

The Mitsui Chemicals Group "CSR Report 2017"

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▶ Message from the President

Advancing Triple Bottom Line
(Economic, Environmental, and Social)
Management, We Will Embark on a
Period of Innovation and Reform



▶ The 2025 Long-term Business Plan for Sustainable Growth and Development

Here, we introduce details of the Group's environmental and social targets.



Special Feature

- ▶ Contributing to Society through Customer-driven Innovation Changes in R&D at the Mitsui Chemicals Group
- ▶ After Five Years, We are Entering a New Stage of Safety Assurance



▶ Dialog

Supply Chain Management



CSR News **RSS**

▶ Archives

- 2017.9.13 Publication of Mitsui Chemicals Report 2017
- 2017.6.21 Mitsui Chemicals Presented RC Merit Award by AICM
- 2017.5.10 Mitsui Chemicals Cosponsors 2017 ITU World Triathlon Yokohama



▶ Corporate Governance



▶ CSR in the Mitsui Chemicals Group



▶ Key Issues (Materiality)



▶ Products and Services That Contribute to Sustainable Development



▶ Responsible care

- ▶ Responsible Care Policy and Management
- ▶ Process Safety and Disaster Prevention
- ▶ Occupational Health and Safety
- ▶ Environmental Protection
- ▶ Product Stewardship
- ▶ Quality
- ▶ Logistics



▶ Communication with Society

- ▶ Respect for Human Rights
- ▶ Working with Our Customers
- ▶ Working with Our Suppliers
- ▶ Working with Our Shareholders and Investors
- ▶ Working with Our Employees
- ▶ Working with Industry, Government, and Academia
- ▶ Social Activities



CSR Report 2017 Survey

We welcome your comments and feedback on our CSR Report 2017 in e-mail format.



Survey Index
by Objective



Editorial Policy



CSR Report
Archives



FTSE4Good



FTSE Blossom
Japan



2017 Constituent
MSCI Japan ESG
Select Leaders Index



2017 Constituent
MSCI Japan Empowering
Women Index (WIN)



Member of SNAM
Sustainability Index
2017



Message from the President



Advancing Triple Bottom Line (Economic, Environmental, and Social) Management, We Will Embark on a Period of Innovation and Reform

Tsutomu Tannowa
President & CEO, Mitsui Chemicals, Inc.

Putting in Place the Long-term Business Plan with an Eye to 2025

2017 marks the Mitsui Chemicals Group's 20th anniversary since its establishment in 1997. Entering uncharted waters by adopting a substantially longer-term approach than in the past toward its business plans, the Group has embarked on a raft of new initiatives after putting in place the Long-term Business Plan in November 2016, with an eye to achieving certain goals by 2025.

I was guided by two broad lines of thought when putting in place the Long-term Business Plan. The first was the need to establish a structure that was capable of adapting flexibly to the external environment. In order to properly respond to an environment that continues to change at a dizzying pace, while at the same time ensuring our sustainable growth, we recognized the need to set specific goals from a long-term perspective. As far as the strategies required to achieve these goals are concerned, we remain acutely aware of the importance of swiftly changing business plans, while adapting to the external environment, and maintaining a robust governance system.

Second, the Plan acknowledges the need to refine the mindsets of employees responsible for the Group's future. The Mitsui Chemicals Group's employees are earnest almost to a fault. While we see this as a positive feature, employees have often failed to grasp the forest for the trees when carrying out the elaborate mid-term business plans of the past. Our decision to adopt an extended perspective therefore reflects the greater compatibility of a long-term approach to building the necessary strategies that help refine the mindsets of employees and achieve the next stage of growth.

Having said this, the three-year Mid-term Business Plan that began in fiscal 2014 has played a vital role in initiating the Long-term Business Plan. Under the Mid-term Business Plan, we took steps to transform the business portfolio, restructure the Basic Materials business, and expand targeted business domains that offer growth potential. As our results for fiscal 2016 clearly indicate, the rate of progress that we have achieved has far outstripped our initial expectations. In looking to bring about substantial change, I have called on employees to embrace the challenges that reform entails and to restore our strong sense of pride. Today, I can see that employees are going about their duties with increased confidence and resolve.

Advancing Triple Bottom Line (Economic, Environmental, and Social) Management

The Long-term Business Plan encapsulates our commitment to advancing triple bottom line management. In this regard, we will engage in balanced activities that focus on addressing economic, environmental, and social concerns. We have in the past identified the importance of each concern. In declaring our commitment to advancing triple bottom line management, we are putting in place the cornerstone necessary to achieve the next stage of growth and to fulfill our social responsibility as a corporate group.

Beginning with the Paris Agreement and the sustainable development goals (SDGs) put forward by the United Nations, environmental and social initiatives will play an increasingly important role in the efforts of companies to expand their businesses on a global scale.

Under these circumstances, and with a society that is placing increasingly stringent requirements on the corporate sector, the Mitsui Chemicals Group has put in place the Long-term Business Plan to clarify its stance toward a targeted future society and identify long-term goals from each of the economic, environmental, and social perspectives.

Toward Achieving Environmental and Social Targets

The Mitsui Chemicals Group has identified efforts to maximize products and services to achieve a low carbon, recycling-oriented, and cohesive society in harmony with the environment as well as increased QOL and a smart society as its long-term environmental and social goals. It goes without saying that to achieve these goals, we must ensure close-knit collaboration in advancing triple bottom line management. Our success will also go a long way to contributing to the environment and society through our business activities.

In addition to identifying the long-term goal of reducing greenhouse gas emissions as a part of efforts to minimize our environmental load, we have positioned the ratios of Blue Value™ product sales that contribute to the environment and Rose Value™ sales that help improve QOL as key performance indicators (KPIs). Products and services that are determined to have a high contribution value based on the Group's unique indicator are certified as either Blue or Rose Value™. The Mitsui Chemicals Group will contribute to the environment and society through its business activities by proactively expanding Blue Value™ and Rose Value™ products and services while linking its efforts to growth from an economic perspective.

As another long-term goal, we will pursue thorough safety, high quality, and fairness across the entire supply chain. Working beyond the Group's capabilities on its own, efforts will be made across the supply chain as a whole. In this context, fulfilling our social responsibility on a global scale is an essential prerequisite to accelerating the pace of overseas business development in the future. Here, I place considerable weight on the significance of "the quality of safety." I would like to strongly impress upon employees the importance of safe quality as the basis for the sustainable growth of society. At every opportunity, it is vital that we put safety first in everything that we do.

In 2014, the Mitsui Chemicals Group once again took stock of the many challenges that management faced. Steps were then taken to identify key (materiality) issues while taking into consideration contributions to society and efforts to minimize impacts. In conjunction with efforts to put in place the Long-term Business Plan, we reconsidered these key (materiality) issues and reviewed various key performance and other indicators. Looking ahead, we will reinforce measures aimed at addressing key (materiality) issues and draw on the results of our endeavors to achieve our long-term goals.

Toward the Sustainable Development of Society and the Mitsui Chemicals Group

The Mitsui Chemicals Group's Corporate Mission is to contribute broadly to society by providing high-quality products and services to customers through innovation and the creation of materials, while keeping in harmony with the global environment. As indicated by this statement, the chemical industry in which the Group is deeply involved must play a major role in addressing social challenges, not only as a cornerstone platform of society, but also as an entity responsible for driving innovation.

Building on the reforms implemented to date, I can sense that employees have experienced renewed growth. However, in order to achieve the long-term goals set for 2025, it is absolutely vital that we boldly adopt concepts that represent a complete break with tradition and undergo a dramatic transformation. To make it happen, each individual employee must take the initiative to help build an organization that is capable of driving itself forward. For my part, I must channel my energies toward putting the necessary environment in place to allow employees to achieve this end. Moving forward, we will work toward the sustainable development of society and the Mitsui Chemicals Group by generating synergistic effects from the strengths of each individual and achieving long-term goals.





Contributing to Society through Customer-driven Innovation

Changes in R&D at the Mitsui Chemicals Group



The Mitsui Chemicals Group has declared “pursue innovations” as one of the basic strategies of its 2025 Long-term Business Plan. To address the rapidly changing needs of society, it is essential to understand what society and customers desire at a deeper and more intellectual level. Providing value that addresses customer needs with a combination of its technologies and services is the essence of the Mitsui Chemicals Group “customer-driven innovation.”

We are therefore making some major changes in our research and development. We are forging alliances that extend beyond traditional boundaries both within and outside the Company in order to create innovative new products and propose solutions. Here, we introduce our initiatives to solve challenges facing society and our customers through open innovation activities.

> To Create Customer-driven Innovation

> Case Study : Robot Materials Business Development

An Exciting Step Out into the World The Beginnings of the Robot Materials Business

To Create Customer-driven Innovation

From Supply to Co-creation

A Changing Relationship between Chemical Makers and Customers

Mitsui Chemicals is a technology-driven company with a fine appreciation for manufacturing. Devoted to the creation of materials, the Company has traditionally focused heavily on the manufacturing process and paid less attention to the products that are made out of its materials, leaving these decisions to its customers along with ideas for how they can help solve social challenges. In recent years, the technologies required to meet customers' demands have become increasingly complex and sophisticated. With this in mind, it is vital that we discuss closely with customers to ascertain the exact point where we can have the most impact.

For example, a customer may ask us to create a material that feels better to the touch, a request that is based on sensory values. The first thing researchers have to do is translate this sensory value into a physical property. After that, researchers develop materials and then retransferring technical results into a prototype for customers to judge according to their sensory values. In this way, and through customer-driven innovation, interactive communication between sensory values and technical terms will play an important role.

I believe the chemicals industry provides strong underlying support for all industries. An inherent strength, chemicals open up a host of possibilities through various processing techniques, changes in combinations and manufacturing procedures through to modifications at the molecular level. Chemistry supports industry, and is a driving force behind the creation of strong competitiveness.



Shigeru Isayama
Representative Director
CTO & Senior Managing Executive
Officer

A “Chef” Type Approach in addition to a “Farmer” Type Approach Offering New Value with Collective Strengths

The creation of innovative materials is a part of our DNA as a chemicals maker. Drawing on this DNA, Mitsui Chemicals places the utmost importance on acquiring a top share of the world market for materials created with its innovative technologies, and supporting its earnings. However, it is not enough to engage in research from a “farmer-type” approach to create and provide good-quality materials. It is necessary to approach research from a “chef-type” approach that also looks at the potential of using various ingredient materials. In other words, we combine our materials with those of other companies as necessary, mixing and processing them according to a recipe that makes our customers’ products even better. In this way, we come up with solutions that leverage our collective strengths as “farmers” and “chefs.”

To this end, Mitsui Chemicals encourages its researchers to “take an exciting step out into the world.” We tell them to “go see markets and customers for themselves because the world is changing dramatically.” We want our researchers to have a keen sense of trends around the world, because new needs and cutting-edge innovations are emerging everywhere. For Mitsui Chemicals to have an intelligence function as a company, our researchers are dispatched outside the Company to exchange information proactively with venture firms. While our business divisions are aligned with markets, our research teams are organized by function and technology, because we believe it is important to have collaboration across business lines in order to maximize the use of our technologies and knowledge.

Awareness of Researchers Also Changing Faster Open Innovation Inside and Outside the Company

Taking an enthusiastic approach to research is key to the creation of new customer value. Backed by the latest technology and facilities, development occurs spontaneously across organizational lines in a research culture that values collaboration. Management acknowledges the value of these activities, leading to an increasing number of cases where we are collaborating, co-creating, and working together with external parties.

One example of this is our open laboratory initiative, which was launched with the intention of discovering new possibilities in materials and technologies. Welcoming external designers as partners has led to ideas that leverage the properties of our materials in ways we would not have thought of ourselves. Our researchers have been rather excited to discover different ways of creating new value, once their preconceived notions of “this material for this application” were removed. Our participation in the development of an ultra-compact electric vehicle with rimOnO was also an invaluable experience. I believe it was an extremely rewarding project, as our ideas for materials were implemented in a short timeframe, giving our researchers an opportunity to see the tangible outcome of their efforts. The Robot Materials Business Development Division, which was launched in 2016, has begun to assemble volunteers from across organizational lines and fields. We are exploring the new domain of robotics, an area we have not been involved in that much, to see how our technologies can contribute to this field.

Toward Our Vision for Future Society

As targets for future society, the Mitsui Chemicals Group has set its sights on a “cohesive society in harmony with the environment,” “health and happiness in an aging society,” and “industrial platforms in harmony with local communities.” We aim to quantify our contributions by using as KPIs the sales ratios of Blue Value™ products that contribute to the environment and Rose Value™ products that help improve quality of life, in line with targets for a “cohesive society in harmony with the environment” and “health and happiness in an aging society.”

We will reflect the concepts behind Blue Value™ and Rose Value™ products in the research and development Stage Gate System. Innovation is meaningless if it stays in the laboratory. I want our researchers to imagine how each final product will be used and the value that customers place on a particular product during the development process. This leads to customer-driven innovations, where we strive to solve challenges around the world from the customers’ standpoint.

We will continue to create new customer value in the world and contribute to society with pride while planting the seeds for new business opportunities.

Case Study: Robot Materials Business Development An Exciting Step Out into the World The Beginnings of the Robot Materials Business

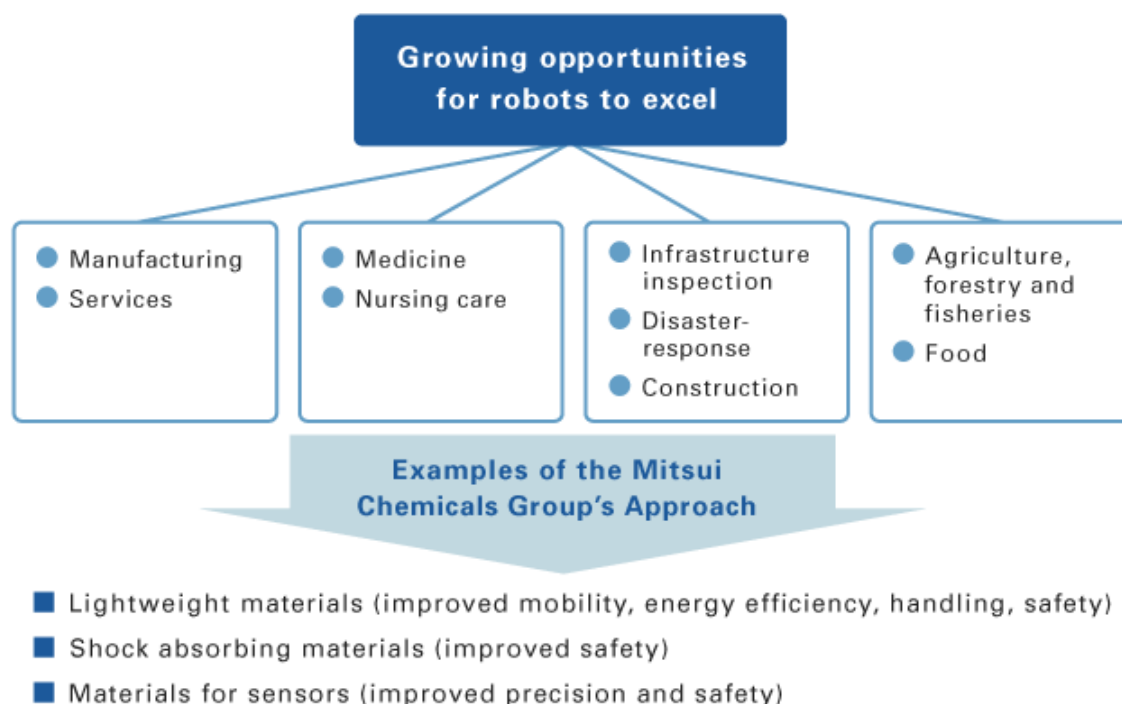
In 2012, the Future Creation Workshop was launched in the Mobility Business Sector. It began with the Company’s backing as a venue for employees to freely explore new business ideas, with the key phrase “an exciting step out into the world.” People naturally congregate around exciting ideas. Workshop members took steps outside of meeting rooms and found volunteers within their own company as well as companies that could offset their weak spots, and customers who were prepared to take on new challenges. Efforts were then made to co-create with each of these partners. This is where our robot materials business began.

Much like a “chemical reaction,” various repercussions arose inside and outside the Company after we got outside our comfort zones. At the same time, we posed hypothetical questions like “will robots still be ‘lumps of steel’ when they are expected to fix various social challenges?” or “will robots increasingly use performance materials like automobiles?” Moving forward, there was the development of flexible components for human collaborative robots. In this instance, the need for flexible materials by robot



Example of human collaborative robot

manufacturers exactly matched the Company's material technologies leading to the mutual development of unique specialty components. The Robot Materials Business Development Division, formally launched in April 2016, has now taken the lead in creating new customer value and driving innovation by forming new networks of people and new combinations of technologies that had not existed before in robots and materials.



Fields Where We Can Leverage Our Strengths as a Comprehensive Chemicals Manufacturer



Shiro Otsuzuki
Manager
Robot Materials Business
Development Division

Mitsui Chemicals has excellent technologies that have been refined in the mobility and other existing businesses, and a diverse range of products representative of a comprehensive chemicals maker. Our basic view is to create a pathway to new markets by applying these technologies and products to the field of robotics. It is necessary to modify existing technologies and develop new technologies because of the different requirements for functions, performance and quality between existing businesses and the robot materials business. External technologies are also heavily utilized. I truly believe innovation is accomplished by flexibly combining internal and external technologies. The new technologies created for the robot materials business are then gradually reflected back into existing businesses, improving their competitiveness and generating ripple effects.

Through the robot materials business, I sense there is a broadening wave of new interactive relationships within the Mitsui Chemicals Group. We reach out to other divisions for help in fully utilizing our accumulated technologies, and a number of R&D laboratories, business divisions and affiliates have asked us if their technologies can be applied to robots.

At the Tsukuba Challenge 2016, with featured an experiment involving autonomous robots navigating city streets, 10 teams participated in the event with a robot featuring bumpers incorporating Mitsui Chemicals' proprietary piezo-electric materials for sensors. Highly sensitive piezo-electric sensors were combined with flexible polyurethane foam to address needs for the robot to sense bumps into walls and people, for sensors that can be easily deployed, and for robots to avoid damaging objects they bump into. Volunteer employees put together a bumper with modules that can be programmed via a USB connection to a PC. The prototype is being incrementally improved with ideas being exchanged with experts.

We will advance the Robot Materials Business while thinking foremost about how robots featuring the Company's technology can play a constructive role in the world. We are proud that our technologies are contributing to society through robots.



A robot with one of our bumper sensors at the Tsukuba Challenge 2016

Sharing the Excitement with Robot Makers and Parts Makers



Satoshi Yamasaki
Research Fellow
Synthetic Chemicals
Laboratory

The robot materials business is a B2B2C style business. It is necessary to establish an R&D model that takes into consideration end user needs and solutions to challenges. However, it is hard to fully satisfy customer needs and the needs of society on our own. In the development of flexible components for robots, we began by looking for partnerships with willing parts makers. Because parts makers are our customers in most of our existing businesses, we were successful in finding partners due to the established strong relationships of trust built up by our veteran employees in business divisions and research labs.

We work with parts makers in that they process our materials into shaped objects desired by customers, and use materials made by other companies that we bring to the table when necessary to create parts. Mitsui Chemicals and parts makers have shared ideas for interesting new parts, and also exciting ideas with robot makers, giving rise to the potential for new products. We were encouraged to work harder by the external companies that have lent their help, thanks to their excellent technologies, passion and ability to make decisions rapidly.

I believe open innovation is essential in future R&D. For this to happen, we must foster relationships based on trust with customers and others involved in the collaborative effort. I hope that more of our researchers, especially young researchers, are able to experience this approach to R&D. We aim to move innovative R&D forward at Mitsui Chemicals and create new businesses while collaborating with our customers and other external parties.



Professor Emeritus Ogawa and President Tannowa Discuss Safety

After Five Years, We are Entering a New Stage of Safety Assurance



Among a host of measures aimed at putting safety first as its top priority in everything that it does, the Mitsui Chemicals Group has worked diligently to instill a firm commitment to fundamental safety while fostering a culture of safety. In this regard, reinforcing those competitive strengths that are deeply rooted in ensuring safety provides the cornerstone of the Group's management as well as the impetus for carrying out its 2025 Long-term Business Plan. Five years have now passed since the explosion and fire at Mitsui Chemicals' Iwakuni-Ohtake Works resorcinol production facility. With the completion of the Safety Reconstruction Project at the Works in FY2016, we now embark on a new phase in our operating and safety endeavors.

Here in this Special Feature, we report on a discussion between Dr. Terushige Ogawa, Emeritus Professor of Yokohama National University and Executive Director of the Research Institute for Safety Engineering, who served as chairman of the Iwakuni-Ohtake Works Resorcinol Production Facility Accident Investigation Committee since 2012 and Mitsui Chemicals' president and CEO, Tsutomu Tannowa, about the wide-ranging onsite activities undertaken and future initiatives going forward.

* Please refer here for details of the fire that broke out at the Mobara Branch Factory in July 2017.

[Fire at Mobara Branch Factory \(3rd Report\) \(PDF : 190.7KB\)](#)

Terushige Ogawa, Ph.D

**Professor Emeritus at Yokohama National University,
Senior Managing Director at the Research Institute for Safety Engineering**

1968	Completed Master's Degree at Graduate School of Engineering, Kyoto University
1978	Doctor of Engineering, Kyoto University
1989	Professor at Engineering at Yokohama National University
2001	Professor at Graduate School of Engineering, Yokohama National University
2006	Professor at Graduate School of Environment and Information Sciences, Yokohama National University
2008	Professor Emeritus at Yokohama National University
2012	Chairman of the Explosion and Fire Accident Investigation Committee at Mitsui Chemical's Iwakuni-Ohtake Works

* Specialization :

Explosion safety engineering, science of energetic material, safety engineering of chemical processes

* Committee appointments :

Chairman of Japan Explosives Society, Chairman of Japan Society of Safety Engineering, Chairman of Japan Society of Safety Engineering's Safety Competency Center Management Committee, Member of Ministry of Economy, Trade and Industry Advisory Committee on Energy and Natural Resources, Member of Industrial Structure Council's Process Safety Subcommittee, etc.

* Awards :

2013 Received the Prime Minister's Award for Contribution to Safety

Remembering the Lessons Learned from Past Accidents

— Five years ago on April 22, an explosion and fire occurred at the resorcinol production facilities of Iwakuni-Ohtake Works. Today, we remember this accident in a frank discussion with Dr. Ogawa, who headed the Accident Investigation Committee.

Ogawa | On that day, a young employee, one of those who represent the future of Mitsui Chemicals, perished in the devastating accident. As I looked upon the terrible aftermath of the explosion and fire, I was painfully reminded of the importance of safety at chemical plants. I am well aware that Mitsui Chemicals maintains a high level of safety throughout the entire company. Nonetheless, this accident happened, a telling example of the challenges in ensuring genuine safety.

Tannowa | I visited the site in early May, soon after the accident, and to this day I still clearly remember the shock I felt. Prior to the accident, I had been to the site on many occasions as the general manager of the Industrial Chemicals Division, and I was at a loss for words when I saw the devastation wrought on the plant. I feel great sorrow for losing a precious member of the Mitsui Chemicals family, and deeply regret inconveniencing local residents, government officials, and our customers. Although five years have passed since the accident, I strongly believe we must keep our memory of the accident fresh in our hearts and minds.

Improving Safety Awareness, Refining the Ability to Take the Initiative

— In the Accident Investigation Committee's report on the accident, Dr. Ogawa wrote that even if weaknesses existed in safety, the accident would not have occurred if functions designed to supplement those weaknesses had been working effectively.

Tannowa | What do you think must take place on a daily basis at worksites to ensure the effectiveness of functions intended to supplement areas of weakness regarding safety ?

Ogawa | Ensuring safety is not an easy task, and there is no magic formula to be learned. Currently, each of our worksites has appropriate safety measures in place, but **conditions on the ground are constantly changing. Basically, this means new risks could appear** at any time. In order to preempt the emergence of factors that lead to accidents, everyone on site must be vigilant and engage in safety activities every day without becoming complacent. **While trying to avoid getting stuck in a routine, we must systematically identify our weak points and steadfastly work to fix each and every one of them.**



— Dr. Ogawa, you paid visits to Osaka Works in 2014 and Ichihara Works in 2015. What were your impressions of the undertakings at each facility ?

Ogawa | I came away with the impression that safety was being fervently practiced at both Osaka Works and Ichihara Works. Over time, the safety culture fostered at the two facilities has evolved slightly differently, but at both sites, everyone works diligently to ensure safety by combining their efforts with fundamental safety measures.

Tannowa | When I make the rounds at each Works, I can see that our employees' approach to safety has changed dramatically. Just two years ago, when I was talking with former Chairman Higashi Ito of the Japan Society for Safety Engineering, he noted that worksites are where value is created, but also where accidents occur. This gave me pause to think about how important it is to have a comprehensive understanding of each worksite. I will continue to visit manufacturing sites and confirm with my own eyes that employees there are working with enthusiasm and energy.

Ogawa | Looking at safety practices at other companies, I notice that a variety of initiatives have been taken to ensure the intentions of top management are conveyed to and motivation instilled in all employees. Maintaining and improving safety levels across the Company as a whole can best be achieved by increasing the motivation of employees on the front lines as well as their sensitivity toward safety. Safety can, therefore, be enhanced by companies continuing to develop frameworks and organizations that allow employees to think about how safety can be improved and take independent action.

Reaching a New Stage, Continuing Best Safety Practices

— Last year, Mitsui Chemicals completed a safety reinforcement project at Iwakuni-Ohtake Works. As the discussion turned to the next safety initiative, management reported its progress to relevant government authorities and the members of the Accident Investigation Committee, gaining their approval. What are your thoughts on the changes made at Iwakuni-Ohtake Works ?

Ogawa | At first, I think everyone at Iwakuni-Ohtake Works may have felt unsure about what the Company was trying to do. Despite every effort being made to ensure safety prior to the accident, the explosion and fire still occurred. Even though all agreed it was necessary to reassess safety activities from the ground up, I believe there may have been some resistance initially. As the entire Company came together as one to implement fundamental safety measures, however, everyone at the Works turned their eyes to the future and enthusiastically pulled together to reinforce safety. At the liaison meeting marking the tail end of the past five years' efforts, I was relieved by the resolute progress that had been made. **I believe that when considering safety, it is crucial that we raise the level at the bottom rather than merely aiming for an acceptable average. From this perspective, it is also essential to ascertain the outcomes of initiatives.**

Tannowa | I feel the same. The magnitude of the shock experienced by our employees, including those at Iwakuni-Ohtake Works, is immeasurable. I believe our safety activities are on a firm footing; we have become aware of a number of ways to make improvements while reflecting on the accident and analyzing problems. As Dr. Ogawa said earlier, however, **it is difficult to avoid eventually becoming complacent or less vigilant when constantly practicing safety measures. Even as we strive to flexibly respond on a daily basis to constantly changing conditions, we must continue to pass along the lessons learned from the resorcinol accident while sparing no effort in improving safety awareness and implementing best safety practices.**

Ensuring Unwavering Safety through Changing Times

— In November 2016, Mitsui Chemicals unveiled its 2025 Long-Term Business Plan. What are your thoughts on future safety initiatives ?

Tannowa | The resorcinol accident in 2012 put us in a very challenging situation as a company, including in terms of financial performance. From 2014, as progress was made under the Mid-Term Business Plan, we began to gradually see signs of recovery. Thanks to the tireless efforts of onsite employees, no devastating accidents or trouble have occurred since then. As the 2014 Mid-Term Business Plan was winding down, we unveiled our 2025 Long-Term Business Plan, communicating our intended future direction both internally and externally. Our employees' positivity and willingness to take on new challenges are critical to the future of the Mitsui Chemicals Group. The business environment is likely to change considerably by 2025 as Mitsui Chemicals moves more quickly toward becoming a truly global corporation. It is my wish that **employees take on new challenges with optimism, infusing new ideas into safety activities and new techniques for performing work.**

Ogawa | Employees are becoming more diverse at business sites in Japan. Looking at operations from a global point of view, it is difficult to push forward a uniform set of safety activities given the different nationalities and cultures of diverse employees. I believe it is essential to have a system based on PDCA while sharing information daily and raising safety awareness among all employees.

