

Recruiting and Nurturing Diverse Human Resources (Labor Standards)

Initiatives

New Workstyles

To ensure the sustainable development of the JFE Group, it is essential to fundamentally review past customs and develop workstyles that enable each employee to be highly productive in creating new value with pride and satisfaction in their work. Under the Seventh Medium-term Business Plan, we intend to continue building workplace environments and internal systems that enable employees to fully demonstrate their abilities with a sense of security and safety.

Promoting Satisfying Working Environments

The JFE Group complies with laws and regulations related to salary payments and sets salaries above the minimum wage designated by country, region and industry sector to meet living wage requirements. In addition, the Group establishes challenging and satisfying working environments by providing employees with one of the top levels of employment conditions in the industry as well as performance-based bonuses linked to company profits.

Besides complying with regulations, such as on overtime limits, our meetings, including those of the Board of Directors, regularly address the status of working hours and workstyles at operating companies, and the members promote initiatives aimed at reducing total working hours and adapting to new workstyles.

Furthermore, the Group offers generous welfare benefits, including dormitories and company housing in order to provide a stable environment for our employees and encourage them to remain with the company for many years.




JFE Steel

Promoting a New Workstyle

As JFE Steel takes on the challenge of achieving the most significant transformations since its founding under the Seventh Medium-term Business Plan, including a shift from quantity to quality, the company is accelerating its efforts to establish an environment that offers employees the flexibility to choose the workstyle most productive for them and brings out the best of their abilities.

Public response to the state of emergency declared under the COVID-19 pandemic led to the widespread adoption of new styles of living and working. This was also true at JFE Steel, where employment styles that combine working at the office and at home have become emerged, mainly at the head office and branches. Employee workstyle values have also changed significantly. Seizing this as an opportunity to move beyond responding to COVID-19, JFE Steel is promoting its new workstyle so that employees can work with a sense of job satisfaction and fulfillment, which in turn will lead to improving productivity across the company. In concrete terms, the company will promote teleworking by expanding its work-at-home systems; introduce a coreless flexible working hour program; adopt a shared-desk policy at the head office; introduce chat and web conferencing tools and robotic process automation (RPA), a software program that facilitates the automation of work done on terminal devices; promote paperless offices by introducing electronic contracts; and eliminate the use of seals by applying workflow automation software. Through these efforts, we will seek to reduce total working hours while also shifting to a workstyle with higher added value and transforming our corporate culture.

In addition, JFE Steel introduced a cafeteria plan as an employee benefit in FY2022 to meet the diversifying needs of employees following a rise in the number of mid-career hires and other changes. The company seeks to enhance the work-life balance by encouraging employees to take paid leave by designating annual planned leave days and offering a work-life-balance vacation program to support employees in taking vacations for childcare, nursing care, self-enlightenment, or participation in volunteer activities. In FY2022, it revised the work-life-balance vacation program to make it available for infertility treatment as well.


JFE Engineering

Enhancing Productivity with New Workstyles

JFE Engineering is promoting “vacation-style reform” across the company. Employees are encouraged to take Fridays off during the summer and consecutive days of paid leave following the completion of construction work. Out of 22 paid leaves granted, 19 paid leave days on average (over 86% of the total) were taken by employees in FY2022. The company intends to raise the average taken to at least 20 in FY2023.

As part of its workstyle reform, JFE Engineering has introduced a flexible working hour program for offices, in which employees determine their own core work hours. Under the program, the company designates “no overtime days” on which employees must leave the office on time and in principle prohibits overtime work after 8 pm to encourage employees to work more efficiently. Teleworking, which was introduced as a preventive measure against COVID-19 infections, has been adopted as a permanent system since FY2021. Employees can work at home or at any of the roughly 400 shared offices nationwide, thereby supporting flexible workstyles.

In the area of construction, JFE Engineering is making greater use of IT at construction sites and expanding on-site support provided by the head office using remote environments to fully adopt a five-day workweek.


