challenges, and producing results; 2) Encouraging the growth of future generations and developing a spirit of taking on new challenges; 3) Creating new value by utilizing the diversity of individuals; and 4) Further promoting work style reforms.

Item	Previous Plan	FY2021-2023 Medium-Term Management Plan
Reforming the personnel system	<ul style="list-style-type: none"> Clarification of evaluation standards Retirement age extension Promoting feedback 	Building a new personnel system to heighten awareness of making changes, taking on challenges, and producing results <ul style="list-style-type: none"> Clarify expected roles and abilities Review the seniority-based personnel system (with a focus on roles and results) Make careful selections of management positions and promote the appointment of professional human resources
Strengthening personnel development	<ul style="list-style-type: none"> Leader training (strengthening selected training, promoting executive training) 	Encouraging the growth of future generations and developing a spirit of taking on new challenges <ul style="list-style-type: none"> Early development and systematic placement of management personnel Introduction and establishment of selective and autonomous education Enhanced education to strengthen <i>monozukuri</i> capabilities
Diversity & Inclusion	<ul style="list-style-type: none"> Supporting women's active participation Improving work-life balance of all employees 	Creating new value by utilizing the diversity of individuals <ul style="list-style-type: none"> Strengthen support for diverse work styles and active participation of minorities Improve internal communication and build a diversity network* <small>*Cross-organizational platform for knowledge acquisition and exchange of ideas on diversity development</small>
Work style reforms	<ul style="list-style-type: none"> Promoting telecommuting Increasing the number of paid days off taken Improving meetings and email efficiency 	Further promoting work style reforms <ul style="list-style-type: none"> Business improvement and penetration of standard business practices Improvement of the office work environment Development of flexible working styles and employment systems

Reforming the Personnel System

In today's world where we are driven to make constant changes amid intensifying business competition, each and every employee needs to have awareness of making innovative changes and create new value. To foster their motivation, we believe it is necessary to place greater emphasis on their roles and performance in evaluating them and deciding on their treatment. For this purpose, we are studying how to implement a personnel system that will help achieve this goal.

TOPICS **Extension of Retirement Age to 65 from FY2021**

As birthrates decline and populations age, it is becoming increasingly difficult to secure human resources. In response to this trend, Kobe Steel changed its mandatory retirement age from 60 to 65 in fiscal 2021 with the aim of improving the motivation of seasoned employees, heightening *monozukuri* capabilities, and fostering a sense of solidarity in the workplace. The change in the mandatory retirement age enables employees to work from the time they join the Company until they reach the age of 65 under the same employment conditions while allowing continuous compensation systems. In addition, we will revise our personnel system in conjunction with this change to create a framework that reflects the abilities and achievements of individuals more appropriately in compensation. This will lead to an increase in employees' motivation for growth.

Human Resource Development

We have defined our ideal image of human resources with the aim of ensuring that each and every employee shares diverse values and has pride and passion in their daily work. For human resource development, Kobe Steel conducts employees' training mostly by on-the-job training but also provides training programs that complement it. We revise the contents of the training programs annually. In particular, in the current Medium-Term Management Plan period, we are pursuing the following three initiatives under the theme of "encouraging the growth of future generations and developing a spirit of taking on new challenges."

■ **Early development and systematic placement of management personnel**

We are providing selective training that incorporates business administration. We support the growth of employees not only by the human resource development through training, but also by proactively adopting systematic personnel allocation.

■ **Introduction and establishment of selective and autonomous education**

We are reducing traditional stratified training and moving towards

selective and autonomous education. While employees are encouraged to autonomously build their own careers and learn on their own, the Company will provide growth opportunities for them and support the active participation of diverse human resources.

■ **Enhanced education to strengthen *monozukuri* capabilities**

In order to maintain and improve our *monozukuri* capabilities, which are the source of our competitiveness, we have been systematically promoting the transfer of skills within the Company. Going forward, we will implement measures to further strengthen our *monozukuri* capabilities, including revising the training system up to the fifth year of employment and enhancing the development of supervisors, who play a key role in the workplace.