Tannowa | I agree. **It would be difficult to take a uniform approach to safety activities on a global basis as there are some major aspects of safety that only a local employee would understand.** In the past, there were some safety problems overseas, and safety experts were dispatched from the Head Office on a roughly two-year basis to advise on safety measures. The results were good. I believe initiatives like this will become increasingly necessary in the future.

Ogawa | With regard to personnel training, I have long been involved in school education, and have come to understand **the importance of education through dialogue at worksites.** A lecture is a one-way mode of communication and insufficient to imparting a true understanding of a topic. Through the exchange of opinions, knowledge is spread and thoughts deepened. By advancing dialogue-based training, the aim is for employees to not just to pick up new skills and techniques but also grow as human beings..

Tannowa | A proactive attitude nurtured in this way can play a critical foundational role in maintaining and improving worksite safety. In discussions about safety at each facility, section managers, and other line management-level employees have become more confident in their speech, and I hear that more and more employees at worksites use the singular "I" rather than the plural "we" in conversation. This is revealing in that it indicates that employees are approaching work problems and issues as matters of personal consequence, thinking and taking action on their own to find solutions. I am pleased beyond words that this change is occurring in an increasing number of employees. This has had a positive impact on section managers who are at the heart of the worksites, the chiefs and foremen who work under them, as well as the employees working onsite. As they collaborate, I believe this change will have a positive impact on the entire workplace.



—— Along with increased globalization, technology is becoming more sophisticated, as shown by IoT and Big Data. As a company, how will Mitsui Chemicals tackle advances in technology ?

Ogawa | Gathering, processing and utilizing data about corporate activities has become increasingly important. In my opinion, it will be challenging to build optimized frameworks onsite without the development of more advanced systems. In addition to its own technologies, I assume Mitsui Chemicals will have to cooperate with other companies in order to fully address the changing times.

Tannowa | I agree. Member companies of the Japan Petrochemical Industry Association, where I am chairman, have begun to disclose, accumulate, and utilize their safety-related data. Although where to draw the line on data disclosure is a delicate issue, and the utilization of such data may become more difficult, by analyzing points in common across the companies and other trends, I hope a new type of information sharing will emerge.

Strong Safety Awareness Requires Everyone to Stay Vigilant

Ogawa | Being safe means staying vigilant and insisting on best practices. However, people have a tendency to choose the easier route. One can become complacent in one's daily routine, making a good-enough effort that will be sufficient as long as nothing serious happens. **More than anything else, this is the terrifying moment when safety becomes compromised.** Especially when financial performance is strong and expectations for growth are high, businesses tend to lose sight of risks. **Unexpected pitfalls lurk unseen.** I hope Mitsui Chemicals stays true to its course of action, continuing to share information daily and staying vigilant with a high awareness of safety.

Tannowa | Five years have passed since the accident. As president, I must engrave this memory on my heart and impress upon employees the importance of safety. **The survival and prosperity of the Mitsui Chemicals Group depends, as ever, on a management policy that makes safety our top priority and the establishment of a culture of safety.** We will continue to emphasize the importance of safety at all times in our messages to our employees. Five years after the accident, our safety activities have reached a new stage, but **we will never forget the lessons learned from the accident and continue to steadily implement our safety activities.**

Interviewer : Atsushi Deguchi

General Manager, Safety & Environment Technology Division, Production & Technology Sector



Supply Chain Management



In its 2025 Long-term Business Plan, the Mitsui Chemicals Group adopted “pursue thorough safety, high quality and fairness across the entire supply chain” as one of its environmental and social targets.

In recent years, in addition to the Paris Agreement and the United Nations’ Sustainable Development Goals (SDGs), there have been demands for initiatives that take supply chains into consideration, such as from the Organizing Committee of the 2020 Tokyo Olympic and Paralympic Games for procurement designed to make them a sustainable event.

On July 25, 2017, we therefore held a dialog with an outside expert concerning supply chain management that the Group should address in aiming to expand management on a global basis. For this dialog, after Mr. Hidemi Tomita had given a lecture, we conducted an exchange of opinions between Mr. Tomita and our management team.



Expert’s Résumé Hidemi Tomita

Mr. Tomita graduated from the Department of Physics and Engineering, Faculty of Engineering at the University of Tokyo, and completed his master’s degree at the School of Engineering and Applied Science, Princeton University. Following the launch of Sony Corporation’s CSR Department, he served as general manager for about 10 years.

Currently, he is director and general manager of Business Development Division, Lloyd’s Register Japan K.K.

As chairperson of a subgroup of the ISO 26000 formulation working group, a GRI Technical Advisory Committee member and Japan’s representative expert on the formulation of ISO 20400 “sustainable procurement,” Mr. Tomita participates in the building of CSR-related international frameworks.

A member of Tokyo 2020 Sustainable Procurement Working Group of the Olympic and Paralympic Organizing Committee, he also serves as a member of the Cabinet Office’s Investigation Research Planning Committee on accelerating the promotion of work-life balance etc., utilizing procurement by private companies.

Attendees

Outside expert

Mr. Hidemi Tomita	Director, General Manager of Business Development Division, Lloyd’s Register Japan K.K.
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Facilitator

Mr. Yoshihiko Yamabuki	YUIDEA Inc.
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Mitsui Chemicals Attendees

Tsutomu Tannowa	Representative Director, Member of the Board, President & CEO
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Masaharu Kubo	Representative Director, Member of the Board, Executive Vice President, CFO, Responsibilities: CSR Committee, Risk Compliance Committee
Shigeru Isayama	Representative Director, Member of the Board, Senior Managing Executive Officer, CTO
Hideki Matsuo	Member of the Board, Senior Managing Executive Officer, Center Executive, Production & Technology Center
Takayoshi Shimogori	Member of the Board, Managing Executive Officer, Business Sector President, Food & Packaging and Mobility business sectors
Yasuji Omura	Executive Vice President, Business Sector President, Materials Business Sector
Shinji Ogawa	Managing Executive Officer, Responsibilities: Responsible Care Committee
Shin Fukuda	Managing Executive Officer, Center Executive, R&D Center
Osamu Hashimoto	Managing Executive Officer, Business Sector President, Health Care Business Sector and General Manager, New Health Care Business Development Division
Yoshinori Andou	Executive Officer, General Manager, Human Resources Division
Akio Hirahara	Executive Officer, General Manager, Corporate Planning Division
Akihiko Matsunaga	Senior Director, General Manager, Corporate Administration & Legal Division
Haruko Kokue	Senior Director, General Manager, Corporate Communications Division
Atsushi Deguchi	General Manager, Safety & Environment Technology Division, Production & Technology Center
Kenta Tsubohara	General Manager, Planning & Coordination Division, Production & Technology Center
Yoshinobu Kanemura	General Manager, R/C and Quality Assurance Division
Ikunori Sakai	General Manager, Purchasing Division
Shigeo Suzuki	Member, Affiliates Coordination Division (deputizing for Division General Manager Toshihiro Komoto)
Akio Ayukawa	Corporate Auditor
Yasushi Nawa	Corporate Auditor
(20 attendees)	

Lecture Overview

In recent years, there have been many cases in which companies have been identified as having problems with regard to human rights, occupational safety and consideration for the environment, not only in their own company, but also for their entire supply chains, such as contractors. It is deemed natural for a company to properly carry out its own CSR, as the fulfillment of social responsibility, including the supply chain, is nowadays the global viewpoint. The United Nations Guiding Principles on Business and Human Rights, ISO 26000, ISO 20400, ESG investment and others also encourage corporate supply chain management and, including the UK's Modern Slavery Act, the strengthening of laws and regulations is advancing in various countries, such as the conflict mineral rules of the U.S. Dodd-Frank Act and the adoption of draft rules on conflict mineral resources at the European Parliament. Moreover, demands for consideration to be given to CSR with regard to procurement for the Tokyo Olympic Games and Paralympic Games have begun in Japan.

For this reason, it can be said that the negative impacts caused by supply chains, such as human rights abuses, labor problems, environmental destruction and unfair trade, are currently spreading to business risks, such as trading suspension, damage to brand image, litigation and negative corporate rating evaluations. Moreover, in compliance with laws and regulations, it is necessary to increase sensitivity to the laws of the countries in which transactions are conducted. Even in the case of the Mitsui Chemicals Group, the demands from client companies and institutional investors for supply chain management are sure to increase. Due diligence, such as conducting risk assessments after having analyzed the supply chain, clarified problems such as its specific characteristics, environment and human rights, is needed to respond to these demands. It is also important to disclose information on the aspects covered by due diligence in an appropriate manner and to gain the understanding of stakeholders.

Companies are required to reliably operate a system of this kind for the management of the entire supply chain.

Exchanges of Opinions

Q.

Europe is leading the way in ESG investment and CSR procurement. Faced with the importance that institutional investors place on corporate supply chain management, what kind of responses are European companies providing?

A.

Information disclosure is very important in institutional investors' ESG evaluations, and if information is not disclosed, an evaluation will not be conducted. Mandatory disclosure is beginning to be imposed on European companies under the EU directive on disclosure of non-financial information, but Japanese companies are not obligated by statutory disclosure and it is currently the case that the gap will easily become wider. Particularly in the disclosure of information relating to supply chains, a series of details, which include the structure of the supply chain, the ascertaining of high-risk suppliers, risk monitoring methods, extracted problems and remedial measures, are being requested. Recently, disclosing highly transparent information, such as disclosing lists of suppliers, has started to become a global trend.

Q.

How should we best consider the necessity of ensuring confidentiality in the disclosure of supply chain information?

A.

In the European and U.S. models, customers and third parties conduct audits of suppliers, so keeping information confidential presents a difficult task. There is a need for security through individual negotiations, such as by the signing of a contract. However, unlike Western companies that frequently change their suppliers, Japanese companies are characterized by a close relationship with their suppliers. That is also a strong point of Japanese companies. I think that it is one way for Japanese companies to devise their own method of engagement rather than using the Western-type audit system.



Q.

Faced with ESG risks, compliance capabilities and their policies that vary depending on the country, how best can we unify global standards for when a company addresses supply chain management?

A.

What is noteworthy now is management not on a by country basis but by each company. The borders of what we call countries are becoming blurred, and global companies need to manage not only national legislation but supply chains as well. Environment and human rights NGOs also recognize that it is better to focus on companies rather than countries in order to change the world. As a company that wants to protect the value of its brand will begin to work on supply chain management around the world once it receives a suggestion, the ripple effect is overwhelmingly large regardless of the regions in which that company operates. This is not limited to NGOs but also in the field of investment, and the concept of borders is diluted in the sense of evaluating global risks. I believe that more appropriate responses will be possible if this way of thinking is adopted.

Q.

There are many codes of conduct and procurement standards, but which ones should we remain in line with and up to what level?

A.

Rather than covering the code of conduct and procurement criteria, it is important to first make a risk assessment and to deal with the high-priority issues. With regard to labor practices, the level indicated by the International Labor Organization (ILO) has become the benchmark. Also, for example, the Electric Industry Citizenship Coalition (EICC) auditing standards used in the electronics industry are very clear. As a level of indication, classification is divided from a major level, where urgent remediation is required, to a minor level, which is permissible even though it can take a little time to respond. I think that it is good to refer to such things as you go.

Q.

How should we address ISO 20400?

A.

ISO 20400 is a guideline on "sustainable procurement," and I think that its use is meaningful from the viewpoint of checking a variety of supply chain management issues. In the case of the Mitsui Chemicals Group, I think that there are business fields in which the supply chains are significantly different among new businesses as

compared with existing materials-related businesses. When developing new business, would it not be better to use ISO 20400 as a method for identifying risks, such as the environment and human rights?



Q.

There are many procurement platforms for supply chain management, but how should they best be dealt with?

A.

There is an obligation to respond to CSR procurement questionnaires as well as requests for replies to procurement platforms from client companies. However, there are quite a few cases where answers cannot be properly given or are left unattended by sales persons who receive the request from the customer and have a low understanding of ESG evaluation. This carries the risk of a trading suspension or a more severe request for corrective action. It is also important to promote internal understanding and to build a system that centrally collates information and ensures consistency.

On the other hand, I think that there are various specific characteristics in each industry with regard to your Group's supply chain management. I think that you should devise your own schemes, including an examination of platform utilization.

Q.

Are there any points we should be careful about when addressing the visualization of the contribution to the environment and society throughout the supply chain?

A.

I think the visualization of contributions made by Blue Value™ and Rose Value™ products is a very interesting initiative. The life cycle assessment of the certification process involves supply chains. For example, would it not be a better effort if you could go as far as proposals in which you state your ability to contribute more to the environment by changing such a supply chain?

However, despite extolling their contribution to the environment and society, if a serious problem was to be found in the supply chain, you run the risk that this would end up harming the reputation of the contributing products themselves. I think that the likelihood of such risks is relatively low in Mitsui Chemicals Group businesses, but I think it is better to carry out due diligence.

After Completing the Dialog

The scope of corporate responsibility covers not only our company but also extends along the entire supply chain. For example, if there is a lack of awareness about other countries' laws, such as the UK's Modern Slavery Act that was raised in the lecture, and the response is delayed, it could bring harm to our corporate value. We need to recognize again that a problem occurring in the supply chain presents a risk to the entire enterprise and calls for a response.

However, such supply chain management cannot be achieved by only one department. We believe that each department, with a focus on the Corporate Communications Department, should maintain a high awareness and that management is an issue to be addressed across the organization.

The Group wishes to proceed with a practical approach to "pursue thorough safety, high quality and fairness across the entire supply chain," as established in its 2025 Long-term Business Plan.

Representative Director , President & CEO
Tsutomu Tannowa



Corporate Governance



The Mitsui Chemicals Group is working to upgrade and expand its corporate governance as well as risk and compliance structure and systems in order to earn the trust of stakeholders including shareholders, customers, and the local community, and to fulfill its corporate social responsibilities.

► Corporate Governance

► Goals and Results

► Our Approach to Corporate Governance

► The Status of Corporate Governance Initiative Implementation

► Risk and Compliance

► Risk Management Policy

► Policy on Bribery Prevention

► Goals and Results

► Risk Management Framework

► Risk Prevention Measures

► Promoting Compliance

Corporate Governance

▼ Goals and Results

▶ Our Approach to Corporate Governance

▶ The Status of Corporate Governance Initiative Implementation

The Mitsui Chemicals Group has positioned efforts to upgrade and expand corporate governance as one of management's most important priorities. In carrying out this priority, the Group is better placed to earn the trust of stakeholders and to fulfill its corporate social responsibilities.

Goals and Results

Goals for Fiscal 2016

- Continuously improve corporate governance through a variety of measure including steps to evaluate the efficacy of the Board of Directors

Fiscal 2016 Results

- Made sure that the Board of Directors focuses on its management oversight role and that operations are primarily conducted by executive officers by implementing the following measures.
 - ① Increased the number of Outside Directors from two (2) Outside Directors to three (3) Outside Directors and appointed personnel with experience in the management of publicly listed companies
 - ② Reviewed the role of Group-wide meetings (including the screening agenda items and setting of new items in connection with Group-wide strategies for deliberation/discussion by the Board of Directors)
 - ③ Reviewed the criteria for agenda items for deliberation/discussion by the Board of Directors (transfer of authority from the Board of Directors to executive officers)

Priorities for Fiscal 2017

- Continuously improve corporate governance through a variety of measure including steps to evaluate the efficacy of the Board of Directors

Corporate Governance

► **Goals and Results**

▼ **Our Approach to Corporate Governance**

► **The Status of Corporate Governance Initiative Implementation**

Our Approach to Corporate Governance

The Mitsui Chemicals Group is constantly engaged in business activities to realize its Corporate Vision, which comprises a Corporate Mission and a Corporate Target. The Group recognizes efforts to achieve effective corporate governance as part of the process that will allow us to:

- ① Maintain and develop trusting relationships with its shareholders and all other diverse stakeholders of the Mitsui Chemicals Group, and
- ② Create a framework that can execute transparent, fair, timely, and decisive decision making.

Through these means, the Mitsui Chemicals Group recognizes that it is better placed to achieve sustainable growth and increased corporate value over the medium to long term.

Accordingly, Mitsui Chemicals positions efforts to upgrade and expand its corporate governance as a key management issue and will persevere with the efforts outlined above.

Corporate Vision

Corporate Mission

Contribute broadly to society by providing high-quality products and services to customers through innovations and the creation of materials, while keeping in harmony with the global environment.

【Five social contribution areas】

- Promoting human well-being ■ Contributing to the value of shareholders' investments
- Increasing customer satisfaction ■ Contributing to local communities
- Promoting the happiness and fulfillment of employees

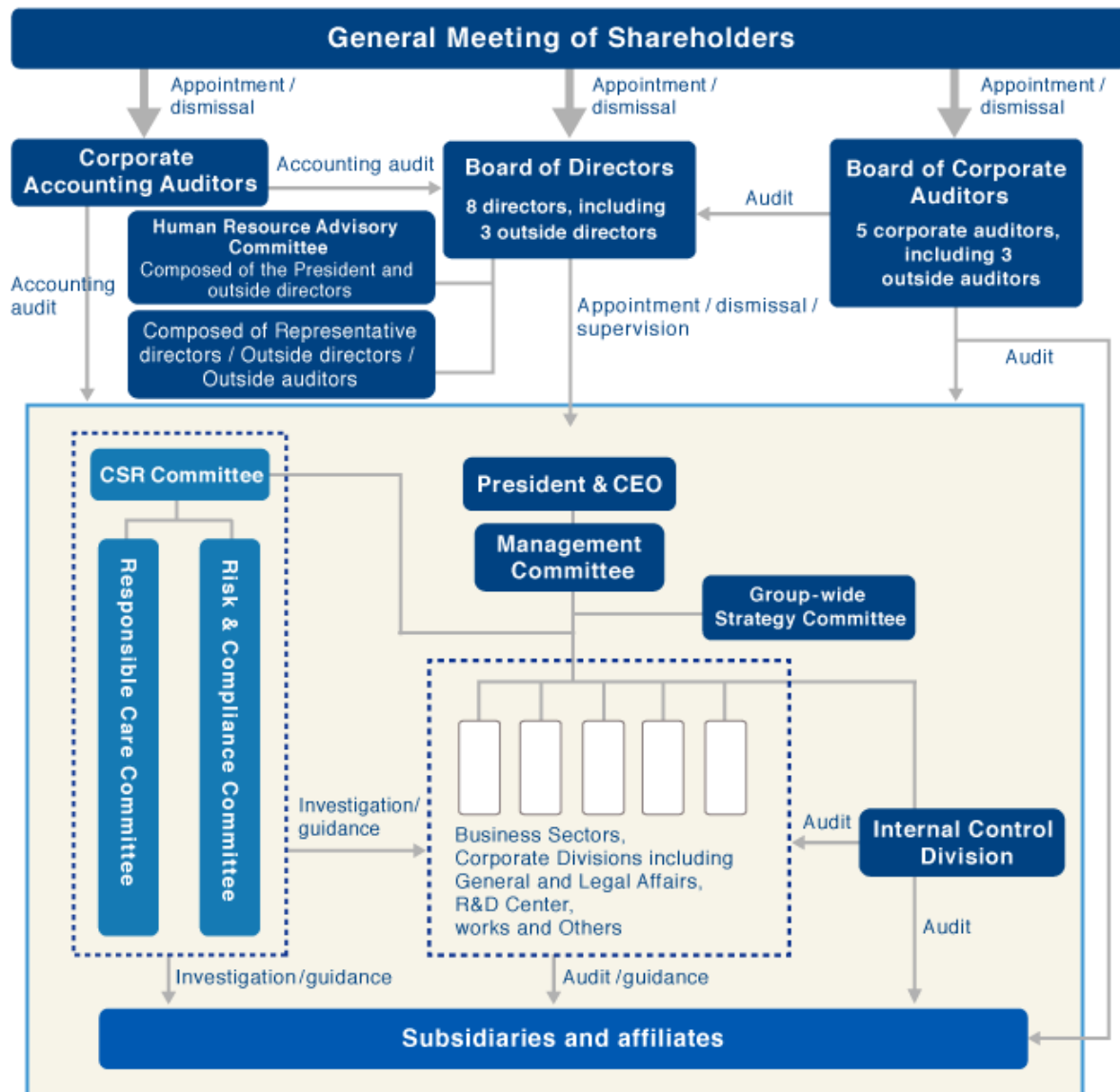
Corporate Target

Constantly pursuing innovation and growth to become a chemical group with an undisputed global presence

Publicly released since the fiscal year ended March 31, 2016, the Mitsui Chemicals Group Corporate Governance Guidelines outline the Group's fundamental policies and efforts in relation to corporate governance.

► [Corporate Governance Guidelines](#) 

► [Corporate Governance Report](#) 



Corporate Governance

► **Goals and Results**

► **Our Approach to Corporate Governance**

▼ **The Status of Corporate Governance Initiative Implementation**


The Status of Corporate Governance Initiative Implementation

Roles and Operational Status of Each Organization

Board of Directors

Based on laws, the Company's Articles of Incorporation, and Rules for Meetings of the Board of Directors, the Board of Directors makes decisions regarding business strategies, business plans, and other key management issues. The Board of Directors also oversees the overall management of the Group by reporting on individual director's professional performance, the important operations of affiliated companies, and the operational implementation of compliance and risk management. In addition, the Board of Directors reinforces the management oversight function by discussing important policies related to the running of the Company from an intermediate stage while providing advice to those persons executing business. Comprising eight members of the Board, five executive directors, and three outside directors, the Board of Directors met on 11 occasions in fiscal 2016.

► [Board Member Selection Criteria \(PDF : 70KB\)](#) 

[Board of Directors, Audit & Supervisory Board Members
and Executive Officers \(As of June 27, 2017\) \(PDF :
2.8MB\)](#) 

Outside Directors

Manager accountability and management transparency can be achieved based on feedback obtained from highly independent outside directors at Board of Directors' meetings. Furthermore, obtaining advice based on specialized knowledge facilitates proper decision making and the oversight of directors' operations at Board of Directors' meetings. All three outside directors are registered as independent officers with the Tokyo Stock Exchange.

► [Independence Criteria \(PDF : 14KB\)](#) 

Executive Compensation Advisory Committee

To ensure the transparency of performance evaluations and the validity of executive compensation levels, Mitsui Chemicals established the Executive Compensation Advisory Committee as a consultative body of the Board of Directors. This Committee also serves as a mechanism to determine a system of executive compensation as well as to evaluate the performance of directors. Chaired by the president, the Committee comprises representative directors (three, including the president) and outside experts (three outside directors and three outside auditors).

► [Director and Corporate Auditor Compensation
Criteria \(PDF : 12KB\)](#) 

Human Resource Advisory Committee

To ensure the validity and transparency of director and corporate auditor selection, Mitsui Chemicals established the Human Resource Advisory Committee as a consultative body of the Board of Directors. This Committee also serves as a mechanism to deliberate on the nomination and determination of directors and corporate auditors as well as matters relating to the development of successors for the position of CEO. Chaired by the president, the Committee comprises the president and outside directors.

Executive Officer System

Mitsui Chemicals introduced an executive officer system to clearly delineate responsibility for supervising and executing operations. Accordingly, with regard to matters other than those resolved by the Board of Directors, the system is designed to speed up the decision-making process by delegating decision-making authority to executive officers on the basis of the Company's authorization rules, thereby reinforcing and improving management procedures.

Management Committee

Mitsui Chemicals established the Management Committee to discuss key operational issues and matters requiring prior consideration before they are submitted to the Board of Directors, thereby enabling the Company to make decisions correctly and efficiently. The Management Committee met on 24 occasions in fiscal 2016.

The Management Committee is made up of the president, executive officers with specific titles, and members designated by the president. Corporate auditors also attend committee meetings and are able to offer their opinions whenever necessary.

Group-wide Strategy Committee

For issues such as Company management and business, Mitsui Chemicals established a Group-wide Strategy Committee as a forum for discussing strategy from a Group-wide perspective. Comprising the president, executive officers with specific titles, and members designated by the president, the Group-wide Strategy Committee met on 20 occasions in fiscal 2016.

Board of Corporate Auditors

In addition to drawing up the audit policies and plans that underpin each corporate auditor's audit of directors and other relevant officers in the execution of their duties, the Board of Corporate Auditors also deliberates on and determines important matters relating to audits. The Board of Corporate Auditors met on 15 occasions in fiscal 2016. While each corporate auditor conducts audits based on the policies and other guidelines determined by the Board of Corporate Auditors, steps are also taken to attend key internal meetings, including meetings of the Board of Directors, and to exchange opinions with the president and management personnel on a regular basis. Furthermore, corporate auditors check approval forms and minutes from key meetings.

Each corporate auditor conducts audits in conjunction with independent accounting auditors and our Internal Control Division, enabling them to exchange opinions regarding matters such as annual auditing plans and audit results.

The Company's corporate auditors perform audits of subsidiaries and affiliates when necessary based on the results of audits undertaken by the Internal Control Division and auditors of each Group company. The Company's corporate auditors also exchange information with auditors of each Group company.

Corporate Governance-related Committees

The Company has established various types of committees to assist in enhancing its corporate governance.

① CSR Committee

Aiming for the sustainable growth and the development of both society and the Mitsui Chemicals Group, we are working to raise corporate value by engaging in dialog with all stakeholders and resolving social challenges along the three axes of economy, environment, and society. To that end, the CSR Committee (chaired by the president) deliberates on policies, strategies and plans and then obtains the approval of the Management Committee. In fiscal 2016, the CSR Committee held two meetings.

② Risk & Compliance Committee

The Risk & Compliance Committee (chaired by a director) was established as a separate entity from the CSR Committee in order to put in place specific policies, strategies, and plans in the areas of risk management and regulatory compliance. Based on Mitsui Chemicals Group Risk Management System, the Risk & Compliance Committee works to quickly identify risks and prevent them from materializing. To that end, the Committee identifies and analyzes key risks regarding fiscal year targets for each Group company or division and steadily implements measures in accordance with PDCA cycles. In fiscal 2016, the Risk & Compliance Committee held two meetings.

Important policies, strategies and plans proposed by the Risk & Compliance Committee are approved by the Management Committee.

③ Responsible Care Committee

Responsible Care (RC) activities span the entire life cycle of each chemical product, from development and manufacturing to transport, use, consumption and disposal, and are aimed at protecting the environment, ensuring process safety and disaster prevention, chemical safety, and maintaining occupational health and quality. To that end, the Company has established the Responsible Care Committee (chaired by a director) as a separate entity from the CSR Committee. The Responsible Care Committee deliberates on policies, strategies, plans and evaluates the performance of RC-related activities. In fiscal 2016, the Committee convened three meetings. Important policies, strategies and plans proposed by the Responsible Care Committee are approved by the Management Committee.

Extract from Chapter 4, Section 1 Board of Directors of the Company's Corporate Governance Guidelines.

4. Election of Directors

- (1) MCI's election standards for directors are as follows.
 - (i) Executive directors
 - Possess knowledge and experience enabling the director to accurately and fairly oversee the management of MCI for the realization of the Corporate Vision
 - Possess excellent insight, a broad perspective, strong ethics, fairness, and integrity
 - (ii) Outside directors
 - Possess excellent insight and rich knowledge and experience in areas such as corporate management, legal compliance, finance and accounting, corporate ethics, scientific and chemical technology, global management, and crisis and risk management
 - Be able to view MCI's management as a whole, objectively evaluate it, and grasp the essential issues and risks
 - Be able to provide beneficial, unreserved advice on increasing MCI's corporate value from the point of view of an external stakeholder
- (2) The president will set up a meeting with the outside directors and outside corporate auditors about once per year to exchange opinions on director and officer cultivating policies and other such matters. Taking into consideration the results of the opinion exchange and the election standards above, the president will prepare a proposal on director candidates, which will be decided on by the Board of Directors.
- (3) The Board of Directors will oversee succession planning for the CEO and other key positions in consideration of the Corporate Vision and the mid-term business plan.