JFE Shoji

Initiatives to Support Various Workstyles to Realize a Work-life Balance

As a measure to realize a work-life balance, initiatives have been implemented to reduce work hours, such as designating Wednesdays as the day to encourage everyone to leave on time, prohibit all work after 10 pm, and also designating days when employees are encouraged to take paid leave. To support more diverse workstyles, JFE Shoji changed its flexible working hour program in April 2016 by setting the core worktime between 11 am to 2 pm, and by introducing work-at-home systems for employees pressed for time due to childrearing or nursing duties.

The company also periodically designates “challenge days” to help all employees become aware of and practice a healthier work-life balance, and it implements various initiatives to reform workstyles, such as requiring employees to leave work on time on designated days and having them declare the time they will leave the office on certain days while also making sure they keep to it.

Looking beyond COVID-19, the company set up a project team to explore new workstyles that are even more efficient and flexible, and it will consider promoting paperless offices based on digitization and developing offices that meet the needs of the new normal.

Operational Reforms


JFE Steel

Promoting Operational Reforms that Leverage the Newest ICT

To reduce employee time spent on simple for repetitive tasks and free up more time for creative work, JFE Steel implemented RPA, a software to facilitate the automation of human work done on terminal devices. As of FY2022, RPA was deployed in over 700 types of operation, releasing over 85 thousand hours to be spent on other productive work.

JFE Steel is also expanding its RPA in-house development program, which began in the latter half of FY2020, across the company, with more than 320 people having completed the academy for development tools. In addition to low-code development tools, the company is promoting in-house development using workflow systems, to improve operational efficiency as well as promote workstyle reforms, such as eliminating the use of stamps and shifting to a paperless system. The time saved from these operational reforms will be used toward enhancing customer service.

To promote data-driven operational reform, the company will also rollout a new BI tool company-wide to speed up decision-making by visualizing and sharing data, thereby enhancing corporate competitiveness.

JFE Engineering

Smart-Work Project

JFE Engineering introduced an electronic seal system for all employees to eliminate the need to come into the office to apply the seal to more efficiently use remote work. As a result, more than 10,000 documents were digitized each month, reducing paper use by 50%. In addition, RPA, used to automate over 270 tasks as of FY2021, automatic note-taking tools for remote meetings, and automatic translation tools increasingly being used by overseas divisions, have also contributed to raising operational efficiency.

By introducing various systems, measures and tools to boost efficiency, JFE Engineering intends to achieve both work-life-balance and improved productivity while maximizing overall output.

JFE Shoji

J-SLIM Activities

JFE Shoji will continue to drive its J-SLIM activities, which is an operational reform aimed at increasing work efficiency and performance. At the 2022 J-SLIM presentation, 24 teams from JFE Shoji and domestic and overseas group companies presented their J-SLIM activities online, which was viewed by a total of 2,800 people across the group. These activities included reviewing how to share information, reducing work hours by introducing the latest IT tools including RPA, and improving the accuracy and efficiency of office work by utilizing data and EXCEL functions. JFE Shoji is promoting the sharing and horizontal deployment of these activities that lead to improved productivity throughout the Group. The company will continue to foster a corporate culture that can flexibly adapt to the changing times and constantly seek change free of preconceived notions.

Invigorating Workplaces through Small Group Activities

JFE Steel

In JFE Steel, approximately 1,500 small groups carry out J1 Activities* that have yielded various results in the key areas of quality and work improvement. In addition, the JFE Family Result Reporting Conference, which includes participation from Group companies, is held twice a year, and groups that excelled in the competition are dispatched to QC Conventions and affiliated companies in Japan and overseas to strengthen the J1 Activities.

* Designed to turn JFE into an excellent company and propel it to the number one position in its industry (called JE1 Activities at JFE Engineering and J1 Activities at JFE Steel and JFE Shoji).

