



## TOPICS

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# Human Resources Management Principles

To realize a sustainable society by supporting the basis of LIFE and continuing to create peace of mind for the future, SEKISUI CHEMICAL Group is taking into consideration diversity as well as the workplace environment as it develops human resources who actively take on challenges.

## Positioning of This Materiality

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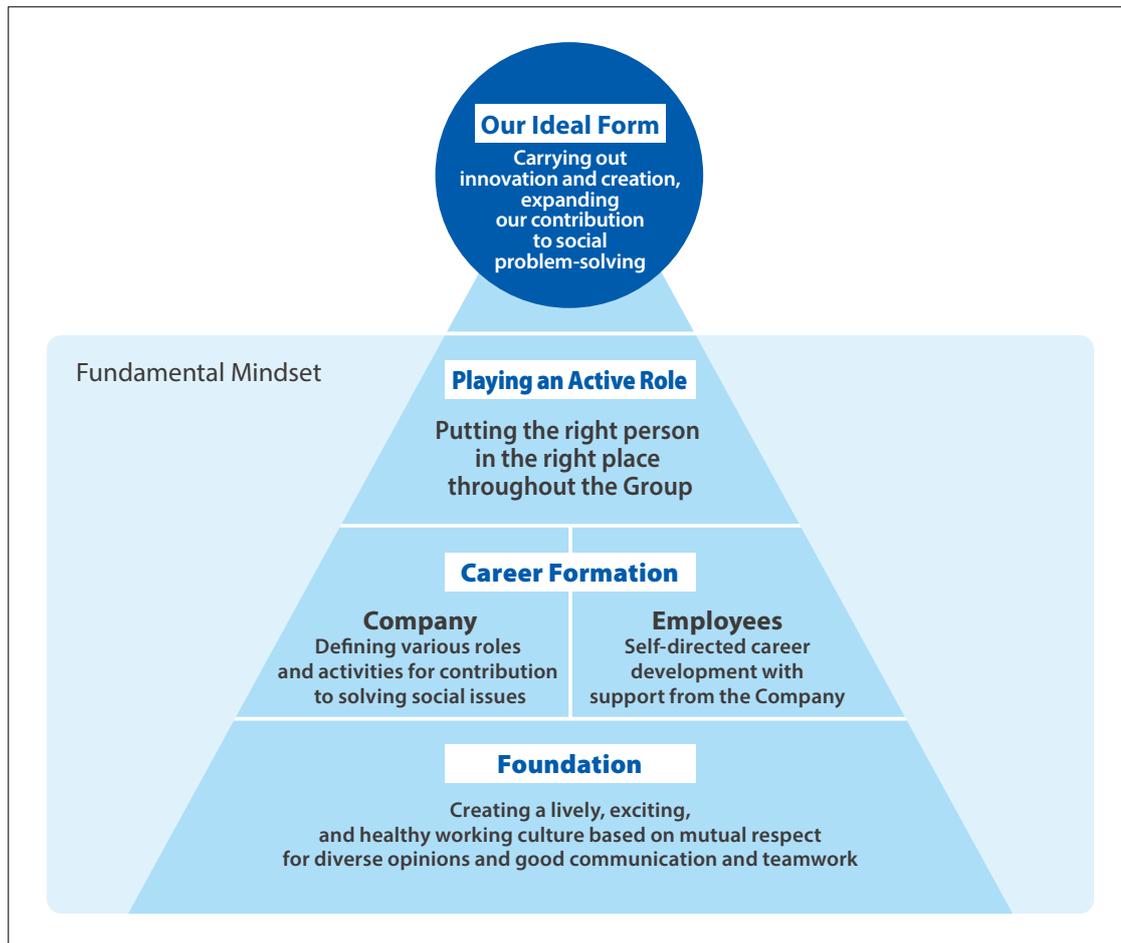
SEKISUI CHEMICAL Group positions human resources as the driving force behind its ability to generate innovation and realize its Long-term Vision. In order for the Group to contribute more than ever to solving social issues, we are striving to create a workplace full of vitality. At the same time, we are putting in place an organization and culture that fosters the will to take on challenges in the face of mounting hurdles to realize a sustainable society. Under the current Medium-term Management Plan, we are working to instill an understanding, empathy, and personal ownership of our Long-term Vision. We are also shifting to a human resources management style where the right person is positioned in the right place. In this manner, we hope to foster an organizational climate that encourages employees to actively take on new challenges.

## Our Philosophy

Based on our belief that employees are precious assets bestowed on us by society, we, SEKISUI CHEMICAL Group, offer various opportunities through which we help individual employees to pursue their own careers and enhance their unique skills while taking on the challenge of working together with employees to help solve social problems by creating opportunities pursue various social significant missions and challenges.

This fundamental mindset regarding human resources is shared throughout the entire Group, and we are striving to ensure that our workplaces are vibrant and enable diverse personnel to take on challenges and play an active role.

## Human Resources Management Principles



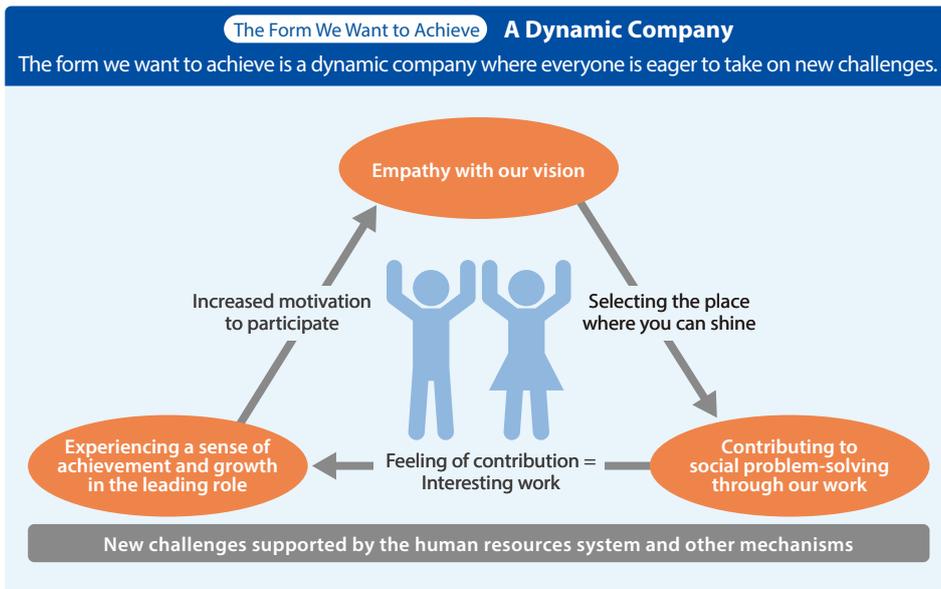
# Transforming into a Vibrant Company

To become an excellent and vibrant company where employees thrive on challenges, SEKISUI CHEMICAL Group aims to foster an organizational culture in which each individual plays a leading role and can take on a variety of challenges.

## Our Vision of a Vibrant Company

We believe that a vibrant company is one in which each and every individual takes on a leading role and is able to take on a variety of challenges, achieving an energetic corporate culture which makes employees want to stretch and push themselves.

To become a vibrant company, we aim to create a virtuous cycle in which all employees have a shared vision and contribute to solving social issues through their work to create a successful track record. This sense of accomplishment and growth further motivates them to take on the challenge of playing a leading role in realizing this vision.



## Message to All of Our Employees from the President

Our president has released a message to all of our employees expressing his hope to become a vibrant company. Based on this aspiration, we are implementing and expanding policies linked to the understanding and promotion of initiatives for becoming a vibrant company by employees of the Group.

### Message from the president to the employees on becoming a vibrant company

The vibrant company that I have in mind, is one in which the employees are fully aware, take pride, and are able to take on specific challenges.

In order to utilize the Group's wide-range of businesses to improve life for everyone around the world and the global environment, a diverse group of employees with different personalities, experiences, and characteristics must be allowed to demonstrate their individual capabilities, personalities, and characteristics to the greatest extent possible. In 2015, SEKISUI CHEMICAL Group established the Diversity Management Policy. In deploying diversity management across the entire Group, steps were then taken to promote female empowerment as a first step. Thanks largely to the dual efforts of promoting women's empowerment while creating a positive organizational environment, SEKISUI CHEMICAL was selected as a Nadeshiko brand among a number of other achievements. Our goal moving forward is to build an organization in which all employees, including women, can actively participate in the business and take on challenges on a daily basis.

To this end, SEKISUI CHEMICAL Group will work to improve productivity, reform its systems and culture, and enhance Governance (Internal Control) through such wide-ranging measures as digital transformation, automation of the plant floor, work style reforms that allow diverse human resources to excel, health and productivity management, and efforts aimed at expanding opportunities and challenges.

SEKISUI CHEMICAL Group's mission is to be acclaimed by stakeholders as a truly excellent company and a corporate group that increasingly contributes to the sustainability of society. It is our hope that all employees will continue to take up each challenge with a strong sense of pride.

Let's refine our ESG management and harness the collective strengths of all Group employees to overcome every challenge and grow.

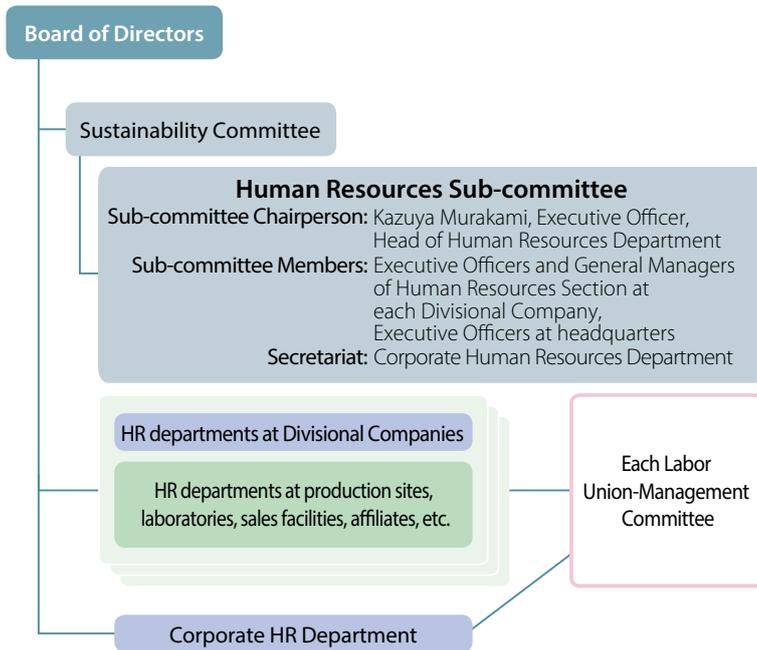
President and Representative Director  
SEKISUI CHEMICAL Co., Ltd.  
Keita Kato

## Promotion System

Convened under the Sustainability Committee, and chaired by the executive officer and head of the Human Resources Department, the Human Resources Subcommittee is comprised of the heads of the human resources each divisional company.

