

## Promotion of Work Style Reforms in Response to the New Normal (Diversity, Work-Life Balance)



### Medium- to Long-Term Vision for Material Issues

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>Human resources could become concentrated at companies that are progressive on diversity and work style reforms.</li> <li>Remote working could result in lower productivity (more difficult to manage operations and personnel, breakdowns in communication, problems with managing the working environment).</li> </ul>	<ul style="list-style-type: none"> <li>The potential to secure excellent human resources, product development from a diverse perspective</li> <li>Higher productivity</li> </ul>	<ul style="list-style-type: none"> <li>Create an environment where diverse human resources can leverage their capabilities</li> <li>Reform work style to heighten productivity</li> </ul>
Medium Term	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
	<ul style="list-style-type: none"> <li>Calls to create diverse workplaces that encourage promotion among women, foreign nationals and mid-career hires</li> <li>Disasters and infectious disease prompting a sharp rise in remote working</li> </ul>	<ul style="list-style-type: none"> <li>The provision of equal opportunity</li> <li>Provision of working environments that suit individual lifestyles and life events</li> </ul>	<ul style="list-style-type: none"> <li>Creating workplaces where women and people with disabilities can leverage their capabilities</li> <li>Establishing flexible working styles that enhance productivity</li> </ul>

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	FY2020 Targets	Indicators	FY2020 Results	Self-Evaluation
Promotion of work style reforms	Ongoing implementation of work style reform measures	Overtime hours (administrative and engineering staff)* <sup>1</sup>	18.7 hours/month	△
		Paid leave taken (administrative and engineering staff, manufacturing workers* <sup>2</sup> , medical workers* <sup>3</sup> )	19.3 days/year	○
		Telecommuting ratio (Tamachi area)	77% (average for the fiscal year)	○
Promotion of women's participation and advancement in the workplace	Implementation of ongoing measures to promote women's participation and advancement in the workplace	Number of female managers	79 (As of April 2021)	△
Promotion of employment of people with disabilities	Ongoing promotion of employment of people with disabilities	Percentage of employees with disabilities	2.36% (As of March 2021)	○

\*1 Administrative and engineering staff: Employees who work in corporate planning, adjustment, research, auditing, and other professional and engineering categories

\*2 Manufacturing workers: Employees engaged directly in manufacturing work or parts supply, equipment maintenance, testing or other supplementary work; also, employees who engage in supervision or instruction, technical instruction, or on-site support

\*3 Medical workers: Employees who engage in medical and health-related work, such as doctors, pharmacologists and nurses



## Basic Approach

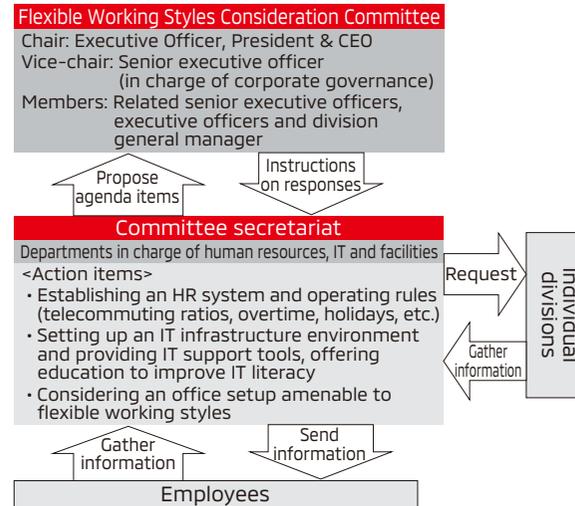
MITSUBISHI MOTORS views the key to creating sustainable growth and improving corporate value in an everchanging operating environment is people. We therefore believe that realizing an environment is important where each and every person can perform meaningful work and demonstrate his or her abilities, and where people can work enthusiastically and in good health, both physically and mentally.

Before COVID-19, it was usually assumed that employees would go to the workplace, but the pandemic is changing this assumption. We have now shifted to a flexible working style that is less dependent on specific times and locations. To create value by leveraging diverse human resources, we are creating an environment that embraces working styles that help individuals achieve a work-life balance and make the most of their capabilities. At the same time, we aim to enhance work productivity and the quality of life.