Board of Directors



Representative Director, Member of the Board President & CEO

Tsutomu Tannowa

Apr. 1976 Joined Mitsui Toatsu Chemicals, Inc.
Apr. 2007 Executive Officer of the Company
Apr. 2010 Managing Executive Officer of the Company
Jun. 2012 Member of the Board, Managing Executive Officer of the Company
Apr. 2013 Member of the Board, Senior Managing Executive Officer of the Company
Apr. 2014 President & CEO of the Company (to present)



Representative Director, Member of the Board Executive Vice President

Masaharu Kubo

Apr. 1980 Joined the Company
Apr. 2010 Executive Officer of the Company
General Manager, Corporate Administration Div.
Apr. 2013 Managing Executive Officer of the Company
Jun. 2013 Member of the Board, Managing Executive Officer of the Company
Apr. 2014 Member of the Board, Senior Managing Executive Officer of the Company
Apr. 2016 Representative Director, Member of the Board, Senior Managing Executive Officer of the Company
Apr. 2017 Representative Director, Member of the Board, Executive Vice President of the Company (to present)



Representative Director, Member of the Board Senior Managing Executive Officer

Shigeru Isayama

Apr. 1980 Joined the Company
Apr. 2007 Executive Officer of the Company
General Manager, Information & Electronics Materials Div., Performance Materials Business Sector
Apr. 2009 Executive Officer of the Company
General Manager, Business Planning & Development Div., Performance Materials Business Sector
Jun. 2009 Member of the Board of the Company
Business Sector Vice President, Performance Materials Business Sector, and General Manager, Business Planning & Development Div., Performance Materials Business Sector
Jun. 2011 Assistant to the President of the Company
Representative in the Americas, and General Manager, Mitsui Chemicals America, Inc.
Apr. 2013 Managing Executive Officer of the Company
Jun. 2013 Member of the Board, Managing Executive Officer of the Company
Apr. 2016 Representative Director, Member of the Board, Senior Managing Executive Officer of the Company (to present)



Member of the Board Senior Managing Executive Officer

Hideki Matsuo

Apr. 1982 Joined Mitsui Toatsu Chemicals, Inc.
Apr. 2013 Executive Officer of the Company Center Executive, Production & Technology Center
Apr. 2014 Managing Executive Officer of the Company Center Executive, Production & Technology Center
Jun. 2016 Member of the Board, Managing Executive Officer of the Company Center Executive, Production & Technology Center
Apr. 2017 Member of the Board, Senior Managing Executive Officer of the Company Center Executive, Production & Technology Center (to present)



Member of the Board Managing Executive Officer

Takayoshi Shimogori

Apr. 1985 Joined the Company
Apr. 2012 Senior Director of the Company
General Manager, Performance Compound Div., Functional Polymeric Materials Business Sector
Apr. 2014 Executive Officer of the Company
General Manager, Performance Compound Div., Functional Polymeric Materials Business Sector
Apr. 2015 Executive Officer of the Company
Business Sector President, Functional Polymeric Materials Business Sector
Apr. 2016 Managing Executive Officer of the Company
Business Sector President, Mobility Business Sector
Apr. 2017 Managing Executive Officer of the Company
Business Sector President, Food & Packaging Business Sector, and Business Sector President, Mobility Business Sector
Jun. 2017 Member of the Board, Managing Executive Officer of the Company
Business Sector President, Food & Packaging Business Sector, and Business Sector President, Mobility Business Sector (to present)

Independent Officers



Member of the Board Outside Director

Yukiko Kuroda

Apr. 1986 Joined Sony Corporation
Jan. 1991 Representative Director of People Focus Consulting
Jun. 2010 Outside Audit & Supervisory Board Member of Astellas Pharma Inc.
Mar. 2011 Outside Director of CAC Corporation (currently CAC Holdings Corporation) (to present)
Apr. 2012 Managing Director and Founder of People Focus Consulting (to present)
Jun. 2013 Outside Director of Marubeni Corporation
Jun. 2015 Member of the Board of the Company (to present)



Member of the Board Outside Director

Hajime Bada

Apr. 1973 Joined Kawasaki Steel Corporation (currently JFE Steel Corporation)
Jun. 2000 Director of Kawasaki Steel Corporation
Apr. 2003 Senior Vice President of JFE Steel Corporation
Apr. 2005 Representative Director, President and CEO of JFE Steel Corporation
May 2006 Chairman of The Japan Iron and Steel Federation
Apr. 2010 Representative Director, President and CEO of JFE Holdings, Inc.
Apr. 2015 Director of JFE Holdings, Inc.
Jun. 2015 Advisor of JFE Holdings, Inc. (to present)
Jun. 2016 Member of the Board of the Company (to present)
Jun. 2016 Outside Corporate Auditor of ASAGAMI CORPORATION (to present)



Member of the Board Outside Director

Hiromi Tokuda

Apr. 1971 Joined Nippondenso Co., Ltd. (currently DENSO CORPORATION)
Jun. 2000 Director of DENSO CORPORATION
Jun. 2004 Managing Officer of DENSO CORPORATION
Jun. 2006 Senior Managing Director of DENSO CORPORATION
Jun. 2008 Executive Vice President of DENSO CORPORATION
Jun. 2011 President and CEO, Representative Director of Nippon Soken, Inc. (currently SOKEN, Inc.)
Jun. 2014 Adviser, Senior Technical Executive of DENSO CORPORATION
Jun. 2016 Member of the Board of the Company (to present)
Jun. 2016 Advisor of DENSO CORPORATION (to present)

Audit & Supervisory Board Members



Corporate Auditor

Akio Ayukawa

Apr. 1975 Joined the Company
Jun. 2011 Executive Officer of the Company
Business Sector President, Petrochemicals Business Sector
Jun. 2012 Managing Executive Officer of the Company
Business Sector President, Petrochemicals Business Sector
Apr. 2014 Managing Executive Officer of the Company
Jun. 2014 Member of the Board, Managing Executive Officer of the Company
Apr. 2015 Member of the Board, Senior Managing Executive Officer of the Company
Jun. 2016 Corporate Auditor (to present)



Corporate Auditor

Yasushi Nawa

Apr. 1978 Joined the Company
Jun. 2005 General Manager, Functional Fabricated Products Business Div., Functional Chemicals Business Group of the Company
Apr. 2007 Deputy General Manager of Mitsui Chemicals Asia Pacific, Ltd.
Apr. 2008 General Manager of Mitsui Chemicals Asia Pacific, Ltd.
Apr. 2009 Contract Assistant to Executive Officer of the Company
General Manager of Mitsui Chemicals Asia Pacific, Ltd.
Oct. 2009 Executive Officer of the Company General Manager, New Business Development Div.
Apr. 2012 Contract Assistant to Executive Officer of the Company
General Manager of Mitsui Chemicals Asia Pacific, Ltd.
Apr. 2014 Executive Officer of the Company Representative in Asia and General Manager of Mitsui Chemicals Asia Pacific, Ltd.
Apr. 2015 Retired as Executive Officer of the Company
Assistant to the President of the Company
Jun. 2015 Corporate Auditor of the Company (to present)

Executive Officers



President & CEO

Tsutomu Tannowa

Overall corporate and group management



Executive Vice President

Yasuji Omura

Business Sector President, Basic Materials Business Sector



Executive Vice President

Masaharu Kubo

Executive Advisor (CFO), Responsibilities: Corporate Administration & Legal Division, Finance & Accounting Division, CSR Committee, Risk Compliance Committee



Senior Managing Executive Officer

Shigeru Isayama

Executive Advisor, (CTO), Responsibilities: New Mobility Business Development Division, Next Generation Business Development Division, Robot Materials Business Development Division, R&D Center, Intellectual Property Division



Senior Managing Executive Officer

Hideki Matsuo

Center Executive, Production & Technology Center
Responsibilities: Fabricated Products Business Coordination Division, Works



Managing Executive Officer

Takayoshi Shimogori

Business Sector President, Food & Packaging Business Sector
Business Sector President, Mobility Business Sector



Managing Executive Officer

Shinji Ogawa

Responsibilities: RC & Quality Assurance Division, Purchasing Division, Logistics Division, Information System Division, Responsible Care Committee



Managing Executive Officer

Shin Fukuda

Center Executive, R&D Center



Managing Executive Officer

Osamu Hashimoto

Business Sector President, Health Care Business Sector
General Manager, New Health Care Business Development Division
Responsibilities: H-Project Division

Executive Officer	Akihiro Ichimura	Representative in Europe President, Mitsui Chemicals Europe
Executive Officer	Yasunori Nishiyama	Representative in the Americas President, Mitsui Chemicals America President, Whole You
Executive Officer	Akira Misawa	CEO & Chairman, Kulzer
Executive Officer	Koichiro Sato	Business Sector Vice President, Mobility Business Sector Responsibilities: Nagoya Branch
Executive Officer	Junichi Mano	Business Sector Vice President, Basic Materials Business Sector
Executive Officer	Yoshihisa Fujimaki	President, Mitsui Chemicals Tohcello
Executive Officer	Hiroshi Tsunashima	General Manager, Osaka Works
Executive Officer	Keishi Susowake	General Manager, Omuta Works

Executive Officer	Satoshi Ozawa	Executive Vice President, Mitsui Chemicals Agro
Executive Officer	Tadashi Yoshino	Business Sector Vice President, Basic Materials Business Sector Responsibilities: Osaka Branch, Fukuoka Branch
Executive Officer	Yoshinori Andou	General Manager, Human Resources Division Responsibilities: Mitsui Chemicals Asia Pacific, Mitsui Chemicals China, Mitsui Chemicals America, Mitsui Chemicals Europe, Affiliates Coordination Division
Executive Officer	Akio Hirahara	General Manager, Corporate Planning Division
Executive Officer	Ichiro Kondo	General Manager, Ichihara Works
Executive Officer	Yasuhiro Hosomi	General Manager, Iwakuni-Ohtake Works
Executive Officer	Takehiko Takagi	General Manager, Nagoya Works General Manager, Fabricated Products Business Coordination Division
Executive Officer	Akihiro Tachibana	Business Sector Vice President, Health Care Business Sector General Manager, Nonwovens Division, Health Care Business Sector
Executive Officer	Hajime Nakajima	General Manager, Finance & Accounting Division
Executive Officer	Hiroshi Nishio	General Manager, Internal Control Division

Extract from Chapter 4, Section 3 Independent Outside Directors and Independent Outside Corporate Auditors of the Company's Corporate Governance Guidelines.

10. Independence Standards

The independence standards for independent outside directors and independent outside corporate auditors designated by MCI are as appended.

Appendix

Independence Standards for Independent Outside Directors and Independent Outside Corporate Auditors

In order to be designated by Mitsui Chemicals, Inc. (MCI) as an independent outside director and an independent outside corporate auditor such director or corporate auditor must not fall under any of the following items.

- (1) A person who currently is or has been in the past an executive (such as an executive director, executive officer, senior director, general manager, or other such officer who executes operations) of MCI or a subsidiary of MCI.
- (2) A person for whom MCI is a major business partner* or, if that person is a juridical person, an executive of that person.
*If a business partner has received payments of 2% or more of its annual sales from MCI in any of the past three fiscal years, then MCI is a major business partner thereto.
- (3) A major business partner* of MCI or, if that partner is a juridical person, an executive of that partner.
*If MCI has received payments of 2% or more of its annual sales from a business partner in any of the past three fiscal years, or if a business partner has loaned a monetary amount of 2% or more of MCI's total assets to MCI in any of the past three fiscal years, then that business partner is a major business partner to MCI.
- (4) A large shareholder (a person directly or indirectly holding 10% or more of total voting rights) of MCI or, if that shareholder is a juridical person, an executive of that shareholder.
- (5) An executive of a juridical person for whom MCI is a large shareholder (directly or indirectly holding 10% or more of total voting rights).

- (6) An accounting auditor of either MCI or a consolidated subsidiary of MCI, or a person who is in charge of auditing either MCI or a consolidated subsidiary of MCI as an employee of such accounting auditor.
- (7) An attorney-at-law, judicial scrivener, patent attorney, certified public accountant, certified public tax accountant, consultant, or other such professional who has received money or other assets, other than officer remuneration, from MCI exceeding an annual amount of JPY 10 million in any of the past three fiscal years (if a group such as a corporation or association receives such assets, this includes any person belonging to such group for which the assets received from MCI exceed 2% of the group's annual revenue).
- (8) A person who has received donations from MCI exceeding an annual amount of JPY 10 million in any of the past three fiscal years (if a group such as a corporation or association receives such donations, this includes any executive of such group for which the donations received from MCI exceed 2% of the group's annual revenue).
- (9) A person whose close relative (meaning a spouse or a relative within the second degree of kinship) falls under any item of (1) to (8) above.
- (10) A person who has fallen under any item of (2) to (9) above in the past three years.
- (11) Notwithstanding the provisions of each preceding item, a person regarding whom there are found to be special circumstances that may cause a conflict of interest with MCI.

Extract from Chapter 4, Section 1 Board of Directors of the Company's Corporate Governance Guidelines.

5. Policies and Procedures for determining Compensation for Directors and Corporate Auditors

- (1) MCI's basic policies regarding the determination of compensation for directors(excluding outside director) are as follows.
 - (i) Compensation will be commensurate with the entrustment of MCI's management and will be tied to the growth and performance improvement of the MCI Group.
 - (ii) Compensation schemes will be devised to reflect both corporate performance and the performance of the individual director.
 - (iii) Compensation for higher positions will more strongly reflect their contributions to mid- and long-term corporate growth.
 - (iv) We will ensure transparency and maintain accountability to our shareholders and other related parties regarding the determination of compensation for directors.
- (2) Compensation for directors (excluding outside directors) will be comprised of monthly compensation (a fixed amount) and bonuses. The proportion of compensation comprised of bonuses will be appropriately set to function as an appropriate incentive for the sustained growth of MCI.
- (3) Compensation for outside directors and corporate auditors will be comprised solely of monthly compensation (a fixed amount), the level of which will be established referring to third-party surveys regarding compensation for corporate managers in Japan and other information.
- (4) MCI has established the Executive Compensation Advisory Committee as an advisory body to the Board of Directors in order to ensure the suitability of director compensation levels and the transparency of performance evaluations. The president will serve as the chair of the Executive Compensation Advisory Committee, which will be comprised of the representative directors and outside experts.
- (5) The Board of Directors will determine the compensation for MCI's directors after consulting with the Executive Compensation Advisory Committee.

Risk and Compliance

▼ Risk Management Policy

► Policy on Bribery Prevention

► Goals and Results

► Risk Management Framework

► Risk Prevention Measures

► Promoting Compliance

To earn the trust of our shareholders, customers, members of the local community and all of our other stakeholders, and to fulfill our corporate social responsibilities, it is crucial to put in place and effectively operate a solid management framework, promoting risk management and compliance. Here at the Mitsui Chemicals Group, we are committed to reinforcing our management framework in order to provide stronger foundations for our corporate activities.

Risk Management Policy

The Mitsui Chemicals Group has put in place the Mitsui Chemicals Group Risk Management Policy. In this manner, the Group has clarified the risk management principles to be adopted with respect to daily tasks and duties.

The Mitsui Chemicals Group Risk Management Policy

Basic Objectives

1. To confirm that all employees are fully aware of the importance of risk management
2. To confirm that a structured and systematic risk management system is in place
3. To confirm that the line management of risks is firmly entrenched and that definitive steps have been taken to employ a PDCA cycle

Basic Stance

1. Line managers steadfastly carry out PDCA procedures as a part of efforts to manage the risks that arise in the natural course of daily business activities
2. All employees who have come into the possession of risk-related information report to their line managers in a timely manner
3. All employees proactively share with other departments any risk-related information that has come into their possession while also seeking cooperation
4. Each and every employee must take the initiative and realize that he or she maintains the same responsibilities as the officer in charge of risk management. Every effort must be made to constantly fine tune sensitivities toward risk

Policy on Bribery Prevention

The Mitsui Chemicals Group Policy on Bribery Prevention

Overview and Declaration

With business taking on an increasingly global nature with each passing year and in light of the world's heightened focus on bribery in recent years, the further development and strengthening of an international bribery prevention framework is an important task to be addressed by the Mitsui Chemicals Group as a whole. The Mitsui Chemicals Group will comply with all regulations aimed at preventing bribery in the countries and regions in which the Mitsui Chemicals Group is engaged in business, including the Unfair Competition Prevention Act of Japan, the Foreign Corrupt Practices Act of the U.S., and the Bribery Act of the U.K. (all such regulations, the "Bribery Regulations"). Whenever it is faced with choosing between profits or compliance, the Mitsui Chemicals Group will never hesitate in prioritizing compliance.

With the aim of preventing bribery by clearly stating matters such as the basic stance of the Mitsui Chemicals Group towards bribery and the rules to be followed by its personnel, the Mitsui Chemicals Group has formulated this Policy.

This Policy applies to all personnel of the Mitsui Chemicals Group.

December 1, 2016
Tsutomu Tannawa
President

Matters to be complied with

1. Prohibition of bribery

Personnel of the Mitsui Chemicals Group will not engage with any other person in any act of making or receiving a bribe.

2. Development of a bribery prevention framework

The Mitsui Chemicals Group will strive to operate its compliance-related departments, and whistleblowing notification centers in a fair and equitable manner, and will maintain and operate organizations and systems designed to prevent acts of bribery.

3. Education and training

The Mitsui Chemicals Group will continually provide education and training to personnel in order to further ensure an ethical mindset aimed at preventing bribery and to secure the operation of its bribery prevention framework.

4. Audits and system reviews

The Mitsui Chemicals Group will perform periodic audits to confirm whether its bribery prevention framework is actually functioning and, based on the results of such audits, will continually review the effectiveness of the bribery prevention framework of the Mitsui Chemicals Group (including this Policy) and make improvements as necessary.

5. Recording and storing of transaction details

In order to evidence its compliance with the Bribery Regulations of each country and with this Policy, the Mitsui Chemicals Group will use appropriate internal control systems to factually and accurately record approval documents, accounting books, and the like relating to expenditures, and will appropriately store all relevant ledgers and forms.

6. Disciplinary action

If an employee violates this Policy, the Mitsui Chemicals Group will take appropriate and swift disciplinary action in accordance with work rules and the like.

Definition of Terms

- (1) "Making a bribe" means giving, or offering or promising to give, any money or other benefits to a public officer, etc., directly or indirectly, for the purpose of having the public officer, etc. act or refrain from acting in a particular way in relation to his or her duties, or having the public officer, etc. use his or her position to influence another public officer, etc. to act or refrain from acting in a particular way in relation to that officer's duties, in order to obtain illicit gains in business.
For example, providing hospitality or gifts to an instructor or staff member of a national public university, or to a physician or staff member of a national public hospital, would constitute "making a bribe."
- (2) "Receiving a bribe" means receiving, or demanding or promising to receive, any money or other benefits in relation to one's own duties for the purpose of obtaining illicit gains for oneself or a third party.
- (3) "Bribery" means the act of making a bribe or receiving a bribe.
- (4) "Public officer, etc." includes any of the following persons:
 - ① A person engaged in public duties for the national or local governments of his or her own or a foreign country ("Governments");
 - ② A person who engages in the affairs of an entity established under a special law or regulation to carry out specific affairs related to the public interest;
 - ③ A member of staff of any of the following public companies or entities ("companies, etc.") granted special privilege by a Government:
 - (i) A company, etc. in which a Government directly or indirectly holds a majority of the voting shares or paid-in capital;
 - (ii) A company, etc. the majority of whose officers are appointed or nominated by a Government;
 - (iii) A company, etc. otherwise substantively controlled by a Government;
 - ④ A political party or a staff member thereof;
 - ⑤ A candidate for public office;
 - ⑥ A person engaged in public duties for a public body;
 - ⑦ A person engaged in the affairs of Government or public body as authorized thereby; or
 - ⑧ Any other person similar to any of (i) through (vii) above.
- (5) "Personnel" means all officers, employees, and temporarily employed persons of the Mitsui Chemicals Group.

Risk and Compliance

▸ Risk Management Policy

▸ Policy on Bribery Prevention

▼ Goals and Results

▸ Risk Management Framework

▸ Risk Prevention Measures

▸ Promoting Compliance

Goals and Results

Goals for Fiscal 2016

- Strictly observe all laws, regulations and rules; promote increased awareness toward compliance
- Upgrade response measures and minimize the impacts of major earthquakes and accidents
- Strengthen information system security
- Identify key risks and strengthen risk management support

Fiscal 2016 Results and Assessment

Level achieved: A

- Continued to implement a variety of measures (workplace discussions, awareness training, etc.) in a bid to promote compliance
- Implemented training drills on the basis of a major disaster in the Tokyo Metropolitan area (confirmation of the safety of employees, relay of information, initial confirmation of such key initiatives as the set-up of an emergency response headquarters)
- Strengthened information system security on a Group global basis
- Shared information regarding key as well as new risks with the Risk & Compliance Committee; took steps to support departments with oversight responsibilities

Priorities for Fiscal 2017

- Promote further awareness toward compliance with all laws, regulations and rules
- Minimize the impact of emergency situations on employees and business activities
- Strengthen information system security
- Follow-up on new and key risks

※ Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Risk and Compliance

▸ Risk Management Policy

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Risk Management Framework

At the Mitsui Chemicals Group, we carefully control all risks that could potentially threaten our business activities, to earn the trust of our shareholders, customers, members of the local community and all other stakeholders, and to fulfill our corporate social responsibility.

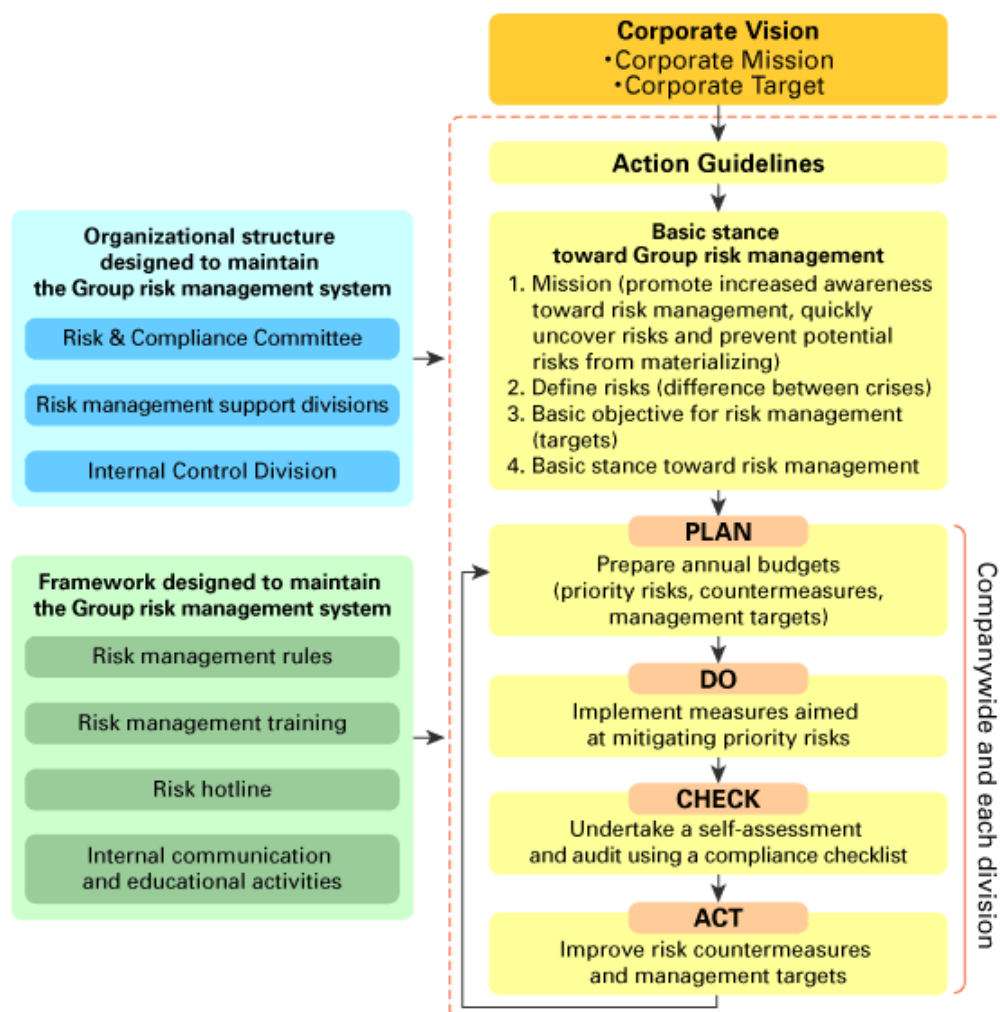
Risk Management System

We introduced the Mitsui Chemicals Group Risk Management System to quickly identify risks and prevent them from materializing. The system involves identifying key risks within the annual budget of each Group company or division, undertaking an analysis of the status of risk, and implementing measures accordingly. We also use tools such as compliance checklists as part of a risk management PDCA cycle that is designed to monitor the progress of risk management measures and prevent risks from materializing.

Moreover, the Risk Management System has been incorporated into the Group's internal control systems. The status of internal control system implementation is reported to the Board of Directors.

※ PDCA: Plan, Do, Check, Act

Risk Management System



Risk & Compliance Committee

The Risk & Compliance Committee (chaired by the director in charge of risk and compliance) was established as a separate entity in order to put in place specific policies, strategies, and plans that address risk as well as compliance concerns, a priority CSR area of the Mitsui Chemicals Group.

This Committee is charged with the responsibility of garnering the trust of the Group's stakeholders and providing support to each division as well as each Group company in their efforts to manage risk and ensure that Mitsui Chemicals fulfills its corporate social responsibility. In addition, the Internal Control Division undertakes operating audits and conducts interviews to assess the status of risk management at each Group company and division. Findings of the Internal Control Division are then reported to the Risk & Compliance Committee.

As a result of these endeavors, and carrying on from fiscal 2014 and fiscal 2015, there were no breaches of statutory or regulatory requirements including rules and matters of a major nature that affected the Group's social standing, business operations, earnings and other key parameters in fiscal 2016.

Corporate Governance

Internal Control

We established the Internal Control Division to continually monitor and assess the implementation and operational status of internal controls within the Mitsui Chemicals Group, as required under the Companies Act and the Financial Instruments and Exchange Act, and to ensure that operational risks are kept within tolerable levels at all times. In addition to maintaining and improving internal control standards throughout the Mitsui Chemicals Group, internal audits are conducted to ensure that operations are being carried out appropriately and efficiently. Furthermore, any important matters arising from the results of audits are shared with the Risk & Compliance Committee. The Internal Control Division specifically focuses on the following areas.

- Self-assessment-based internal audits relating to legal and regulatory compliance
- The conduct of self-assessment-based internal audits relating to legal and regulatory compliance; the introduction and operation of internal audit processes based on the aforementioned self-assessment-based internal audits with respect to business divisions as well as affiliates in Japan and overseas
- Compliance with the Financial Instruments and Exchange Act (submission of internal control reports)
- The implementation of annual assessments to determine the effectiveness of internal controls relating to financial reporting; the establishment of internal controls as well as operating policies including their assessment with respect to the Company in accordance with the implementation standards of Japan's Financial Services Agency.

Structure of Our Risk Management System



Risk and Compliance

► Risk Management Policy

► Policy on Bribery Prevention

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▼ Risk Prevention Measures

► Promoting Compliance

Risk Prevention Measures

Top Priority Risk Management

In each Group company and division, we are specifying top priority risks, based on risk models and procedure documents, and steadily implementing measures and controls for risk.

In addition to sharing targets for top priority risk measures and management as well as the status of target achievement, the Risk & Compliance Committee examines and supports appropriate measures in response to newly materializing risks and risks that are judged likely to have a major impact on the Group as a whole as well as other risk countermeasures as considered necessary.