The Human Resources Subcommittee met twice in fiscal 2021, once in November and once in March to deliberate on key KPIs and KPIs for each policy.

### Human Resource / Promotional Structure (since fiscal 2021)



## Set Specific Goals and Implement Measures

The Medium-term Management Plan (fiscal 2020-2022) involves implementing initiatives to become a vibrant company that encourages employees to take on challenges as well as realize a challenge-oriented corporate culture regarding key human resource issues for achieving the sustainability of society and SEKISUI CHEMICAL Group, targeted under the Long-term Vision.

### Key Initiatives and management frameworks

- Implement the Long-term Vision, instill ESG management :Vision Management
- Transition to a challenge-oriented corporate culture :People Management
- Shift to human resources management based on having the right person in the right place :HR (Human Resources) Management

# Vision Management

## ● KPI (Degree of Challenging Behavior Expression)

### | Degree of Challenging Behavior Survey

Guided by the statement, Innovation for the Earth, which lies at the heart of its Long-term Vision, Vision 2030, SEKISUI CHEMICAL Group is working diligently to link efforts aimed at realizing a sustainable society to the sustainable growth of the Group by solving social issues and providing peace of mind that continues into the future. More than anything, it is important for each and every employee to demonstrate their abilities and to break free from convention while continuously taking on challenges in order to realize this Long-term Vision.

SEKISUI CHEMICAL Group has identified certain KPIs to measure the degree to which the Group as a whole achieves five key issues (governance (internal control), DX, the environment, human resources, and fusion) in the conduct of its ESG management. As an indicator to measure whether SEKISUI CHEMICAL Group is an excellent and vibrant company where employees thrive on challenges, we have identified the degree of challenging behavior as a KPI. In a bid to confirm this KPI, the Company implements an employee survey.

The efforts of each and every employee to take on challenge is of utmost importance in realizing our Long-term Vision. The objectives of the survey are to periodically determine whether employees are in fact engaging in challenging behavior and whether the organization is conducive to taking on challenges. The results are then used to ensure improvements at each workplace. In fiscal 2020, the program was implemented to measure the baseline scores. In fiscal 2021, steps were taken to reset the target values after confirming the progress of the activities. We will continue to conduct surveys in fiscal 2022 and beyond, and use the results to make further improvements. This is expected to help create a corporate culture that encourages challenge.

#### Degree of challenging behavior expression survey (FY2021)

**Degree of challenging behavior expression rate: 13% (Japan 8%, Overseas 38%)**

\* Percentage of respondents who answered "Yes" to the question

"I am taking concrete actions to engage in challenging behavior to realize Vision 2030.

**Coverage rate : 93% (Japan 100%, Overseas 83%)**

\* Percentage of companies surveyed of the Group's 164 companies

**Response rate : 62% (Japan 60%, Overseas 69%)**

\* Employees who responded to the survey as a percentage of all employees of the companies where the survey was conducted.

## ● Implementing the Long-term Vision

In order to realize the Long-term Vision, Vision 2030, it is important for organizational managers, who are the key persons to developing the workplace, to incorporate the Vision in the vision of each department and communicate it to employees. This leads to the empathy of employees while fostering the spirit of challenging among individuals. In line with the three-year roadmap, in fiscal 2021, we applied prior examples of fostering the spirit of challenge in the workplace aimed at engaging in two-way communication with management and putting challenges into practices. First, feedback from the president on the opinions expressed in last year's activities and prior examples were showcased on the intranet and widely disseminated to employees. Next, Long-term Vision Workshops were conducted for managers. We reexamined actions within the Company's organizational setting that generate challenges based on the know-how extracted from prior examples and mutual advice provided among other managers. Based on these actions, we will continue dialogue with employees in each workplace in order to put challenges into practice. Overseas, we are planning and implementing similar measures in four regions (North America, Europe, China, and Southeast Asia) in a manner tailored to each region. We aim to create workplaces where each employee finds work meaningful and worthwhile, and is able to take on challenges with enthusiasm.

### Long-term Vision Deployment Roadmap (Overview of Initiatives for the 3-Year Period)

経営層・ライン長・従業員の対話を軸にした浸透活動の継続が最重要		
20年度 ビジョン実現のベース構築	21年度 変革の実践	22年度 成果・成長の実践
✓ 挑戦行動発現度調査	✓ 挑戦行動発現度調査	✓ 挑戦行動発現度調査 ✓ エンゲージメント調査
① ビジョンキャラバン ・国内:8か所 ・海外:VC1・VC2	① ビジョンキャラバン ・海外:VC3 (関係会社ごと)	① ビジョンキャラバン ・海外:VC3
② ライン展開強化研修 職場展開ワークショップ	② ライン展開フォロー研修 職場展開ワークショップ	② ライン展開フォロー研修 職場展開ワークショップ
③ 各種情報発信 ・長期ビジョン(冊子・動画) ・グループ報 ・Sekisui Communication	③ 各種情報発信 ・グループ報 ・Sekisui Communication	③ 各種情報発信 ・グループ報 ・Sekisui Communication
	④ ESG経営表彰制度	④ ESG経営表彰制度

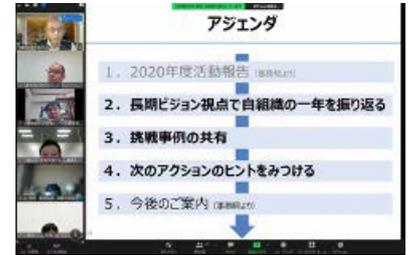
## Long-term Vision Workshops for Managers



ライン展開と職場ワークショップについて加藤社長より  
フィードバックコメントをいただきました



「あなたの仕事でしょー」から「一緒にやろう！」へ  
営業・製造・お客様とつながったら「真のニーズ」が見えてきた#8



Workshops

## Impressions of the Workshop Participants

- “I learned that other participating managers have similar problems, and I empathized with their struggles and innovations.”
- “I was inspired to imitate the examples presented and efforts of other managers.”
- “I am thinking of doing a Vision Caravan at my company to foster opportunities for dialogue with management.”
- “I want to increase communication (opportunities for praise) with members.”
- “It was a good opportunity for us to review our actions by using the know-how extracted from the case studies to reflect on how our own organization is managed.”

# People Management

## ● Deepening Engagement

### | Engagement Survey

SEKISUI CHEMICAL Group periodically conducts an engagement survey targeting all employees every three years. The Group asserts that continued empathy with, and undertaking of, the Vision, as well as the feelings of individual employees that they are always the key players and that they have the determination to do their best and not give up until the results surpass expectations, in other words engagement, is crucial for achieving the SEKISUI CHEMICAL Group Long-term Vision, Vision 2030.

The results of the survey conducted in fiscal 2019 were analyzed and examined by the Business Strategy Department and the Human Resources Department, and served as the basis for formulating the current Long-term Vision and the Medium-term Plan. In fiscal 2020, each Group company, both in Japan and overseas, took the lead in conducting interim surveys on a voluntary basis. In fiscal 2021, steps were taken to conduct an engagement survey in conjunction with a survey on the degree of challenging behavior expression. We will continue to measure the degree of challenging behavior expression and conduct engagement surveys in fiscal 2022 and beyond.

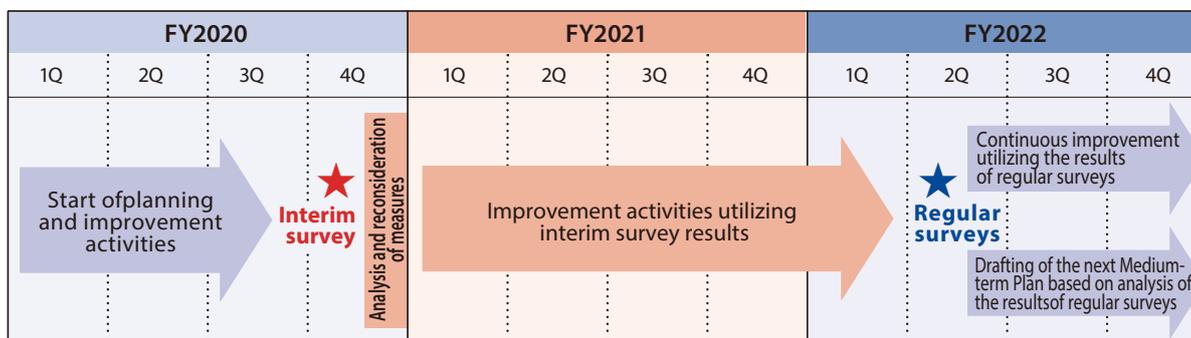
The results of the survey in fiscal 2021 are a 6-point improvement over the fiscal 2019 survey.

Moving forward, we will analyze and formulate measures on a Group-wide and individual company basis as a means to accelerate the improvement of engagement across the entire Group.

### | Engagement Drive Project

Working to become a vibrant company with a large number of highly engaged employees dedicated to achieving our Long-term Vision, we launched the Engagement Drive Project, made up of members from the human resources departments of each organization, with the goal of increasing engagement. From fiscal 2021, we are accelerating activities, including efforts to foster a culture that encourages challenge.

### Engagement Drive Project 2020-2022 Activity Stages



To promote the implementation of action plans geared toward addressing various issues in each organization, we undertook a wide range of support activities in fiscal 2021. These activities included the sharing of materials using internal SNS, posting case studies, conducting workshops and seminars, and providing lectures on examples from other companies.

Carrying on from the previous fiscal year, we continued to hold organizational development seminars to gain a bird's eye view of organizational issues and acquire the know-how necessary to involve stakeholders in the implementation process. Among a host of benefits including the ability to ensure practical application, these efforts helped improve overall project skills.

