

January 11, 2024

Resonac Holdings Corporation – Collective Engagement Case Example

Collective Engagement on Human Capital Management

As the secretariat of the Institutional Investors Collective Engagement Forum (“IICEF”), seven institutional investors—the Pension Fund Association, Dai-ichi Life Insurance Company, Sumitomo Mitsui DS Asset Management, Sumitomo Mitsui Trust Asset Management, Mitsubishi UFJ Trust and Banking, Meiji Yasuda Asset Management, and Resona Asset Management (in alphabetical order; “participating investors”)—conducted a collective Engagement with Resonac Holdings Corporation (“Resonac”) in April 2023.

Background of the Collective Engagement Meeting

IICEF facilitates constructive engagement between companies and investors with the aim of enhancing long-term corporate value. Participating investors propose themes, summarize their perspectives and expectations in an engagement letter, and send it to companies, inviting discussions.

In October 2022, IICEF sent an engagement letter titled “Request for Enhancing the Narrative Toward Corporate Value Creation through Awareness of Sustainability Issues” to all Prime Market-listed companies, outlining investor expectations regarding the disclosure of non-financial information.

In response to these activities, Resonac proposed a Engagement with long-term institutional investors on the themes of “Resonac’s Approach to Human Capital Management” and “Resonac’s Human Resource Materiality and Non-Financial Goals.” Consequently, in April 2023, a Collective Engagement meeting was held online with the participation of Chief Human Resource Officer (CHRO) Ms. Nori Imai and other senior management members.

Overview of the Collective Engagement Meeting

Participants

From Resonac:

- Nori Imai, Chief Human Resource Officer (CHRO)
- Nami Matsuko, General Manager, Sustainability Department
- Kohei Hagimori, General Manager, Human Resource Development Department
- Other representatives from IR, SR, and Sustainability divisions

From Investors:

- Thirteen representatives from the seven participating institutional investors (heads of responsible investment departments, engagement officers, etc.)
 - Four members of IICEF secretariat (serving as facilitators)
- (Positions and titles are as of the date of the meeting.)

Engagement

At the beginning of the meeting, Ms. Imai and Ms. Matsuko presented Resonac's human capital management initiatives and sustainability strategy aimed at becoming a "co-creative chemical company." This was followed by an in-depth exchange of views with investors.

Questions and Opinions from Investors

Participating investors raised and discussed the following topics:

- Effective disclosure methods for HR strategy KPIs (as presented in the integrated report) for 2025 and 2030 targets
- Materiality areas and disclosure priorities as a specialty chemical company
- Development of specialized talent in the field of R&D and digital transformation (DX)
- Measures for effectively embedding Resonac's purpose and values among employees, expected leadership roles, and links with performance evaluations
- Current status and disclosure of diversity, especially among executive officers
- Speed and methods of disseminating purpose and values across the group
- Bridging the gap between management strategy and human resource practices through implementation initiatives
- Unification of corporate slogans or catchphrases that express Resonac's direction
- Assessment of human capital and corporate culture integration following the merger of two companies, and strategies for strengthening human capital and creating a new culture post-integration

Outcome

At the conclusion of the meeting, Resonac expressed its intention to further refine its initiatives based on the investors' feedback and to reflect them in internal initiatives and disclosures in future integrated reports.

Conclusion

This Collective Engagement enabled a deep and focused discussion on human capital management—an area that is often difficult to explore in standard IR meetings due to time constraints. With the participation of CHRO Imai and senior management, the meeting fostered mutual understanding and constructive exchange on a key strategic theme.

Contact information

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