Risk Categories

- ① Business ② Product Quality ③ Production/Maintenance ④ Product Safety ⑤ Personnel
⑥ Information Management ⑦ Safety/Health ⑧ Sales ⑨ Capital ⑩ Compliance

Steps were taken to put in place countermeasures and to share details with the Risk & Compliance Committee concerning matters of top priority risk specified by the Mitsui Chemicals parent company that were yet to be achieved in fiscal 2016. In addition, the conditions under which other risks had arisen or materialized as significant problems were not confirmed. Meanwhile, the Internal Control Division conducts audits that encompass compliance including bribery

For fiscal 2017, we will make efforts in accordance with management targets at each division and undertake appropriate control through the Risk & Compliance Committee.

► [Risk Identification and Specific Management Procedures for Top Priority Risks](#) 

► [Risk Models \(Examples of specific assumed risks\)](#) 

Risk Hotline

Our Risk Hotline enables any Group employee who has obtained information relating to risks, including details of illegal activities going on within the Company, to directly report the matter to and seek advice from the Risk & Compliance Committee or an outside attorney. The hotline is open not only to directors, corporate auditors, and employees, but also to all parties with an interest in the Company's business activities including the families of employees, contractors at our works or other sites and suppliers. Any and all information relating to risks received through the hotline is immediately and appropriately reported to the Company's corporate auditors.

[Reporting and Points of Contact for Advice]

[Reports to/consultation with the Company's Risk & Compliance Committee]

For the attention of:

The Secretariat, Risk & Compliance Committee

General Affairs/Legal Division

Mitsui Chemicals, Inc.,

Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-7122, Japan

E-mail : Risk@mitsuichemicals.com

[Reports to/consultation with external points of contact [attorneys]]

For the attention of:

Mitsui Chemicals, Inc. Hotline

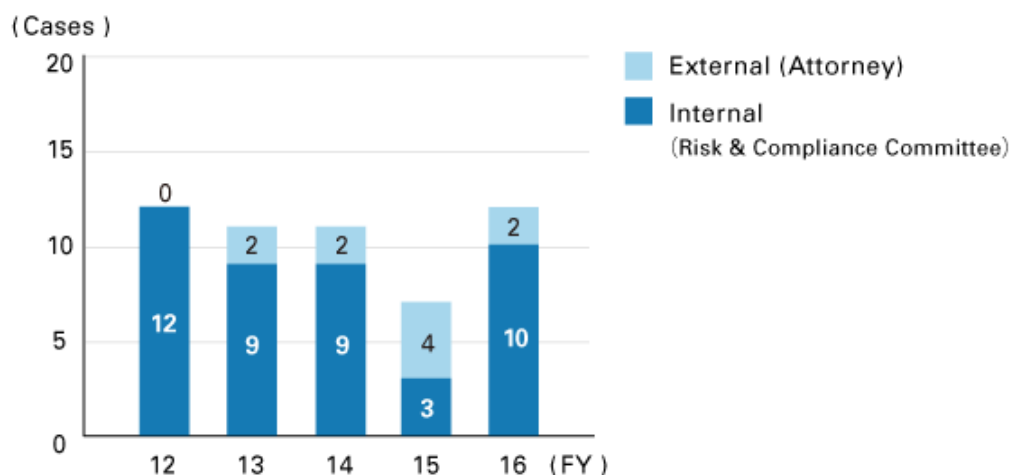
Daiichifuyo Law Office, Kasumigaseki Building 12F, Kasumigaseki, 3-2-5, Chiyoda-ku, Tokyo 100-6012, Japan

E-mail : risk-MCI@daiichifuyo.gr.jp

(Risk Hotline Operational Management)

- The Company restricts those able to view E-mails and letters received by the Risk & Compliance Committee or the external point of contact to only some of the members of the Committee. Furthermore, those able to view correspondence strictly observe confidentiality with regard to the name or location of any person using the hotline to report or seek advice or to the content of their report, which for the purposes of investigation is not disclosed to anyone other than the minimum number of officers and employees or to attorneys. Internally stipulated regulations safeguard the information against further disclosure or leakage (including the name or location of any person using the hotline to report or seek advice, or acts that would make it easy to ascertain the content of their report).
- The Company will keep confidential from anyone other than those involved any information relating to those cooperating for the purpose of the investigation or information gained through the investigation.
- Any person using the hotline to report or seek advice is not to be subject to penalty by reason of having written a report or sought advice. However, this limit will not apply in cases where the person who used the hotline to report or seek advice had done so for the purpose of deceiving others, for example by deliberately conveying false information, or in cases in which a report was made for the purposes of unlawful activities, such as coercion or blackmail.
- Anonymous reports and requests for advice by letter or E-mail are accepted. However, please be aware that in the event that a person cannot be contacted by the Company, there will be cases where the situation will not be fully understood and steps, such as an appropriate investigation or response, will not be taken.

Risk Hotline Operating Performance



Business Continuity Plans (BCPs)

We have formulated a Business Continuity Plan (BCP) for execution in the event of a major earthquake in the Tokyo Metropolitan area. The plan establishes certain systems and outlines that, in the event that the Company's Head Office is unable to operate properly, its functions will be transferred to a main base such as the Osaka Works, an emergency headquarters will quickly establish a chain of command, and emergency customer response centers will be established to provide our customers with support quickly and effectively. BCPs have also been put in place in preparation for an outbreak of any new-type influenza and for a large-scale accident at a production site.

Based on such scenarios as the high probability of a Nankai Trough earthquake and a major earthquake in the Tokyo Metropolitan area, we intend to continue on from fiscal 2016 and again organize extensive BCP training, incorporating flexible measures aligned to changing conditions and situations, while also covering the potential risk of a major earthquake in the Tokyo Metropolitan area in fiscal 2017. Following on from that, we also intend to review regulations and our BCP, focus on raising awareness in the workplace while taking stock of and maintaining essential equipment. At production sites, we regularly conduct earthquake and tsunami readiness training and ensure that safe operational shutdown procedures and employee evacuation systems are in place. From the business management standpoint, we are adopting a range of measures. With regard to some of the important raw materials, we are purchasing from multiple sources and ensuring back-up sources to safeguard the supply chain, building a production system at multiple business sites for the Group's main products, and maintaining a certain level of inventory.

Procedures for Identifying Risks and Specifying / Managing Priority Risks

1. Risk Identification

Identify risks at each department by performing a full review of each responsible operation and relevant laws/regulations, and taking into consideration the status of priority risk management during the previous fiscal year.

2. Risk Categories

Identified risks are assessed according to impact and likelihood of occurrence, and then categorized from I to IV within the matrix shown below.

Criteria

◆ High Impact

- Very high level of monetary impact (damages, earnings reduction)
- Casualties incurred
- Organizational survival and strategic targets significantly impacted
- Company image and reputation severely damaged
- Local communities heavily affected

◆ High Likelihood of Occurrence

- High likelihood of occurrence at least once during the fiscal year
 - Actual occurrence during the past three years
- (However, possible to establish evaluation criteria tailored specifically to the circumstances of each department)

Impact	High	II	I
	Low	IV	III
		Low	High
		Occurrence potential	

3. Specifying Priority Risks

Based on the categories listed above, one or more priority risks are selected from risks categorized under I (II if there is no I; from III if there is no I or II)

4. Establishing Risk Countermeasures, Management Items and Targets

Establish countermeasures for priority risks as well as management items and targets in order to implement these countermeasures (it is desirable to establish quantitative management items/targets to extent possible, but it is possible to set these on a qualitative basis if obtaining qualitative items proves difficult)

Risk Model (Examples of specific assumed risks)

Categories	Table of Contents	Assumed Risk (Examples)
External operating conditions	Competitors	Competing company's enhanced production capacity
		Market entry of inexpensive, imported products; decline in market conditions due to oversupply
		Mergers, business tie-ups between competing companies
		Influx of alternative products
	Customers, Markets	Fall in demand
		Outward flow of customers overseas
		Deficiencies in customer responses due to increase in internal business tasks
	Suppliers	Skyrocketing prices for raw materials
		Accident at raw materials manufacturer, termination of supply due to insolvency
	Shareholders	Shareholder class action
Legal Revisions, Regulatory Changes	Cost increases due to compliance with more stringent regulations	
Country Risks (Overseas Safety)	Deteriorating economic situation in trading partner country, import/foreign investment controls	
	Events involving overseas employees (acts of terrorism, kidnapping, threats)	
	Political instability, worsening security (civil war, riots)	
Media	Inadequate responses to media at the time of an emergency	
Business strategies	Budget/Planning	Budget formulation not in line with actual situation
	Strategy Formulation	Formulation of new business strategy by prioritized targets
		Delayed decision to withdraw from a business
	Product Lifecycle	Shortening of a product's life cycle
	Business Portfolio	Error in core/sub-core business certification
	Management Resource Distribution	Investment in business with poor prospects
	Product Development Capacity	Delays in new product development
	Comprehending External Conditions	Underestimation of changes in external environment
Compliance	Unlawful Actions	Violation of antitrust law, commercial code, administrative regulations (governing fire prevention, the environment, etc.)
		Illegal export of strategic materials
		Corruption, fraudulent provision of profits to particular shareholders
		Breach of contract
		Procedural omissions in applications to regulatory authorities
	Corporate Regulatory Infractions	Contravention of employment regulations
	Employee Misconduct	Misappropriation of funds, breach of trust, insider trading, departure from authority
	Employee Antisocial Actions	Sexual harassment, discrimination
	Management of Confidential Information	Leaks of research/technological knowhow
		Employee internal accusations
Management of Intellectual Property	Infringement of another company's patent	
Environment/safety/quality	Environmental Issues	Environmental contamination (air, water, soil, groundwater, etc.)
		Consumer/civic movements with regard to environmental problems
	Safety Issues	Plant explosion, fire, facility obsolescence
		Accident during product transportation
		Occupational accidents and injuries
		Natural disasters (earthquake, typhoon, etc.)
	Quality Issues	Product defect, customer complaint, technical service shortcomings
		Product liability (PL) lawsuit
		New product safety test defect
Inadequacies in Material Safety Data Sheet (MSDS), product's written specification		
Finances	Credit Management	Increased unease with regard to client/business partner credit associated with deterioration in economic conditions
	Foreign Currency Exchange	Foreign exchange losses
	Financing	Credit crunch, rise in interest rates
	Tax Issues	Double taxation incurred due to transfer price taxation
Personnel/labor system	Employee Health Management	Mental health, death from overwork
	Personnel Loss	Headhunting
	Employee Morals	Reduced morale due to change in working conditions
	Pensions/Funds	Increased retirement benefit obligation due to lower discount rate
	Labor/Management Relations	Labor dispute
Information systems	Information Infrastructure	Flaw in backup system during system crash
	Access to Information	Leak, destruction of data by illegal access, virus

Risk and Compliance

► Risk Management Policy

► Policy on Bribery Prevention

► Goals and Results

► Risk Management Framework

► Risk Prevention Measures

▼ Promoting Compliance

Promoting Compliance

As an indication of the priority given to compliance with laws and regulations over any pursuit of profit, the Mitsui Chemicals Group has identified compliance with all laws and regulations as the first item in its Group Action Guidelines formulated in February 2006. In addition to putting in place a risk management framework that includes the Risk & Compliance Committee and Risk Hotline, Mitsui Chemicals is acutely aware of the critical need to have its employees, who drive its risk management framework forward, strictly adhere to all laws and regulations. With this in mind, the Company has undertaken four initiatives in an effort to promote compliance. In addition to preparing a basic Compliance Guidebook, we conduct compliance awareness education and training as well as workplace discussions covering case studies of violations of laws and regulations in order to strengthen the understanding of employees. From a skills and knowledge perspective, we also conduct legal and regulatory compliance training.

➡ Action Guidelines

Compliance Guidebook

The Compliance Guidebook (issued in 2006) summarizes basic points that Group directors, corporate auditors, and employees should consider when carrying out their duties. It is a tool that emphasizes the need to comply with all laws and regulations, a key component of the Mitsui Chemicals Group Action Guidelines. As circumstances dictate, steps are taken to revise the content of the Compliance Guidebook to include specific examples of violations of the laws and regulations of each country as well as instances of bribery or the falsification of data, issues that are attracting widespread media interest in Japan, and to increase awareness within the Company. In addition to the existing Japanese and English editions, we compiled a new Chinese edition containing information on Chinese laws and regulations in 2009. Distributed mainly to our subsidiaries in China, these guidebooks help promote compliance on a day-to-day basis.

► [Compliance Guidebook \(Excerpt\)](#) (PDF : 66.7KB) 

Example-based Workplace Discussions on Legal and Regulatory Violations

The Mitsui Chemicals Group has been organizing example-based workplace discussions on legal and regulatory violations since fiscal 2008. These discussions involve members of staff in each workplace discussing examples of compliance violations at Mitsui Chemicals and at other companies, with a focus on the causes, preventive measures, and the potential for similar occurrences in their own workplace. The aim is to raise awareness of legal and regulatory compliance and reinforce interactive communication with senior members of staff. Discussions have received a positive response in many of our workplaces, with some departments voluntarily increasing the frequency of discussion sessions and others picking out examples of particularly relevant violations at other companies.

Compliance Awareness Training

The awareness of individual directors, corporate auditors, and employees is the most important factor to ensure compliance. The required level of awareness varies however depending on each individual's position within the Company. We therefore tailor the contents of compliance awareness training to suit every level, from new recruits to employees newly promoted to a management position, newly appointed line managers, and each management rank. Our goal is for individuals at every level to take the initiative and set an example for others, thereby raising levels of compliance awareness throughout the Group and creating a more open corporate culture.

Legal and Regulatory Compliance Training and e-Learning

Here at the Mitsui Chemicals Group, we organize legal and regulatory compliance training in order to improve employees' knowledge. Training is provided via e-learning or group training sessions, both of which cover specific laws and internal regulations that our employees need to be aware of in order to carry out their duties. We also organize customized training sessions for individual divisions or subsidiaries and affiliates on request.

Required subjects vary depending on the contents of each employee's duties. We also require employees to re-take courses on a regular basis to ensure that they are aware of recent developments. Participation in these training initiatives is audited by the Internal Control Division. In this manner, we place the utmost importance on participation.

e-Learning Education and Training Themes

- Industrial safety and health legislation
- Process safety legislation
- Environmental legislation
- Quality control
- Harassment
- Finance and taxation
- Intellectual property
- Information management
- Contracts
- Antimonopoly legislation
- Credit control
- Export control
- Purchasing



~For compliance with laws and rules~

Compliance Guidebook

Mitsui Chemicals, Inc.

~For compliance with laws and rules~

Compliance Guidebook

December 1, 2003	First Edition
May 30, 2006	Second Edition
December 1, 2012	Third Edition(Electronic Publishing)
February 1, 2016	Fourth Edition(Electronic Publishing)
November 1, 2016	Fifth Edition (Electronic Publishing)

MITSUI CHEMICALS, INC. Legal Division

This Guidebook is based upon Japanese law, regulation and customs and refers to Japanese cases. It may be possible that the cases in the Guidebook do not apply in any jurisdictions except Japan.

Aiming to Become a Reliable Mitsui Chemicals Group - Striving to Be a Trusted Entity -

In February 2006, we established “Mitsui Chemicals Group Action Guidelines” as part of our Corporate Social Responsibility (CSR) strategy. These Guidelines were compiled to present the guidelines for actions for the officers and employees of the Mitsui Chemicals Group. These Guidelines are intended to be referred to by them when they consider what they should value most in their behavior in order for the Group to continue to contribute widely to society and become an entity that earns the trust of its stakeholders. The top priority item set forth in these Guidelines is “Compliance with the laws and regulations”.

At the outset of the Action Guidelines, the Mitsui Chemicals Group declared “We will give priority to compliance with laws and regulations over pursuit of any profit”. If you are forced to choose either profit or compliance with laws and regulations, please do not hesitate to give priority to compliance with laws and regulations. We should never repeat the violation of the High Pressure Gas Safety Law or cartels (for polypropylene, gas distribution pipe, etc.), among other things.

In recent years in Japan, cases of violations of laws, regulations and rules have been frequently reported by the press. These cases include the incidents of product data fabrication and accounting fraud by listed companies and an emission gas scandal of a powerful carmaker having global operations. Society is keeping an ever increasingly sharp eye on these corporations having committed the offenses. In these situations, they are facing a possibility that as a consequence of their single breach of a law, regulation or rule, they may devastatingly lose their social confidence that they have built over many years and the foundation of their existence as corporations may be shaken. We must have a strong realization that compliance with laws, regulations and rules is the major premise of the existence of any corporation and without it any corporation can neither continue to exist nor fulfill its social responsibility.

Furthermore, in light of the global development of our businesses that are growing year by year, it is all the more important for us to have a greater awareness of the importance of compliance with the laws, regulations and rules of foreign countries as well as those of Japan. We are required to have an accurate understanding of various regulations of foreign countries and consider at all times whether or not our own actions are appropriate. In particular, the concerns about the problems of injustice and corruption including cases of bribery involving foreign public officials are rapidly growing in the world. This is an issue to be seriously addressed by the whole Mitsui Chemicals Group for the sake of our moving forward with global business operations, among other reasons.

I firmly believe that if all of our officers and employees take actions in good faith, keeping compliance with laws, regulations and rules in mind, we will gain greater social confidence and be able to lay the foundations for the sustainable development of our Group.

February, 2016



Tsutomu Tannowa, President

~For compliance with laws and rules~

Compliance Guidebook

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CSR in the Mitsui Chemicals Group



Naturally, the Mitsui Chemicals Group engages in a wide range of activities in an effort to become a company that is trusted and highly valued by all stakeholders and that employees can be proud of. We also recognize the need to realize our Corporate Mission through our main business activities in order to fulfill our corporate responsibility to society. With this in mind, we are working to secure the sustainable growth and development of the Group and society from the perspective of every possible stakeholder and in each of the economic, environmental, and social fields.

▶ The 2025 Long-term Business Plan for Sustainable Growth and Development

▶ CSR Management

▶ Visualization of Contributions to the Environment and Society

▶ Commitment to ISO 26000

▶ Establishment of Contribution Indicators

▶ Environmental Contribution Value, Blue Value™

▶ QOL Improvement Contribution Value, Rose Value™

▶ Signatory to the UN Global Compact

The 2025 Long-term Business Plan for Sustainable Growth and Development

The 2025 Long-term Business Plan for Sustainable Growth and Development

The 2025 Long-term Business Plan embodies our strong commitment toward realizing our sustainable growth and development along with society. We will make every effort to contribute to solving social challenges through our business activities and engage in management that strikes a proper balance between economic, environmental, and social concerns.

Advance Triple Bottom Line Management to Realize Our Targeted Future Society

The Mitsui Chemicals Group undertakes a diverse array of activities to ensure that it is trusted and highly valued by all stakeholders, and a corporate group that employees can be proud of as a matter of course. We also believe that realizing our Corporate Mission through our main business activities is the very essence of CSR. In other words, fulfilling our CSR involves taking in the concerns and perspectives of all stakeholders while working to secure the sustainable growth and development of the Group and society in each of the economic, environmental, and social fields.

Corporate Mission

In formulating the 2025 Long-term Business Plan, we revisited our Corporate Mission and Corporate Target while clarifying our view of a targeted future society. This was after taking into consideration the requirements of society and other factors including mega trends and Sustainable Development Goals (SDGs)*. Moving forward, we will harness the strengths of the Group to contribute to society.

* Sustainability Development Goals (SDGs) :

The 17 Sustainable Development Goals (SDGs) identified in the Transforming Our World: the 2030 Sustainable Development Agenda adopted at the United Nations Sustainable Development Summit in 2015.

2025 Long-term Business Plan

Targeted future society



Setting Environmental and Social Targets

The Mitsui Chemicals Group has identified three environmental and social targets under its 2025 Long-term Business Plan after giving due consideration to its contribution to and impact on society through its business activities.

In addition, the Group took steps to reconsider key issues (materiality) when putting in place its 2025 Long-term Business Plan. Recognizing that efforts to promote key issues (materiality) will better allow us to resolve social challenges and achieve the targets set out under the 2025 Long-term Business Plan, we will continue to pursue key issues (materiality).

Key Issues (Materiality)

The Mitsui Chemicals Group will work to effectively promote the 2025 Long-term Business Plan while confirming the connection between the needs of society and SDGs on an ongoing basis moving forward.

Sustainability Development Goals (SDGs)

Environmental and Social Targets under the 2025 Long-term Business Plan

▶ Maximize products and services to achieve a low carbon, recycling-oriented, and cohesive society in harmony with the environment

The Mitsui Chemicals Group will make every effort to stimulate innovation across the entire product lifecycle from raw materials through processing to use and disposal in a bid to protect the global environment while at the same time promoting economic growth.












▶ Maximize products and services to achieve increased QOL and a smart society

The Mitsui Chemicals Group will help realize a healthy and happy society as well as a smart society in which all people can lead rich and convenient lives.

▶ Pursue thorough safety, high quality, and fairness across the entire supply chain









The Mitsui Chemicals Group will work diligently to ensure the safety as well as high quality and fairness across the entire supply chain that is necessary to reform its business portfolio and expand globally.

Maximize Products and Services to Achieve a Low Carbon, Recycling-oriented, and Cohesive Society in Harmony with the Environment

Target Items	Details	2025 Targets
Expand sales of environmentally oriented products and services	Expand products and services that help realize a low carbon, recycling-oriented, and cohesive society in harmony with the environment across the entire supply chain	(1) Blue Value™ products sales ratio: 30% or more  Environmental Contribution Value, Blue Value™
Reduce environmental impact in production and logistics	Reduce GHG and environmentally harmful substance emissions and efficiently utilize resources throughout the Group as a whole	(2) GHG emissions reduction rate): 25.4% or more compared with fiscal 2005 (2030)* (3) Per-unit energy consumption reduction rate: Continue by an average of over 1% per year over five years*  Environmental Protection
Related SDGs		Related Key Issues
        		<ul style="list-style-type: none"> ▶ Measures to address climate change (reducing GHG emissions) ▶ Air environment preservation ▶ Water resource protection and control ▶ Biodiversity ▶ Industrial waste control ▶ Efficient use of resources ▶ Low environmental-footprint products and services ▶ Development of renewable energy

* Mitsui Chemicals, Inc. and consolidated subsidiaries in Japan

Maximize Products and Services to Achieve Increased QOL and a Smart Society

Target Items	Details	2025 Targets
Expand sales of products and services that contribute to a healthy and happy society	Expand products and services that can increase QOL by addressing such issues as the declining birthrate and aging population, advancement of medical and pharmaceutical fields, and food problem	<p>(4) Rose Value™ products sales ratio: 30% or more</p> <p>→ QOL Improvement Contribution Value, Rose Value™</p>
Related SDGs		Related Key Issues
       		<ul style="list-style-type: none"> ▶ Shift to urbanization and smart cities ▶ Declining birthrate and aging population ▶ Advancement of medical and pharmaceutical fields ▶ Respond to the food problem

Pursue Thorough Safety, High Quality, and Fairness across the Entire Supply Chain

Target Items	Details	2025 Targets
Ensure safety	Maintain high levels of safety even in the face of increasingly diverse human resources, equipment and facilities as well as technologies due to global growth and efforts to transform the business portfolio	<p>(5) Incidence of major accidents: Continue at zero</p> <p>(6) Work-related significant occupational injury frequency rate: Continue at less than 0.15%</p> <p>→ Process Safety and Disaster Prevention</p> <p>→ Occupational Health and Safety</p>
Provide high quality products	Ensure the stable supply of products that meet and satisfy customers' requirements at a high level	<p>(7) Incidence of customer non-conformance: Less than 10ppm</p> <p>→ Quality</p>
Implement product stewardship	Implement risk management across the supply chain through the risk assessment of products and provision of safety information to customers and other stakeholders	<p>(8) Product risk assessment implementation rate: 99% or more (2020)</p> <p>(9) Provision ratio of the latest safety information for all products: Continue at 100%</p> <p>→ Product Stewardship</p>
Continue as a company that is fair and trusted by society	Thoroughly comply with all statutory and regulatory requirements and prevent misconduct in all global business activities	<p>(10) Incidence of major legal and regulatory violations: Continue at zero</p> <p>→ Risk and Compliance</p>
	Exert an influence of the sustainability of business partners	<p>(11) Supplier sustainability assessment and improvement support (Sustainable procurement ratio): 70% or more</p> <p>→ Working with Our Suppliers</p>
	Enable Group employees to work in a vibrant manner and to fulfill their potential	<p>(12) Ratio of women in line manager or higher positions*: 10% or more (parent company employees)</p> <p>(13) Increase employee engagement</p> <p>→ Working with Our Employees</p>
Related SDGs		Related Key Issues



- ▶ Safety and prevention
- ▶ Product stewardship
- ▶ Quality of products and services
- ▶ Employment and human resources
- ▶ Labor conditions
- ▶ Sustainable procurement
- ▶ Compliance

* * Mitsui Chemicals, Inc. registered employees

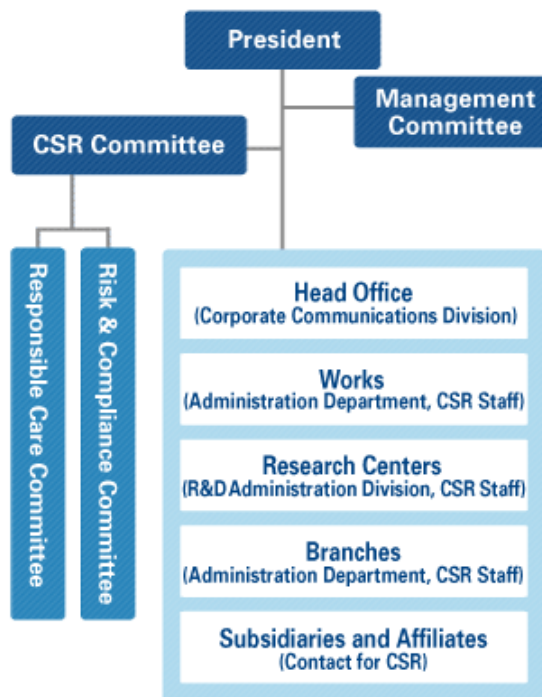
CSR Management

CSR Management

In addition to setting up the CSR, Risk & Compliance, and Responsible Care committees, the Mitsui Chemicals Group is promoting CSR. Each committee puts forward policies, strategies, and plans, monitors initiatives, and reviews results. In addition, supervisory CSR departments have been set up at each of our sites, branches and affiliates. Under this structure, we are engaging in activities that make the most of the attributes of each base, while also reinforcing collaboration as a group.

...➡ CSR Committee ...➡ Risk & Compliance Committee ...➡ Responsible Care Committee

CSR Promotion Framework



Visualization of Contributions to the Environment and Society

▼ Establishment of Contribution Indicators

► Environmental Contribution Value, Blue Value™

► QOL Improvement Contribution Value, Rose Value™

Establishment of Contribution Indicators

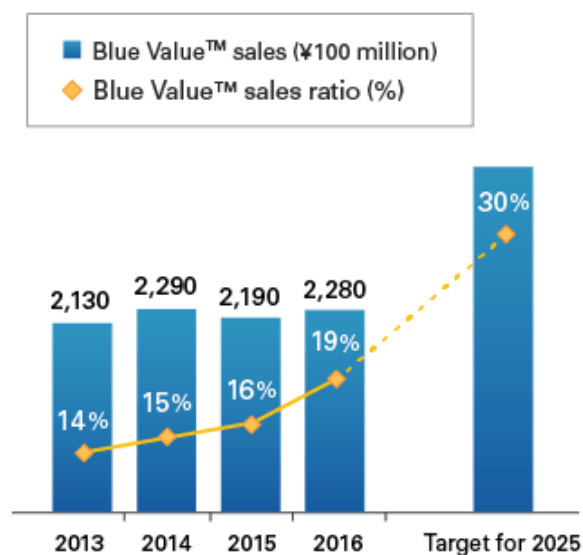
What is the Mitsui Chemicals Group able to do in moves toward the sustainable development of society? We want to quantify and present in visual form the contributions to the environment and society from the products and services we provide and share those numerical values with all stakeholders. That desire gave rise to Blue Value™ and Rose Value™

Evaluating the Group's products and services by application using unique criteria, we certify those with high environmental contribution value and high quality of life (QOL) improvement contribution value as Blue Value™ and Rose Value™ products, respectively.