- Number of organizations engaged in activities: 83 in total, including SEKISUI CHEMICAL subsidiary companies in Japan and Headquarters business sites

Engagement Drive Project Major Group-wide Activities in FY2021	Number of participants
Fiscal 2021 Activity Awards & Kick-off Meeting	163
Organizational Structure Development Seminar DAY 1: Next Steps to Refine Feedback and Action Plans for Organizational Change	54
Organizational Structure Development Seminar DAY 2: Stakeholder Analysis, Model Approach to Individuals and Each Level	35
Workshop on How to Read the Survey on the Degree of Challenging Behavior Expression	110



Case study presentation at the SEKISUI CHEMICAL Group KAIZEN Activities Convention in fiscal 2021.



Kick-off meeting of assembled project members

## ● Employee Career Development

### Allowing Diverse Human Resources to Excel (Career Autonomy)

#### ■ Basic Concept

As an overall Company activity, we strive to foster diverse human resources throughout the Group based on the two pillars of training business leaders, who will someday shoulder management, and training efficient staff that can maintain our manufacturing processes. In addition, we apply measures in which the individual, their superiors, and systems work as a unified whole to support career autonomy, whereby employees take the lead in building their careers.

Note: Career Autonomy: An approach to independent employee career development whereby employees aim to work with vitality in a location to which they are uniquely suited as they prepare to play the role expected of them by their companies.

## Major Initiatives

### Career Training During Role Turning Points

Under a new human resources system established to realize the Long-term Vision, each individual employee is required to actively and ambitiously contribute to his or her specific role. For this purpose, steps were taken to transition career training from the conventional framework based on the axes of age and seniority to one based on the axes of role and occupation.

In fiscal 2021, we implemented career autonomy e-learning for employees and career autonomy online training for managers and supervisors, under a career education systems based on a new framework.

Target of career autonomy e-Learning: 3,461 employees

Participants of career autonomy online training for managers and supervisors: 393

### Career Interview System

From fiscal 2022, SEKISUI CHEMICAL (non-consolidated basis) is taking steps to put in place a system to promote the autonomous career development of each employee through interviews and communication between superiors and subordinates regarding current and future roles and expectations.

Subordinates make career declarations based on their past experience and current duties taking into consideration the roles they would like to play in the future and expectations at SEKISUI CHEMICAL Group. Superiors then discuss with subordinates their career plan during interviews while commenting on the expectations the organization and company hold for each employee based on the employee's aspirations and image toward training that SEKISUI CHEMICAL (non-consolidated) envisages.

In order to realize the career plans that were discussed during interviews, subordinates will consider what abilities and experience they require, how these abilities and experience can be acquired, and then take action with the support of superiors. The content of current and past interviews is shared with superiors and the Human Resources Department, and used when considering development, training, and work assignments.

### Improving Group-wide Human Resources Capabilities

SEKISUI CHEMICAL Group is promoting various initiatives to secure and develop human resources with the aim of improving the Group's human resources for sustainable growth.

## Performance Data

## | Results of Intra-Group Job Postings

	FY2017	FY2018	FY2019	FY2020	FY2021	Cumulative Total Since 2000
Number of positions posted	49	44	45	31	55	441
Number of employees recruited	130	140	62	54	80	1,414
Number of applicants	99	115	135	155	236	1,399
Number of employees transferred	19	26	28	28	70	303

## | Career Path Support System

(Number of people)

		FY2017	FY2018	FY2019	FY2020	FY2021
No. of employees who have changed career courses	Men	14	9	10	14	2
	Women	2	2	1	2	4
No. of employees who have converted to permanent, full time employment	Men	5	3	2	1	4
	Women	11	7	11	14	10

## | Average Hours of Training and Development per FTE (SEKISUI CHEMICAL)

	FY2017	FY2018	FY2019	FY2020	FY2021
Average hours of training and development per FTE (hours)	9.9	9.4	9.4	6.3	7.1

Note: Educational programs held at SEKISUI CHEMICAL's Human Resources Department at Corporate Headquarters

## | Training Programs Common to the Entire Group to Improve Group-wide Human Resources Capabilities

	FY2017	FY2018	FY2019	FY2020	FY2021
No. of New employees receiving induction training	223	251	243	101*	150
No. of newly appointed managers receiving training	245	210	252	220	199

\* Since this training was urgently converted to an online format due to the COVID-19 pandemic, trainees from Group companies are not included.

# Human Resources Management

## ● The Right Person in the Right Place

Employees are precious assets bestowed on us by society is the basic concept of human resources that SEKISUI CHEMICAL Group has cherished for a long period.

While continuing to base our thinking on this concept, we launched a new initiative in fiscal 2020 to further harness the power of our employees, who are precious assets, to help solve social issues and contribute to the realization of a sustainable society.

### 1. Clarification of missions and roles and a shift to a role-based system for human resources

Through backcasting, we are clarifying the various missions and roles that are necessary to achieve our ideal form. We are also supporting employees to challenge and improve themselves regardless of age or year of employment while shifting to the SEKISUI CHEMICAL system for human resources that ensures that the right person is in the right place in fiscal 2022.

#### SEKISUI CHEMICAL (Non-consolidated) Human Resources System Revision Roadmap

Measure	FY2020	FY2021	FY2022
Human resources management system to shift the right person to the right place	Consideration of a new human resources system	Trial of a new human resources system	Implementation of a new human resources system

### 2. Retirement extension

In line with the objectives for the human resources system revision, the retirement age is being extended from 60 to 65 in order to increase opportunities for employees regardless of age from October 2021.

### 3. Strengthening the development of next-generation leaders

SEKISUI CHEMICAL Group is putting in place a program to help employees acquire the knowledge, skills, and know-how necessary to become business leaders from an early stage in a bid to sustainably develop human resources who can take on the challenge of various missions and roles. The program is therefore designed to help employees improve their ability to contribute to solving social issues and achieve career autonomy.

## ● Training Human Resources

### Major Initiatives

#### | Developing Business Leaders

##### 1) Developing business leaders from an early stage

We have developed a consistent training system covering all stages from new hires to management positions, in order to systematically train business leaders to power SEKISUI CHEMICAL Group into the future.

Based on the concept that the foundations of growth are the experience gained through everyday business activities and learning from such experiences, we have developed a training system that links these two elements together. Through this system we will enhance each individual's mastery of the skills required of business leaders, by running through the cycle of growth through experience, from when a new hire joins the Company through to management.

##### 2) Innovation School (fostering of business leaders by newly appointed operating officers)

The Innovation School has been held since fiscal 2003 with the aim of having executive officers themselves directly train SEKISUI CHEMICAL Group's next-generation business leader candidates. Up to fiscal 2021, a total of 1,296 next-generation business leader candidates had taken part.

In fiscal 2021, the School was revised from a face-to-face to an online format.

Number of Participants: 102

## Training Human Resources to Support the Workplace

The human resources who will support the foundations of management in practical terms in the workplace must undergo self-growth as highly capable practitioners accumulating experience over the long term and acquiring highly specialized knowledge and skills. Based on this concept, SEKISUI CHEMICAL Group hires human resources who will support the workplace as permanent, full-time employees, creates an environment in which they can demonstrate their abilities with peace of mind over the long term, and deploys the Meister System to strengthen their abilities in the workplace.

In the future as well, we will promote measures to strengthen training abilities in the workplace on a Group-wide basis.

## Training Systems to Support Our Businesses

SEKISUI CHEMICAL Group is operating a training system with various programs tailor-made to match various career plans with stages differentiated by level and skill. As our business categories are extensive and we employ a divisional company system whereby each business division is given substantial authority to make its own decisions, the Group operates its human resources development system at the level of each divisional company and subsidiary of the Group, based on the philosophy and programs for human resources development.

At the same time, some programs such as initial training of new employees, level-specific training by qualification grade, or business leaders' training are developed to promote improvements in human resources capabilities across the Group as a whole.

### Performance Data

## Number of Participants of Major Recruitment-type Training Programs

Name of Training Program	Numbers of Attendees in FY2017	Numbers of Attendees in FY2018	Numbers of Attendees in FY2019	Numbers of Attendees in FY2020	Numbers of Attendees in FY2021
Innovation School	58	86	69	Not implemented	102

## Refining the Foundation

# Allowing Diverse Human Resources to Excel

## ● Diversity Initiatives

### | Basic Concept

Not only perceiving diversity by differences that can be seen from the outside such as gender, age, and race, we also focus on differences that include careers, values, and personalities, based on SEKISUI CHEMICAL Group's Diversity Management Policy. Likewise, we understand, recognize, and utilize the differences between each and every employee as strengths.

#### **SEKISUI CHEMICAL Group's Diversity Management Policy**

Diversity is essential to maintain our strong corporate presence for 100 years and beyond. We understand and recognize that every employee's aspirations toward work and life, and their personal strengths are different and thus we use this to our advantage. To create that organizational culture, we will continue to provide employment, opportunities for success, and create various environments that support growth through dialogue with employees.

### | Organization-wide Initiative

SEKISUI CHEMICAL Group is promoting a wide range of initiatives aimed at fostering a culture of challenge and active participation while making the most of each and every employee's aspirations and strengths as it works toward becoming a vibrant company, the goal of its Long-term Vision, Vision 2030.

In fiscal 2021, we expanded initiatives to employees through Long-term Vision development workshops and rank-based training.

Also, we carried out cross-organizational and expansion activities to Group companies through the Engagement Drive Project.

### | Enhancing Adequate Benefits and the Welfare Benefits System for Non-full-time Employees

At SEKISUI CHEMICAL (non-consolidated), base salaries are the same for both male and female employees, and proper benefits are provided regardless of gender.

SEKISUI CHEMICAL Group also has systems in place that provide welfare benefits to non-full-time employees, such as contract employees, including healthcare (i.e., health checkups), compensation for disabilities and illnesses that arise at work, and childcare leave. Only indefinite-term employees are eligible to join the Group's insurance, retirement plan, and shareholding programs.

## ● Gender

### ■ Promoting the empowerment of women

With regard to promoting the empowerment of women, we are advancing initiatives divided into four stages: enhancement of the employment of women, retention and active participation, promotion to managerial positions, and follow-up training for promotion to post-managerial positions (executive directors).

By, for example, increasing the hiring of women who will play key roles for business career courses and implementing training programs—including hands-on training cycles and career building—for female employees in their first through fourth years of employment, we are working to foster greater awareness while enabling women to take on the challenges of leadership and learning by themselves from an early stage.

Designed for assistant managers prior to their appointment to managerial positions, the Company is conducting a practical Career Development Program (CDP) for Women that produces outcomes on growth issue themes that make the best use of the strength of each and every individual. Also conducting sessions geared toward bosses, through this training we are working to support their promotion to managerial positions and to improve their ability to show leadership to female subordinates. After they have been promoted to managerial positions, we aim to raise awareness of higher-ranking positions at exchange meetings for women in management positions and to systematically develop them by, for example, having them provide their experiences to line managers.

