

Building HR Platform (Message from Senior VP in charge of HR)



While fostering an environment that empowers employees, the source of a company's competitiveness, to work autonomously, we are building out HR platform to enable MHI Group to keep growing.

Senior Vice President in charge of HR

Junichiro Kakihara

MHI Group's business environment is changing ever faster amid the global COVID-19 pandemic. From various perspectives HR is trying to achieve MHI Group's current medium-term business plan (2021 MTBP) to enable

the Group to grow sustainably in any environment. With sights set firmly on the future, every HR member is personally thinking and taking action to meet drastically changing societal and customer needs.

Development of Talent Pool for Succession

We are endeavoring to foster next-generation executives from a long-term perspective to fulfill MHI Group's Mission of integrating cutting-edge technology into expertise built up over many years to provide solutions to some of the world's most pressing issues and provide better lives. We select candidates with talent to play leadership roles in MHI Group's management throughout the Group at an early stage in their careers and intensively develop their capabilities. In our training program, we collaborate with business schools around the world to provide off-the-job training aiming to impart management knowledge and skills to candidates while instilling a leadership mentality in them. Additionally, we rotate candidates into and out of key positions in different business units to

further broaden and deepen their operational experience.

Through steady repetition of such a development cycle, we strive to cultivate next-generation executives capable of succeeding in any environment.



MHI Leadership Program session in Australia (Nov. 2019)

HR Digital Transformation Initiatives

We have built a global HR database containing personnel records of about 80,000 employees from 139 domestic and overseas consolidated subsidiary companies. We will utilize these data following the data governance policies for our strategic talent and workforce management.

To increase employee engagement, in addition to our employee attitude surveys done at about every 18 months, we will conduct pulse surveys globally which are simpler and done more frequently.

We will continue to reform our HR processes by adopting the latest technologies on an ongoing basis.



Sample screenshots of pulse survey system to be deployed globally

Work-Style Innovations

To promote the autonomous working style of each employee, MHI Group has long granted employees flexibility to choose their preferred working style to the extent permitted by the content of their jobs. For example, we eliminated core time for employees on flex-time schedules and expanded work-from-home eligibility. In Japan, interest in alternative working style has been growing since a new law of promoting work-style reforms took effect in April 2019. This trend has gained further mo-

mentum from restrictions on mobility (commuting) and in-person business interactions in response to the COVID-19 pandemic in 2020. Amid such an environment, MHI Group has surveyed employees on their job situations and needs and started to explore post-pandemic work-style changes. A company's competitiveness stems from its employees. MHI Group will continue to foster an HR culture that enables employees to work autonomously and dynamically, unbridled by time and place constraints.

Expansion of work modalities that support autonomous working style	Eliminated core time for employees on flex-time schedules
	Expanded work-from-home eligibility
	Increased annual paid vacation days usable in hourly units
Post-pandemic preparations	Implemented emergency measures and temporary accommodations to prevent spread of COVID-19
	Started exploring post-pandemic working style

Promotion of Career Opportunities for Women

To foster a culture where women can play more active roles, we have been endeavoring to expand programs that go above and beyond statutory requirements and

our own innovative programs, including conventional childcare leave for mothers of young children, time off for fertility treatments, re-employment of women resuming

Building HR Platform (Message from Senior VP in charge of HR)

interrupted careers and various financial supports. Since 2014, we have been carrying out a variety of initiatives to promote career advancement among female employees under four themes (see table below). Through these initiatives, we achieved our target of tripling the number of women in management roles (section manager and

above) from its fiscal-2014 level by 2020. We will continue to create opportunities for women to advance further in their careers and promote flexible working style to help women return to work sooner from childbirth or full-time parenting.

▶ Women's Career Advancement Initiatives

Theme	Examples
(1) Expansion of number of female employees	<ul style="list-style-type: none"> Stepped up recruitment of female college graduates (factory tours, conferences and pamphlets for female engineers in the future)
(2) Prevention of career interruptions	<ul style="list-style-type: none"> Established/upgraded work-life balance supports Hosted support-group gatherings for female employees
(3) Systematic development of female managers	<ul style="list-style-type: none"> Sent employees to external management training programs for women Strengthened follow-up of career-track candidates' development
(4) Corporate culture	<ul style="list-style-type: none"> Conducted mindset reform initiatives (briefings, trainings) for managers Conducted mindset reform initiatives (dissemination of information through, e.g., employee interviews) for all employees

Under the Act on Promotion of Women's Participation and Advancement in the Workplace, the Minister of Health, Labour and Welfare awards Eruboshi ("L Star") certifications to companies that meet certain standards of excellence in promoting career opportunities for women. In July 2020, MHI was awarded three stars, the highest Eruboshi rating, by meeting all five evaluation criteria: hiring, employment continuity, working hours, female share of management personnel and diversity of career tracks.