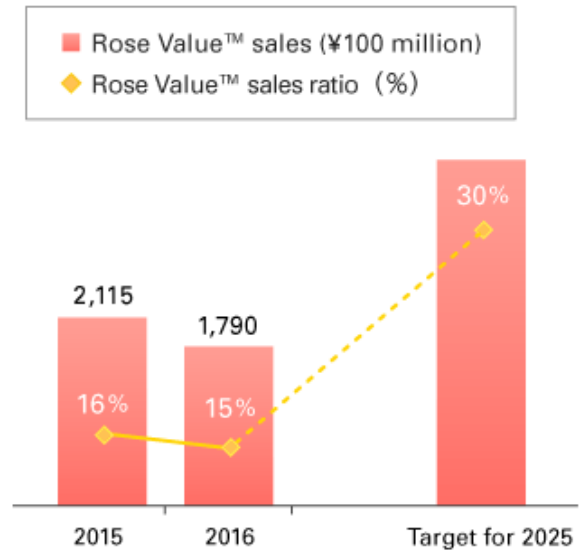
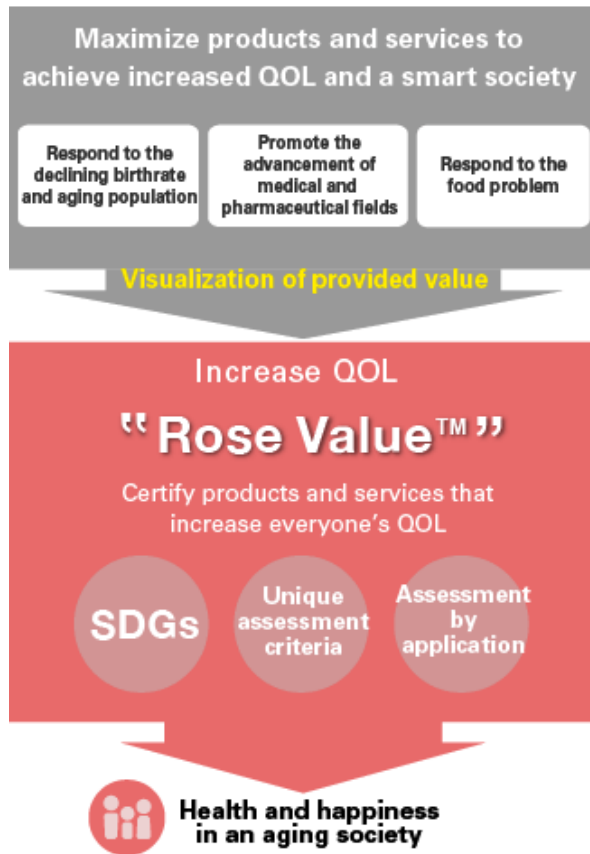
We set the ratios to net sales of Blue Value™ and Rose Value™ products as one of the environmental/social key performance indicators (KPIs) under our 2025 Long-term Business Plan. While actively expanding sales of these products, we will realize a "cohesive society in harmony with the environment" and "health and happiness in an aging society" that is the Group's targeted future society vision. We believe that contributing to society's sustainable development through this initiative will lead to the achievement of targets from an economic standpoint.

→ The 2025 Long-term Business Plan for Sustainable Growth and Development

Blue Value™ Product Sales



Rose Value™ Product Sales



* We will review the Blue Value™ and Rose Value™ certification methods as necessary in response to environmental changes, such as social needs.

Visualization of Contributions to the Environment and Society

► Establishment of Contribution Indicators

▼ Environmental Contribution Value, Blue Value™

► QOL Improvement Contribution Value, Rose Value™

Environmental Contribution Value, Blue Value™

Including the Group's materials and products, chemical products pass through a variety of life cycles, from manufacturing and processing to final disposal after actual use. At each life cycle stage, we consider if links can be made to the further environmental orientation of products, show in visual form what kinds of environmental load reductions can be made and share them with a wide array of stakeholders.

It was with these ideas in mind that we developed the environmental contribution value, Blue Value™, in 2015 and now certify products with high environmental contribution value as Blue Value™ products.

For Blue Value™ certifications, we conduct evaluations utilizing the mitsui Sustainability Index (m-SI) environmental impact assessment criteria, which are based on LCA*.

Comprising environmental contribution categories that cover a range of the forms that environmental impact can take as well as special environmentally oriented categories for the Group's products and services, the m-SI categories enable evaluations that target life cycles, from raw materials to production, processing, use and final disposal.

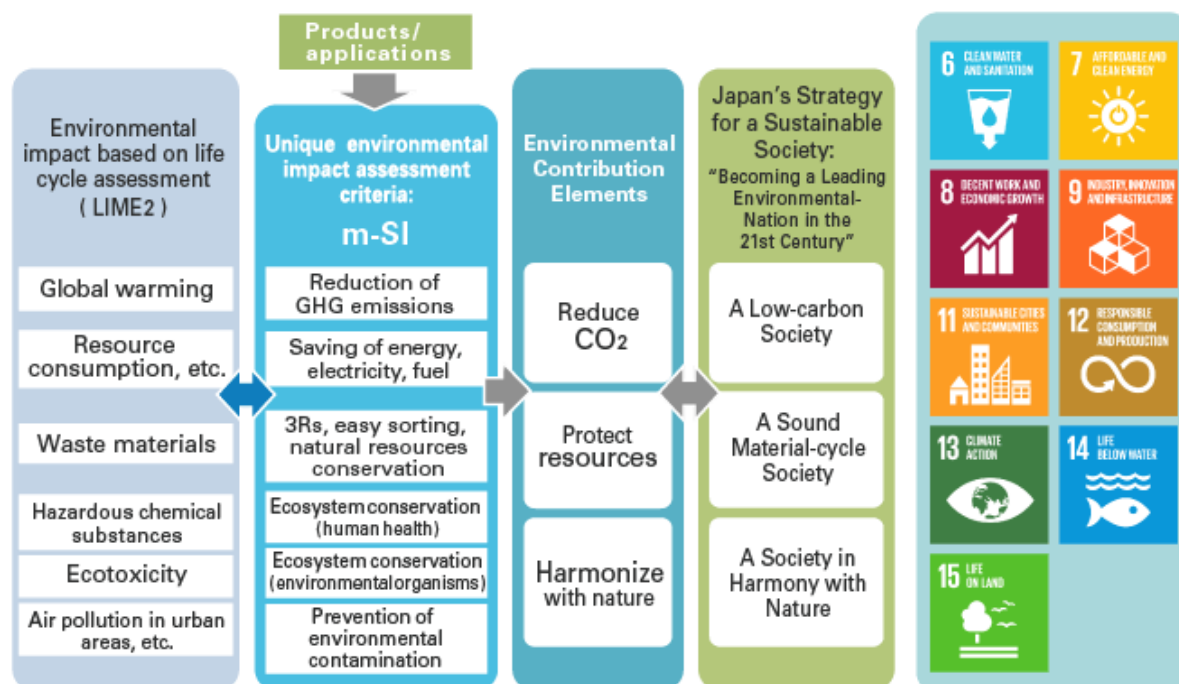
After having undertaken checks for the further transparency and objectivity of the evaluation process, we ultimately certify those products that fulfill three environmental contribution elements, in other words products that reduce CO₂, protect resources, and harmonize with nature as exhibiting Blue Value™.

As examples of products that newly received Blue Value™ certification in fiscal 2016, there are Do Green™ MR-174 ultrahigh-refractive index ophthalmic lens materials, for which non-fossil (biomass)-derived material is utilized, and environmentally compatible 1.5-pentamethylene di-isocyanate (PDI™) poly-isocyanate STABIO™. By the use of non-fossil materials, both products contribute to the realization of a low carbon society by reducing the amount of GHG emissions throughout the life cycle compared with the use of fossil materials.

* LCA (Life Cycle Assessment) :

A method of quantitatively assessing the environmental impact of products at all stages, including development, manufacturing, transportation, use, and final disposal.

Environmental Contribution Value, Blue Value™



Blue Value™ Environmental Contribution Elements

	Blue Value™ Environmental Contribution Elements	m-SI assessment criteria	
		Blue Value™ evaluation criteria	
1	Reduce CO ₂	Reduction of GHG emissions	Weight-saving / Volume reduction Extended service life Natural energy sources Non-petrochemical raw materials Environmental cleanup
		Saving of energy, electricity, fuel	
2	Protect resources	3Rs, easy sorting, resources conservation	
3	Harmonize with nature	Ecosystem conservation (human health)	
		Ecosystem conservation (environmental organisms)	
		Prevention of environmental contamination	

Examples of Blue Value™ Product Contributions across Product Life Cycle Stages

Business Domain	Product	Application(s)	Product Life Cycle Stage	Reasons for Blue Value™ Certification	Relevant environmental contribution elements		
					CO ₂	Resources	Nature
Mobility	TAFMER™	Bumpers	Manufacturing	Reduces energy consumption during manufacturing stage through use of catalysts (promoting chemical reactions) that enhance productivity	○		
	Mitsui EPT™	Weather-strip sponge	Manufacturing	Reduces energy consumption during manufacturing stage through use of catalysts (promoting of chemical reactions) that enhance productivity	○		
	Polypropylene (PP) compounds	Bumpers, instrument panels	Processing	Reduces GHGs by 13.3% by eliminating painting process	○	○	
	ADMER™	Adhesive polyolefins for fuel tank use	Use	Enables 10-30% reduction in fuel tank weight through use of alternatives to metal tanks	○		
	ARLEN™	ABS pistons	Use	Enables weight reduction of 60% by replacement of metal parts	○		
	AURUM™	Turbo seals	Use	Enables weight reduction of 60–80% by replacement of metal parts	○		

Food & Packaging	STABIO™	Hardener for coatings	Materials, Processing	Reduces fossil fuel resource consumption and the use of solvents during painting through the use of bio-based raw materials	<input type="radio"/>	<input type="radio"/>	
	T.U.X™	Sealant films	Processing	Reduces energy consumption by lowering heat seal temperature and reduces resin usage by improving film strength	<input type="radio"/>	<input type="radio"/>	
	ECONEIGE™	Food packaging materials	Processing	Reduces amount of resin used by 20-30% by facilitating shielding properties with a void, negates need for white printing	<input type="radio"/>	<input type="radio"/>	
	BARIASTAR™	Coating agent for thermal paper labels	Processing	Reduces drying process by integral coating of three layers of thermal paper (undercoat, heat-sensitive and topcoat layers)	<input type="radio"/>	<input type="radio"/>	
	HIPRENE™	Textile base materials	Use	Contributes to improved safety during construction and prevention of environmental pollution because does not contain solvents			<input type="radio"/>
	SOLAR ASCE™	Encapsulant sheets for solar cells	Use	Controls potential-induced degradation (PID) and reduces power generation loss by improving ability to withstand high humidity and insulation durability	<input type="radio"/>		<input type="radio"/>
Health Care	Do Green™ MR-174	Eyeglass lens materials	Materials	Reduces fossil fuel resource consumption through the use of bio-based raw materials	<input type="radio"/>	<input type="radio"/>	
	Acrylamide	High-polymer flocculants	Manufacturing	Reduces energy consumption during manufacturing stage by lowering of production temperature through use of biocatalyst (enzyme)	<input type="radio"/>		
Basic Materials	ECONICOL™	Sheets	Materials	Reduces fossil fuel resource consumption through use of bio-based raw materials	<input type="radio"/>	<input type="radio"/>	
	MOSTRONTM™ -L	Rear doors	Processing	High rigidity enables replacement of metal parts. Realizes 30% reduction in weight	<input type="radio"/>		
	Evolve™	Extruded laminates	Processing	Saves energy by use of catalysts during manufacturing process and reduces amount of resin used during	<input type="radio"/>	<input type="radio"/>	

				processing by enhanced sealing performance			
	AdBlue™	Exhaust gas (NOx) reduction agent	Use	Reduces NOx emissions, leading to fuel conservation	○		○
Next Generation Business	iCAST™	Cultivation systems	Use	Ensures agricultural sustainability through significant savings on resources (water, fertilizer)	○	○	○

※ Various product life cycle stages



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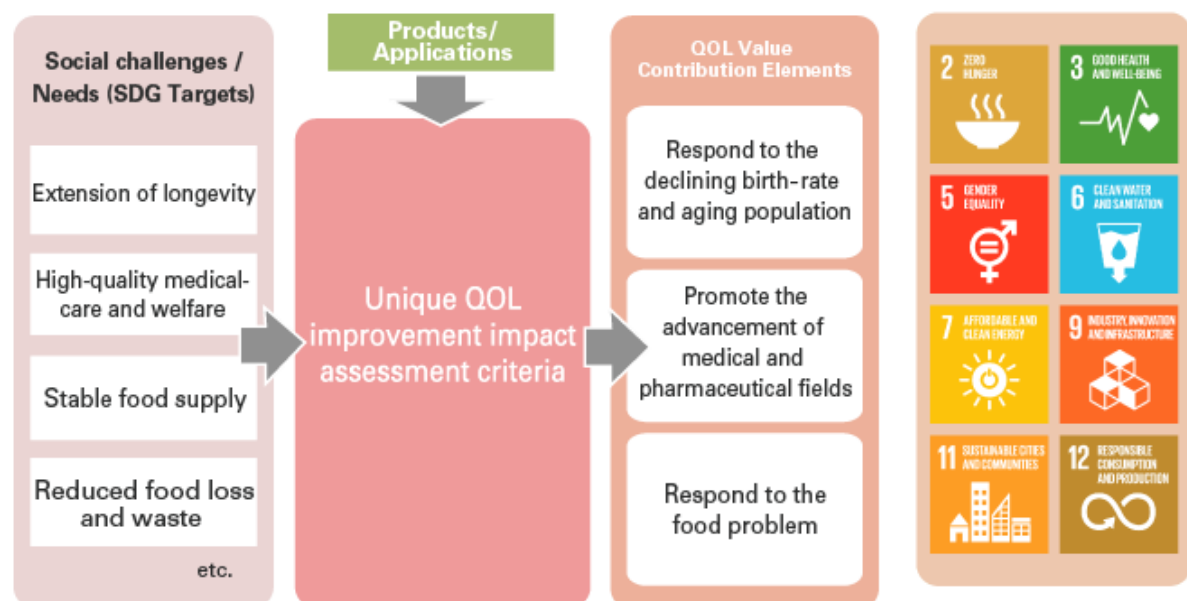
QOL Improvement Contribution Value, Rose Value™

The Group has set "health and happiness in an aging society" as a targeted future society vision. In moving toward the realization of that vision and to show what kind of value the Group can offer, we created the QOL Improvement Contribution Value, Rose Value™, in 2016, and are certifying those products with high contributory value as Rose Value™ products.

For Rose Value™ certifications, we conduct evaluations using our unique social impact assessment criteria that takes into consideration calls from society, including sustainability development goal (SDG) targets. We certify as Rose Value™ products and services those that fall into any of the three contribution element categories: in other words, products and services that either respond to the declining birthrate and aging population, promote the advancement of medical and pharmaceutical fields, or respond to the food problem.

One example of a product that has received Rose Value™ certification is SYNTEX™, a soft to the touch nonwoven with exceptional stretchability that is used for disposable diapers. Supporting the comfortable lives of babies through disposable diapers, this product helps respond to the declining birthrate and aging population. Another Rose Value™-certified product is UV+420cut™ ophthalmic lens material. By blocking from UV to 420nm of high-energy visible light and protecting ocular health, this product promotes the advancement of medical and pharmaceutical fields. A film for maintaining food freshness that inhibits the wilting and discoloration of vegetables and other produce and thus contributes to reducing the amount of wasted food, SPASH™ is helping respond to the food problem.

QOL Improvement Contribution Value, Rose Value™



Rose Value™ QOL Value Contribution Elements


	Rose Value™ QOL Value Contribution Elements	
1	Respond to the declining birth-rate and aging population	Contribute to the realization of a society where everyone, from children to elderly, can live with QOL
2	Promote the advancement of medical and pharmaceutical fields	Contribute to the realization of a society in which everyone can continue to live healthily and comfortably by improving medical quality, reducing the strains on the human body, and nutritional support
3	Respond to the food problem	Contribute to improving the quality of dietary life by improving food productivity and reducing food loss and waste so that there is sufficient nourishment to go around

Commitment to ISO 26000

Commitment to ISO 26000

ISO 26000, the international standard for social responsibility, was released in November 2010. Applicable to all organizations not just companies, the standard provides guidance specifying an organization's social responsibilities and how they should go about fulfilling those responsibilities.

Unlike other ISO standards, there is no certification requirement with ISO 26000. As a group that has always been receptive to feedback from stakeholders and made every effort to incorporate stakeholders' opinions into its activities however, the Mitsui Chemicals Group nonetheless operates in accordance with this ISO guidance because it helps the Group to reaffirm the importance of its initiatives and assign priorities. Moreover, in following ISO 26000, we are better positioned to confirm the nature of our various activities from an external perspective.

 ISO 26000 Cross-reference Table

Signatory to the UN Global Compact

Signatory to the UN Global Compact

We signed up to the UN Global Compact in January 2008. In doing so, Mitsui Chemicals acknowledged its support and commitment to help tackle a wide range of global challenges and to promote sustainable growth as a responsible corporate citizen. ISO 26000 was published in 2010. In 2015, the United Nations Sustainable Development Summit identified specific sustainable development goals (SDGs).


In addition, Mitsui Chemicals participates in each of the subcommittees of the UN Global Compact Network Japan and is working to gather information. In fiscal 2016, the Company participated in each of the human rights education, reporting research, WEPs*, supply chain, anti-corruption, and SDGs subcommittees.

The Mitsui Chemicals Group will help resolve many of the challenges confronting the world today through its business activities while taking into consideration the 10 principles espoused under the United Nations Global Compact.

* WEPs: The Women's Empowerment Principles are a set of principles for business offering guidance on how to empower women in the workplace, marketplace, and community.



 [United Nations Global Compact](#)

 [The 10 principles of the UN Global Compact Cross-reference Table](#)

Key Issues (Materiality)



The Mitsui Chemicals Group adopts a long-term management perspective based on the triple bottom line management approach outlined in its Long-term Business Plan. Against this backdrop, the Group is actively engaged in resolving social challenges in a bid to achieve environmental and social targets. Moreover, we continue to assess the various impacts that our business activities have on society and have identified key (materiality) issues that need to be addressed in order to ensure our targeted future society as a part of efforts to secure the sustainable growth and development of society and the Group.

Process for Identifying Key Issues

We at the Mitsui Chemicals Group believe that chemistry must play a prominent role in addressing a variety of environmental and social challenges. In accordance with its Corporate Mission of "keeping in harmony with the environment," the Mitsui Chemicals Group has worked to resolve these challenges through business activities that emphasize striking a balance between economic, environmental and social considerations. We have further clarified our in-house initiatives related these environmental and social considerations by formulating the 2025 Long-Term Business Plan and are also based on the Paris Agreement*, Sustainable Development Goals (SDGs), and recent social trends. Moreover, we will address issues found throughout the supply chain and are a concern for our various stakeholders. On the basis of these initiatives and with the aim of reaching the environmental and social targets raised in the 2025 Long-Term Business Plan, the Mitsui Chemicals Group has reviewed these key issues while taking into consideration the opinions of its stakeholders, the qualities of its businesses and the characteristics of the regions in which it operates, and international guidelines to measure the impact of the Group's business activities. We will review as necessary these key issues in light of social trends and changes in its business activities.

* The Paris Agreement

The Paris Agreement was adopted at the 21st Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change held in December 2015. The agreement has set a target of keeping global average temperatures from rising 2°C compared to temperatures before the industrial revolution by the end of the century while also urging parties to "pursue efforts" to limit it to 1.5 degrees. Advanced and emerging countries alike have also earnestly agreed to address the implementation of those SDGs under the agreement.

Step 1: Identification

We first screened the issues based on international guidelines such as ISO 26000 and GRI as well as by engaging with various stakeholders. While drawing up the 2025 Long-Term Business Plan, the Mitsui Chemicals Group then identified environmental and social issues that the chemicals industry must help resolve from the standpoint of contributing to society through business activities.

Step 2: Prioritization

The issues identified in Step 1 are then ranked in order of importance for stakeholders and priority for the Mitsui Chemicals Group. We itemize issues with common characteristics in order to consider their importance and cross reference them from the standpoint of stakeholders as well as based on the original materials used by stakeholders to evaluate and analyze these issues. Based on this, we considered measures that the Mitsui Chemicals Group need to implement in order to address these issues. In assigning priorities to the issues from the standpoint of the Mitsui Chemicals Group, we took into account our Corporate Mission, Action Guidelines, and business strategies. Evaluating these items on a quantitative basis, we selected 22 key issues and ranked them in order of priority.

Step 3: Validation

We solicited opinions from outside experts regarding the items identified as key issues and confirmed the validity of issues through the CSR Committee after verifying the comprehensiveness of these identified issues.

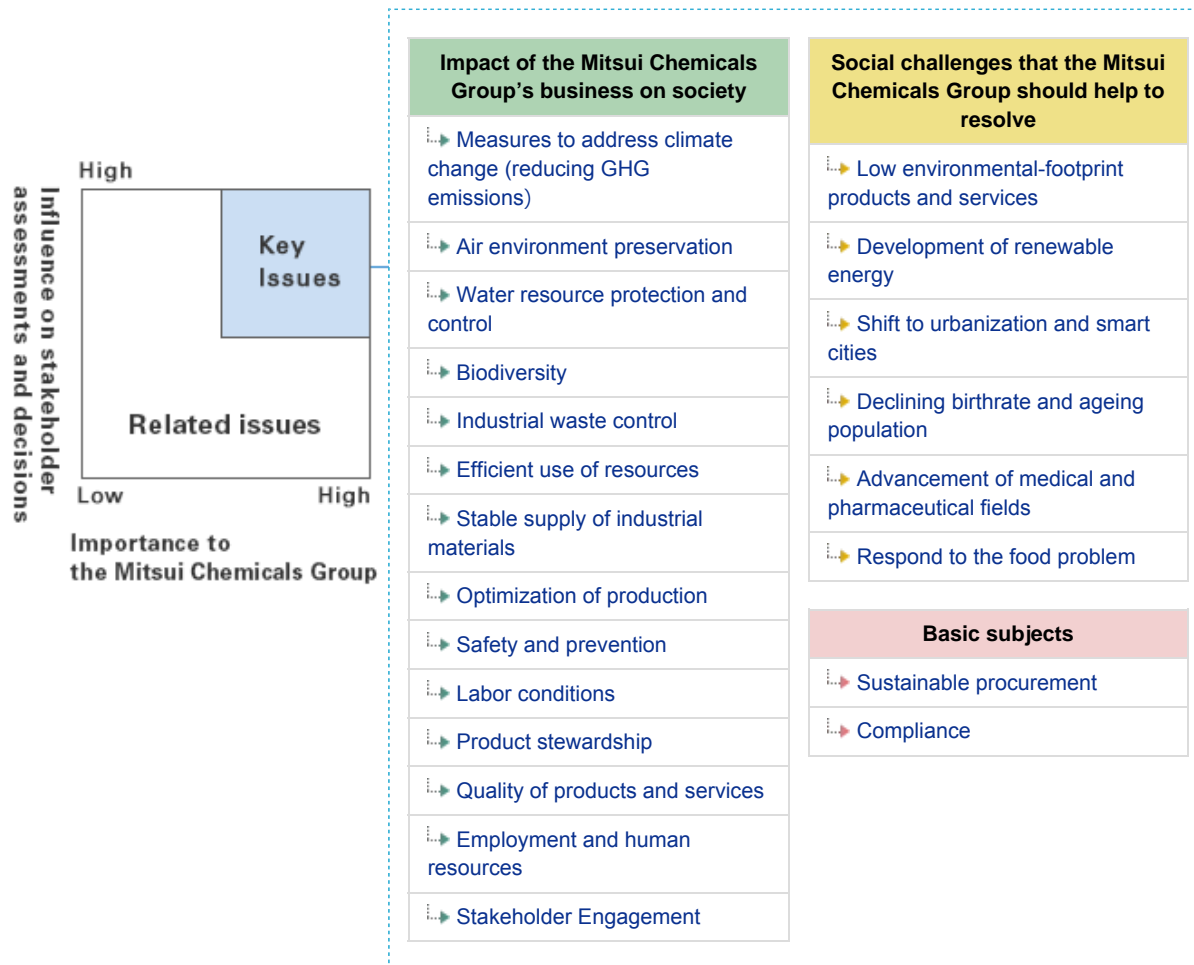
Step 4: Review

We conducted a review of the key issues to establish detailed and quantitative targets in tandem with formulating of the 2025 Long-term Business Plan. The CSR Committee will regularly review the process for identifying key issues. As a part of this review, steps will also be taken to ensure that processes and the setting of targets are in line with social conditions. Then, we will confirm the status of implementation progress.

Identification of Key Issues (Materiality)

The identified key issues were classified as "the impact of the Mitsui Chemicals Group's business on society," "social challenges that the Mitsui Chemicals Group should help to resolve," and "basic subjects."

Matrix of Key Issues (Materiality)



Key Issues and the Mitsui Chemicals Group's Response

Social challenges that the Mitsui Chemicals Group should help to resolve

Key Issues

- Low environmental-footprint products and services

The Mitsui Chemicals Group's Vision

Reducing environmental impact including addressing climate change, we are working to achieve a low carbon, recycling-oriented, and cohesive society in harmony with the environment over the long term that curbs environmental burdens to the greatest extent possible throughout the entire value chain.

The Mitsui Chemicals Group's initiatives

- Reduce the use of raw materials
- Switch to non-fossil fuel resources and substances with lower environmental burdens
- Reduce environmental burdens mainly by lowering energy consumption in manufacturing and processing processes
- Develop lightweight materials for use mainly in automobiles

→ Environmental Contribution Value, Blue Value™

→ Products and Services that Contribute to Sustainable Development

→ Advance triple bottom line management to realize our targeted future society

Key Issues

- Development of renewable energy


The Mitsui Chemicals Group's Vision

Meet the growing demand for energy accompanying the economic development of developing countries and emerging markets, reduce accompanying environment burdens, and realize a society that makes greater use of renewable energy.

The Mitsui Chemicals Group's initiatives

- Development of components/materials for such items as power generation equipment and storage batteries to promote the use of renewable energy
- Improvement of photovoltaic power generation plant operational efficiency and assist with related investment decisions

 Renewable Energy-related Business

 Advance triple bottom line management to realize our targeted future society

Key Issues

- Shift to urbanization and smart cities

The Mitsui Chemicals Group's Vision

Enhancement of smart society and urban functions that bring people and various things together by leveraging the advantages found in concentrating social infrastructure amid progressive urbanization.

The Mitsui Chemicals Group's initiatives

- Development of and providing solutions through technologies and products that contribute to the spread of automated driving and robots

 Advance triple bottom line management to realize our targeted future society

Key Issues

- Declining birthrate and aging population


The Mitsui Chemicals Group's Vision

Realization of a society that provides abundant, high-quality lifestyles to children and the elderly amid changing demographics

The Mitsui Chemicals Group's initiatives

- Develop and provide products that contribute to comfortable lifestyles in such areas as materials used to make disposable diapers and underwear
- Develop and provide products that promote food convenience including innovative packaging that makes food easier to eat
- Develop and provide products that support extensive nursing care

 QOL Improvement Contribution Value, Rose Value™

 Advance triple bottom line management to realize our targeted future society

Key Issues

- Advancement of medical and pharmaceutical fields

The Mitsui Chemicals Group's Vision


Realization of healthy and comfortable lifestyles in an aging society by improving the quality of medical treatments

The Mitsui Chemicals Group's initiatives

- Develop and provide products that help people use their entire bodies (head, neck, chest, hands, and feet) and five senses (sight, hearing, smell, taste, and touch)
- Develop and provide products that contribute to longer life expectancy, including pharmaceutical packaging materials and infusion bags

- Develop and provide products that help prevent infectious diseases
- Develop diagnostic technologies that leverage an understanding of chemistry

 QOL Improvement Contribution Value, Rose Value™

 Advance triple bottom line management to realize our targeted future society

Key Issues

- Respond to the food problem


The Mitsui Chemicals Group's Vision

Provide sufficient nutrition to everyone and improve dietary habits throughout society by increasing food productivity and reducing food loss and waste

The Mitsui Chemicals Group's initiatives

- Develop and provide products that help increase food production
- Develop and provide products that extend expiry dates and reduce food loss
- Develop and provide products that help reduce food waste while contributing stable food distribution

 QOL Improvement Contribution Value, Rose Value™

 Advance triple bottom line management to realize our targeted future society

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Impact of the Mitsui Chemicals Group's business on society

Key Issues



- Measures to address climate change (reducing GHG emissions)


The Mitsui Chemicals Group's Vision

In light of the impact of climate change, significantly reduce and mitigate the effect of greenhouse gases emitted during the course of our business activities

The Mitsui Chemicals Group's initiatives

- Measures to address climate change

 Responsible Care Policy  Environmental Protection Management System

 Measures to Address Climate Change

Key Issues

- Air environment preservation

The Mitsui Chemicals Group's Vision

In addition to complying with the laws and regulations of individual countries, the Mitsui Chemicals Group controls gas emissions and reduces the impact of chemical substances leaking into the atmosphere.