The first female executive officer trained in-house was appointed in 2020, and from April 2021 there were two female executive officers who had been trained in-house. We are endeavoring to foster the next generation, such as by opening an in-house academy.

#### ■ Targets for promoting the empowerment of women

Number of women in management positions (targets):

FY2025 80

FY2030 120



Women's CDP training

## External Evaluation

### Earned selection as a Semi-Nadeshiko Brand

SEKISUI CHEMICAL had been selected as a Nadeshiko\*1 Brand four times, in fiscal years 2016, 2017, 2019 and 2020. In fiscal 2021, however, although we unfortunately no longer meet the Nadeshiko Brand requirements, we were selected as a Semi-Nadeshiko Brand.

\* The Nadeshiko Brand: The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange select listed companies that have had outstanding success in encouraging female empowerment as attractive brands to investors who place importance on medium- to long-term growth in corporate value. The Semi-Nadeshiko Brand is for companies that scored in the top 15% or higher of the overall rankings but were not selected as a Nadeshiko Brand regardless of industry category.



### Eruboshi Certification

As of October 4, 2021, we acquired second-stage Eruboshi\* certification as a company working to encourage the advancement of women.

\* Of those companies that have formulated and notified action plans based on the Act on the Promotion of Women's Participation and Advancement in the Workplace, Eruboshi-certified companies that meet certain criteria for evaluation items related to efforts to promote women's advancement are certified by the Minister of Health, Labour and Welfare: The five evaluation items that have been formulated are: (1) hiring; (2) retention; (3) working styles, such as working hours, etc.; (4) ratio of managerial positions held by women; and (5) diverse career courses. There are three Eruboshi certification stages, depending on the number of items that meet the standards, and SEKISUI CHEMICAL meets the standards in four items other than (1), and has thus obtained second-stage (two-star) certification.



## Major Initiatives

### Communication with the President/Top Management

A meeting, organized by the President's Office, with the president/top management targeting female employees was attended by 86 participants.

Feedback from participants (excerpts from a post-meeting survey)

- The meeting provided an excellent opportunity to hear from management about future prospects and their expectations toward our input.
- It was good to hear firsthand from the president and executive officers.
- I was heartened to learn about the opinions of management on diverse work styles and to hear the voices of women who are working in a variety of ways.
- The meeting gave me an opportunity to once again think about my future career.
- It was a wonderful experience for a broad range of people of all ages, to talk, crossing the boundaries between superiors, subordinates, and executives in general, all from the same female perspective.

### Implementation of Open Seminars

We invited lecturers from outside the Company to hold online seminars and lectures for employees on topics related to the empowerment of women.

- Work-style Reforms and Utilization of Diverse Human Resources (held twice for superiors) : 580 participants
- Why Diversity is Necessary for Organizations / Leadership Theory in the D&I Era : 418 participants
- Women's health seminars (held by the Health Promotion Office, total of three times) For more information, see p.290

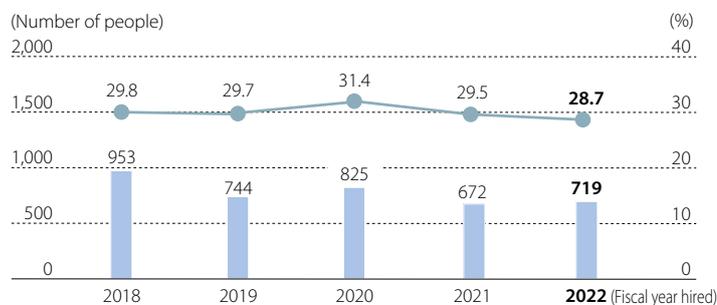
### LGBTQ+ Initiative

A seminar was held for managers in charge of personnel and labor management, including those from subsidiary companies, with people from the LGBTQ+ community acting as instructors and 72 people participated.

First, the managers in charge of personnel and labor management started by learning the correct knowledge and how to respond to members of the LGBTQ+ community. We have initiated training in areas that can be considered familiar. This includes revising the clothing guidelines that were previously limited to women to a content that is not related to gender.

Performance Data

**Number of New-graduate Hires / Ratio of Women among New-Graduate Hires (SEKISUI CHEMICAL Group in Japan) ✓**



Note: Includes certain affiliates accounted for by the equity method and non-consolidated subsidiaries.

**Number of Women in Management Positions and Ratio of Women to Total Hires**

Number of Women Directors and Managers ✓

	Directors (Outside Directors)	Audit and Supervisory Board Members (Outside Audit and Supervisory Board Members)	Executive Officers
FY2021 Number of Women Directors (SEKISUI CHEMICAL)	0	1	2

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of Women Directors (SEKISUI CHEMICAL Group)*	2	2	2	2	2
Number of Women in Management Positions (SEKISUI CHEMICAL Group in Japan)	138	156	185	187	195

\* Excluding SEKISUI CHEMICAL

Career Development Program for Women

		FY2017	FY2018	FY2019	FY2020	FY2021
Number of Program Attendees	Women	58	35	39	52	58
	Superiors	44	31	24	46	55

| SEKISUI CHEMICAL 

		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Employees* <sup>1</sup>	Men Employees	3,239	3,290	3,331	3,327	3,308	3,250
	Women Employees	490	533	587	629	652	652
	Ratio of womens (%)	13.1	13.9	15.0	15.9	16.5	16.7
Permanent, full-time employees* <sup>2</sup>	Men Employees	2,955	3,005	3,072	3,073	3,060	3,023
	Women Employees	441	483	532	570	601	607
	Ratio of womens (%)	13.0	13.8	14.8	15.6	16.4	16.7
Average years of continuous employment* <sup>2</sup>	Men Employees	18.1	17.7	17.3	17.2	17.2	17.6
	Women Employees	14.3	13.7	13.2	12.6	12.4	12.9
New graduates hired* <sup>3</sup>	Men Employees	77	90	114	96	83	63
	Women Employees	35	39	39	35	43	18
	Ratio of womens (%)	31.3	30.2	25.5	26.7	34.1	22.2
Employees hired mid-career* <sup>3</sup>	Men Employees	39	70	44	29	21	19
	Women Employees	5	6	9	4	2	3
	Ratio of women (%)	11.4	7.9	17.0	12.1	8.7	13.6
	Ratio of employees hired mid-career* <sup>4</sup>	28.2	37.1	25.7	20.1	15.4	21.4
Managerial positions (managers)	Men Employees	696	689	685	678	672	700
	Women Employees	24	27	30	41	44	45
	Ratio of womens (%)	3.3	3.8	4.2	5.7	6.1	6.0
Managerial positions (department managers and general managers)	Men Employees	597	612	637	642	649	635
	Women Employees	11	14	14	15	16	15
	Ratio of womens (%)	1.8	2.2	2.2	2.3	2.4	2.3
Managerial positions	Men Employees	1,293	1,301	1,322	1,320	1,321	1,335
	Women Employees	35	41	44	56	60	60
	Ratio of womens (%)	2.6	3.1	3.2	4.1	4.3	4.3
Employees newly appointed to managerial positions	Men Employees	46	53	63	68	58	54
	Women Employees	1	6	3	14	6	3
	Ratio of womens (%)	2.1	10.2	4.5	17.1	9.4	5.3

\*1 Workers with direct employment relationships with the Group (including permanent, full-time employees and non-regular employees as well as workers on loan from the Group to other companies but excluding workers on loan from other companies to the Group)

\*2 Employees with no determined period of employment (including workers on loan from the Group to other companies but excluding workers on loan from other companies to the Group).

\*3 Number of employees, who joined the Group from April to March of the following year (Employees with no determined period of employment)

\*4 Ratio of mid-career hires to all hires.

**Age Composition of Permanent, Full-time Employees\* in Fiscal 2021 (SEKISUI CHEMICAL) ✓**

		Under 30 years old	30 to 39 years old	40 to 49 years old	50 to 59 years old	60 years old and above
Number of permanent and full-time employees, by age	Men	421	580	799	1,146	77
	Women	170	137	141	151	8

\* Employees with no determined period of employment (including workers on loan from the Group to other companies but excluding workers on loan from other companies to the Group)

**Employee turnover\* rate (Number of people who left employment) (SEKISUI CHEMICAL) ✓**

		Men	Women	Total
FY2019	Employee turnover (Number of people who left employment )	63	10	73
	Employee turnover rate (%)	2.0	1.7	2.0
FY2020	Employee turnover (Number of people who left employment)	48	26	74
	Employee turnover rate (%)	1.6	4.3	2.0
FY2021	Employee turnover (Number of people who left employment)	74	20	94
	Employee turnover rate (%)	2.4	3.2	2.5

Indicator	Calculation method
Employee turnover rate	(Annual employee turnover (number of people who left employment) / Number of employees as of April of the subject year) ×100

Note: Excluding those who retired after reaching the mandatory retirement age and those who moved to another company of the Group

Note: Employees with no determined period of employment (including workers on loan from the Group to other companies but excluding workers on loan from other companies to the Group)

**Employee Turnover Rate within the First Three Years of Employment (SEKISUI CHEMICAL) ✓**

	FY2015	FY2016	FY2017	FY2018	FY2019
Turnover rate within the first three years of employment (%)	8.0	1.8	9.4	11.4	6.9

Indicator	Calculation method
Turnover rate within the first three years of employment (%)	Employee turnover rate within the first three years of employment for each fiscal year

## All consolidated subsidiaries in Japan

		FY2017	FY2018	FY2019	FY2020
Number of employees	Men Employees	16,136	16,362	16,360	16,062
	Women Employees	4,702	5,048	5,149	5,100
	Ratio of womens (%)	22.6	23.6	23.9	24.1
Number of new graduates hired	Men Employees	486	572	427	483
	Women Employees	211	251	176	209
	Ratio of womens (%)	30.3	30.5	29.2	30.2
Number of managerial positions (managers)	Men Employees	2,922	2,926	2,924	2,847
	Women Employees	118	130	158	160
	Ratio of womens (%)	3.9	4.3	5.1	5.3
Number of managerial positions (department managers and general managers)	Men Employees	1,534	1,588	1,595	1,570
	Women Employees	22	26	24	28
	Ratio of womens (%)	1.4	1.4	1.5	1.8
Number of managerial positions	Men Employees	4,456	4,514	4,519	4,417
	Women Employees	140	156	182	188
	Ratio of womens (%)	3.0	3.3	3.9	4.1
Number of management personnel (frontier leaders)	Men Employees	167	204	206	193
	Women Employees	5	5	4	3
	Ratio of womens (%)	2.9	2.4	1.9	1.5
Number of employees newly appointed to managerial positions	Men Employees	215	211	241	205
	Women Employees	29	20	38	12
	Ratio of womens (%)	11.9	8.7	13.6	5.5

Note: The above table was prepared based on the results of the survey conducted in July

Note: As of June 2022, data for fiscal 2021 is currently being calculated.

