

Social | Producing an employee-friendly workplace

Diversity & inclusion

Basic approach

The “many trees of varying character” expressed in our Corporate Philosophy are the very definition of diversity. Thus, our philosophy itself could be considered the fundamentals behind our basic policy on diversity & inclusion. We do business with respect for diversity by employing and developing people from all walks of life, which includes operating business overseas and actively enlisting female employees.

Global business operations

We began expanding overseas in the 1930s, and we now have approximately 70 overseas production plants and business facilities in 13 countries. In the process of doing so, we have constructed a robust global network by respecting the various values, practices, and national identities in the places where we do business and establishing trusting relationships with the people.

Human resource development

Basic approach

At INOAC, we advocate the philosophy that diverse human resources are the foundation for the continued existence of the company. Rather than specializing in one particular business, we are an entity that contributes to society by creating a diverse range of products and services. By respecting the individuality of each employee who constructs these products and services, taking quick actions and making speedy decisions, we aim to develop human resources capable of forming a vibrant global team with an abundance of individual character.

Establishing a human resources system that reflects the times

Work-styles have changed along with social changes from Japan's Showa Era that ended in 1989 and subsequent Heisei era that lasted until early 2019 into the current Reiwa Era. We now live in an age in which employees each determine their own individual path. Our vision for our new human resources system is to clarify the path and goals required for all employees to achieve their own professional

Project to promote employment of women

We enable female employees to demonstrate their skills and capabilities, actively seeking out roles for them and creating environments where they can contribute to the company. In our General Employer Action Plan which was formulated based on the Act on Promotion of Women's Participation and Advancement in the Workplace, we set three goals including specific numerical values for current issues, and we are aiming to harness capabilities and develop careers in many different departments.

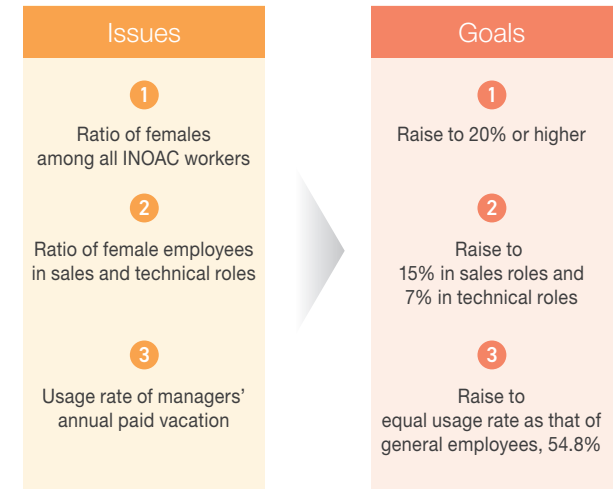
In fiscal 2021 we implemented a new system that makes it easy to rehire personnel who resigned for personal reasons—such as parental or caregiving responsibilities or work transfer of their spouse—and can be immediate contributors once again. We also conduct follow-up interviews with employees who joined as experienced professionals and utilize what we learn from them to solve problems in the workplace.

growth and to develop their subordinates. For employees themselves to grow as professionals, they need to have dreams and visions. They must enhance their own market value, fields of specialization, and expertise. And for them to develop their subordinate human resources, they need to clarify their subordinates' targets and goals, in addition to clarifying a road map and methods for enhancing their market value and standards for their expertise. We aim to establish human resources development that paves the way to a new era by presenting a clear vision of the personnel that employees are expected to become and implementing evaluation systems that motivate them toward their own development.

Global human resource development initiatives

In order to develop human resources capable of handling globalized business, we implement programs that enable an even higher level of skills acquisition with a focus on younger employees who will drive our future growth.

In these times of flourishing online interactions and training, the Overseas Trainee System which we launched in 2019 is producing



professional growth and realizations that are unattainable in Japan by offering employees the chance to actually go on-location, experience and learn the culture and business practices first-hand, and receive support from the overseas staff members during their work and training. Going forward, we are also considering restarting the Overseas Language Study Program which we launched in 2013 but has been suspended due to the COVID-19 pandemic.



At a meeting during training in North America

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Promoting work-life balance

We are actively working to support balance between work and family life, to have an employee-friendly workplace and promote the advancement of women.