The Mitsui Chemicals Group's initiatives

- Management of Substances Subject to the PRTR Act
- Preserving air quality

 Responsible Care Policy  Environmental Protection Management System

 Substances Subject to the PRTR Act  Preserving Air Quality

Key Issues






- Water resource protection and control

The Mitsui Chemicals Group's Vision

Realization of environments that allow for the efficient use of water by complying with laws and regulations of individual countries, recycling, and appropriately managing and improving the handling of such water contaminants

The Mitsui Chemicals Group's initiatives

- Preserving Water Quality

 Responsible Care Policy  Environmental Protection Management System
 Substances Subject to the PRTR Act  Philosophy on Water Resources  Preserving Water Resources

Key Issues




- Biodiversity

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group takes into consideration biodiversity in its business operations across the entire value chain and promotes sustainable environmental conservation

The Mitsui Chemicals Group's initiatives

- Preservation of Biodiversity

 Responsible Care Policy  Environmental Protection Management System  Biodiversity

Key Issues




- Industrial waste control

The Mitsui Chemicals Group's Vision

We continue to minimize the amount of industrial waste produced at all of our domestic and overseas manufacturing sites and reduce final landfill waste volume.

The Mitsui Chemicals Group's initiatives

- Reducing Industrial Waste

 Responsible Care Policy  Environmental Protection Management System  Reducing Industrial Waste

Key Issues



- Efficient use of resources

The Mitsui Chemicals Group's Vision

More efficiently use fuel and resources at domestic and overseas manufacturing sites (including product raw materials) and further pursue the creation of innovative process technologies

The Mitsui Chemicals Group's initiatives

- Environmentally friendly production technologies

 Measures to address climate change  Preserving Air Quality

Key Issues

- Stable supply of industrial materials

The Mitsui Chemicals Group's Vision

Stably provide industrial materials throughout the wide-ranging global supply chain in order to achieve sustainable economic growth and an abundant society

The Mitsui Chemicals Group's initiatives

- Restructuring to realize stable procurement and supply

 Process Safety and Disaster Prevention  Working with Our Suppliers

Key Issues


- Optimization of production

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group contributes to the sustainable development of regions by optimizing production systems and facilities that leverage its expertise throughout the global supply chain.

The Mitsui Chemicals Group's initiatives

- Establish an optimal production system based on frontline capabilities

 Human Resources Development

Key Issues

- Safety and prevention

The Mitsui Chemicals Group's Vision

Aim to be recognized by society as a company with an exemplary safety record.

- Process Safety and Disaster Prevention
- Occupational Health and Safety

 Process Safety and Disaster Prevention  Occupational Health and Safety

Key Issues

- Labor conditions

The Mitsui Chemicals Group's Vision

Promote health management by enhancing tangible measures such as improving work environments and facilities to enable employees to continue contributing to business sustainability as well as pursuing intangible measures that focus on healthcare

The Mitsui Chemicals Group's initiatives

- Creating an Employee-friendly Working Environment

 Working with Our Employees Management System  Creating an Employee-friendly Working Environment
 Occupational Health and Safety (occupational health)

Key Issues


- Product stewardship

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group strictly adheres to laws and regulations as well as its own voluntary standards throughout the entire supply chain. In addition, the Group will take steps to minimize the negative impact of chemicals on people's health and the environment by the year 2020 as part of its product stewardship activities.

The Mitsui Chemicals Group's initiatives

- Chemical Management

 Product Stewardship

Key Issues


- Quality of products and services

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group will improve quality management including upstream areas throughout the entire supply chain as well as increase customer satisfaction by winning their trust in the area of product quality.

The Mitsui Chemicals Group's initiatives

- Quality management

 Quality

Key Issues






- Employment and human resources

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group is creating organizations that continue to drive innovation that takes into consideration equality, fairness, diversity, human rights, and living wages while giving our employees a sense of personal and professional motivation.

The Mitsui Chemicals Group's initiatives

- Human resources development
- Diversity Promotion

 Respect for Human Rights  Working with Our Employees Management System
 Human Resources Development  Creating an Employee-Friendly Working Environment
 Promoting Diversity

Key Issues





- Stakeholder Engagement

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group meets the expectations of its stakeholders as a member of society while contributing to sustainable regional development by collaborating with our partners and the areas in which the Group operates to find solutions to social problems.

The Mitsui Chemicals Group's initiatives

- Working with Our Shareholders and Investors
- Working with Industry, Government, and Academia
- Working with Local Communities
- Social Contribution Activities

 Respect for Human Rights  Working with Our Shareholders and Investors
 Working with Industry, Government, and Academia  Social Activities

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Basic subjects

Key Issues

- Sustainable procurement

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group will continue procurement activities throughout the supply chain that take into consideration its impact on society and the environment, fair and honest transactions, and respect for human rights.

The Mitsui Chemicals Group's initiatives

- Address conflict minerals
- Sustainable procurement SAQ

 Respect for Human Rights  Working with Our Suppliers

Key Issues

- Compliance

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group will work to foster a corporate culture that encourages all employees to observe laws, regulations, and rules in individual countries, take actions in a transparent and appropriate manner, and make decisions and conduct themselves in an ethical manner.

The Mitsui Chemicals Group's initiatives

- Legal compliance

 Action Guidelines  Risk and Compliance

Products and Services That Contribute to Sustainable Development



The Mitsui Chemicals Group contributes to the sustainable development of society through its business. Here, we introduce some of the products and services that contribute to the sustainable development of society in line with our targeted future society.

➔ Advance Triple Bottom Line Management to Realize Our Targeted Future Society

Through assessments using its unique set of criteria, the Mitsui Chemicals Group certifies products and services by application with high environmental contribution value and high QOL improvement contribution value as Blue Value™ and Rose Value™ products and services, respectively.

➔ Visualization of the Contributions to the Environment and Society

Blue Value™ Products and Services : ■ Rose Value™ Products and Services : ■

Products That Contribute to the Realization of a Cohesive Society in Harmony with the Environment

● CHEMPEARL™

Containing no emulsifying agents or organic solvents, an environment-friendly heat seal for packaging applications and water-based ink and paint additive



CHEMPEARL™

● ECONEIGE™

A food packaging film that whitens by shielding properties with a void and negates the need for white printing ■



ECONEIGE™

● EVOLUE™ ● T.U.X™

High-performance packaging materials that are thinner, lighter, and possess superior sealant properties as well as exceptional strength ■



EVOLUE™ / T.U.X™



AdBlue™

● MIRET™

Electrolyte for lithium-ion batteries



LUCANT™



ADMERTM

● AdBlue™

Exhaust gas (nitrogen oxide) reduction agent that can change the nitrogen oxides contained in exhaust gases into water and nitrogen ■

● LUCANT™

Lubricant additive for gear oil, etc., that realizes improvements in automobile fuel efficiency and extended service life ■

● ADMERTM

Adhesive polyolefin that enables the manufacture of plastic gasoline tanks and thus plays a part in reducing the weight of automobiles ■



MILASTOMERTM



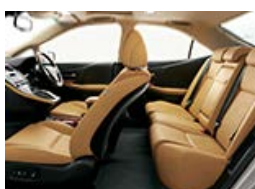
POLYMETACTM

● Polypropylene (PP) compounds

Non-paint bumpers and instrument panel materials that offer outstanding design properties even without the use of a painting process ■

● MILASTOMERTM

Interior surface material that helps make components lighter and facilitates innovation in the design of, for example, door trims and interior panels ■



ECONICOL™



NONROTTM

● POLYMETACTM

Technology that strongly adheres to and bonds plastics and metals and realizes lighter weight and reduced manufacturing processes

● ECONICOL™

Polyurethane made from castor oil plant-based materials used for automobile and furniture seat cushions as well as bedding, etc. ■

● NONROT™

Wood preserved stain that retains the fragrance and grain of the wood while improving its durability

● TAFNEL™ OILBLOTTER™

Functional sheeting that protects the sea and rivers from oil pollution due to its excellent oil absorbency

● SOLAR ASCE™

Encapsulant sheeting for solar cells with exceptional transparency and weather resistance ■

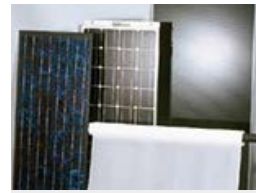
● Photovoltaic Power Generation Diagnostics and Consulting Services

Diagnostics and consulting services for solar panels and power plants with the aim of enhancing quality and asset value

➡ Renewable Energy-related Business



TAFNEL™ OILBLOTTER™



SOLAR ASCE™



Photovoltaic Power Generation Diagnostics and Consulting Services

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Products That Contribute to the Realization of Health and Happiness in an Aging Society

● CopperStopper™

Copper alloy coating film as well as nonwoven and woven fabrics with antimicrobial antibacterial properties and a deodorant function

● SYNTEX™

Nonwovens with exceptional flexibility and stretchability used to make disposable diapers ■

● ESPOIR™

Film with exceptional breathability used to make disposable diapers ■

● CMPS™

Film for use with foods that are easy to open by children and the elderly ■

● Plastic plates to guide the visually impaired

Flexible, durable, high-visibility plates that comply with barrier-free access laws

● MR™ Series

Lightweight but tough ophthalmic lens materials with exceptional optical performance ■

● UV+420cut™

Ophthalmic lens material that blocks from UV to high-energy visible light and protects eye health ■

● SYNTEX™

Nonwoven fabric used in highly comfortable medical gowns with exceptional barrier performance ■

● Super-Bond™

Resin cement used in dental adhesives with high



CopperStopper™



SYNTEX™ / ESPOIR™



Plastic plates to guide the visually impaired



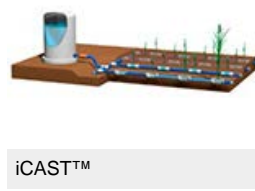
MR™ Series



SYNTEX™



Super-Bond™



iCAST™



TREBON™

adhesive performance and biocompatibility ■

● **iCAST™**

A crop cultivation system for agriculture that enables the consumption of water and fertilizer to be reduced, and also enables the impact on environment to be reduced ■

● **TREBON™**

Insecticide that contributes to stable and enhanced crop production ■

● **Vectron™**

Insecticide to control vectors that transmit malaria and other infectious diseases ■

● **Mitsuhikari 2003, 2005**

Exceptionally high-quality, great tasting hybrid rice that enables multiple harvests and harvesting periods ■

● **SPASH™**

Film for maintaining food freshness that inhibits the wilting and discoloration of vegetables and other produce and thus contributes to reducing the amount of food waste ■



Vectron™



Mitsuhikari



SPASH™

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Products That Contribute to the Realization of Industrial Platforms in Harmony with Local Communities

● **Purified terephthalic acid (PTA)**

Raw material used to make polyester fibers most often used in chemical fabrics as well as for PET resins used for drink bottles and for packaging/optical-use films

● **MITSUI PET™**

Raw material used for PET bottles and for many kinds of packaging and containers that are used mainly as beverage and seasoning containers

● **Prime Polypro™**

Resin with a wide range of uses as a raw material for food and detergent containers as well as automotive and consumer electronics parts



Purified terephthalic acid (PTA)



MITSUI PET™



Prime Polypro™

Renewable Energy-related Business

Energy represents one of the major challenges in the building of a sustainable society. Renewable energy is covered in the Sustainable Development Goals (SDGs) adopted by the United Nations.

The Mitsui Chemicals Group is contributing to the resolving of energy challenges through its sustainable energy-related businesses, including the Diagnostics and Consulting Business in photovoltaic power generation and at the TAHARA SOLAR WIND™ Joint Project.

Diagnostics and Consulting Business for Photovoltaic Power Generation

Three years have passed since the launch of the diagnostics and consulting business for photovoltaic power generation in March 2014. The Mitsui Chemicals Group has been providing the world with encapsulant sheets for solar cells for more than 25 years and is well versed in the damage and problems that long-term outdoor exposure can cause to solar panels. The Company also maintains photovoltaic power generation facilities, such as the TAHARA SOLAR WIND™ power generation facility, and draws on its expertise in the key issues in their development as well as in their repair and maintenance. Leveraging these areas of its expertise, the Company is providing services from a third-party standpoint that are in tune with the life cycles of photovoltaic power generation facilities.

As a consequence of the renewable energy feed-in tariffs (FITs), which were launched in July 2012, there was increased activity in the planning and development of photovoltaic power generation facilities. At the end of November 2016, 81.2GW of photovoltaic power generation facilities had received FIT certification, of which 31.6GW were in operation, and the expectations were that power generation facilities would continue to be built in the years to come.

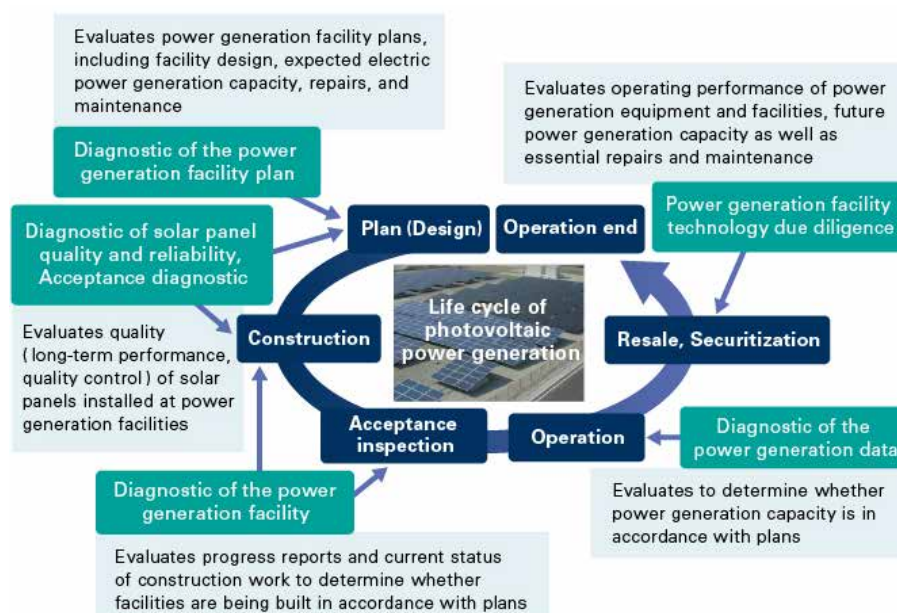
If you compare the photovoltaic power generation facilities built from 2016 onwards with the start of FIT

- (a) There are many large-scale projects (of 2MW or more) being built on former golf courses and on plots with inclines in mountainous regions, the building costs of which are higher than on flat land. Their development (from the applications for permits to, for example, develop forest land to the start of operations) also takes time
- (b) The FIT purchase price is ¥24–36/kWh, lower than the initial ¥40/kWh, and
- (c) There is an increasing number of projects that are subjected to curtailment from electric power companies), and some projects are thus obliged to install storage batteries.

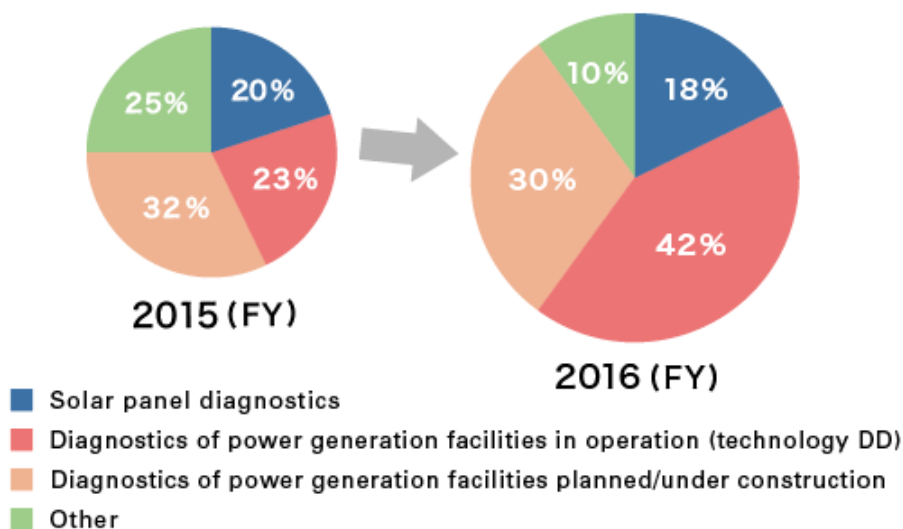
For these reasons, Japanese and overseas operators that possess high levels of expertise relating to photovoltaic power generation are entering the business, and there is an increasing number of projects in which foreign-made, low-priced solar panels are being installed. Against this business backdrop, there is also an increasing number of operators utilizing the services of Mitsui Chemicals, which possesses advanced knowledge of both photovoltaic power generation facilities and solar panels.

The Tokyo Stock Exchange established its infrastructure fund market in April 2015 and, against the background of the third listing of a photovoltaic power generation facility fund up to the end of March 2017, has activated the secondary market (the buying and selling of operational power generation facilities) to set up listed or private photovoltaic power generation facility funds. This secondary market requires due diligence (asset value assessments) on the part of the power generation facilities, and requests for the Company's power generation facility technology due diligence (DD) service are increasing. (Please refer to "Services that are in tune with the life cycles of photovoltaic power generation facilities" below.) Through these business activities, Mitsui Chemicals is contributing to the stable development and operation of photovoltaic power generation, which holds an important position amid the push toward the increased use of renewable energy.

Services that are in tune with the life cycles of photovoltaic power generation facilities



Sales increased by 2.6 times



- The amount of technology DD service work on operational power generation facilities to set up (listed or private) photovoltaic power generation facility funds is increasing
- In the case of planned power generation facility diagnostics, there is an increasing number of projects being built on hills, being subjected to output restraints and installing storage batteries as well as a growing number of large-scale projects (of 2MW or more)
- The number of projects for foreign-affiliated (sponsor, EPC*) companies is increasing

* EPC (Engineering, Procurement, Construction) :
Operators that design, procure and build power generation facilities



General view of power generation facility diagnostics work

Inquiries

Next Generation Business Development Div.	solar-adviser@mitsuichemicals.com
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TAHARA SOLAR WIND™ Power Generation Facility

In conjunction with Mitsui & Co. and five other companies, Mitsui Chemicals, as the representative company, commenced commercial operations of TAHARA SOLAR WIND™, a combined solar and wind power hybrid power generation facility capable of generating 56MW along the coastal area of Tahara City, Aichi Prefecture, in October 2014.

Blessed with good weather, the facility is stably supplying a greater than anticipated amount of electricity to power companies.

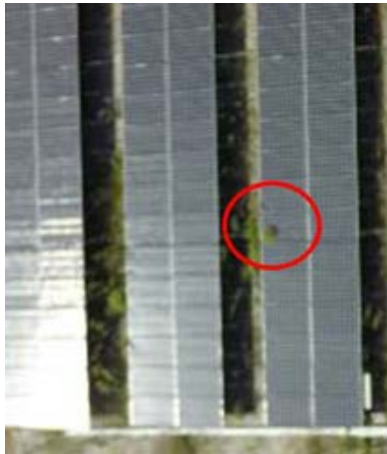
An issue for the future is operation and maintenance (O&M). The weather naturally has a major influence on ensuring that a stable amount of power is generated, but the early detection and repair of power generation facility defects as well as the removal of weeds so that the solar panels are not in shadow are also essential. However, there are approximately 214,000 solar panels at the TAHARA SOLAR WIND™ power generation facility and, as the concrete foundations supporting the panel stands have a total length of about 100 km, to travel around the entire power plant would necessitate walking a distance of about 200 km. Aerial photography of the solar panels using a drone was thus conducted on an experimental basis. When an infrared camera-equipped drone takes a photograph of a place where heat is being generated (a hot spot) due to a shadow cast by weeds or a manufacturing defect, that place appears brighter. This will provide an effective method for identifying areas that are overgrown with weeds or defective on a large-scale power-generation facility like the TAHARA SOLAR WIND™ power generation facility. We are considering the feasibility of utilizing drones to assist in the O&M of this power plant in the years to come.



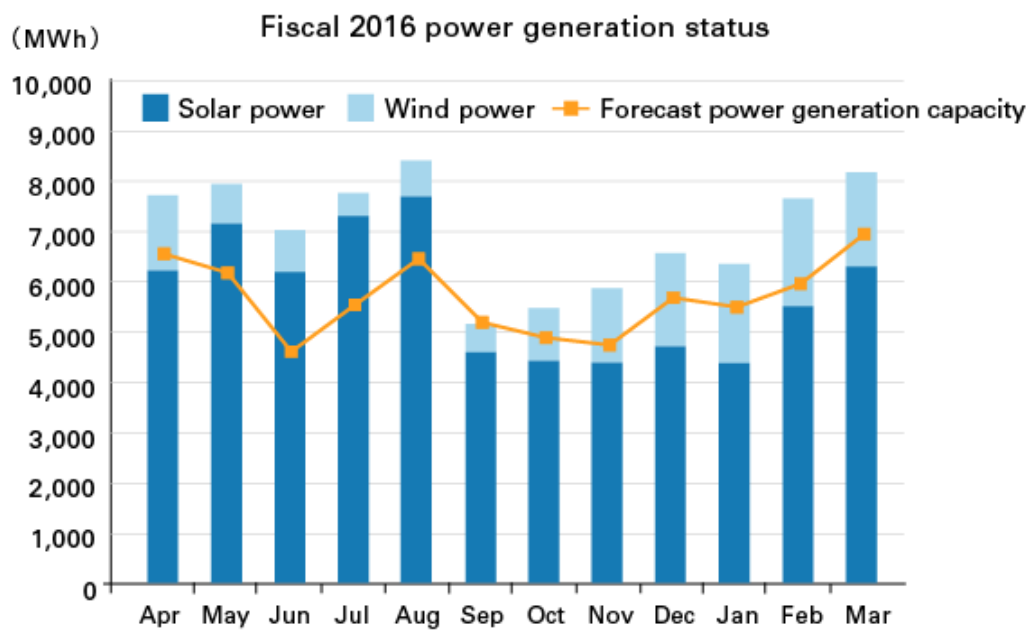
An example of weeds hampering power generation



A drone of the type utilized for aerial photography



Color camera photo (left) and infrared camera photo (right) taken by a drone.



Responsible Care



Responsible care is an activity that the world's chemical industry is integrally promoting to improve the quality of life (QOL) by chemical products and to contribute to the sustainable development of society. All companies voluntarily implement activities designed to ensure safety, health and quality as well as protect the environment throughout the entire life cycles of their chemical products, publicize the results of their activities and engages in dialog with the local communities where they operate. As responsible care activities span entire life cycles, it is believed that the philosophy behind these activities is applicable not only to the chemical industry that manufactures the chemical products but also universally by all industries that use them.



To contribute to the sustainable development of society, the Mitsui Chemicals Group develops business activities in accordance with its Corporate Mission, Action Guidelines and Responsible Care Policy. On the basis of legal compliance with regard to not only chemical substances and chemicals but also to all the products handled, the Company works on ongoing improvements in safety, health, environmental platforms and quality as well as to maintain favorable communications with the stakeholders and corporate entities involved.

► Responsible Care Policy and Management

► Responsible Care Policy

► Responsible Care Audits

► Goals and Results

► Roll Out to Subsidiaries and Affiliates

► Initiatives to Spread Responsible Care through Associations

► Process Safety and Disaster Prevention

► Goals and Results

► Initiatives to Prevent Major Accidents

► Promoting Fundamental Safety Initiatives

► Introduction to Events on Safety Day

► Fostering a Safety Culture

► Introduction to Process Safety and Disaster Prevention at Production Sites

► Occupational Health and Safety

► Goals and Results

► Creating Secure and Safe Workplaces

► Introduction to Safety Activities at Production Sites

► Occupational Health

► Environmental Protection

► Goals and Results

► Introduction to Activities at Production Sites

► Measures to Address Climate Change

► Biodiversity

► Reducing Industrial Waste

► Environmental Accounting

► Substances Subject to the PRTR Act

► INPUT⇒OUTPUT

► Preserving Air Quality

► Handling Environmental Complaints

► Preserving Water Resources

► Product Stewardship

► Goals and Results

► Goals and Results

► Product Stewardship System

► Quality Improvement Initiatives

► Product Stewardship Initiatives

► Logistics

► Goals and Results

► Transporting Products Safely

► Initiatives to Reduce Environmental Impact in Logistics

► Quality

Responsible Care Policy and Management

▼ Responsible Care Policy

► Goals and Results

► Initiatives to Spread Responsible Care through Associations

► Responsible Care Audits

► Roll Out to Subsidiaries and Affiliates

The Mitsui Chemicals Group has put in place a Responsible Care Policy that outlines the fundamental requirements for its Responsible Care activities.

Guided by this Policy, the Group engages in various activities in such areas as process safety and disaster prevention, occupational health and safety, environmental protection, product stewardship*, quality, and logistics.

* Product stewardship :

Activities focusing on preserving the environment, human health, and safety across the entire life cycle of products, from development to final disposal.

Responsible Care Policy

The Mitsui Chemicals Group has identified certain basic elements of the Responsible Care activities undertaken by the Group in accordance with the Responsible Care Policy. Through its Responsible Care activities, the Company and Group are committed to addressing the expectations and earning the trust of society as well as the local community while also contributing to the sustainable development of the public at large and the chemical industry.

This policy is upheld in the "Philosophy and Basic Policy Relating to Ensuring Safety" of the Mitsui Chemicals Group.

The Responsible Care Policy was formulated based on the philosophy of the Responsible Care Global Charter* drawn up by the International Council of Chemical Associations (ICCA).

* Responsible Care Global Charter : Announced by the ICCA in 2006 to create a common global vision for Responsible Care, the Charter also pays special attention to Sustainability and Product Stewardship while improving the environmental, health and safety activities of chemical companies. Revised in 2014, the Charter has been signed by the CEOs of more than 500 chemical companies.

➔ [Responsible Care® Global Charter](#) 

➔ [Company Signatories to the 2014 Responsible Care® Global Charter](#) 

Responsible Care Policy

Based on its Corporate Mission and Action Guidelines, the Mitsui Chemicals Group acknowledges that its business challenge is not only to comply with laws and regulations of the countries in which it does business, but also to continuously contribute to the improvement of safety, health, the environment, and quality, for the sustainable development of society. We will expand our business focus while continuing to improve and maintain good communication with all our stakeholders and business partners.

- We pledge that safety is our top priority and will focus on achieving zero accidents and occupational injuries.
- We will assess the risks to people and the environment from our products throughout their lifecycles, while working to ensure the health and safety of all persons and to reduce the environmental impact of those products.
- We will contribute to improve quality of life and protect the environment through our business activities by developing beneficial technologies and products.
- We will provide high-quality products and services that satisfy the needs of our customers and respond to the trust that they place in us.
- We will actively promote the well-being of all our employees.

These Rules shall come into full force as of October 1, 1997.