## Management Organization

We have been promoting telecommuting and flextime systems in our effort to develop an environment where diverse employees can maximize their abilities. To realize more flexible working styles through remote working, we recognized the need to consider the situation from a medium- to long-term perspective. Accordingly, in July 2020 we established the Flexible Working Styles Consideration Committee, which is chaired by the Executive Officer, President & CEO. This committee is deliberating and promoting initiatives.

## Organization of the Flexible Working Styles Consideration Committee



## Examples of Work Style Reform Initiatives

Measures related to working hours
• Setting the third Friday or the Friday closest to the 20th day of each month as "Premium Friday" when employees are encouraged to leave work by 3 p.m.
• Encouraging employees to use our half-day leave system and flextime system, which we recently revised to remove the core time requirements
• Encouraging employees to take paid leave around public holidays and consecutive holidays in order to make a longer weekend
Measures related to places of work
• Promoting the use of telecommuting
Measures for raising awareness about work style reforms
• Making progress visible by counting and internally disclosing overtime hours and paid leave taken by each division

▶ Data (pp.120-121): Working hours, ratio of paid leave taken, number of employees using telecommuting/flextime systems

## Employee Surveys

Since FY2013, we have conducted employee surveys to identify issues affecting the Company, organizations, and individual employees. The survey results are used to improve awareness and operations at each workplace.

In FY2019, we conducted a global survey targeting affiliated companies in Japan and overseas. In FY2020, we provided feedback to individual corporate organizations.



## Promoting Diversity

MITSUBISHI MOTORS aims to grow sustainably while responding to the significant changes in the business and market environment resulting from diversifying customer needs and technological innovation. To this end, we need employees with different values and ideas working together to create automobiles with new appeal and value. With respect for employee diversity including race, nationality, ethnicity, gender, sexual orientation, gender identity, age, ability or religion, we are making efforts to create environment where each person can energetically work without difficulty.

To promote and achieve diversity, we are pursuing Di@MoND activities by the Diversity Promotion Office

based on the Diversity Promotion Policy we established in July 2014. By embracing diversity, our aim is to leverage employees' diverse characteristics in a manner that will contribute to the mutual growth of the Company and each individual employee. Initially, Di@MoND activities prioritized women's participation and advancement in the workplace. Now, we are also working to provide working environments that are comfortable for all.

▶ Data (p. 120): Number of employees, number of employees by region, number of locally hired managerial employees at overseas subsidiaries, status of female management promotions, employee makeup, number of new graduates hired

## Promoting Women's Participation and Advancement in the Workplace

We promote women's participation and advancement in the workplace as a priority issue. Since 2014, we have been selecting female managers and manager candidates to join Working Women's Empowerment Forum, led by the Japan Institute for Women's Empowerment & Diversity Management.

As of July 2021, 8.8% (three) of the Company's executives were women, and we had 80 female managers, of whom 13 were division general managers. Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, in April 2021 we formulated an action plan to promote women's advancement, setting 15% as our target ratio for female manager candidates, which we are working to achieve by March 2024.

▶ Data (p. 120): Status of female management promotions

### Diversity Promotion Policy

We aim to respond to change and heighten organizational capabilities by incorporating diverse viewpoints and approaches through the different abilities and characteristics of each employee. In this way, we will create vehicles offering new levels of attractiveness and value. We are promoting Di@MoND (Diversity @MITSUBISHI MOTORS New Drive) activities to create an environment where employees can maximize their individual abilities and play an active role.



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### TOPICS

#### MITSUBISHI MOTORS Selected as Constituent of MSCI Japan Empowering Women Index

We have been selected as a constituent member of the MSCI Japan Empowering Women Index (WIN) for the fourth year in a row, beginning in 2018. WIN is an index developed by MSCI Japan Inc. for supporting investment in the environment, society, and governance (ESG).

MSCI selects companies that lead their industries in promoting the hiring, continued employment, and advancement of women and diversity. MSCI makes its determinations based on data relating to the employment of women disclosed pursuant to the ACT on Promotion of Women's Participation and Advancement in the Workplace and information disclosed by companies for example.