## ● Seniors

### | Extension of retirement age

As we move toward achieving our Long-term Vision, it is essential for employees of all ages to take on challenges and find fulfillment in their work. To support the activities of all ages of employees, we made the decision to raise the mandatory retirement age to 65 for all Group companies by fiscal 2025. With the aim of providing greater freedom of choice and encouraging employees to take on new challenges, we introduced a system where general employees can retire flexibly between the ages 60 and 65, and a retirement age systems for managerial positions.

The previous system positioned the age of 60 as a milestone signaling a major change in work styles. This change in the system has altered the premise upon which careers are planned. We recognize the critical need to provide opportunities that enable each and every employee to continue to actively play a leading role and take on challenges regardless of age. Consequently, we have launched a training program for employees who have chosen to extend their retirement age.

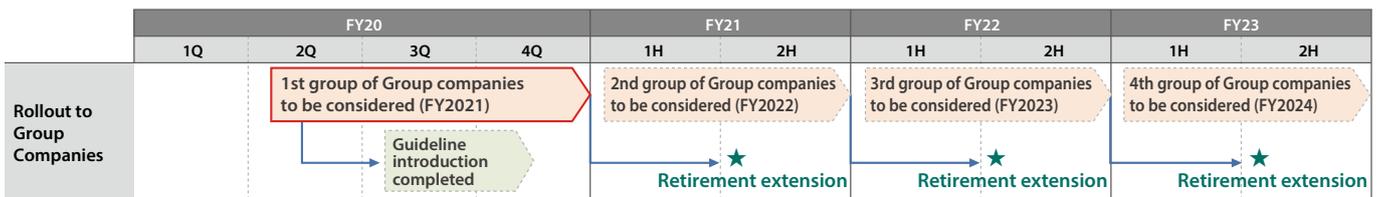
We will continue to make SEKISUI CHEMICAL Group a place where employees can continue to take on challenges regardless of their age, help foster job satisfaction and fulfillment, and maximize our contribution by allowing each and every employee to play a leading role.

#### ■ Training Results(SEKISUI CHEMICAL)

August 2021: 38 employees extended their mandatory retirement ages as of the end of the first half of fiscal 2021

January 2022: 40 employees extended their mandatory retirement ages as of the end of the second half of fiscal 2021

### Expanding the mandatory retirement age extension system to Group companies



Performance Data 

**Number of Senior Employees Re-employed and Rate of Senior Employee Continued Employment (SEKISUI CHEMICAL)**

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of Senior Employees Re-employed	21	49	46	77	8
Rate of Senior Employee Continued Employment (SEKISUI CHEMICAL)	63.6	76.6	85.2	83.7	97.7

Note: Extension of retirement age or re-employment of all applicants in fiscal 2021

Indicator	Calculation method
Rate of Senior Employee Continued Employment (SEKISUI CHEMICAL)	$((\text{Number of employees who have extended their mandatory retirement ages} + \text{Number of senior employees re-employed}) \div \text{Number who have reached the age of 60}) \times 100$

## ● Global

### | Fostering Personnel Based on the Conditions in Each Area

In our Long-term Vision, Vision 2030, SEKISUI CHEMICAL Group focuses on doubling its contribution to society as a means to ensure growth. In order to achieve sustainable business growth over the long term, we believe it is not only important to create an organization in which each and every employee understands and shares the vision while also playing an active role in achieving it, but also to foster the development of people who are willing to take on new challenges. Expansion in overseas markets is especially vital. SEKISUI CHEMICAL Group as a whole will expand its efforts to develop human resources who can take on new challenges and demonstrate their abilities not only in their respective countries and regions, but on a global basis as well.



#### Major Initiatives

### | Developing Personnel Who Can Succeed on the Global Stage

Amid an ongoing expansion in the business domains in which we participate, both the overseas sales ratio and the overseas employee ratio at SEKISUI CHEMICAL Group are increasing with each passing year. We believe that to develop as a Group, we need each and every employee working throughout the world to develop themselves through their work and to learn how to create and provide the products and services that meet the needs of each country and region.

This way of thinking lies at the base of our efforts to develop training programs for our human resources, programs that are firmly rooted in each area we operate in, enabling every employee to maximize his or her distinctive capabilities at their place of work. We introduced the Learning Management System, which is a foundation for the fostering of human resources, in all four regions (U.S., Europe, China, and ASEAN), and are promoting implementation and use at each company.

### | Integration and Training of Personnel across Regional Boundaries

In fiscal 2021, we continued to pursue initiatives for the Long-term Vision. Presidents of Group companies held the Vision Caravan (VC3) internally, laying the groundwork for employees to head in the same direction in a wide range of areas.

## Hiring Foreign Nationals

SEKISUI CHEMICAL Group is actively hiring foreign nationals for the purpose of further globalizing the Group's businesses. The Group is promoting both recruitment of personnel who have studied and worked in Japan, as well as engaging in overseas recruitment activities. However, we were forced to suspend our overseas recruitment activities due to the global COVID-19 pandemic.

To that extent, we are expanding the range of work for foreign nationals currently employed, and providing further growth opportunities, while helping them make the most of their abilities.

In order to realize our vision, we will continue to acquire and develop human resources with a global perspective in line with our business strategies while accelerating globalization.

## Developing Personnel to Be Immediately Effective Overseas

SEKISUI CHEMICAL Group established a Global Talent Employee System in the years running up to and including fiscal 2019. However, from fiscal 2020 on, this has been revised to a global human resource development program for developing human resources in a more strategic manner. In fiscal 2020, 15 employees took part in the program. Unfortunately, the program was not implemented in fiscal 2021 due to the COVID-19 pandemic.

Participants in the global human resources development program will work online with people from different cultural backgrounds to create and propose business plans, while also learning reflection and cross-cultural skills. Through collaborative efforts, they will also be able to recognize areas in which they can focus on an individual basis as they work in a global environment. By applying this awareness to their daily work, they will be able to accelerate their growth into individuals who can contribute to the globalization of our business.

## Global Trainee Program

The Group offers a Global Trainee Program that enables employees to gain work experience overseas. Employees working in sales, accounting, product development, and some other areas with a certain achievement level are eligible to participate in the program allowing them to apply for posts at overseas companies affiliated with the Group.

In addition, we have also implemented an Overseas Engineers Dispatch Program aimed at training engineers with globally competitive high-level expertise as well as a Short-term Overseas Dispatch Training Program that teaches the participants how to cultivate their own abilities and develop the behavioral patterns that are required to succeed in global business. Despite having to temporarily suspend new dispatches overseas due to COVID-19, we dispatched one engineer in fiscal 2021 under the Overseas Engineers Dispatch Program.

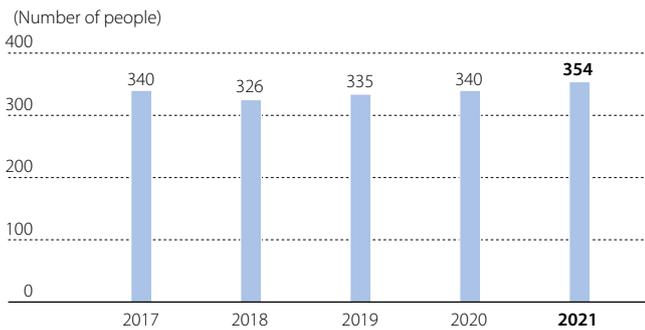
In addition to systems such as these, we will continue to expand our other systems and mechanisms so that our employees can gain on-the-job work experience applicable to the global stage.

Performance Data 

### Breakdown of the Number of Employees (SEKISUI CHEMICAL Group)

Number of employees		26,419
Breakdown by region		
	Japan	19,616
	The Americas	1,748
	Europe	1,047
	Asia/Pacific	4,008

### Number of Japanese Global Talent Employees



Indicator	Calculation method
Global talent employees	Japanese employees with overseas assignment experience

### Number of Participants in the Global Trainee Program

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of participants	10	21	15	1	1

Note: The dispatch of employees was limited a minimum in fiscal 2020 and fiscal 2021 due to the impact of COVID-19.

## ● People with Disabilities

### Recruiting, retaining, and helping people with disabilities play an active role while creating a comfortable working environment.

SEKISUI CHEMICAL Group promotes the hiring of people with disabilities. To this end, we believe it is important not only to hire people with disabilities, but to create an environment where people with disabilities can easily work. We believe that such measures not only help us retain people with disabilities, but also leads to an environment in which all employees find it easy to work. We incorporate support from experts for hiring people with disabilities to meet the needs of each Group company, extending from establishing worker responsibilities to putting in place working environments.

Moreover, our human resources departments and external experts offer regular counseling to people with disabilities after they have entered a Group company so that they will be able to set their own steady personal career development.

#### Major Initiatives

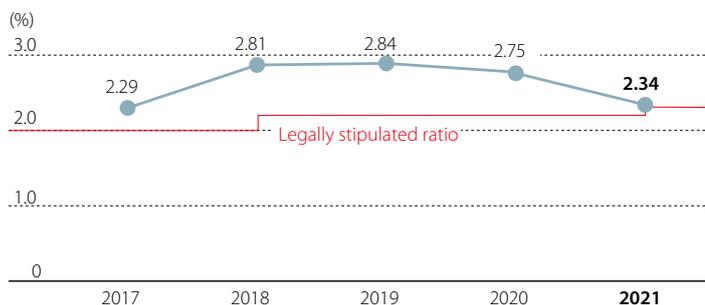
### Creating an Environment Receptive to People with Disabilities

From the perspective of preventing the spread of COVID-19, internships and other activities were canceled from fiscal 2020 and fiscal 2021. SEKISUI CHEMICAL Group is however collaborating with related organizations and experts in each region while continuing with follow-up activities with a view to retention.

In fiscal 2022, we will continue to consider the areas that will enable a diverse range of people to play an active role by collaborating with relevant organizations and experts in each region.

