Mitsubishi Chemical Group Corporation KAITEKI REPORT 2022

Human Resources

Human Resources Strategy

The Mitsubishi Chemical Group is working on a global level to make its organization more diverse.

Diversity, equity, and inclusion as a human resources strategy

Mitsubishi Chemical Group Corporation introduced a new management structure in April 2022.

In this new environment, we will promote the transformation of the organization into one where diverse individuals are respected and valued for their contributions and are able to fulfill their potential.

We are creating more diverse leadership teams so that we can achieve this human resource strategy, and we will engage in lively discussions with broadly experienced people both inside and outside the Company in order to inform our business decisions. In practical terms, we are bringing in more people from overseas, as well as providing focused training for the local employees who could become their successors. In the future, we plan to introduce new training programs, developed in partnership with world-class human resource training institutions, to visualize and focus training for our top management.

Obviously, if we are to pursue greater diversity and inclusion, we need measures to address a multitude of challenges while also ensuring diversity in our management team. We will continue working to eliminate stereotyping, shine a light on unconscious bias*, and change awareness in all employees. We want each employee to understand that combining the wisdom of a diverse range of people makes our organization stronger, and we aim to foster an organizational culture that allows people to embody this concept every day and uncover new value.

Developing the next generation of leaders to drive transformation

In the past, in-house training focused on achieving operational certainty and stability through staff postings to different departments for a period of time to build up experience. This method of staff development through accumulated experience is no longer sufficient if we are to respond in a timely fashion to changes in the market or demands from society. We also need to put systems in place to continue building a rich and diverse pipeline of talent. We have therefore established two new human resource training programs: The Top Leader's College (TLC), to develop the next generation of management executives, and the Future Leader's College (FLC), to train team

Defining what we need in our management leaders

Basic qualities	Personal attributes (reliability, ambition, honesty, inquisitiveness), courage Embodies our vision, mission, and values Cooperative ability (collaboration, relationships with stakeholders)
Management competencies	Market insights Strategic thinking Ability to drive transformation based on a future-oriented approach Organizational and human resource management capabilities (psychological stability, receptivity to diversity, ability to create a vision, resilience) Results focused
Expertise, experience	 Acute skills and expertise in social issues beyond conventional business boundaries Wide range of experience, including outside the Company Broad knowledge
Results, track record	Business track record through bold decision-making based on medium- and long-term perspectives Outstanding track record of driving transformation

leaders with the potential to move into top leadership ranks. Our goal is to build a diverse management team of winners who are capable of anticipating social change, driving transformation, and articulating their vision for the Company's future.

Top Leader's College (TLC) Program

Based on the concept of developing leaders for transformation, we have introduced a program to train those with potential to become the next generation of management leaders, in terms of skills related to "wisdom" and "focus" that will allow them to lead the Company on the path of sustained growth. The program includes direct interactions with people in managerial roles inside and outside the Company, as well as external coaches, to nurture participants' views. Participants are asked to describe their vision for the Company not in terms of what should be, but rather in terms that express their own determination. They are asked to create a real, all-encompassing company strategy, take on challenges, and make recommendations with preparation and purpose, as if they are managing the organization themselves.

Future Leader's College (FLC) Program

This program aims mostly to change team leaders' mindsets to prepare them to act as leaders who are driving transformation of the entire company, not just their own position. In this program, participants are asked to go beyond the current trajectory of their daily work tasks, with the goal of developing a broader perspective, eliminating a subordinate mindset, and focusing outward. Moreover, engaging in friendly competition with colleagues at the college can make ongoing learning a habit. We have received a great deal of feedback from participants, who said that this program was a watershed moment in their lives. We expect these talented people to drive change in the future.

^{*} Unconscious assumptions and prejudices

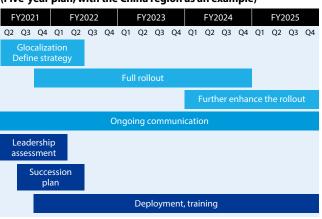
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Training management leaders at overseas subsidiaries

At MCG, we are accelerating the development of potential management leaders on a global level. In some regions, we are working to promote local employees to the top positions, and the management teams in each region are taking the initiative and implementing measures to achieve this. We are using assessments to visualize the potential of the human resources within the region, while setting localized KPIs relevant for promotion to key positions, implementing focused human resource development and human resource assessments, and investigating and executing plans for promotion. Through these initiatives, we aim to transition to group companies that are managed by people who know the region best and are best placed to maximize corporate value in their region. For the local employees as well, these initiatives may prompt them to think through their own career path from a medium- or long-term perspective.

Plans for management successor training at overseas subsidiaries (Five-year plan, with the China region as an example)



Programs to change employee mindsets

To foster a corporate culture that is open and energetic and where diverse human resources can maximize their potential, we must do more than just establish the right working environment; we need to change existing employee mindsets as well. We have a number of projects and training programs underway to achieve this.

In fiscal 2018, Mitsubishi Chemical launched a cross-departmental project called the Mitsubishi Chemical Women's Council. Managers take on the role of sponsors and employees from different departments receive real feedback from on-site workers via open discussions on diversity where ideas are put forward in a bottom-up approach. This allows us to get on-site perspectives to incorporate in programs to change our workplace culture. The council opens up various lines of communication, providing a direct route for feedback for management from on-site workplaces.

Unconscious bias training

When laying the foundations for everyone to thrive, it is important that all employees, regardless of whether they are in managerial or non-managerial roles, be aware of unconscious bias.

Mitsubishi Chemical started providing e-learning programs and workshops on unconscious bias in fiscal 2021, with programs tailored to employees, managers, and executives. More than 3,000 employees have taken these courses, deepening their understanding of unconscious bias.

Week of events for International Women's Day

Mitsubishi Chemical held a five-day online event to mark the United Nations International Women's Day on March 8, based on the concept of making Mitsubishi Chemical a fulfilling workplace where people can be themselves. During this event, we operated a range of programs, including roundtable sessions for discussions between management and workers, as well as conversations with male employees who had taken childcare leave. The sessions featured lively exchanges of opinion among participants and provided opportunities for reflection on how diversity and inclusion affects everyone.

We will continue our efforts to create workplaces that

maximize the overall value created by individual employees, where all people respect and appreciate each other's difference.



Online event web page

Event activities

	Activities	Description
DAY 1	Eliminating unconscious stereotyping	Discussions with management
DAY 2	Eliminating childcare stereotyping	Conversations with male employees who take childcare leave
DAY 3	Eliminating stereotyping on women's views about careers	Career lectures by outside speakers
DAY 4	Eliminating "grass is greener" stereotyping	Examples of in-house stereotypes
DAY 5	Eliminating "not my problem" stereotyping	Review of how to utilize what we have learned in the workplace