Increasing our rate of annual paid vacation taken

Since fiscal 2021 we have been publishing our company goals and working toward achieving the Japanese government's target of at least 70% usage of annual paid vacation days.

Company goals

All employees take at least 50% of annual paid vacation days in the fiscal year they are allotted

Description of initiative

Create paid annual paid vacation schedules, communicate in the early part of each month about the number of days which must be taken, and post results on the company intranet.

Reduced work hours for childcare

Our reduced work hours for childcare had previously applied to employees raising children up to third graders in elementary school and allowed them to work reduced hours (six-hour days) for up to three years. However, in fiscal 2022 we changed the applicability to include children up to sixth graders in elementary school and removed the three-year restriction on duration.

Other support systems to balance work and childcare (year enacted)

- Paternity leave (before 1980)
- Flextime system (1990)
- Regulations regarding family care leave (1990)
- Happy Holiday Leave (1991)
- Regulations regarding childcare leave (1992)
- Regulations regarding measures for maternity health management (1998)
- System for paid half days off (2000)
- Family support holiday leave (2005)
- Sick/injured childcare leave (2005)
- Amended regulations regarding childcare leave (leave period extension) (2005)
- Family Care Leave (2010)
- Regulations regarding telecommuting (2020)

* Flextime was changed from "with core time" to "no core time" on April 1, 2020.

Human rights

Basic approach

We respect the Universal Declaration of Human Rights and internationally recognized fundamental rights of workers, and we dedicate effort to respecting human rights without being complicit in any human rights violations such as forced labor or child labor. We also strive to create safe, comfortable workplace environments and are engaged in making improvements to that effect throughout our company by implementing measures against long work hours, workplace harassment, and more.

Guidance in rectifying long work hours

For those who have worked long hours and employees deemed to have health concerns, we follow the guidance of industrial physicians and take actions including having the applicable employees receive interview-style guidance and undergo regular or comprehensive health checkups. Additionally, when employees are deemed to have accumulated fatigue from working long hours, we take the appropriate steps as a company such as providing guidance from industrial physicians about the necessary measures to maintain their health once requested by the employees.

Measures against harassment

Workplace harassment is socially unacceptable behavior that wrongfully harms employees' dignity. At the same time, we also consider it a disturbance that prevents employees from harnessing their capabilities, interferes with order and performance of duties in the workplace, and can impact our social reputation.

We have declared zero tolerance for any type of harassment, whether expressed verbally or by attitude, or via email, the internet, or other means, and we are making committed efforts to prevent it. In addition, we administer an annual Power Harassment Questionnaire for all employees, establish internal reporting systems, and organize workshops for managers.

Health management

Basic approach

In the past, employees were considered to be responsible for managing their own health individually. However, the idea that the company is responsible for establishing environments where employees can be physically and mentally healthy at work has now become pervasive. Improving workplace environments and promoting health make individual employees feel more motivated for their work, which in turn makes the workplace livelier as a whole.

With all three parties—the company, employees, and health insurance society—working closely together, we aim to mitigate health risks, prevent injuries and illnesses before they occur, and balance the business of the company with the health management of its employees.

Health promotion initiatives

We are formulating annual schedules for the company as a whole which include priority action items for each month. At each business facility, we are establishing promotion organizations, formulating Mental Health Promotion Plans, and carrying these out. Working together with the health insurance society, we are also promoting employee health based on our "Three Pillars."

Three Pillars

▶ Prevent illnesses before they occur

For each individual employee to be healthy and thrive for longer, it is important to regularly prevent illnesses before they occur as opposed to only getting treatment after becoming ill. We provide assistance for employees to stay healthy, including subsidies for comprehensive health checkup costs, mental health courses, stress checks, and more.

▶ Specific health checkups

These health checkups identify those who require health guidance for preventing lifestyle-related diseases. For health checkup categories, we use examination categories that can accurately identify those who require specific health guidance, which includes the addition of waist measurements to observe buildup of visceral fat.

▶ Specific health guidance

Those who have been identified in specific health checkups create action plans based on guidance received from doctors, health nurses, and registered dietitians, and make efforts to improve their lifestyle habits.