## Promoting a Work-Life Balance

MITSUBISHI MOTORS is enhancing our work-life balance assistance programs to accommodate the diverse work styles of our employees. In FY2017, we introduced the telecommuting and accompanying leave systems to accommodate diverse work styles and life events. In FY2018, we established the Work-life Balance Support Concierge within the Company, from which employees can seek advice on the programs suitable for their individual childcare and nursing care needs. Following feedback from employees who had sought advice, we relaxed the criteria for child nursing leave, short-term nursing care leave and the telecommuting system. In August 2021, we revised the telecommuting system in an effort to create an environment that fosters more productive and highly flexible working styles.

**PDF** Women's Participation and Advancement in Workplace Action Plan (Japanese only)

► Data (pp. 120–121): Status of female management promotions, number of persons taking childcare leave and retention of returnees, people utilizing major programs to promote work-life balance

### List of work-life balance assistance programs

	Programs	Overview
Childcare	<b>Pregnancy leave</b>	Can be taken for the designated period of time applied for in advance, between becoming pregnant and the day prior to maternity leave (may be taken multiple times)
	<b>Maternity leave</b>	Six weeks prior to birth and eight weeks after birth
	<b>Childcare leave</b>	Can be taken up to the end of April of the following fiscal year after the child's third birthday
	<b>Child nursing leave</b>	Can be taken until the end of the fiscal year of the child's 12th birthday (one child: up to 5 days; two and over: up to 10 days; first five days are paid in both cases)
	<b>Reduced working hours for childcare</b>	Four-, five-, six-, or seven-hour work shifts can be chosen until the end of the fiscal year of the child's 12th birthday (combined use with the flextime system is also available)
Nursing care	<b>Nursing care leave</b>	Aggregate total of three years can be taken per person receiving nursing care
	<b>Short-term nursing care leave</b>	If one person receiving nursing care: up to 5 days; if two or more people receiving nursing care: up to 10 days (first five days are paid in both cases)
	<b>Reduced working hours for nursing care</b>	Available until the reason for the nursing care no longer exists. Employees can elect to work, four-, five-, six-, or seven-hours per day, and are also eligible for flextime work.
Miscellaneous	<b>Life plan leave</b>	Employees can take up to 10 days leave per year for various predefined purposes such as receiving treatment for non-work-related injury/illness, caring for family, childcare, infertility treatment, participating in volunteer activities, and language studies
	<b>Accumulation of unused paid leave</b>	Employees can accumulate unused annual paid leave up to four days per year to a maximum of 40 days which can be used for predefined purposes. (E.g., receiving treatment for non-work-related injury/illness, caring for family, childcare, participating in volunteer activities, and infertility treatment)
	<b>Flextime system</b>	System that lets employees set their own working hours with no core time under predefined conditions on prescribed work days
	<b>Telecommuting system (Revised in August 2021)</b>	System that allows employees to work from a location other than their own or family home, as long as certain conditions are met, and to pay an allowance
	<b>Reemployment system</b>	Eligible for employees who resigned due to pregnancy, the birth of a child, childcare, nursing care, marriage, moving due to spouse work transfer, or other reasons recognized by the Company, with an applicable period within five years after resignation
	<b>Accompanying leave</b>	Temporary leave system for employees to accompany spouses who have been transferred in Japan or overseas or are studying abroad, with an applicable period of from one month to five years

## Helping Employees to Balance Work and Childcare

We actively support employees who seek to balance work and childcare.

This support also extends to facilities, with two on-site daycare centers having been established. Dia-Kids Okazaki was opened at the Okazaki site in April 2017, followed by Dia-Kids Tamachi at our head office building in February 2019.

In FY2020, some daycare centers were closed or employees voluntarily restrained from taking their children to daycare centers. The Company intervened by offering an interim baby sitter dispatch service. With elementary and other schools temporarily closed and government authorities requesting that people refrain from attending after-school children's clubs and the like, some employees were compelled to take time off to care for their children. We addressed this issue with a system of special paid leave. This leave was provided in addition to annual paid leave and offered to help employees balance work and home life during the emergency.