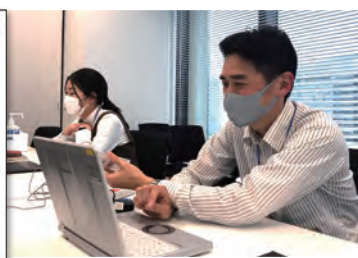
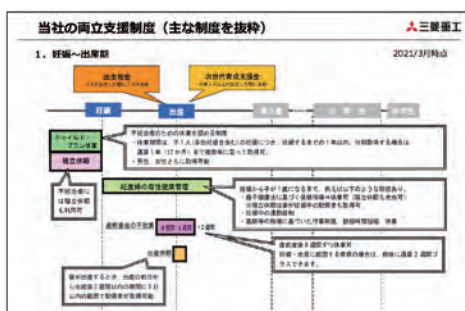


Female Employees playing active roles!

Even amid the pandemic, we continue to support female employees' work-life balance through such means as offering online seminars on childcare and eldercare. For the childcare seminars, we actively encourage male employees with pregnant partners and managers with subordinates who are parents of young children to attend. We do so to promote utilization of work-life balance supports and a communal understanding of work-family balance irrespective of gender. In recent years, the supports are increasingly being used even by male employees.

MHI Group will continue to make strides to promote career opportunities for women as a core component of its diversity management strategy in pursuit of global growth.

▶ Online seminars



Seminars explain MHI work-life balance supports and feature work styles of employees who are parents of small children

6:00	Wake up, get self ready for day, do housework, etc.
7:30	Wake up children, eat breakfast, get them ready for preschool
9:00-10:00	Start working
10:00-12:00	Usually meetings are set around this time (time which is least likely to be interrupted by calls from children's preschool)
13:00-18:00	Do work tasks (fully utilizing Teams, Lync, WebEX) Finish working after updating manager and colleagues on important matters
18:30	Pick up children (When my children went to different preschools, dropping them off and picking them up would take 30-40 minutes. It now takes less time.)
18:30	Prepare dinner from meal kit, eat together as a family
20:00	Bath children and wash dishes (with husband's help) ⇒ back to work if necessary
21:30	Read to children and put them to bed (When my children were younger, I would fall asleep while waiting for them to go to sleep. Now I enjoy free time after they fall asleep.)

Employment of Persons with Accessibility Needs

We employ individuals with accessibility needs throughout Japan and globally. We aim to create workplace environments where even people with challenges can comfortably play active roles. As one component of this program, we are proactively expanding job opportunities for them. In 2021, we newly launched on-site grounds-keeping operations in two workplaces in Japan to create new jobs. We will continue to maintain and expand workplace environments where individuals with accessibility needs can work to their hearts' content and give full play to their respective capabilities.



Cleaning crew at work in canteen

Health and Safety

MHI Group's basic policy for employee health and safety states, "At the MHI Group, safety is the top priority. We will do everything in our power to protect lives." According to this policy, we operate an occupational health and safety management system to create safe, pleasant workplaces. Intragroup health and safety activities are reviewed and monitored by a committee comprising the senior vice president in charge of HR and employee (labor union) representatives, among others.

We aim to eliminate workplace fatalities and major disasters. We designate as high-risk events not only fatalities and major disasters that have already occurred but also potential disasters and accidents that are likely to be fatal or severely destructive. Health and safety supervisors from all domains meet together to discuss causes of disasters and disaster-prevention measures to be implemented across all of the Group's workplaces. In 2021, we commenced Stop Work Authority (SWA) activities to make sure the Group's entire workforce is aware that whenever a safety rule violation is discovered, anyone, whether an employee or not, has the authority to halt the work in question. Through SWA activities, we are endeavoring to foster a culture where every workplace can veritably put safety first.

MHI Group also places priority on employees' physical, mental health and job satisfaction. We are committed to health and productivity management in accord



SWA poster

with our president's Health and Productivity Management Declaration.

In coordination with the MHI Health Insurance Society's Data Health Plan, we have set specific KPI targets in the FY2020-22 MHI Group Action 5 Health and Happiness health-management plan and are conducting Group-wide activities to achieve them. By promoting health and productivity management and optimal approaches to managing health in the context of new normal lifestyles, we aim to develop human resources capable of contributing to a healthy society teeming with vitality. In response to the COVID-19 pandemic, we are endeavoring to prevent intra-workplace infections by providing timely information and implementing anti-pandemic measures.