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Safety and health / Disaster prevention

Principles and basic policy for safety

- (1) Safety is the basis of the very existence of the company.
- (2) All accidents and hazards are preventable.
- (3) Safety is achieved through the awareness and responsible actions of each employee.

Based on the safety principles, we prioritize safety above all—and this is demonstrated through action. When a risk becomes known, our established practice is to “stop it, call it in, and wait.” Our yearly activity plans include activities organized by the Ministry of Health, Labour and Welfare and monthly activities that past disasters have taught us to be of critical importance. We strive to improve the safety, health, and disaster prevention levels at all of our locations by conducting repeated training and improving any weaknesses we find in our safety, health, and disaster prevention assessments.

KPIs	Applicable scope	2021 result
<ul style="list-style-type: none"> • Total employee occupational accidents (including no lost worktime) • Total accident frequency rate • Total lost-worktime accident frequency rate -30% from previous year	Japan	22
		1.68
		0.76
	Overseas	16
<ul style="list-style-type: none"> • Severe employee occupational accidents 0 	Japan	0
	Overseas	0
<ul style="list-style-type: none"> • Fires at business facilities 0 	Japan	0
	Overseas	0
<ul style="list-style-type: none"> • Having no more administrative classification III work environments at worksites 	Japan	6 worksites

All INOAC Safety and Health Committee meetings

As safety activities led by top management and attended by all employees, we hold safety meetings to increase company-wide awareness of safety, health, and disaster prevention, build organizational culture, and prevent the recurrence of accidents.

- Central Safety and Health Committee meetings: Held four times per year
- Field inspections by officers: Held twice per year
- Safety Practitioners Conference: Held four times per year
- Safety conferences: Held once per year
- Organizing safety presentations by outside instructors: Held once per year
- Safety and Health Committee meeting at each location: Held monthly



Field safety inspection by top management

Developing safety-conscious workers with the Safety Dojo

The Safety Dojo lets employees experience potential work hazards in safe settings using 15 simulators that enable them to see, hear, and feel the hazards. The experience helps to build workplaces capable of achieving the zero-disaster standard by making employees more sensitive to potential hazards, training their ability to predict them, and building habits in safe work practices. We also introduced a virtual reality (VR) system and bring VR equipment to each location for on-site interactive safety training.



Safety Dojo

Initiatives for healthier environments

Managers are improving their skills and knowledge through initiatives that enable them to lead by example.

- Establishing outdoor smoking space to ensure separation of smoking areas
- Taking environmental measures to reduce road surface temperature and lowering temperatures inside plants via the *Thermax* ceiling cover method, thermal insulation for furnaces, and more
- Organizing learning sessions and trainings by industrial physicians and the health insurance society
- Taking measures against heatstroke and extreme heat, creating Wet Bulb Globe Temperature (WBGT) visualizations, and systematically improving workplace environments
- Improving work environments and having no more administrative classification III (noise, organic & specified chemical substances, etc.) worksites
- Measures to prevent the spread of COVID-19
 - Implementing body temperature checking systems at entrances
 - Arranging partitions in meeting rooms and discussion areas
 - Allocating CO₂ measurement devices, air purifiers, and sanitizer liquid



Heat insulating pavement (reducing road surface temperature by reflecting infrared rays)



Thermal insulation for furnaces



Body temperature checking system at entrances

Disaster prevention activities

We take action according to our Crisis Management Regulations to minimize damage by natural and other disasters, execute accurate first responses, and ensure early recovery.

- Large earthquakes
 - Measures to alleviate earthquake damage to buildings and facilities
 - Safety and disaster prevention equipment and stockpiles for earthquakes
 - Post-earthquake response
 - Stockpile of mattresses and other items to contribute to the community
- Measures against fires, storms, and floods
 - Prevention of fires and explosions at production sites
 - Preparedness and systems for dealing with storm and flood damage
 - Establishment of a weather information distribution system
- Disaster prevention education
 - Utilizing the Disaster Prevention Training Center and performing disaster prevention training at worksites
- Disaster prevention agreements with local communities
 - Providing supplies such as water and mattresses when disasters occur
 - Organizing disaster prevention events and participating in disaster prevention training together with local communities



Disaster Prevention Training Center