#### Performance Data

### Employment Ratio of People with Disabilities (SEKISUI CHEMICAL)\*



\* Including Special Provision Subsidiary (as of March 2022)

Indicator	Calculation method
Employment ratio of people with disabilities	(Number of regular workers who have physical or intellectual disabilities ÷ Number of non-disabled workers) × 100

## ● Supporting Balance

SEKISUI CHEMICAL Group has adopted a variety of systems designed to enable employees to work flexibly in tune with their life events and lifestyles. To encourage the use of these systems, we are working with the labor union to disseminate easy-to-understand information and create a community.

### Support for Balancing Childcare and Work

At SEKISUI CHEMICAL, the first five working days of childcare leave are treated as paid leave. In addition, there are systems that exceed the legal requirements, such as the taking of childcare leave until the child reaches three years of age and using the shortened working hours system until the child enters junior high school.

In fiscal 2021, we prepared a Map to Better Understand the Ins and Outs of Childcare to promote awareness and use of the system. To encourage male employees to take childcare leave, we are advancing such efforts as sending top messages (message videos by the general manager of the Human Resources Department) and implementing e-learning programs geared toward those in managerial positions.

#### ■ Target values (SEKISUI CHEMICAL)

Ratio of those male employees taking childcare leave: 2023 50%, 2025 70%



IkuBoss declaration and childcare support video message to employees by the general manager of the Human Resources Department.

## Support for Balancing Childcare and Work

SEKISUI CHEMICAL has in place a system that exceeds the legal requirements, such as setting the nursing care leave period to one year (first child).

To reduce anxiety about nursing care and to balance caregiving and work, we have been holding nursing care preparatory seminars since fiscal 2019. Due to the high demand from employees, however, we are creating and providing video materials that can be viewed via the intranet on demand.

### Nursing care preparatory seminars (videos)

	Contents	
1. Attitudes toward nursing care	When to care for the elderly and to face old age (what is frailty and dementia)	13 minutes
2. System to support nursing care	Local nursing care system, nursing care insurance service, company support system	14 minutes
3. Nursing care and finance (Part 1)	Public nursing care insurance payment limit and out-of-pocket expenses, degree of nursing care and expenditures	11 minutes
4. Nursing care and finance (Part 2)	Nursing care and expenditure case studies, preparations for own nursing care	13 minutes

Performance Data 

**Major Policies Allowing Various Workstyles and Their Use**

(Number of people)

Policy	Main content		FY2017	FY2018	FY2019	FY2020	FY2021
Childcare leave	Can be taken until the end of the month in which the child reaches three years of age. (The statutory end date is until the child reaches two years of age.)	Women Employees	30	32	45	51	55
		Men Employees	20	28	44	49	67
		Total	50	60	89	100	122
Shortened working hours for childcare	Can be taken up to the child enters junior high school. (The statutory end date is until the child reaches three years of age.)	Women Employees	34	41	55	67	64
		Men Employees	0	2	2	1	0
		Total	34	43	57	68	64
Use of flexible working hours	Times of starting and finishing work may be moved earlier or later by up to 60 minutes until the child reaches junior high school age.	Women Employees	8	9	10	6	4
		Men Employees	6	4	7	4	3
		Total	14	13	17	10	7
Nursing care leave	Up to a total of 93 days for each individual eligible for care. (Up to a maximum of one year for the first individual eligible for care.)	Women Employees	1	0	1	0	1
		Men Employees	3	4	4	1	2
		Total	4	4	5	1	3
Shortened working hours for nursing care	Two days per week or 4.5 hours per day for a maximum of three years for each individual eligible for care.	Women Employees	0	0	0	0	0
		Men Employees	2	2	4	1	1
		Total	2	2	4	1	1
Family leave	Three days of special care leave per year granted until the child or grandchild starts high school.	Women Employees	48	62	62	51	54
		Men Employees	101	146	193	126	156
		Total	149	208	255	177	210

(Number of people)

		FY2017	FY2018	FY2019	FY2020	FY2021
Employees with newly born babies	Women Employees	16	21	20	27	31
	Men Employees	101	111	101	104	129
	Total	117	132	121	131	160
Employees with newly born babies who took childcare leave	Women Employees	13	14	19	23	25
	Men Employees	17	25	39	36	61
	Total	30	39	58	59	86
Ratio of those who took childcare leave (excludes those who are taking maternity leave) (%)	Women Employees	100	100	100	95.8	100
	Men Employees	16.8	22.5	39	34.6	47.3
Average number of childcare leave acquisition days (days)*	Women Employees	165.5	167.4	259.2	270.3	293.8
	Men Employees	9.9	14.2	24.7	43.3	38.8
Employees who returned to work after childcare leave	Women Employees	12	15	22	21	22
	Men Employees	19	26	39	46	59
	Total	31	41	61	67	81
Ratio of those who returned to work after childcare leave	Women Employees	92.3	100	100	95.5	91.7
	Men Employees	100	100	100	100	100
Retention rate after one year of those who returned to work after having taken childcare leave (%)	Women Employees	100	100	100	100	88.2
	Men Employees	100	94.7	96.2	97.4	98.0

\* For fiscal 2021; average number of leave days applied and taken by employees who took childcare leave among employees with newly born babies.

## ● Entrenching Support

### | Follow-up Training for New, Mid-career Hires

With the aim of, for example, acquiring knowledge and experience from outside the Company and enhancing its business potential, SEKISUI CHEMICAL Group is increasingly active in mid-career hires (the hiring of experienced personnel). After having joined the Company, however, there are more than a few examples of a lack of understanding with regard to the workplace culture or in-house systems on the part of the mid-career hires themselves proving to be an obstacle to the process of having them display their skills at an early stage. Providing new, mid-career employees with opportunities to learn the basic knowledge (including the Company's history, culture, policies, and systems) of SEKISUI CHEMICAL Group, and draw on the high levels of competence and specialized skills that mid-career employees have accumulated in previous positions, we provide follow-up training so they can put those attributes to work and participate actively from an early stage.

### | Training Program (Brother/Sister Program)

SEKISUI CHEMICAL Group has established a training program (brother/sister program) aimed at enabling new employees to smoothly adapt to their assigned workplaces and quickly hit the ground running. The role of the trainer (who acts as an elder brothers or sisters) goes beyond job-related instruction to play a role in providing guidance on how adult members of society should conduct themselves while following up on new employees' state of mind. The program also encourages the trainers to leverage their experience guiding junior employees to gain a new perspective and thereby grow themselves.

#### Performance Data

### | Follow-up Training for New, Mid-career Hires

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of participants	87	60	43	42	35

# Work Style Reforms

Having designated 2018 as the inaugural year of work style reforms, SEKISUI CHEMICAL Group has implemented reform initiatives under a three-year plan. After having first put in place a Statement of Work Style Reforms, the Group initiated three reform activities and achieved success across a variety of areas, including reductions in working hours and flexible work styles.

Going forward, we will take on the challenges of creating workplaces that are both supportive and fulfilling for our employees.

## SEKISUI CHEMICAL Group Statement of Work Style Reforms

We will pursue highly productive work styles that maximize results in a limited amount of time by breaking away from work styles that produce results over time so that all employees can demonstrate their characteristics. In order to improve productivity, the Company actively invests in management resources, and unifies managers and workers to coalesce their wisdom Company-wide. We nurture work satisfaction by improving the quality of the jobs, and promote the workers' active participation of diverse human resources by returning the success of reforms to employees.

		FY2018	FY2019	FY2020	FY2021	FY2022
Activities at each divisional company		[Lined Group-wide] Three Reforms (Practical application)			Handling by each company	
Group-wide common measures		Work Style Reforms 1.0 (Reduction of working hours)			Work Style Reforms 2.0 (Increase productivity)	
		Investment in working style reforms				
Linked measures for all companies	Improved productivity (guidelines and sharing)	Establishment of smart work guidelines	Sharing successful case studies (system utilization)	Implementation of awards and horizontal expansion of case studies	Work Style Reform 2.0 Guide, e-learning	
	Flexible working styles (systems and framework adjustment)	Renewal of the video meeting system	Introduction of a remote working system	Expansion of the web meeting system	Expansion of the working from home system	Expansion of the working from home system
			Introduction of paperless meetings	Expansion of the working from home system		
Compliance (handling legal affairs)	Distribution of policies	Handling by each company	Handling by each company			

## Work Style Reforms 2.0

From fiscal 2021, we have brought about the evolution of our efforts to Work Style Reforms 2.0. We will continue to work on improving work productivity while keeping in mind that DX is being promoted on a Company-wide basis.

### <Increase Productivity in Work Style Reforms 2.0>

In addition to refining our previous efforts to reduce working hours (Work Style Reforms 1.0), we will also improve the quality of work and increase productivity by having each and every employee work in a self-directed manner.

To this end, we are promoting measures to put into practice self-directed work styles by each and every employee and self-directed support-type management by superiors. In fiscal 2021, we prepared a guide and an e-learning program that explain the concept behind Work Style Reforms 2.0. This guide and e-learning program will be rolled out from fiscal 2022.

**働き方 2.0 ガイド**

**成功の循環モデル**

- 思考の質が上がる
- 行動の質が上がる
- 結果の質が上がる

**成功の循環**

1. 従業員一人ひとりによる自律的な働き方

2. 上司による自律支援型マネジメント

3. ベースとなる部下と上司の信頼関係

4. 多様な働き方ができる環境

**3つのスランクス**

1. 自律的な働き方を実現する
2. 自律的な働き方を実現する
3. 自律的な働き方を実現する

**3つのスキル**

1. コーキング
2. フォーディング
3. フォートロッキング

**4つのステップ**

1. ステップ1
2. ステップ2
3. ステップ3
4. ステップ4

**Eラーニング**

自己申告型 働き方改革2.0 Eラーニング

自己申告型 働き方改革2.0 Eラーニング

## Investment in Work Style Reforms

Substantial capital investment and the introduction of systems are essential to continuously realizing the effects of business and work environment reforms.

With this in mind, SEKISUI CHEMICAL Group decided to invest 10 billion yen over the three years from 2018 to 2020 in an effort to reduce working hours Group-wide. Over this three-year period, we invested a total of approximately 7 billion yen, which led to a Group-wide reduction of working hours approximately 170,000 hours.

Despite extending the period of investment by one year and engaging in further efforts, we fell short to the total budget of 10 billion yen owing to the COVID-19 pandemic.

