

Consideration for 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.

▶ President's statement on respecting human rights

On August 1, 2023, our president communicated our "President's Statement on Respecting Human Rights" to all employees.

In addition to climate change, the consideration toward human rights is also becoming increasingly necessary among social issues in recent years. In the INOAC Group, we will also be scrutinizing human rights-related issues and engaging them in all aspects of our business. In line with our approach to respect for human rights outlined below, we ask that all employees embrace the spirit of being committed to respecting human rights. I will be taking the initiative myself to spearhead these efforts.

Approach to respecting human rights

We recognize that we may directly or indirectly affect human rights in the process of conducting our business. We support international norms related to human rights, such as the United Nations' International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), and we hold ourselves responsible to respect the human rights of all people involved in our business activities.

We do not tolerate discrimination based on nationality, gender, age, beliefs, religion, race, ethnicity, sexual orientation, disability, whether one is married or has children, or for any other such reason, nor do we permit any form of harassment such as power harassment, sexual harassment, or peer pressure, or behavior that undermines an individual's dignity. We also prohibit forced labor and child labor, and we guarantee freedom of association. In addition, we create healthy and safe working environments for our employees.

August 1, 2023
Yasushi Nomura
President & COO
INOAC Corporation

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.

▶ Human resource development that brings out the aspirations and motivation of each individual

Our human resources system changed two years ago with the aim of all employees achieving their own professional growth and developing their subordinates. There is something that we emphasize at INOAC in order to become an organization that instills this type of philosophy, where each employee changes their own behavior more voluntarily and autonomously and can achieve swift professional growth. That is to bring out and enhance employees' aspirations and motivation toward their work. We are designing training for everyone from general employees to executives to identify an overlap between their own roles and 'what they aim to accomplish' = "aspirations" at INOAC for the vision of the personnel they hope to become, and put it into practice while increasing their capabilities. Our aim is to be an organization that raises each individual's motivation toward their work and enables them to grow autonomously.

At player training



Using blocks to express their own work environments. For a panoramic outlook on their current position and the role required of them



Gradually taking a bigger-picture outlook on their surrounding environments—their workplace, related departments, and society—to gain a fresh new perspective on their own roles

▶ Global human resource development initiatives

Through a variety of programs, we are working to develop global human resources. Our Overseas Trainee System is a program aimed at experiencing the process of achieving results among other cultures through on-the-job training (OJT) overseas. Younger employees in many different industry types can achieve significant professional growth by training at local subsidiaries overseas, confronting the differences in values and difficulties of getting people around them involved, and overcoming difficulties.

This fiscal year, we launched new Intercultural Communication training for personnel assigned to live abroad, enabling them to feel more comfortable with working overseas by experiencing what "intercultural" really means. For employees who are scheduled for overseas assignments, we also began offering courses to learn specialized knowledge for living and working overseas (financial control, legal affairs, quality assurance, safety, etc.) and are assisting their advance preparations and smooth transitions overseas.

Comments from an employee with trainee experience

For one year, from January through December 2023, I underwent training mainly in plant engineering works and sales activities at our plant in New Jersey and sales office in Michigan in the US.

Through the trainee system, I was able to see first-hand how the expat employees stationed there are going about their work, which gave me a real sense of the challenges, capabilities, and methods that will be required of me in order to work globally. I was also able to experience the differences between the US and Japan in terms of the independence and means of communication that are needed. I'll be even more committed to my work here in Japan to make the most of my experience training overseas.

Naoya Oe

Research Section, Business Planning
Department, Corporate Planning Division



On a business trip with local employees

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 actively hiring female employees and global human resources.

► Global business operations

We began expanding overseas in the 1930s, and we now have approximately 70 overseas production plants and business facilities in 14 countries and regions. 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.

► 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.

	Issues	Goals
1	Ratio of females among all INOAC workers	Raise to 20% or higher
2	Ratio of female employees in sales and technical roles	Raise to 15% in sales roles and 7% in technical roles
3	Usage rate of managers' annual paid vacation	Raise to equal usage rate as that of general employees, 54.8%

Promoting work-life balance

► Basic approach

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 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

Support systems to balance work and childcare (year enacted)

- Paternity leave (before 1980)
- Flextime system (1990)*1
- 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)
- Regulations regarding childcare leave amended (leave period extension) (2005)
- System of reduced work hours for childcare (2008)*2
- Family care leave (2010)
- Regulations regarding telecommuting (2020)

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

*2 Changed on July 1, 2022 for the duration of reduced work hours for childcare to end when the child enters junior high school (March 31 when completing grade 6 of elementary school) and to enable reduced work hours to be applied in units of calendar months

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 prevalent. 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 putting in place 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 individuals 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.

Safety and health / Disaster prevention

Principles and basic policy for safety

Principles

Prioritize safety and health as well as disaster prevention in all behavior, based on creating workplaces where employees are healthy, safe, and comfortable carrying out their work.

Basic policy

- (1) Improve workplace environments while eliminating and mitigating sources of danger
- (2) Raise the safety and disaster prevention awareness of all employees
- (3) Observe laws and regulations related to occupational safety & health

We demonstrate “prioritize safety and disaster prevention above all” through action and establish the practice to “stop it, call it in, and wait” when a risk becomes known. After performing risk assessments, we eliminate and mitigate sources of danger. We also set yearly activity plans with critically important monthly activities focused on lessons learned from past accidents. We strive to improve the safety, health, and disaster prevention levels at all of our locations by conducting repeated inspections and educational training and improving any weaknesses we find in our safety, health, and disaster prevention assessments.

KPIs	Applicable scope	2021 result	2022 result
Total occurrences of employee occupational accidents ▶ -30% from previous year	Japan	22	20
	Overseas	16	21
Total accident frequency rate	Japan	1.68	1.53
Total lost-worktime accident frequency rate	Japan	0.76	0.46
Severe employee occupational accidents ▶ Occurrences: 0	Japan	0	0
	Overseas	0	0
Fires at business locations ▶ Occurrences: 0	Japan	0	1
	Overseas	0	0
Having no more administrative classification III work environments at worksites	Japan	6 worksites	12 worksites

All INOAC Safety and Health Committee meetings

As safety activities led by officers themselves 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.

CSR REPORT 2023

- 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 inspections by officers

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 introduced a virtual reality (VR) system and brought VR equipment to each location for on-site interactive safety training. To prevent occupational accidents caused by electricity, we also added training on handling low-voltage electricity and opened up participation to employees other than maintenance workers.



Safety Dojo

1 How to use inspection and measurement devices for electrical equipment



2 Electrical wiring & self-holding circuits



3 CPR/AED practice

- Testers
- Electroscopes
- Clamp meters

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



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



Thermal insulation for furnaces



Roof covering methods

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



Firefighting training