

## Human Resources Strategy



Striving for sustainable business growth through cultivation of dynamic and diverse human resources

Yasufumi Fujii  
Human Resources Development

### Aims of JSR Human Capital Management

#### 1. Strengthen linkage between management strategy and human resource strategy

##### Build a dynamic human resources portfolio and implement continuous human resource development (investment) & acquisition

Secure and foster human assets ready to nimbly adapt to organizational changes resulting from business creation, growth and environmental changes to continuously create corporate value

#### 2. Enhance employee engagement and organizational strength

##### Maximize experience and experiential value of members within JSR

Maintain high level of engagement through provision of growth opportunities, fair evaluation and feedback, and achieve member-driven, autonomous growth support and enhanced organizational strengths

We are working on identify and organize important matters, and establishing KPI and an action list aimed at

achieving the goal of “create a resilient organization that can adapt to any environmental change” as stated in the vision of the Medium-Term Management Policy looking into FY2024, based on the human resources strategy, which aims to improve efficiency of business activities, enhance business competitiveness, contribute to innovation, and maximize value provision to customers and the market by strengthening our vibrant, and diverse human resources and organizational strengths in accordance with the characteristics of each country, region and business.

To achieve sustainable growth amidst rapid changes in society, we must notice and discern the waves of change. As such, we will strengthen coordination among management, business and human resource strategies and backcast from the desired future of JSR’s human capital management to develop human resources who

can agilely recognize change and respond flexibly.

In our efforts to cultivate diverse human resources, we are training next-generation management human resources as well as human resources in technology. Since 2007, we have been conducting training future leaders with external collaboration in cultivating the next generation of management human resources. The training involves action-learning based on actual case studies and exercises to envision an ideal image for one’s division by stepping into the shoes of a supervisor to foster necessary business skills and broad perspectives as the next round of leaders. As for the training of human resources in technology, we have been implementing a training program by an American company that supports DX promotion since 2017 and fostering data scientists with an emphasis on research.

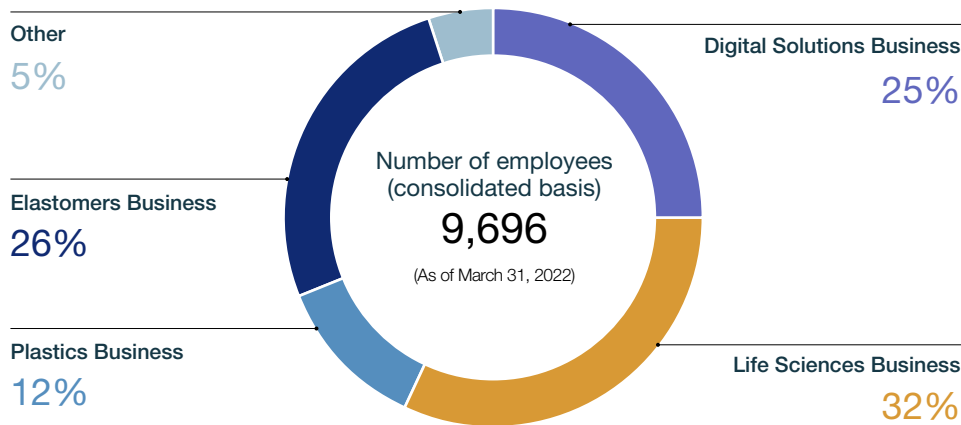
We aim to create a system and environment that makes it easy for all employees to work regardless of gender, age, nationality, personal preferences or physical challenges, through upholding a fair human resources and remuneration system that emphasizes ability and results. Currently, JSR Group operates in 12 countries and regions\* around that world, with employees representing diverse backgrounds regardless of their nationality, gender, age, and years of experience. We will leverage such diversity while flexibly embracing concepts and approaches that differ from the convention to cultivate members who will continue to impact society and achieve the continued growth of the Group.