JFE Engineering

JFE Engineering has about 250 teams and 1,900 employees, including those of group companies worldwide, involved in JE1 Activities. The results of these activities are showcased at a company-wide competition held at the end of the fiscal year. Activities focused on topics such as quality, efficiency, safety or costs contribute significantly to workplace vitality and corporate performance.

JFE Shoji

JFE Shoji has been conducting J1 Activities in production divisions of its group companies in Japan as a means of improving their problem-solving skills in areas such as safety, quality, cost, operations and delivery target. The company holds annual competitions in which about 20 teams report their activity results and awards are given to the highest achieving teams. The company will continue to promote J1 Activities to improve workplace vitality and improve problem-solving skills.

Diversity and Inclusion

Structure for Promoting Diversity

Each operating company has a Diversity Promotion Section to steadily promote initiatives to raise employee awareness, increase the number of women hired, and establish a system that supports women at work. In addition, the JFE Group has established a diversity committee, headed by the president, and the management and promotion organization work together to formulate and implement Company-wide policies.

Initiatives to Promote Diversity

In a rapidly changing business environment, the JFE Group believes that the fusion of various values and ways of thinking will lead to the creation of unprecedented ideas and solutions, which ultimately results in sustainably enhancing corporate value. For this reason, the Group has positioned diversity and inclusion as a key management concern and is working to create an environment where employees with diverse backgrounds, including gender, nationality, values, and different lifestyles, can demonstrate their abilities. We developed even more ambitious KPIs particularly to support the advancement of women, such as number and ratio of women appointed to management positions and the ratio of female hires, starting in FY2022. Every operating company formulates a company-wide policy through discussions with management. These efforts include recruitment measures to increase the number of candidates for female management positions, and retention measures through the enhancement of internal and external networking and the presentation of role models, as well as placement and development measures through the creation of individual training plans for female employees.



JFE Steel

JFE Steel is working to cultivate a culture in which diverse human resources can demonstrate their full potential by providing diversity training for management and managers and designating a Diversity Month. Since FY2021, the company has had ongoing discussions on diversity issues and initiatives mainly at the management level. Starting in FY2023, the officers and general managers have set diversity targets to strengthen activities in each division and workplace. To promote the advancement of women, the company provides career training for female employees and their supervisors and actively dispatches female employees to external training programs to increase the number of female employees appointed to management positions. Online career exchange meetings between business sites planned together with female employees have also started. For female employees working in workplaces that operate in shifts, the company has also established a program for helping them maintain their work-life balance by discussing their career development through interviews with their supervisor and the personnel division. Through this program, JFE Steel is providing the best possible support for female employees so they can continue working after pregnancy, childbirth, or other major life events. To encourage male employees to be engaged in parenting, labor and management has discussed the issues related to taking childcare leave and jointly issued a message recommending that these leaves be taken. In addition, the company supports employees at various life stages, such as by holding seminars on balancing nursing care and work. All of these efforts are intended to create a workplace where employees feel comfortable and fulfilled.



JFE Engineering

JFE Engineering engages in activities for reforming its corporate mindset, including diversity seminars for managers, e-learning programs for all employees and the annual Diversity Month. In FY2022, as part of the CSR promotion system*¹, the Diversity Committee, comprising the management team, was established to deploy company-wide policies and formulate and implement plans for each organization. For female employees, the company organizes leadership seminars and opportunities for exchange. It also accepts around 80 locally hired employees*² of overseas Group companies at any given time to provide on-the-job training. The company also strives to create an environment in which workers can spend their time in Japan with a sense of security, by launching a helpdesk on daily matters for non-Japanese nationals, offering information through a portal site and providing Japanese language classes. Every year in Japan, JFE Engineering actively hires around 70 mid-career recruits possessing diverse characteristics and values, such as those with experience in other industries.

*1 The name was changed to the Sustainability System in FY2023.

*2 In FY2022, about 60 employees were accepted due to the impact of COVID-19, but this number is expected to gradually increase.