These Rules as revised shall remain in full force and effective as of September 1, 2015

We also produced guidelines to better ingrain the Responsible Care Policy throughout the Mitsui Chemicals Group. We translated the Responsible Care Policy and guidelines into eight languages, including English, Chinese, Korean and Malay, and sent them to overseas subsidiaries and affiliates.

► [Responsible Care Policy Guidelines](#) 

Responsible Care Shiodome Manifesto

To further expand Responsible Care activities at subsidiaries and affiliates, Mitsui Chemicals drew up (in Japanese, English, and Chinese editions) the Shiodome Manifesto. Based on the articles of the Responsible Care Global Charter, the Manifesto serves as a declaration that promotes the Group's Responsible Care policy and frameworks for subsidiaries and affiliates. The presidents of all Group subsidiaries and affiliates that fall within the scope of Responsible Care support*, as deemed under Company regulations, signed off in acknowledgement of their commitment.

- * Subsidiaries and affiliates that fall within the scope of Responsible Care support: Subsidiaries and affiliates that manufacture or handle chemicals (Excluding subsidiaries and affiliates within factory premises where the parent works manager bears the responsibility for Responsible Care implementation.)

► [Responsible Care Shiodome Manifesto](#) 

Guide to the Responsible Care Policy

The Mitsui Chemicals Group pursues sustainable business activities while fulfilling its responsibilities to society in line with the ideals advocated in its corporate mission of “Contribute broadly to society by providing high-quality products and services to customers through innovations and the creation of materials, while keeping in harmony with the global environment”.

The mindful actions of officers and personnel of the Mitsui Chemicals Group are important in cultivating the trust and confidence of our stakeholders and society. To realize sustainable development of society and our group while contributing to our stakeholders, we will continue to “act in good faith”, “cherish people and society”, and provide “creative and innovative solutions” in line with our action guidelines.

Responsible care initiatives originated in unique activities of the chemical industry to ensure ongoing improvements in safety, health, and environmental platforms. Although originating in the chemical industry, the principles are universal to all industries.

Responsible care at the Mitsui Chemicals Group is not limited to chemical products and materials. Its ideals cover all aspects of the product lifecycle from development, logistics, use, and disposal. It is the self-implemented management and improvement of measures related to safety, health, the environment, and quality.

In accordance with our corporate philosophy and action guidelines, we will meet the expectations of and fulfill our responsibilities to the community and society by not only complying with rules and regulations but by also contributing to and advancing safety, health, and environmental initiatives as well as bolstering quality for the continued sustainability and growth of society. The Mitsui Chemicals Group recognizes these to be its most important responsibilities to society and will make every effort convey its activities and principles by better communication with stakeholders and corporate entities while expanding its business focus and activities.

◆ **We pledge safety is our top priority and focus on achieving zero accidents and occupational injuries.**

Everyone recalls the April 22, 2012 tragedy at Iwakuni-Ohtake Works where an explosion and fire claimed the life of one of our young employees. This accident resulted in a loss of society's trust toward our company. We all pledged that, "We must never let an accident like this to happen again". To be true to this promise, we have strictly implemented fundamental safety activities. However, the establishment of a safety culture does not happen overnight. We will steadfastly continue our safety efforts, one step at a time, so that we may become a "corporate group with the highest level of safety".

Additionally, the Mitsui Chemicals Group aims for safe and stable operations in the event of natural disasters including earthquakes, tsunamis, and typhoons, by conducting daily response drills and by preparing equipment measures for emergency actions such as emergency shutdowns. These efforts aim to regain the trust of society and "realize an industrial infrastructure that is in harmony with the local communities".

◆ **We make efforts to assess risks of our products throughout their lifecycles to ensure the health and safety of all persons and to protect the environment by reducing their environmental impact.**

Mitsui Chemicals engages in sound chemical substance management as a part of efforts to support the international pledge of the Word Summit on Sustainable Development to minimize the negative impact of chemicals on people and the environment by the year 2020. To this end, we have assessed the risk of chemical substances on humans and the environment throughout the product life cycle, and are working to ensure human health and reduce environmental load. We provide assessment results to our stakeholders and contribute to creating a secure society.

◆ **We contribute to improving quality of life and protecting the environment through our business activities by developing beneficial technology and products.**

The Mitsui Chemicals Group aims to contribute to social issues such as a society coexisting in harmony with the environment and "successful aging" where all people can enjoy good health and happiness in an aging society through our business activities. To this end, we are actively developing technology and

products that contribute to improving quality of life and protecting the global environment.

◆ **We provide high quality products and services that satisfy customer needs and respond to the trust that they place in us.**

When providing products and services, we believe it is important to ensure quality from the perspective of the customer and respond to the trust they place in us. Therefore, we make every effort to understand the uses of our products by our customers, and provide products that our customers can use with confidence and satisfaction.

◆ **We actively promote the well-being of all our employees.**

“Employee well-being is directly linked to the company’s well-being.” “Improving the health of our employees is in itself a contribution to society.” With this in mind, the Mitsui Chemicals Group is actively involved in efforts to improve the health of all persons working within the Group. Not only is physical health but also mental health an important issue. To this end, we will support employees in their voluntary efforts to ensure good health and promote the creation of lively work environments.

September 1, 2015

The Mitsui Chemicals Group pursues the fulfillment of its responsibilities to society based on its corporate philosophy to “Contribute broadly to society by providing high-quality products and services to customers through innovations and the creation of materials, while keeping in harmony with the global environment”.

Therefore, to earn the trust of society, the Mitsui Chemicals Group will voluntarily pursue Responsible Care activities which assure protection of the environment, safety, occupational health, and quality throughout the entire lifecycle of a product from its development, manufacture, transport, use, consumption, and final disposal.

As a member of the Mitsui Chemicals Group, I pledge that my company will adhere to the following commitments:

1. Take leadership in promoting Responsible Care activities and cultivate a culture of active participation in Responsible Care activities by all employees.
2. Safeguard people and the environment through continual improvement of the system and performance regarding environmental preservation, process safety, occupational safety and health, chemical safety, quality management, and logistics safety.
3. Implement sound chemical management to aim for higher performance beyond regulatory compliance for chemicals.
4. Aim to further improve safety management by providing logistics partners and product users with product safety information and methods to appropriately handle the products.
5. Continue efforts to secure the confidence of local communities by sharing the results of safe operation performance and information on chemical safety whenever necessary to local municipalities and communities.
6. Contribute to the sustainable growth of the Mitsui Chemicals Group and by extension the sustainable development of society by steadily implementing Responsible Care activities.

Signature _____

Name: 101

Title: SAMPLE

Company: SAMPLE

Date: _____

Responsible Care Policy and Management

► Responsible Care Policy

▼ Goals and Results

► Initiatives to Spread Responsible Care through Associations

► Responsible Care Audits

► Roll Out to Subsidiaries and Affiliates

Management System

Policy

With regard to the Responsible Care (RC) initiatives undertaken, the Mitsui Chemicals Group has identified certain basic elements in accordance with its Responsible Care Policy.

... Responsible Care Policy

System and Responsible Officers

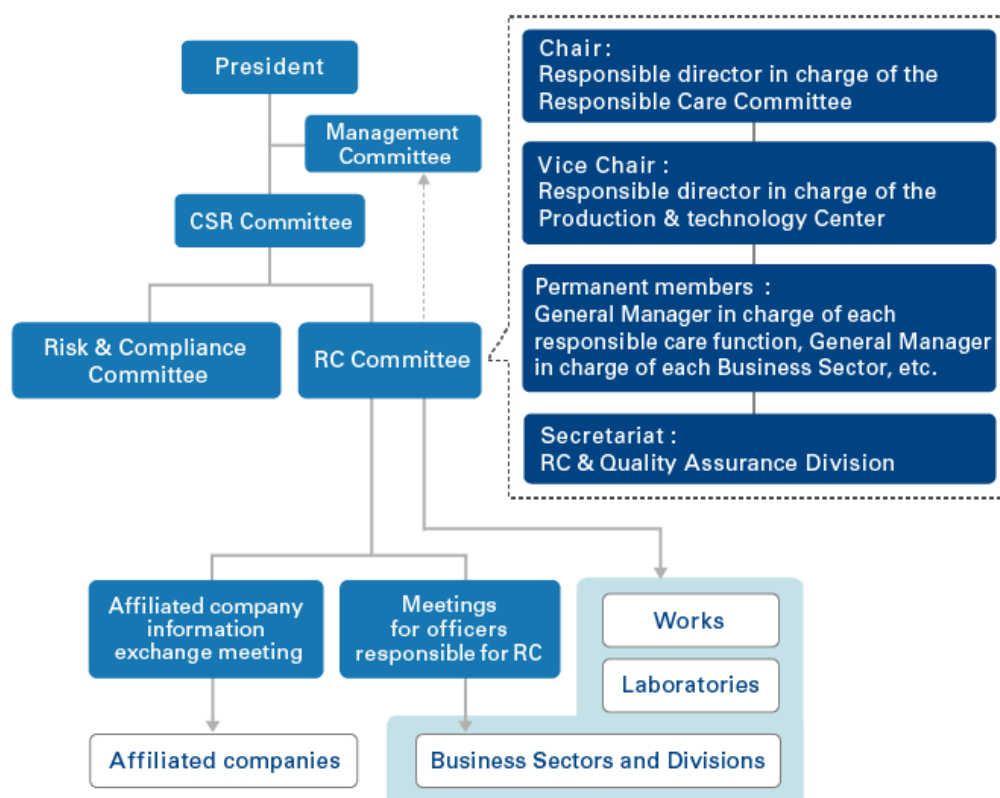
Chaired by the responsible director in charge of the RC committee, the Responsible Care Committee convenes three times a year, formulates policies, strategies and plans with regard to RC activities, conducts performance evaluations and reviews RC-related systems. The general managers of the departments of each RC functional category* (the general managers from the RC and Quality Assurance Division; Safety and Environment Technology Division; Planning & Coordination Division, Production & Technology Center; Logistics Division; and Human Resources Division), who are the Committee's permanent members, report on the above-mentioned content with regard to the activities in their respective jurisdictions at Responsible Care Committee meetings.

The senior executive director responsible for the Responsible Care Committee also bears the responsibility for the deliberations and discussions held at the Committee, and outlines of their content are reported to the Management Committee, thereby ensuring a senior management-level commitment to RC.

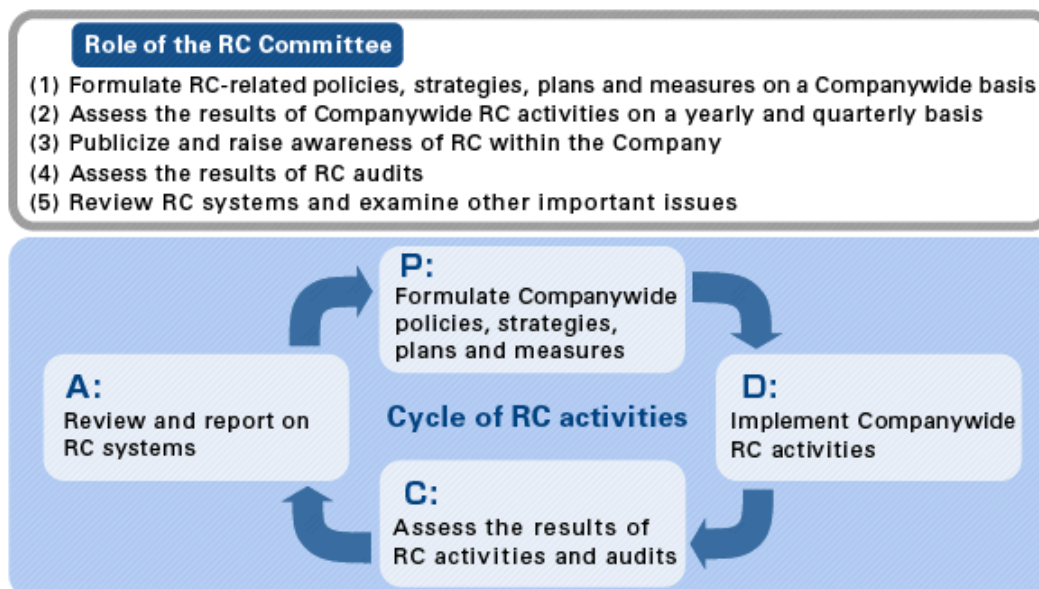
* Mitsui Chemicals implements RC activities across six functional categories: environmental protection; process safety and disaster prevention; occupational health and safety; chemicals safety; quality; and logistic safety. These functional categories are defined in conformity with the Responsible Care Management Codes of the Japan Chemical Industry Association (JCIA).

... Corporate Governance Framework

Responsible Care Promotion System Centered on the Responsible Care Committee



Operational Flow of Responsible Care Activities



Responsible Care Functions of the Mitsui Chemicals Group



We constantly exchange information between departments in charge of RC functions and work to promote RC activities that involve the Company as a whole. Regular meetings are held by the representatives of each department on a monthly basis.

We also appoint a member of staff to be in charge of RC (RC Officer) at each business division and in each department and roll out RC-related policies and strategies across the Mitsui Chemicals Group as a whole through RC Officer meetings (held twice a year). Based on these policies and strategies, specific RC activities are carried out by individual departments, including each works and business division.

The Mitsui Chemicals Group as a whole also promotes RC activities, including support for specific activities for domestic and overseas affiliated companies as well as departments with various functions.

Meetings are also held twice a year with domestic subsidiaries and affiliates to exchange information. Moreover, steps are taken to share policies related to RC activities as well as activity results. Turning to overseas subsidiaries and affiliates, SHE* meetings are held by region. In addition to sharing policies and strategies relating to RC, every effort is being made to promote RC throughout the Group as a whole.

* SHE: Safety, Health, and Environment.

Monitoring Methods

Internal Audits

The implementation status of RC is evaluated and guided by periodic audits, and the plans for the following fiscal year formulated on the basis of the audit results, which are then reported to the Responsible Care Committee. For more details, please refer to “Responsible Care Audits”



Reports Sent to Chemical Industry Associations in Each Country

We report the results of our RC activities to each association and are working to maintain the transparency of the chemical industry in the eyes of society.

Report recipients: Japan Chemical Industry Association (JCIA), Association of International Chemical Manufacturers (AICM, China), Singapore Chemical Industry Council (SCIC), Federation of Thai Industries (FTI), and the American Chemistry Council (ACC)

Achievements and Reviews

We have steadily achieved the items listed as annual targets and are maintaining favorable implementation conditions. In conducting activities from a longer-term perspective in the years ahead, we set various RC-related KPI targets from environmental and social perspectives in our 2025 Long-term Business Plan. The Responsible Care Committee discusses RC activities toward environmental and social perspective targets

* For details of specific activities, please refer to the relevant page for each functional category.

Goals and Results

Goals for Fiscal 2016

- Promote autonomous RC activities at overseas subsidiaries and affiliates

Fiscal 2016 Results and Assessment

Level achieved: A

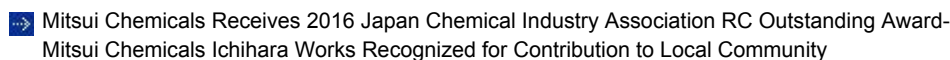
Voluntary Activities

- Mitsui Chemicals (China), our coordination company in China, organized a regional exchange meeting in China



Outside Assessments

- Mitsui Chemicals Ichihara Works received the RC Special Recognition Award from JCIA



- MITSUI PHENOLS SINGAPORE PTE. LTD. (MPS) received RC Award from SCIC



Priorities for Fiscal 2017

Promote initiatives for Mitsui Chemicals Group Sustainability Development Goals (SDGs) toward long-term management targets

- Improve internal levels of SDGs awareness
- Ascertain business activities affecting achievement of SDGs

* Levels of achievement based on self-assessment: A, 95% or more; B, 70% or more and less than 95%; C, less than 70%

Responsible Care Policy and Management

► Responsible Care Policy

► Goals and Results

▼ Initiatives to Spread Responsible Care through Associations

► Responsible Care Audits


► Roll Out to Subsidiaries and Affiliates

Initiatives to Spread Responsible Care through Associations

The Mitsui Chemicals Group is in the position to promote responsible care activities via each country's chemical industry association.

At the Japan Chemical Industry Association (JCIA), the head of the RC and Quality Assurance Division has been a JCIA board member since the 2010 establishment of a Responsible Care Committee and, also since 2010, has worked as a member of the Chemical Management Committee, thereby contributing to the development of responsible care in Japan.

At the International Council of Chemical Associations (ICCA), the Company's president has been a director since 2014, and from 2016 the Company's participation has included the vice-chairperson of the Responsible Care Leadership Group (RCLG) and chairman of the Asia-Pacific Responsible Care Organization (APRO). Since 2015, our employees also have been co-chairing the Joint Capacity Building Task Force of each Leadership Group and, since 2009, have served as members of the Energy and Climate Change Leadership Group and are contributing to the development of international responsible care.

 Participation in Industry Initiatives for Chemicals Management

Responsible Care Policy and Management

► Responsible Care Policy

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► Initiatives to Spread Responsible Care through Associations

▼ Responsible Care Audits

► Roll Out to Subsidiaries and Affiliates

Responsible Care Audits

We conduct environment & safety (environmental protection, process safety and disaster prevention, chemical safety, occupational safety), occupational health and quality audits every year, in order to objectively evaluate the effective implementation of responsible care (RC) activities at our works, business divisions, laboratories as well as subsidiaries and affiliates all over the world, and to provide guidance. Auditors, who are selected after completing specific procedures and include the heads of the Internal Control Division and the RC & Quality Assurance Division as well as industrial physicians, conduct audits focusing primarily on the progress made with respect to key challenges in each department and the level of improvement regarding observations issued following the previous year's audit.

Working with the relevant supervising division, worldwide subsidiaries and affiliates are audited on a regular basis. In addition to ascertaining the current status of Responsible Care activities and providing guidance, audits are also aimed at improving the overall standard of Responsible Care activities throughout the Mitsui Chemicals Group. We make every effort to carry out audits as effectively as possible, and determine the frequency of audits and key criteria carefully, taking into account such factors as the level of environment & safety and quality management at each subsidiary or affiliate.

Internal audits are conducted in accordance with the Responsible Care Code of the Japan Chemical Industry Association and ISO 9001.

Audits encompass the parent company as well as business facilities including works and laboratories that handle chemical products. Audits also cover companies that fall within the scope of Responsible Care support at subsidiaries and affiliates. Audits are conducted at all applicable business facilities on a three-year cycle basis.

【 Audits Conducted in Fiscal 2016 】

All audits were completed according to the annual plan of fiscal 2016.

Audits were completed at 96.6% of all business facilities subject to audits during the three-year period from 2014 to 2016. In addition to confirming the proper implementation of Responsible Care activities, proposals were put forward in areas where further improvement was considered possible. Moreover, certain levels were also confirmed by way of internal audits for those facilities where a third-party certification was not acquired. Plans are in place to complete audits of the remaining business facilities that fall within the scope of audits during the period from 2017 to 2020.

Status of Third-party Certification and the Implementation of Internal Audits by the Company's Head Office

Country Region	Company	Business Sites	Environment & Safety / Occupational Health			Quality	
			Third-party certification		14-16 Results	Third-party certification	14-16 Results
			ISO 14001	OHSAS 18001		ISO 9001	
	Mitsui Chemicals, Inc.	Ichihara Works	○	○	○	○	○
		Mobara Branch Factory	○	○	○	○	○
		Nagoya Works	○		○	○	○
		Osaka Works	○	○	○	○	○
		Iwakuni- Ohtake Works	○	○	○	○	○
		Omuta Works	○	○	○	○	○
		Sodegaura Center			○		○
	Saxin Corporation	Factory	○	○	○	○	○

Japan	Sun Alloys Co., Ltd.	Factory			○	○	○
	Sun Medical Co., Ltd.	Factory			○	ISO 13485	-
	Sunrex Industry Co., Ltd.	Factory	○		○	○	○
	Shimonoseki Mitsui Chemicals, Inc.	Factory	○		○	○	○
	Japan Composite Co., Ltd.	Shimizu Factory	○		○	○	○
	Toyo Beauty Supply Corporation	Factory			○	○ISO 13485	○
	NIPPON ALUMINUM ALKYLs, LTD.	Osaka Works	○		* 1	○	○
	Prime Polymer Co., Ltd.	Head Office			* 1		○
	Hokkaido Mitsui Chemicals, Inc.	Factory			○	○	○
	Mitsui Chemicals Agro, Inc.	Head Office			* 2		○
	Utsunomiya Chemical Industry Co., Ltd.	Utsunomiya Works			○	○	* 4
		Funaoka Factory			○	○	* 4
		Shinshiro Factory			○	○	* 4
		Tosu Factory			○	○	* 4
	Mitsui Chemicals MC Co., Ltd.	Shimizu Factory	○	○	○	○	○
		Kaibara Factory	○		○	○	○
	Mitsui Chemicals Industrial Products, Ltd.	Saitama Office	○		○	○	○
		Otake Office	○	○	* 1	○	○
	Mitsui Chemicals Tohcello, Inc.	Head Office			* 2	○	○
		Katsuta Factory	○		○	○	* 5
		Ibaraki Factory	○		○	○	* 5
		Koga Factory	○		○	○	* 5
		Hamamatsu Factory	○		○	○	* 5
		Anjo Factory	○		○	○	* 5
	Mitsui Fine Chemicals, Inc.	Head Office			* 2		○
	Mitsui Chemicals & SKC Polyurethanes Inc.	Head Office			* 2		○
		Tokuyama Factory	○		○	○	○
	Yamamoto Chemicals, Inc.	Yao Factory	○		○	○	In the planning stage
		Omuta Works	○		○	○	○
	Mitsui Chemicals (China) Co., Ltd.	Head Office			* 2		○
		Technical Center			○		-

China	Tianjin Cosmo Polyurethane Co., Ltd.	Tianjin Works	○		○	○	○
		Suzhou Works	○		○	○	○
	Mitsui Chemicals Nonwovens (Tianjin) Co., Ltd.	Factory			○		○
	Shanghai Sinopec Mitsui Elastomers Co., Ltd.	Factory			○		○
	Mitsui Advanced Composites (Zhongshan) Co., Ltd.	Factory	○		○	○	○
	Zhang Jia Gang Free Trade Zone Mitsui Linkupon Advanced Material, Inc.	Factory	○		○	○ISO 16949	○
	Foshan Mitsui Chemicals Polyurethanes Co., Ltd.	Factory			○	○	○
Southeast Asia	Mitsui Chemicals Asia Pacific, Ltd.	Technical Center			○		-
	Grand Siam Composites Co., Ltd.	Works	○	○	○	○ISO 16949	○
	Mitsui Hygiene Materials (Thailand) Co., Ltd.	Factory	○	○	○	○	○
	Siam Mitsui PTA Co., Ltd.	Works	○	○	○	○	○
	Thai PET Resin Co., Ltd.	Works	○	○	○	○	○
	Thai Mitsui Specialty Chemicals Co., Ltd.	Works	○	○	○	○	○
	Cosmo Scientex (M) Sdn. Bhd.	Works	○	○	○	○	○
	MCNS Polyurethanes Malaysia Sdn Bhd	Works	○		○	○	In the planning stage
	PT. MCNS Polyurethanes Indonesia	Works	○		○	○	○
	P.T. PETnesia Resindo	Works	○	○	○	○	○
	Mitsui Chemicals Singapore R&D Centre Pte. Ltd.	Laboratory			○		-
	Mitsui Elastomers Singapore Pte. Ltd.	Works	○	○	○	○	In the planning stage
	Mitsui Phenols Singapore Pte. Ltd.	Works	○	○	○	○	○
	Prime Evolve Singapore Pte. Ltd.	Works	○	○	In the planning stage	○	In the planning stage
	SDC Technologies Asia Pacific, Pte. Ltd.	Works			* 6	○	○
	Mitsui Chemicals India, Pvt. Ltd.	Head Office			* 2		○
	Mitsui Prime Advanced Composites India, Pvt.Ltd.	Works	○		○	○	○
	Mitsui Chemicals America, Inc.	Head Office			* 2		○
	Advanced Composites, Inc.	Ohio Plant	○	○	○	○ISO 16949	○
		Tennessee Plant	○	○	○	○ISO 16949	○

USA	Advanced Composites Mexicana, S.A. de C.V.	Factory	○		○	ISO 16949	○
	Anderson Development Company	Factory	○		○	○	○
	Image Polymers Company, LLC	Factory	○	○	* 3		○
	SDC Technologies, Inc.	Factory			○	○	○
Europe	Mitsui Chemicals Europe GmbH	Head Office			* 2		In the planning stage
	Acomon S.R.L.	Factory	○		In the planning stage	○	○

* 1 Included in the audit of Mitsui Chemical parent company works

* 2 Does not maintain a manufacturing or other applicable department and therefore falls outside the scope of audit requirements

* 3 Located within the place of business of another company and therefore falls outside the scope of audit requirements

* 4 Conducted by Mitsui Chemicals Agro, Inc.

* 5 Conducted by Mitsui Chemicals Tohcello, Inc. (Head Office)

* 6 Conducted by SDC Technologies, Inc.

* Kashima Works has been excluded from the table due to the termination of operations.

* ○ISO~data in the Third-party Certification column of the Quality section of the table indicates that the business site has acquired both ISO 9001 and the listed ISO certification.

Responsible Care Policy and Management

► Responsible Care Policy

► Goals and Results

► Initiatives to Spread Responsible Care through Associations

► Responsible Care Audits

▼ Roll Out to Subsidiaries and Affiliates

Roll Out to Subsidiaries and Affiliates

Mitsui Chemicals is rolling out Responsible Care activities to subsidiaries and affiliates in Japan and overseas as a part of efforts to promote Responsible Care across the Group as a whole.

Global Network and SHE Meetings

Mitsui Chemicals is building an information network across the five regions where its subsidiaries and affiliates operate: China, Asia, Europe, the Americas, and Japan as its center. This network gathers Responsible Care-related information from industry associations located in each region, which after being summarized and analyzed by the head office is shared throughout the Mitsui Chemicals Group.

As part of the Responsible Care activity programs in each region, the Company holds SHE (Safety, Health, and the Environment) meetings that gather together the staff in charge of Responsible Care of various subsidiaries and affiliates. SHE meetings provide opportunities for participants to learn from each other by analyzing process accidents, occupational injuries and other case studies as well as learning best practices.

China

Seven subsidiaries and affiliates in the China region attended a technology exchange meeting organized by Mitsui Chemicals (China) Co., Ltd. In addition to a facility study workshop and the opportunity to interact with different types of businesses, this meeting was an opportunity to participate in quality risk analysis training conducted by the Head Office RC & Quality Assurance Division.

A China Joint Safety Conference was also held by Zhang Jia Gang Free Trade Zone Mitsui Linkupon Advanced Material, Inc. and co-hosted by the Head Office Safety & Environment Technology Division, the Mobility Business Sector, and the Performance Compound Division. By sharing information and engaging in Group debate, successful steps were taken at the conference to enhance awareness toward safety.

Asia Pacific Region

More than 60 senior executives participated in the annual presidents' meeting of subsidiaries and affiliates held in Singapore. At this meeting, an explanation of international trends regarding the management of chemical products together with the Group's response policies was provided.

Details of the Mitsui Chemicals Group's policy toward the impending establishment of chemical product rules and regulations pertaining to all of the Group's subsidiaries and affiliates in Thailand were also outlined.

Europe

The director in charge of Responsible Care at MITSUI CHEMICALS EUROPE GmbH gave a lecture on worldwide and European trends regarding sustainability while also sharing information at the second meeting of the Responsible Care Committee. In addition to deepening the understanding of management, details were incorporated into the Long-term Business Plan.

Americas

A SHE meeting was held at ADVANCED COMPOSITES MEXICANA S.A. DE C.V. in Mexico. With discussions covering Responsible Care activities generally, from safety through health to the environment, the decision was made to convene the next meeting as a Responsible Care conference.



Regional activity (China)



Regional activity (Americas)

Evaluation of the Responsible Care Activities of Overseas Subsidiaries and Affiliates

Overseas subsidiaries and affiliates are also attracting high external praise for their Responsible Care activities.