We have seen a certain improvement in the awareness toward the need to reduce working hours. Looking ahead, we will integrate Work Style Reforms investment into ESG investment and continue to roll out as appropriate.

## Labor-Management Committee

In order to promote the realization of flexible work styles and reductions in working hours, we continue to hold multiple discussions between the labor union and management. Through the Labor-Management Committee, steps were taken to upgrade and expand options for working remotely from the home and flexible working hours in fiscal 2020 (abolished restrictions on reasons for use, abolished core hours, etc.).

In addition, in order to handle the coexistence of remote work and commuting during the COVID-19 pandemic, we introduced an allowance for actual commuting expenses and an allowance for working from the home. Amid the prolonged impact of COVID-19, we revised the prevailing systems to expand the discretion of superiors at each workplace while allowing for greater flexibility in the use of telecommuting in such areas as work location and frequency of use in response to the growing diversification of work styles in fiscal 2022. Looking ahead, we will continue to hold repeated, constructive discussions between the labor union and management to promote the creation of work sites that are compatible with the new normal and where working is both easy and rewarding.

## Acceptance and Use of Remote Work System

In order to realize flexible work styles that are not tied to the workplace, since fiscal 2018 we have endeavored to establish a workplace environment where work and communication from both inside and outside the Company are almost seamless. We have also promoted system revisions that contribute to more flexible working styles and have created an environment in which both going to an office and remote work can coexist.

In fiscal 2021, we accelerated the deployment of each system to each Group company and made great progress in the introduction of working from home/flexible hours systems. We also expanded the deployment of providing allowances for actual commuting expenses (19 companies as of July 2021).

## Lobbying on Compensation and Labor Conditions

With the aim of securing and developing human resources throughout SEKISUI CHEMICAL Group that goes beyond divisional company and individual Group company frameworks, we will continually work to upgrade various systems and improve labor conditions based on the results of our analysis of labor conditions at domestic Group companies. We also conduct investigations of not only compensation levels but also working hours, use of paid leave, and flexible work style aspects, which are linked reform measures in the very way we work - with the intent of optimizing conditions across the entire Group.

## Labor-management Cooperation and Communication

At SEKISUI CHEMICAL (non-consolidated), management and the labor union strive to mutually understand and respect their roles and positions. It is believed that through close communication between the labor union and management, our common problems based on a shared objective of advancing the Company can be solved.

Among SEKISUI CHEMICAL subsidiary companies in Japan, there were 15 independent labor unions with 5,341 employees in the All-SEKISUI CHEMICAL Labor Union Federation, while SEKISUI CHEMICAL Labor Union, which is the core organization in the Federation, had 2,360 members (as the Group employs a union shop system, the membership rate of employees eligible to become union members is 100%) in fiscal 2021.

## Notifications of Major HR-related Changes

Based on the proposals submitted to the labor union and feedback received from each of the union branches, SEKISUI CHEMICAL has decided to move forward with HR system revisions and large-scale organizational reforms which will entail major changes and have significant effects on employees. The labor agreement specifies that when employees belonging to the labor union are to be seconded or transferred, the labor union is to be notified at least one month prior to the change and the applicable employee's willingness to accept their new position is confirmed prior to assignment.

Performance Data 

**Overtime Hours\* (SEKISUI CHEMICAL)**

	FY2017	FY2018	FY2019	FY2020	FY2021
Monthly average per employee (hours)	19.9	19.5	18.0	15.6	18.2

\* Calculated on the basis of a 7.5-hour work day.

\* Figures from previous years (from fiscal 2018) retroactively revised.

**Paid Vacation Day Utilization Rate (SEKISUI CHEMICAL)**

	FY2017	FY2018	FY2019	FY2020	FY2021
Average per employee (%) (Excluding managers)	51.1	64.0	71.4	58.2	64.9

**Average Number of Paid Vacation Days Taken (SEKISUI CHEMICAL)**

	FY2017	FY2018	FY2019	FY2020	FY2021
Average per employee (days) (Excluding managers)	9.6	12.1	13.6	11.2	12.5

# Health and Productivity Management

## SEKISUI CHEMICAL Group Goals for Health and Productivity Management

SEKISUI CHEMICAL Group strives to improve its employees' physical and mental health based on the idea that employees are valuable resources entrusted to the Group by society. To further advance these initiatives, in March 2019 SEKISUI CHEMICAL formulated a philosophy regarding its goals for health and productivity management\* in a Declaration of Health, and established the Basic Policy for Health and Productivity Management. SEKISUI CHEMICAL Group positions health as the well-being that is defined in the WHO Charter, aiming for health as a state of complete physical, mental and social well-being. In working to achieve the well-being of all employees and to realize a highly vital, exceptional company as laid out in the Group's Long-term Vision, we have formulated medium- and long-term goals for five initiatives.

We are also aiming to resolve management issues through health management. To solve such issues, we are utilizing a Health and Productivity Management Strategy Map and addressing health management while evaluating the expectations toward and effects of those measures.

Health and Productivity Management Strategy Map

[https://www.sekisui.co.jp/csr/pdf/csr\\_strategy\\_map.pdf](https://www.sekisui.co.jp/csr/pdf/csr_strategy_map.pdf)



### Declaration of Health for SEKISUI CHEMICAL Group

SEKISUI CHEMICAL Group has been engaged in health management initiatives for our employees based on our belief that **"employees are precious assets bestowed on us by society."** SEKISUI CHEMICAL endeavors to take these initiatives to the next level by treating **the promotion of the health of our employees as a management strategy** that is aimed at achieving the physical, mental, and social **well-being of all employees.**

### SEKISUI CHEMICAL Group's Basic Policy for Health and Productivity Management

Strive to achieve the **well-being** of all employees,  
and create workplaces where a diverse personnel can play an active role with vitality.

- Practice a comprehensive health promotion program that encompasses everything from health management (defense) to improving (offense) the fulfillment and rewards of working.
- Focus on improving productivity by advancing the awareness and behavior of each and every employee.
- Encourage employees to make a proactive and ongoing effort to strive for well-being now and in the future.
- Strive to contribute to society by realizing the happiness of employees and their families, and our customers through the well-being of our employees.

Note: Health and Productivity Management is a registered trademark of the NPO Kenkokeiei.

## Five Initiatives to Promote Employee Health

### Initiative 1. Health Checkups and Measures to Prevent Lifestyle Diseases

SEKISUI CHEMICAL Group collaborates with the Sekisui Health Insurance Society to facilitate health and carries out uniform health checkups for all Group companies. From October 2018, we have introduced a common Group-wide health management system. In addition, from 2015, we developed the Sekisui Health Network (SHN), a system that can respond to business sites of less than 50 employees, so we are advancing better health among such small work sites as well.

As a measure to prevent lifestyle diseases, in fiscal 2020 we commenced a program to support the seven health habits advocated by Dr. Lester Breslow. We are advancing activities to achieve 100% for both employees who practice at least four of the health habits and also the awareness of the program itself. In 2017, we also published the work aptitude assessment guidelines for high-risk individuals to properly manage their own health. From fiscal 2018, we have added a category in the safety audit that is related to high-risk individuals to ensure that all Group employees are well aware of the guidelines.

Note: Collaborative health refers to cooperation between companies and insurers including the health insurance society and joint efforts to improve the health of workers and their families effectively and efficiently.

### Initiative 2. Mental Health

SEKISUI CHEMICAL Group is conducting the following activities as measures to support mental health.

#### 1. Stress Level Tests

SEKISUI CHEMICAL Group strives to maximally leverage the stress level tests that are provided for in law. Specifically, it undertakes obligatory efforts at population analysis and work environment improvements as an element of its Group-wide stress level tests for employees, including those working at business sites with fewer than 50 employees. Since fiscal 2019, the Group has made it a requirement to conduct population analyses within the Group, and in fiscal 2021 76.5% of business sites were reporting their population analyses to management.

In addition, 65.5% of the business sites that conducted population analyses are engaging in workplace environment improvement activities in accordance with the results of their analyses.

#### Stress-check Assessment Rate

	FY2017	FY2018	FY2019	FY2020	FY2021
Assessment rate (%)	81.9	87.1	92.5	93.9	95.2

Note: Scope of stress level test implementation: Companies that are members of the Sekisui Health Insurance Society (excluding some affiliated companies)

## 2. Web-based Stress Management Training

We are conducting stress management training for newly appointed managerial staff, mid-career hires, and Japanese employees working overseas who experience considerable change in their environments. This training is proving effective as stress self-control indicators appeared to rise compared to before the training was implemented. In order to make it easier to undergo training, we changed the medium from a telephone- to a web-based system from fiscal 2020.

## 3. Required Mental Health Educational Programs

In fiscal 2021, many employees attended mental health educational programs. The average attendance rate for classes (held twice in total) geared toward those in managerial positions was 91.0%, and the class attendance rate for general employees was 81.0%.

## 4. Enhanced Consultation Centers Where Employees Can Comfortably Seek Advice

We have established consultation centers that are available to any employee of SEKISUI CHEMICAL Group, regardless of employment format, thus strengthening a safety net function.

### Initiative 3. Systems and Workplaces Where People Can Work with Peace of Mind

There are a variety of existing factors at workplaces that may hinder health, including chemical substances, working posture, and noise. To counter these factors, we are undertaking activities across the Group through the utilization of an occupational health and safety management system. In addition, we are also striving to enhance a range of internal systems that take into consideration an environment to work in with peace of mind for those with medical conditions as well.

### Initiative 4. Group-wide Initiatives

In order to promote health and productivity management in unison as a group, we continue to pursue Group application of the Health and Productivity Management Organization Recognition Program, in the large enterprise category. Based on these endeavors, the number of applicable subsidiary companies increased to 30 in fiscal 2021. This recognition applies to groups where their companies have conducted a pre-assessment, and undertaken activities to increase the level of health.

We took steps to put in place system improvements and initiated information exchange meetings among applicable companies from fiscal 2019. Having established specific health management targets for each company, we are enhancing collaboration between subsidiary companies while sharing information.

In addition, we have appointed people responsible for, and others in charge of health and productivity management at approximately 300 business sites, covering the entire Group. This represents our efforts to build a structure in which steady measures can be put in place to advance health and productivity management. Subsidiary companies are also proactively advancing health promotion efforts, which are being showcased on the websites of local administrative bodies and on the radio.

## Initiative 5. Increase Motivation and Productivity

We will work to raise motivation and productivity by steadily implementing the aforementioned four initiatives.