SH JFE Shoji

To promote company-wide awareness, JFE Shoji regularly holds diversity seminars for the management team, diversity management seminars targeting managers including those at Group companies, and e-learning for all employees. In addition, the Diversity Promotion Committee, comprising the management team, was established to share overall policies and achieve departmental targets. The company also supports the career development of female employees by providing a career training program for mid-career female employees together with their supervisors while holding roundtable discussions with senior employees and actively dispatching female employees to external training programs and activities.

To ensure that women can continue working after childbirth or periods of childcare or nursing care, the company organizes information exchange meetings for employees on maternity leave and follow-up seminars after they return to work. As part of efforts to encourage male employees to participate in childcare, we hold seminars on male childcare leave and provide explanations to department heads and to the employees.

Promoting Women's Professional Development

The JFE Group is implementing a broad range of initiatives to promote women's advancement, including active recruitment, enhanced childcare-support programs that significantly exceed statutory requirements, and development of training and awareness-raising activities. The initiatives and issues faced by each company are shared among operating companies. They are also discussed at the Board of Directors' and other meetings in an ongoing effort to promote the initiatives. In recognition of its efforts to encourage the empowerment of women, JFE Holdings has been selected three times as a Nadeshiko Brand* since FY2013.

* A joint project of the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. One company per industry is selected from among those listed on the First Section of the Tokyo Stock Exchange and announced as a company that is actively promoting the careers of female employees, including improvements to environments where women can continue to work.

Formulation of an Action plan for Promoting Women's Professional Development

The Act on Promotion of Women's Participation and Advancement in the Workplace went into effect on April 1, 2016. The JFE Group has designated the promotion of workforce diversity as a key management strategy for maximizing the potential of every employee and has been actively hiring and supporting the advancement of female employees.

We formulated the following action plan in accordance with the Act to establish a working environment that encourages female employees to demonstrate their abilities and create satisfying workplaces for all employees.

- **Action Plan Period**

Period of five years starting on April 1, 2021 and ending on March 31, 2026

- **Target of the Action Plan**

We have set a common goal for the JFE Group to increase the ratio of women in managerial positions above the section manager level to at least 10% by 2030 (of which at least 20% are in administration and the sales divisions). Under this goal, we will actively promote the appointment of women to managerial positions.

- **Action Plan for Each Operation Company**

- ▶ [JFE Steel \(Japanese Only\)](https://www.jfe-holdings.co.jp/csr/pdf/female_plan_st.pdf) (https://www.jfe-holdings.co.jp/csr/pdf/female_plan_st.pdf)

- ▶ [JFE Engineering \(Japanese Only\)](https://www.jfe-holdings.co.jp/csr/pdf/female_plan_eng.pdf) (https://www.jfe-holdings.co.jp/csr/pdf/female_plan_eng.pdf)

- ▶ [JFE Shoji \(Japanese Only\)](https://www.jfe-holdings.co.jp/csr/pdf/female_plan_shoji.pdf) (https://www.jfe-holdings.co.jp/csr/pdf/female_plan_shoji.pdf)

Company Policy Explained by the President

The president of JFE Holdings has endorsed the Declaration on Action that was introduced by a group of male leaders in Japan who intend to create “A Society in which Women Shine” with the support of the government’s Gender Equality Bureau Cabinet Office. He also announced additional measures to support the professional development of female personnel, thereby communicating both inside and outside the company that women can play active roles at JFE.

For more information, see:

► [Declaration on Action by a Group of Male Leaders Who Will Create a Society in Which Women Shine](https://www.gender.go.jp/policy/sokushin/male_leaders/pdf/declaration_body_en.pdf)

(https://www.gender.go.jp/policy/sokushin/male_leaders/pdf/declaration_body_en.pdf)

Employment of People with Disabilities

The JFE Group has three special subsidiaries, JFE Apple East Corporation, JFE Apple West Corporation and Mie Data Craft Co., Ltd., to employ people with disabilities and create enjoyable workplace environments for them.