TOPICS **IT Human Resource Development**

We are promoting IT human resource development as a foundation for the advancement of digital transformation (DX) across the Company.

First and foremost, we aim to develop approximately 500 "IT evangelists" by fiscal 2023 as human resources who plan and advance business reforms in their own departments utilizing IT. To this end, we are implementing a range of training programs, including design thinking, requirements definition, and project management.

Work Style Reform Activities

Our Group's work style reform activities aim to secure and retain excellent human resources, create time to enhance workplace communication, and create a healthy working environment. To this end, we have been implementing a wide range of initiatives, including increasing the number of days of paid leave taken by employees, establishing rules for meetings and email, promoting business transformation utilizing IT, loosening dress codes in some offices, and establishing a better work environment.

Many employees' work styles and values have changed due to the impact of COVID-19, and we are working to minimize the risk of infection by recommending safe work practices such as telecommuting, staggered working hours, and active use of online meetings. As a result, the use of telecommuting and paperless systems is becoming more widespread. Going forward, we aim to increase work efficiency by improving the work-from-home system and promoting workspaces without assigned seating (hot desking) in offices, and to further improve productivity by creating a workplace culture that encourages active communication and autonomous thinking.

During the period covered by the new Medium-Term Management Plan, we believe it is important to improve

the way we work on a daily basis with the participation of all employees, including executives, and to further enhance the quality of all corporate activities, including business operations and organizational structures, in order to realize our Group Corporate Philosophy. We will continue to proactively promote initiatives that will lead to the strengthening of our corporate competitiveness, with the aim of improving productivity while at the same time pursuing a healthy working environment where diverse human resources can perform to the best of their potential.

FY2016-2017	Initiative to increase the number of paid leave days taken by employees
	Formulation of KOBELCO-way meeting rules to improve efficiency of meetings
	Formulation of KOBELCO-way email rules
FY2018-2020	Reform of work rules (prohibit work after 7 p.m.)
	Formulation of rules for efficient document preparation
	Implementation of business improvement awards
	Revision and promotion of work-from-home system
	Loosening of dress codes

Strengthening Activities to Respect Human Rights and Resolve Human Rights Issues

As a corporate group that globally operates businesses, the Group respects the International Bill of Human Rights adopted by the United Nations and pursues its corporate activities based on international norms 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.

To ensure that human rights awareness deeply permeates the entire Group, both in Japan and overseas, and to clarify our stance of not tolerating discrimination and harassment, we conduct human rights awareness training and have established consultation helplines. In fiscal 2020, we conducted anti-harassment training for all executives of Kobe Steel, and similar training was also held at our local subsidiary in China.

In addition, in March 2021, we signed the United Nations Global Compact and registered as a participating company. Going forward, as a company that endorses the principles of protecting human rights and eliminating unfair labor practices, we will continue our efforts to realize these principles by strengthening activities to respect human rights in our procurement activities, striving to identify human rights issues in our business activities, and strengthening our efforts to prevent human rights violation issues from occurring in the first place through the promotion of human rights due diligence.

The Kobe Steel Group's Basic Policy on Human Rights

https://www.kobelco.co.jp/english/about_kobelco/csr/files/policy_en.pdf



Activities in Line with the Group's Basic Policy on Human Rights

KOBELCO launched "Think About LGBT" initiative to promote understanding of LGBT people

We aim to create a workplace environment where individuality is respected, and every employee can work with peace of mind and perform to the best of their abilities. To that end, we are conducting executive training and training for all employees, and working to develop various systems and create a healthy work environment.

*LGBT stands for lesbian, gay, bisexual, and transgender. LGBT functions as an umbrella term for people's identity that refers to sexuality and gender identity.

KOBELCO
LGBT ALLY logo

Our rugby ball shaped logo is inspired by Kobelco Kobe Steelers, a league one rugby club in Japan.