SEKISUI CHEMICAL measures presenteeism\*<sup>1</sup> and absenteeism\*<sup>2</sup> as productivity indicators.

Presenteeism was worse than last year, though this may have been a result of the effects of the prolonged COVID-19 pandemic.

So that we can constantly work while maintaining high productivity, we are working on industry-academia collaborations to analyze factors that will lead to improved productivity.

\*1 Presenteeism: A condition in which performance that should be inherently exerted deteriorates due to a physical or mental disorder.

\*2 Absenteeism: Absence from work due to a variety of factors including illness or poor health.

Starting in fiscal 2021, we will focus on the following six indicators as primary KPIs among the 21 KPIs.

- Implementation ratio of the seven health habits (at least four)
- Implementation ratio of workplace environment improvements
- Ratio of employees on prolonged absence due to mental health issues
- Presenteeism
- Absenteeism
- Subjective well-being indicators (start in fiscal 2022)

	FY2019	FY2020	FY2021
Implementation of 4 or more of the 7 health habits (%)	58.3	59.0	54.0
Implementation ratio of workplace environment improvements (%)	52.2	64.3	65.5
Ratio of employees on prolonged absence due to mental health issues	0.77	0.98	1.02
Presenteeism (%)	81.1	65.5	64.7
Absenteeism (days)	1.62	1.27	1.31

Major Initiatives

**Program to Support the Seven Health Habits**

Launched in fiscal 2020, this program supports the seven health habits advocated by Dr. Lester Breslow, and is intended to extend the healthy life-expectancy of employees and to help them approach work in an invigorated manner. We established standards for appropriate habits under each of the seven items of Eat Breakfast, No Snacks, Regular Exercise, Maintain Weight, Sleep Well, Avoid Smoking, and Less Drinking, and aim for all employees to practice at least six of these items by 2028.

The Health Promotion Office began an e-learning program in fiscal 2019 as support for acquiring information on appropriate health habits and for putting these into practice. In fiscal 2020 we also introduced a health promotion app (hereafter, Seven Crown App).

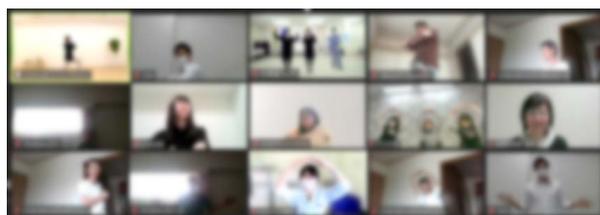
During fiscal 2021, we held a total of five events, and a total of 2,199 people participated. Distributing the app to all employees in Japan not only maintains and promotes the health of individuals but also serves as an opportunity for communication between employees. In addition, health support using the app within the Group is gradually gaining in popularity, for example in planning health events on a company-by-company basis using the Seven Crown app.

**7つの健康習慣で健康寿命を伸ばしましょう**

1. 朝食を週5回以上食べる
2. 間食は適量で(\*1)
3. 週合計60分程度、定期的に運動する
4. 適正な体重を保つ(\*2)
5. 十分な睡眠時間をとる
6. たばこ(新型たばこも含む)を吸わない
7. お酒は適量を守るか、または飲まない(\*3)

(\*1) 1日200kcal程度 (\*2) BMIが18.5~25 (\*3) 男性1日2合未満、女性1日1合未満

7つの健康習慣のうち6~7つを実施している人と、0~3つの人とでは、平均余命が10年ほど違うと言われています。まずは4つ以上を目指しましょう。

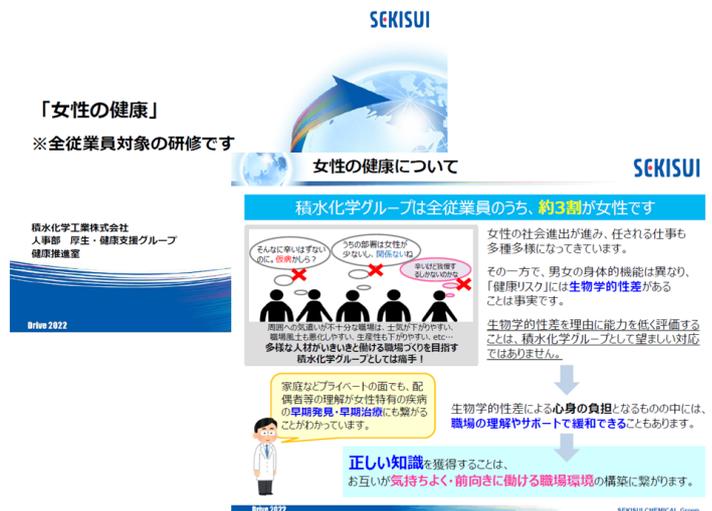
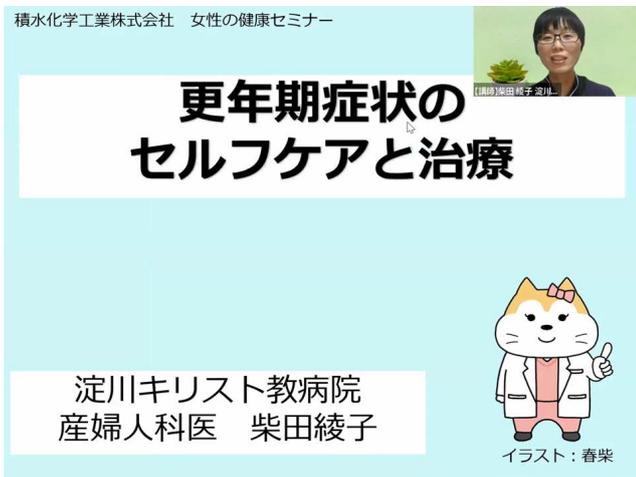


## Efforts to address women’s health issues

SEKISUI CHEMICAL Group has been conducting e-learning on Women's Health for all employees, including male employees, since fiscal 2019. In fiscal 2021, we invited a doctor who is an obstetrician and a gynecologist as lecturer and held lectures on health issues that women in each age group face and on the strategies for coping with those issues. A total of 521 employees participated in the total of three seminars. They were highly satisfying lectures, after which 99.7% answered that they had understood, and 97.0% answered that they had heard what they had expected to hear (43.1% had learned more than they had expected).

To prevent cancers peculiar to women, we have a system in place by which cancer screening can be performed in combination with and at the same time as regular health examinations. In fiscal 2020, the cervical cancer screening rate was 63.7% (age 20 or older), and the breast cancer screening rate was 85.4% (age 40 or older).

We will continue to promote efforts to address women’s health issues.

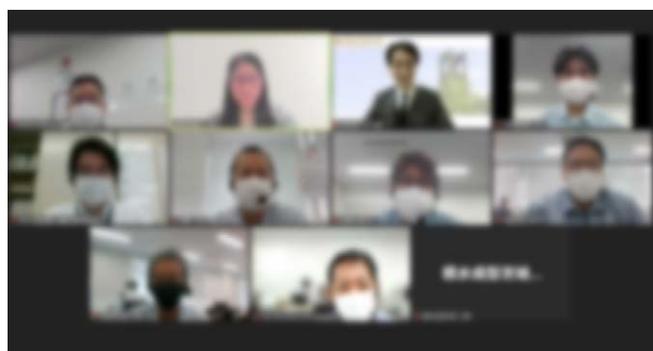


## Workplace Environment Improvement Activities

Based on the results of the population analyses of stress level tests conducted in fiscal 2021, we are engaging in activities to improve the working environments at each workplace, including reviews of working hours, such as reductions of overtime hours and the taking of leave, and of personnel systems and organizational structures. We are also conducting workplace environment improvements with a focus on workplaces with overall health risk scores of 120 or more. As a measure against lower back pain in production departments, we are working to improve the working posture and working environment based on evaluations of the working posture. With regard to improvements in the workplace culture, we are also promoting activities through industry-academia collaborations and conducting online educational programs and other initiatives.



Changes in work posture and less strain placed on the lower back improved through KAIZEN activities.



Holding an online educational program during the COVID-19 pandemic.

## Certified as a 2022 Health and Productivity Stock and 2022 Health and Productivity Management Organization in the Large Enterprise Category (White 500)

SEKISUI CHEMICAL Group was recognized for its Company-wide efforts to solve issues relating to the health and productivity of its employees and was certified as a 2022 Health and Productivity Stock. Along with 30 affiliated companies in Japan, the Group was certified as a 2022 Health and Productivity Management Organization in the large enterprise category (White 500) for the sixth year in a row. With the aim of instilling health management practices, we are also actively communicating with our business partners and others outside the Company.



Companies receiving certification	Name of company certified together with the Company described on the left
Sekisui Chemical Co., Ltd.	SEKISUI MEDICAL CO., LTD.
	Hokkaido Sekisui Heim Industry Co., Ltd.
	Sekisui Heim Tohoku Co., Ltd.
	SEKISUI FAMIS TOHOKU Co., Ltd.
	Tohoku SEKISUI HEIM Real Estate Co., Ltd.
	Sekisui Heim Industry Co., Ltd.
	Tokyo Sekisui Heim Co. Ltd.
	Tokyo Sekisui Famis Co., Ltd.
	Sekisui Heim Chubu Co., Ltd.
	SEKISUI FAMIS CHUBU Co., Ltd.
	Sekisui Heim Kinki Co., Ltd.
	Sekisui Famis Kinki Co., Ltd.
	Sekisui Heim Chushikoku Co., Ltd.
	Sekisui Famis Chushikoku Co., Ltd.
	Chushikoku SEKISUI HEIM Real Estate Co., Ltd.
	Chushikoku Sekisui Heim Industry Co., Ltd.
	Sekisui Heim Kyushu Co., Ltd.
	Sekisui famis kyusyu Co., Ltd.
	Kyusyu SEKISUI HEIM Real Estate Co., Ltd.
	Kyushu Sekisui Heim Industry Co., Ltd.
	Chiba Sekisui Industry Co., Ltd.
	Nishinohon Sekisui Industry Co., Ltd.
	Sekisui Home Techno Co., Ltd.
	Sekisui Seikei, Ltd.
	Shikoku Sekisui Co., Ltd.
Kyushu Sekisui Industry Co., Ltd.	
Sekisui Hinomaru Co., Ltd.	
SEKISUI MUSASHI KAKO CO., LTD.	
Sekisui Material Solutions Co., Ltd.	
Sekisui Fuller Company, Ltd.	

Note: From the list of corporations certified as 2022 Health and Productivity Management Organizations in the Large Enterprises (White 500) category.