For more on the employment of people with disabilities, see:

► [Data on Employment of People with Disabilities](#) (P.247)

Programs for Employees Over 60 Years Old

To ensure that the skills and experience of veteran employees are handed down, JFE Group companies have either raised the mandatory retirement age to 65 or introduced a system that enables all employees to work until the age of 65.

As of April 2023, 751 elderly employees (about 3.5% of the total) are working at JFE Steel, JFE Engineering, and JFE Shoji.

JFE Steel

JFE Steel raised its mandatory retirement age to 65 in April 2021 to increase the motivation of veteran employees in their work, pass on their techniques and skills, and steadily promote human resource development. While we used to rehire anyone who wished to continue working after reaching the age of 60, we recently established a personnel and wage system to cover all employees up to the age of 65.

JFE Engineering

JFE Engineering regards veteran employees as highly specialized experts in business and technical fields and expects them to play roles in maintaining and strengthening competitiveness while passing on their skills to the next generation of workers. To encourage their further success, we raised the retirement age to 65 in fiscal 2023.

JFE Shoji

JFE Shoji is mindful of creating an environment that allows veteran employees over 60 to continue working with high motivation, while also seeking to realize flexible workstyles and develop a healthy working environment. Employees may choose from a variety of working arrangements, including full-time employment, shortened workweeks, and shortened daily work hours in accordance with their lifestyles.

JFE Group Creating an Inclusive Workplace

The JFE Group is creating a workplace that does not discriminate on the basis of gender, sexual orientation or gender identity by conducting internal human rights seminars and position-specific curriculums. LGBTQ concerns have also been incorporated into the Group's compliance guidebook, which is distributed to all employees and used as a common reference during the annual Compliance Month of October toward nurturing greater understanding. JFE Steel has revised its benefit program to extend coverage to same-sex or de facto partners from FY2022 and holds program briefings and educational training sessions. At JFE Engineering, e-learning programs are offered to all employees, and seminars are held mainly for personnel in human resources.

Securing Diverse Human Resources

Recruitment Results for University Graduates (FY2023) and Mid-career Recruits (FY2022)

552 employees (total of three operating companies)

- Women in positions with prospects for promotion: 20.6% (77 out of 373)
Women in white-collar positions: 31.5% (53 out of 168)
- Mid-career and year-round recruits: 30.3% (167 out of 552)
Recruits in positions with prospects for promotion: 32.2% (120 out of 373)
Recruits in on-site positions at steelworks: 26.3% (47 out of 179)

To ensure sustainable growth, the JFE Group steadfastly recruits from a diverse pool of applicants and actively hires women, foreign nationals and mid-career personnel, and recruits year-round.

The Group also operates overseas businesses across a broad range, and its overseas sites hire employees locally, thereby contributing to communities with employment opportunities.

■ Recruitment Results (Three Operating Companies) for University Graduates (FY2023) and Mid-career Recruits (FY2022)

Category	Career-track Positions			On-site and Clerical Positions	Total
	White-collar	Technical	Total		
Male	115	181	296	170	466
Female	53	24	77	9	86
Total	168	205	373	179	552
Ratio of women (%)	31.5	11.7	20.6	5.0	15.6

For more on employees, refer to the following data.

▶ [Social Data](#) (P.243)

Human Resource Development

The JFE Group is enhancing training and education with an emphasis on nurturing the capacities of each employee and cultivating global human resources to support the expansion of our overseas business. We are also committed to securing and developing the necessary human resources to promote the DX strategy, one of the JFE Group's management strategies. In FY2023, we are adding a new KPI for DX human resource development to the KPI for training hours per employee, to further accelerate our efforts.