Dia-Kids Tamachi, a day-care center for employees



## Helping Employees to Balance Work and Nursing Care

As birth rates decline and society ages, we believe it is important to help employees balance work and nursing care.

MITSUBISHI MOTORS has set up contact points where employees can consult with nursing care specialists as required via email or on the phone. We also organize on-site individual nursing care consultations with nursing care specialists. Furthermore, we organize nursing care seminars delivered by outside instructors to provide basic information about how they can balance their work and nursing care. In FY2020, we held the seminars simultaneously in four regions (head office, Okazaki, Kyoto and Mizushima) online. They were attended by about 300 employees, primarily managers.

## Increasing Employment of Senior Workers

With the goal of handing down skills and technologies and securing a talented workforce that makes the most of its knowledge and experience, we operate a program to reemploy senior workers after their retirement. As of March 2021, there were 714 reemployed workers, engaged in handing down techniques and training the next generation.

## Promoting Employment of People with Disabilities

Aiming to achieve a workplace where everyone can work, we actively hire people with disabilities in a wide range of occupations. The percentage of employees with disabilities at the Company was 2.38%.\* We will continue to promote additional employment while improving the work environment.

At the parent company, we employ 180 people\* with physical and mental disabilities. At our head office, we have installed wheelchair- and ostomate-compatible toilet facilities, creating a working environment amenable to employees with disabilities.

We also promote the employment of people with disabilities through MMC WING, a special-purpose subsidiary established in April 2007. This company employed 62 workers\* with intellectual disabilities at the Okazaki and Mizushima plants. In the 14 years that have passed since its establishment, MMC WING has received many inquiries about employment from “Hello Work” Public Employment Security Offices, the prefectural employment and support center for disabled persons, and special needs schools, and has established a high profile in the region. In addition, we do not stop at just providing employment within our company when doing our part for employment support of people with disabilities. For example, we proactively accept requests from employment support facilities and special needs schools to try on-site training, providing people with disabilities opportunities to experience group activities and work processes.

\* As of April 2021

▶Data (p. 121): Number of hired people with disabilities

## Global Action

As part of the support offered to our workforce of non- Japanese employees, which is increasing year by year, we have established prayer rooms at our head office and Okazaki sites which are available to people of all religions and denominations. A facility for cleansing parts of the body before worship has also been set up in the prayer room at the Okazaki site.

In FY2020, we began offering elective training in Japanese business etiquette to non-Japanese employees as part of entry-level employee training. This five-hour course, which centered on written and spoken output, included such topics as using polite language, participating in a customer visit role play and learning about business email.

▶Data (p. 120): Number of employees by region, number of locally hired managerial employees at overseas subsidiaries



Prayer room in our head office building



Signs on the ceiling indicating the direction of worship



Hand- and foot-washing facilities

Prayer room in the Okazaki area



## Promoting LGBT Awareness

The MITSUBISHI MOTORS Global Code of Conduct expressly includes respect for LGBT individuals under “Respect Human Rights and Diversity and Provide Equal Opportunity.” In FY2018, we began holding an LGBT seminar with the aim of providing basic knowledge for accurate understanding of LGBT issues and increasing supporters known as “Allies.” Around 480 employees attended the seminar in FY2020. FY2020 was the second year for our e-learning course, “Understanding the Basics of LGBT,” which was taken by around 7,400 employees.

In September 2019, we partially revised our rules of employment so that the definition of marriage extends to same-sex partners and applies when taking wedding vacations or life planning leave.

## Participating in Initiatives Outside the Company

The Company is a member of the “policy advocacy team” of the Japan Automobile Manufacturers Association, Inc. This team, which is made up of people in charge of human resources at individual companies, participates in efforts to propose legal amendments and policies on new working styles. The team is compiling recommendations and requests regarding the five days of mandatory paid leave stipulated in the Labor Standards Act.

### TOPICS

#### Awarded PRIDE Index Gold Rating

Developed by “work with Pride,” a voluntary organization in Japan, PRIDE Index is an indicator for rating workplace initiatives for sexual minorities, including LGBT. For three consecutive years, since 2018, we have been awarded the highest “gold” rating. We will continue to create workplace environments that are friendly for all employees.