\* Japan, North America, China, Belgium, Korea, Taiwan, Switzerland, UK, the Netherlands, Thailand, Germany, and Singapore

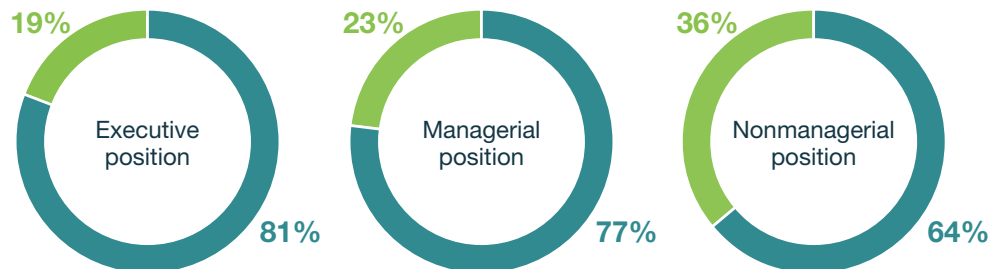
## JSR Group's Global Human Resources and Skills Development Initiatives

JSR is evolving in accordance with the needs of its employees while respecting diversity, equity and inclusion (DE&I). We aim to maximize employee engagement so that all employees can contribute their abilities to the fullest.

### JSR Group's Global Human Resources



Male Female



### System & Environment Aimed at Skills Development

#### HR System

- Percentage of women in managerial positions

KPI: 10% by FY2030



- Revision of HR system focusing more on career development (Japan)
- Development of a DE & I data matrix

#### Global engagement

- Continued implementation of employee engagement survey globally

We apply top-down and bottom-up approaches based on survey results and key driver analysis to optimize employee engagement and continuously refine actions.

#### Diverse work style post Covid-19

- Initiative on Work Style Innovation (WSI)

We promote multiple flexible work styles to maximize the results of the Group.

Example of Activities 1 **Diversity, Equity & Inclusion (DE&I)**

**Moving forward with developing a system and work environment that is employee friendly regardless of nationality, gender, age, personal preferences, physical challenges, etc.**

**Main measures**

- Promote active participation of female employees
- Promote active participation of employees providing family care
- Promote rehiring of employees who have previously resigned (career re-entry system)
- Promote active participation of foreign national employees
- Promote employment opportunities beyond retirements
- Promote active participation of employees with disabilities
- Diversity survey

JSR Group aims to be a resilient organization that can flexibly respond to various changes in the business environment. To that end, we believe it is important to recruit and promote diverse human resources, respect each employee's values, ways of thinking, and ideas, accept and challenge one another, and explore and be ready to pursue all possibilities.

Under JSR's vision for employee sustainability defined as: "We respect the values of diversity, equity and inclusion, and strive for all employees to reach their maximum potential. We will evolve to meet changing employee needs and maximize employee engagement," we are continuously working to create an environment and inclusive culture that incorporates flexible and diverse work

styles and is easy for everyone to work in.

Based on DE&I, we will strive to improve engagement by creating opportunities for employees to proactively take on challenges, develop their careers, and grow and play an active role, thereby strengthening our organizational capabilities and competitiveness.



Example of Activities 2 **Employee Engagement**

**To assess and visualize the engagement level of individual Group employees**

**Main measure**

- Implementation of the 1st JSR Group employee engagement survey

In 2021, the 1st JSR Group Global Employee Engagement Survey was conducted covering all employees worldwide. This survey, which aims to assess and visualize the engagement level of individual employees, received responses from 82% of our global workforce. The survey results indicated a positive response with an overall engagement index of 63% for the Group. Items that received higher scores compared to other companies included "sustainability," "customer perspective," "quality," "safety," and "sense of belonging to the organization." In addition, discussions and analysis concerning each division's current status based on the survey results were conducted to deepen understanding, while an action plan was formulated for improvement themes identified at each division.

Going forward, we plan to continuously monitor the progress on the action plans formulated by each company and division, and verify the effectiveness during the 2nd survey (conducted in July 2022).

**Summary of the 1st JSR Group employee engagement survey**

Purpose:	Assess and visualize employee engagement Collect information for the continued development and improvement of workplace environment and corporate culture that enables each employee to demonstrate their fullest potential
Number of respondents:	6,024/7,324 people (82%)
Survey method:	online marksheet and written responses
Analysis method:	comparison with other domestic/foreign companies' benchmark, key driver analysis, and other