JFE Steel

Passing on Skills and Promoting DX Human Resource Development

The generational replacement of employees has peaked, raising the urgency of boosting the skills of younger employees. Accordingly, the company applies an evaluation system at manufacturing sites to quantitatively grasp and analyze the skill level of each employee and then uses the results in its training system. It also promotes the use of IT such as a mixed reality technology-based training simulator for enhancing the quality of training.

Furthermore, the Group is taking steps to respond to DX technologies, which are rapidly being introduced and applied in industry, for such tasks as improving internal training programs for data scientist personnel. Starting in FY2023, we will provide DX literacy training to all employees to instill our vision and inform their thinking. We will also provide training that challenges the mindsets of executives and managers to guide them into specific goals that further promote human resource development.

JFE Engineering

Engineering Training Programs to Support Independent Learning

To enhance the knowledge of underlying technologies that represent a technological foundation for an engineering enterprise, the company's leading expert lectures over 30 different courses on basic technology for younger employees and mid-career hires.

A web-based learning curriculum launched in FY2018 offers employees opportunities to acquire business skills that cater to each job responsibility, including accounting and marketing.

Through these training programs, JFE Engineering provides younger employees with opportunities to grow through independent and continuous learning and strengthens the leadership capabilities of managers to transform corporate management.

JFE Shoji

Training and Measures to Maximize Employee Potential

To expand the trading business in Japan and overseas, JFE Shoji has organized a training program that enables personnel with diverse backgrounds to achieve growth in their respective work sites and business situations. The program includes a course for developing the basic skills required of trading company personnel, such as negotiation, finance and strategic thinking, and the trading business along with another course for newly hired mid-career employees. Furthermore, employees in rank-based training learn the roles and skills required for their new qualifications before being promoted, which enables them to advance their careers more quickly. Other programs include the early dispatch of young employees to overseas Group companies and conducting national staff training in which locally hired talented overseas employees are invited to the head office to further boost their abilities and motivation. These opportunities for a wide range of employees is intended to raise the performance of the entire Group.

Developing Global Personnel

In addition to hiring and developing non-Japanese for career-track positions in Japan and local personnel overseas, the JFE Group is enhancing programs for Japanese employees to gain overseas study and training. The Company is also developing younger employees through practical experience by dispatching them on overseas assignments.

Global Personnel Development Programs

	JFE Steel	JFE Engineering	JFE Shoji
Study abroad	○	○	○
Short-term overseas language training	○	—	○
Overseas assignments for younger employees	○	○	○
Dispatching engineers to international conferences	○	—	—
Training for local personnel at overseas sites	○	○	○
Practical training in Japan for non-Japanese personnel at overseas sites	—	○	○
Internship for international students	○	○	—

Developing Dynamic Working Environments

The JFE Group is developing dynamic working environments through sincere discussions with labor unions and conducting employee satisfaction surveys (engagement surveys) every year. These tools help us regularly monitor employee awareness, identify issues related to their job satisfaction, and consider countermeasures.

We also seek to reflect the results of the periodic corporate ethics surveys to create employee-friendly working environments.

JFE Steel

Recognizing that labor-management cooperation is essential for the company to fully tackle its business challenges, JFE Steel has established a strong relationship with its labor union based on understanding and trust. The company convenes its Labor-Management Business Discussion Committee four times a year to bring the president and other executives together with labor representatives for the purpose of exchanging ideas on business challenges. The two sides also share views on working conditions and workplaces and hold joint consultations whenever the labor system is revised.

JFE Engineering

JFE Engineering strives to ensure sound labor-management relations. In addition to Central Labor-management Committees, which are regularly convened for the company's president and other executives to share views with representatives of its labor union, a labor-management committee on work-life-balance helps to maintain friendly working environments.

JFE Shoji

JFE Shoji management and labor have jointly declared they will achieve continuous growth for the company, enhancing the lives of employees and realizing an affluent society based on mutual trust and understanding. The company maintains a sound relationship between management and labor. Semiannual Management Committee meetings are held as opportunities for the company president and other executives to regularly exchange opinions and share management information with representatives of the labor union.