Singapore

MITSUI PHENOLS SINGAPORE PTE. LTD. received the RC Gold Award for its Community Awareness and Emergency Response Code. The company was also honored with the RC Achievement Award in recognition of its Occupational Health and Safety Code, Environmental Protection Code, and Process Safety and Disaster Prevention Code. Each of these awards was presented by the Singapore Chemical Industry Council.

Meanwhile, the experience-based training program of MITSUI PHENOLS SINGAPORE PTE. LTD. received high praise at the IChemE Singapore Awards 2016 held by the Institution of Chemical Engineers. The company was named as a finalist in the education and development award category.

Korea

Kumho Mitsui Chemicals, Inc. received the 2016 Korea Environmental Best Award from the Ministry of Environment of South Korea.

➡ News Release: Kumho Mitsui Chemicals Receives 2016 Korea Environmental Award

China

The Company was presented the 2017 RC Merit Award by the Association of International Chemical Manufacturers. Presented biannually to companies with an outstanding track record, this award recognized the Group's extensive ongoing Responsible Care activities as well as its contributions to the sustainable development of the Chinese chemical industry and Chinese society as a whole. In addition to the efforts by Mitsui Chemicals Group companies in China to help local communities and the environment, the Group received high praise for its support to the next generation which includes sponsoring chemical industry design contests for national university students.

➡ Cosponsoring of China Undergraduate Chemical Engineering Design Competition

Process Safety and Disaster Prevention

▼ Goals and Results

▶ Initiatives to Prevent Major Accidents

▶ Promoting Fundamental Safety Initiatives

▶ Introduction to Events on Safety Day

▶ Fostering a Safety Culture

▶ Introduction to Process Safety and Disaster Prevention at Production Sites

Based on our management policy of putting safety is our top priority in everything that we do, we have continued to implement a range of safety activities throughout the Mitsui Chemicals Group. Reflecting on the explosion and fire that occurred at the resorcinol production facility inside our Iwakuni-Ohtake Works in 2012, we have since implemented a series of preventive measures as well as fundamental safety initiatives to ensure that nothing like this ever happens again, anywhere within the Mitsui Chemicals Group.

With the utmost sincerity, we have made a firm commitment to promoting safety on the understanding that safety is essential and for the benefit, not only of ourselves, but also our families, colleagues, and society as a whole. Taking this commitment very much to heart, we are thinking carefully about what we can do to ensure safety and taking all appropriate actions. As a part of our Safety Day and other activities, each and every member of the Mitsui Chemicals Group repeatedly recites this pledge to ensure safety is our top priority.

* Please refer here for details of the fire that broke out at the Mobara Branch Factory in July 2017.

▶ [Fire at Mobara Branch Factory](#) 

Management System

Policy

In the Responsible Care Policy, we pledge that “safety is our top priority and focus on achieving zero accidents and occupational injuries.” In addition, we are promoting process safety and disaster prevention in accordance with the company rules on environmental safety management, which set out basic matters concerning process safety and disaster prevention.

System and Responsible Officers

Assigning the president as the Chief and the director in charge of the Production & Technology Center as the person directly responsible, the Safety & Environment Technology Division formulates, disseminates and promotes the process safety and disaster prevention strategy. For example, through regularly holding all base meetings, they also collaborate with business sectors, production sites and affiliated companies to promote process safety and disaster prevention.

Monitoring Methods

The Safety and Environment Technology Division regularly checks the achievement of the priority issue targets relating to process safety and disaster prevention at domestic bases and ascertains the progress made. In addition, information on the occurrence of serious accidents in the entire Group, which has been collected, consolidated, and analyzed, is shared by the entire Group.

Achievements and Reviews

We are steadily achieving our fiscal year targets and are in a favorable position. We identify as a key performance indicator (KPI) the incidence of major accidents under “pursue thorough safety, high quality, and fairness across the entire supply chain” in the environmental and social perspective targets of our 2025 Long-term Business Plan and are aiming to maintain high-level safety in the years to come.

Goals and Results

Goals for Fiscal 2016

- Major accidents : Zero
- Promote thorough adherence to basic items tailored to the characteristics of each Works
- Identify underlying causes, focusing on human factors, and promote measures to prevent recurrence
- Undertake non-routine risk assessments at each Works

Fiscal 2016 Results and Assessments

Level achieved : A

- Major accidents : Zero maintained
- Promote thorough adherence to basic items tailored to the characteristics of each Works : Results of activities in line with plan at each works
- Identify underlying causes focusing on human factors and promote measures to prevent recurrence : Results of activities in line with the plan at each works
- Undertake non-routine risk assessments at each Works : Being deployed at each works

Priorities for Fiscal 2017

- Major accidents : Zero
- Promotion of safety measures focusing on human factors
- Encourage worksite activation through proactive utilization of third-party assessments
- Investigation into the utilization of big data and IoT as process safety technology

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Process Safety and Disaster Prevention

▶ Goals and Results

▼ Initiatives to Prevent Major Accidents

▶ Promoting Fundamental Safety Initiatives

▶ Introduction to Events on Safety Day

▶ Fostering a Safety Culture

▶ Introduction to Process Safety and Disaster Prevention at Production Sites

Initiatives to Prevent Major Accidents

Including the explosion and fire that broke out at the resorcinol production facility at Mitsui Chemicals' Iwakuni-Ohtake Works on April 22, 2012, major accidents occurred at chemical plants and other factories throughout Japan between 2011 and 2014.

Consequently, the government ministries involved issued guidance, and organizations concerned sent out action plans and guidelines. Having caused a major accident in the past, Mitsui Chemicals continues to respond to these matters with the utmost care.

Top Management's Strong Commitment to Safety

In the first item in the Mitsui Chemicals Responsible Care Policy, it is clearly stated that "we pledge that safety is our top priority and focus on achieving zero accidents and occupational injuries."

On Safety Day and during National Safety Week, the president repeatedly conveys the message to all Mitsui Chemicals Group employees that they follow the management policy of "making safety their top priority in everything they do." The fiscal 2016 results are as follows.

1. Instructions to make safety the top priority provided directly to Head Office staff during the opening address (simultaneously broadcast to all domestic sites)
2. Broadcasting the President's Safety Day message
3. Iwakuni-Ohtake Works visit on Safety Day, participating in Safety Day events at the Works, communicating safety instructions directly to employees (simultaneously broadcast to all domestic sites)
4. Company newsletter featuring discussion on safety with Professor Emeritus Masafumi Ogawa of Yokohama National University (Accident Investigation Committee member) and President Tannowa distributed to all employees
5. Direct safety instructions during Works visits (control room, auditorium, etc.): 15 times in fiscal 2015, seven times in fiscal 2016



Dr. Terushige Ogawa, Emeritus Professor, Yokohama National University and Tsutomu Tannowa, President and CEO

We are promoting active involvement with worksites that includes the vice president and the head of the Production & Technology Center by conducting tours of each Works and overseas sites.

Measures to Boost Seismic Resistance of Existing High-pressure Gas Facilities

In response to a notification issued by Japan's Ministry of Economy, Trade and Industry in May 2014, Mitsui Chemicals has almost finished an assessment of the seismic resistance of its existing high-pressure gas facilities. Where necessary, plans are in place to make any appropriate enhancements. Work is being implemented during fiscal 2016.

Thorough Risk Assessments

Learning the lessons from the resorcinol production facility explosion and fire at the Iwakuni-Ohtake Works, Mitsui Chemicals has completed risk assessments related to emergency shutdowns. In addition, the Company has been conducting non-routine risk assessments on a continuous and constructive basis.

<Fiscal 2013-14>

The Companywide Inspection Group established inspection procedures during emergency shutdowns by operating model plants at all Works on a trial basis.

Based on the above, the Inspection Group organized at each Works conducted inspections of emergency shutdown procedures at all plants. Finally, Head Office staff conducted follow-ups on inspection results for each Works.

<Fiscal 2014-16>

We began examining procedures for conducting risk assessments related to the non-routine operation “startup” in fiscal 2014. In fiscal 2015, after having conducted the verification of the assessment methods, for which both “What if” and batch HAZOP* were utilized at model plants in Osaka Works and Ichihara, we applied these risk assessments to other plants within our Works.

Applying these procedures to other Works, we began risk assessments related to the non-routine operation “startup” at all Works in fiscal 2016.

<Fiscal 2017>

Also applying these procedures to other Works in fiscal 2017, we are conducting risk assessments related to the non-routine operation “startup” at all Works.

Mitsui Chemicals has continued to thoroughly conduct risk assessments in the event of non-routine or emergency operations.

* HAZOP (Hazard and Operability Study) :

HAZOP stands for hazard and operability study. Method of identifying all risks inherent within the Works and systematically evaluating safety measures to ensure that they are adequate.

Fostering HAZOP Leaders

At Mitsui Chemicals, HAZOP has been implemented for safety assessments when installing new facilities as well as when expanding or improving existing facilities, and for the removal of hazards from plants, to prevent accidents.

The role of the HAZOP leader, who is the leader of the analysis, is an important one.

To foster HAZOP leaders at Mitsui Chemicals, since fiscal 2013 we have been holding training sessions for manufacturing workplace staff and others for them to learn more about analysis methods and investigation concepts at each Works.

We are also utilizing HAZOP for non-routine risk and will plan to periodically hold these training sessions to foster HAZOP leaders and to improve the level of HAZOP.

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Promoting Fundamental Safety Initiatives

Mitsui Chemicals takes extremely seriously the resorcinol production facility explosion and fire at its Iwakuni-Ohtake Works, which occurred on April 22, 2012. Four years have now elapsed since we started to implement a series of fundamental safety initiatives to thoroughly review and improve the problem areas with regard to companywide safety. We have been building up deliberations and implementations regarding a variety of issues during this period. Many of them are incorporated into daily activities and in ongoing activities that entail a PDCA cycle. While continuing to prioritize the fundamental safety initiatives to further raise safety standards, we will continue to promote the initiatives in the years ahead.

Overview of Efforts Aimed at Promoting Fundamental Safety Initiatives

The fundamental safety initiatives are being conducted on a Group-wide basis (An overview is shown below). At the steering committee*¹ in fiscal 2016, discussions were held on the further activation of small group activities which are essential to the bottom-up approach and on the sharing of various measures concerning human resource development devised by each factory. The points of the promotion overview are as follows.

- Reporting directly to the president, the steering committee deliberates Group-wide issues and sets the direction for activities
- Increasing opportunities for visits to Works by Head Office departments spearheaded by management participation in safety through active dialog
- Guidance from third parties, including external experts, reflected in the operations of Works
- Safety discussions by Works general managers and cross-sectional safety activity inspections by safety advisors*²
- Enhanced communication through forums such as foreman meetings spearheaded by section managers

*¹ Steering committee: In order to make prompt progress with the fundamental safety initiatives, the members shown in the diagram meet to discuss Group-wide issues and set the direction of activities.

*² Safety advisors: Veteran employees who are involved in improving the overall level of Works safety by entering daily activities and exchanging views.





Overview of Efforts Aimed at Promoting Fundamental Safety Initiatives



Progress with Fundamental Safety Initiatives

A Fundamental Safety Initiatives Progress Report is shown below. We are addressing three key issues and deploying 11 measures, positioning parts marked for continuation as everyday issues, and continuously implementing a PDCA cycle. In fiscal 2016, we concentrated on the parts enclosed in the red-bordered box, concerning the development of a culture and climate of safety, including the utilization of safety culture diagnosis results. In fiscal 2017, while continuing and persistently addressing the development of a culture and climate of safety, we will promote a variety of meaningful activities.

Fundamental Safety Initiatives Progress Report

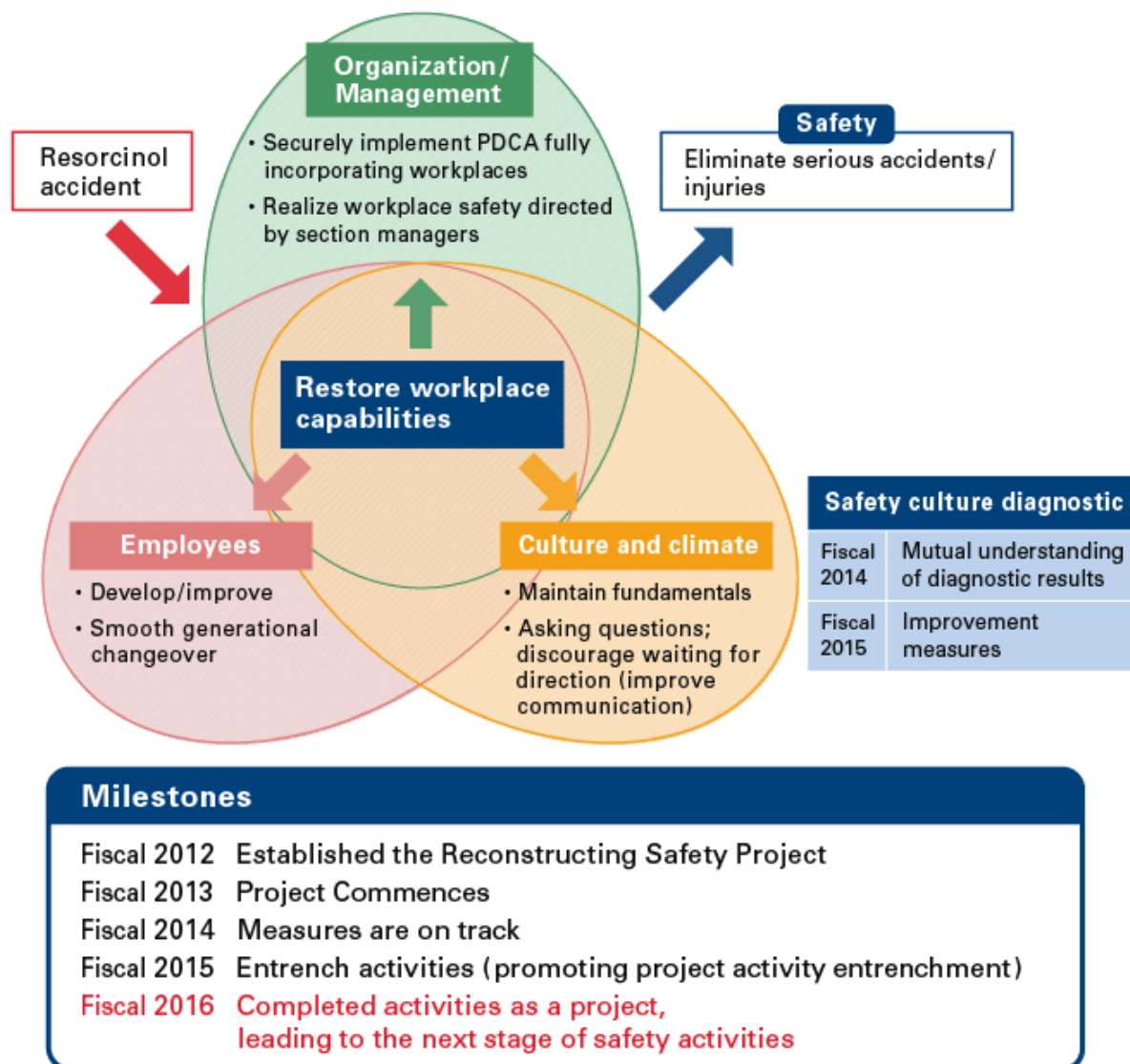
Three key issues, 11 measures		Implementation schedule (fiscal year)				
		13 and under	14	15	16	17
(1) Allow line managers to focus on and properly manage worksites						
①	Reduce the workload of line managers		On an ongoing basis			
②	Train line managers		On an ongoing basis			
(2) Improve technical skills and ensure skills are passed down (clarify rights & responsibilities)						
③	Train engineering staff with situational awareness		On an ongoing basis			
④	Build safety technology systems		On an ongoing basis			
⑤	Review technical assessment systems and structures		On an ongoing basis			
(3) Ensure safety is the top priority, cultivate professionalism, and give workers a sense of accomplishment						
⑥	Reorganize/boost functions of Safety & Environment Division		On an ongoing basis			
⑦	Reinforce safety as a top priority (strict adherence to basics, diagnosis)					
⑧	Cultivate and bolster professionalism (Completely update manuals and draft supplementary materials)					
⑨	Improve teamwork and communications within organizations		On an ongoing basis			
⑩	Establish attractive senior positions (Human Resources Committee, etc.)		On an ongoing basis			
⑪	Measures to give workers a sense of accomplishment in safety performance and operations		On an ongoing basis			

Initiatives at Iwakuni-Ohtake Works

Directly after the resorcinol production facility explosion and fire, an Accident Investigation Committee of outside experts was established, and the immediate and underlying causes of the accident identified. The recurrence prevention measures planned for each were approved by the Accident Investigation Committee, and specific measures are being promoted at the Iwakuni-Ohtake Works. Under the strong determination that such a tragic accident will never happen again, we launched a Safety Reconstruction Project with the Works general manager as its leader and have been working to confirm the state of progress on each issue and checking issues on a monthly basis. The activities of the Safety Reconstruction Project also cover issues from the fundamental safety initiatives formulated separately by the Company.

Safety Reconstruction Project

In the Safety Reconstruction Project, we regularly hold report meetings with representatives from the related supervisory government agencies and the members of the Accident Investigation Committee and have been making progress while receiving advice with regard to initiatives. In fiscal 2016, which was tackled as the year for the project's completion, we held report meetings for the representatives from the supervisory government agencies in November and for the members of the Accident Investigation Committee in December and confirmed the results of activities as a project. Many activities were carried out, the outcomes of those activities appeared in concrete form, and we obtained an assessment that these activities have also resulted in an actual improvement in safety performance. In the years to come, we will engage in safety activities at a new level so that we cause what we have accumulated thus far to become even more deeply rooted.



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Introduction to Events on Safety Day

To prevent the recurrence of accidents like the April 22, 2012, explosion and fire at the resorcinol production facility at our Iwakuni-Ohtake Works, Mitsui Chemicals has designated 22 April as Safety Day. In fiscal 2017, Safety Day events were held at each production site in Japan and at the Head Office. Continuing on from the previous year, and with the aim of giving the event a greater presence and more of a sense of tension, we again this year simultaneously relayed a live broadcast of the safety pledge ceremony, held at Iwakuni-Ohtake Works with President Tannowa in attendance, to a total of nine facilities, and all employees reaffirmed their commitment to making safety their top priority in everything they do. Experts from inside and outside Mitsui Chemicals also gave lectures about safety at each site.

In fiscal 2017, presentations were given on Safety Day at each production site

Production base	Attending Directors, Head Office General Managers	Simultaneous live broadcast	Speakers		Presentations
Ichihara Works	Senior Managing Executive Officer Hideki Matsuo	Undertaken	Masayoshi Nakamura	Specially Appointed Professor at Tokyo Institute of Technology	Learning from Major Accidents – Safety Management from Now
Ichihara Works Mobara Branch Factory (includes the Plant Operation Technology Training Center and Mobara Research & Development Center)	General Manager Kenta Tsubohara	Undertaken	Mieko Kumasaki	Associate professor of Yokohama National University Graduate School	Creating Safe Workplaces from Worker Awareness Considerations
Nagoya Works	Managing Executive Officer Shinji Ogawa	Undertaken	Nobuo Fukuwa	Director of the Disaster Mitigation Research Center, Nagoya University	Before a Major Earthquake, Taking Measures as a Company or Family Person That Have an Awareness of Those Involved
Osaka Works	Executive Vice President Yasuji Omura	*	Kazuharu Nara	Deputy General Manager of the Manned Space Systems Engineering Department, Japan Manned Space Systems Corporation	Astronaut Training – Team Development That Maximizes Safety
Iwakuni-Ohtake Works	President Tsutomu Tannowa, General Manager Atsushi Deguchi	Undertaken	Masamitsu Tamura	Professor Emeritus, The University of Tokyo	Toward Safer Chemical Plants – The Fundamentals of Safety and Fostering of Safe Environments

Omuta Works	Senior Managing Executive Officer Shigeru Isayama	Undertaken	Kazuhiko Suzuki	Professor of Okayama University	To Prevent Accidents – The Fundamentals, Basics and Basic Actions
Sodegaura Center	Managing Executive Officer Shin Fukuda	*	Tadao Minamikawa	Head of the Environment & Safety Department, Chiba Plant, Asahi Glass	Improving Compliance with Regulations and Training to Prevent Misunderstandings
Hokkaido Mitsui Chemicals	—	Undertaken	Works General Manager Sasaki	Hokkaido Mitsui Chemicals, Inc.	(Lecture by Works General Manager)
Shimonoseki Mitsui Chemicals	—	Undertaken	Works General Manager Ishigaki	Shimonoseki Mitsui Chemicals, Inc.	(Lecture by Works General Manager)
Mitsui Chemicals & SKC Polyurethanes Tokuyama Factory	—	Undertaken	Toshihide Kihara	Current general manager of the Mitsui Chemicals Plant Operation Technology Training Center	Looking Back at the RS Accident, and Lessons I Want Taken from It
Mitsui Chemicals Head Office	Executive Vice President Masaharu Kubo, Managing Executive Officer Takayoshi Shimogori	Undertaken	—	—	Speech by Deputy Managing Director

* The video of President Tannowa's address at the Iwakuni-Ohtake Works safety pledge ceremony was transmitted at a later date. (May 23, 2017, to affiliates on June 9)

Notes: As April 22, 2017, was a Saturday, the events were held on April 21.



President Tannowa during his address at the Iwakuni-Ohtake Works safety pledge ceremony

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Fostering a Safety Culture

The first item in the Mitsui Chemicals Group Responsible Care Policy states that “safety is our top priority in everything that we do.”

To prevent the recurrence of accidents like the explosion and fire that occurred five years ago at the resorcinol production facility at our Iwakuni-Ohtake Works, Mitsui Chemicals will continue to foster a culture of safety and conduct safety-related activities.

Undertaking Safety Culture Diagnostics

The Mitsui Chemicals Group in fiscal 2016 collaborated with Niigata University and the Graduate School of System Design and Management at Keio University to undertake a safety culture diagnostic. Diagnostics this year took place at the Mobara Branch Factory of Ichihara Works (for the third time), and at four domestic and overseas affiliates. Diagnostics are scheduled for the second and third time at the Mitsui Chemical Works from fiscal 2017, with an expansion in scope targeted for the domestic affiliates. The Mitsui Chemicals Group acknowledges that these diagnostics are an effective way of fostering a safety culture and will accordingly form an important part of the Group's ongoing activities.



Briefing at an overseas affiliate

Process Safety Capability Assessment Initiatives

The Company received the process safety capability assessment, as shown below, by the Japan Safety Competency Center based on the self-assessment of the utility plant at its Ichihara Works on 27–28 October, 2016. We will utilize this advice from the Japan Safety Competency Center, a third party, in our future safety and process safety activities.

Safety Infrastructure

In general, our safety infrastructure was at a good level. Especially in “education,” the Company received strong ratings in the items listed below.

- The Company-wide technology training center is not only available for educational purposes to employees of domestic and overseas affiliates, but also to outside firms from fiscal 2015.
- The Company is exchanging information with other companies with technology training centers.
- The Company is preparing to offer opportunities to attend overseas training sessions and overseas study programs at domestic universities.



Scene from a briefing at the Japan Safety Competency Center

Safety Culture

In addition to the checklist, the assessment of the Company's safety culture is also based on the results of interviews with company employees. The safety culture was judged to be at a good level, not only with regard to management, including safety management and organizational management, but also by confirming both the impressions of employees and the actual situation at worksites.

The Company received strong ratings in the area of “motivation,” with the examples below indicating particular areas of strength.

- Awards being given for small group activities and proposals for improvements at Works.
- Section Manager and Foreman Awards which are award programs more closely linked to work. Accordingly, these awards have contributed to increasing the motivation of employees.

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Introduction to Process Safety and Disaster Prevention at Production Sites

At Mitsui Chemicals, we hold evacuation drills and emergency shutdown drills in the event of a major earthquake or tsunami. We also hold various disaster drills that include emergency activities such as firefighting, emergency call-outs and reporting as part of measures to respond to emergencies at Works. Going forward, we will conduct various drills in a systematic, ongoing manner in tandem with relevant government agencies and local communities.

Process Safety and Disaster Prevention Drills

At Mitsui Chemicals, we are continually improving our in-house disaster prevention capabilities. In addition to conducting disaster prevention drills, including emergency activities such as firefighting, emergency call-outs and reporting, we also carry out joint drills with municipal fire and police departments, validate emergency responses and take steps to improve any shortcomings. We formulate site-specific plans for each Works every year and conduct drills designed specifically for the operations carried out at each of our sites. We also organize full-scale comprehensive disaster prevention drills on a regular basis at each of our Works, including joint training with municipal fire departments and volunteer firefighting units, and training involving the local police. We work with municipal fire departments and nearby companies to organize joint disaster prevention drills as a form of reciprocal training between companies. We aim to improve our disaster prevention readiness by conducting the following drills at each site.

We introduce some examples of the drills below.

• Ichihara Works

Based on the scenario that flammable liquid had leaked from equipment and ignited at night when the Works were closed, we jointly implemented the Works comprehensive disaster prevention drill with the municipal fire service. We confirmed that disaster prevention operations could be reliably carried out even at night when the Works are closed.

• Osaka Works

Based on the scenario that flammable liquid had leaked from equipment and ignited, we jointly implemented the Works comprehensive disaster prevention drill with the municipal fire service. During training, we also work to improve our ability to respond to an emergency by having the manager of a manufacturing division other than that affected by the outbreak of the fire to observe the cooperation with municipal fire services.

• Iwakuni-Ohtake Works

Based on the scenario that flammable liquids had leaked from the pipes connected to hazardous material tanks and ignited following an earthquake, we jointly implemented the Works comprehensive disaster prevention drill with the municipal fire service. We are repeating training in a number of areas, including emergency equipment shutdowns, evacuations to safe places, and the bringing of disaster situations under control.

• Omuta Works

Based on the scenario that flammable liquid had leaked from a receiving pipe and ignited, we jointly implemented the Works comprehensive disaster prevention drill with the municipal fire service. The drill was also observed by police officers and officials from the municipal disaster prevention office, we verified cooperation with the relevant administrative bodies.



Disaster prevention activities at an emergency command post (Ichihara Works)



Training to prevent the spread of leaking gas (Osaka Works)



Water cannon drill by a volunteer firefighting unit (Iwakuni-Ohtake Works)



Explaining the facility entry route to members of a municipal fire department crew (Omuta Works)

Earthquake and Tsunami Drills

At Mitsui Chemicals, we conduct various drills to ensure that all staff are better prepared in the event of a major earthquake or tsunami, which are assumed in every site's region. These include emergency shutdown drills and evacuation drills to evacuation areas. The following are a few select examples of the drills conducted at each production site.

• Ichihara Works

Based on the scenario that an earthquake has struck and a massive tsunami warning has been issued for Tokyo Bay, we conducted emergency plant shutdown drills as well as evacuation drills.

Approximately 1,600 Company employees and employees from subcontractors took part in the drill. In addition to confirming the location of and routes to evacuation areas as well as the procedures for confirming the safety of employees at the evacuation area, we verified the criteria with regard to evacuations. By repeatedly undertaking evacuation drills, we are working to reduce the time needed to complete an evacuation.

• Nagoya Works

We conducted a tsunami evacuation drill based on the scenario that a tsunami alarm had been issued following a massive earthquake in the Nankai Trough. We verified that the basic operations, such as the evacuation procedures to the site's five evacuation areas and ascertaining the number of personnel at the evacuation area, could be reliably conducted.

We also conduct petrochemical complex comprehensive disaster prevention drills that are based on the scenario that a large-scale earthquake has struck the Nagoya Works, engage in integrated disaster prevention activities in conjunction with municipal disaster prevention-related organizations, and strengthen cooperation.

• Osaka Works

In conjunction with the Osaka 8.8 Million Drill organized by the Osaka Prefecture, Osaka Works conducts evacuation drills covering the initial response at the time a tsunami warning associated with a Nankai Trough Earthquake is issued and evacuation to the tsunami evacuation area.

In the training drills, we work to raise employee awareness of disaster prevention, while verifying the training and improving earthquake and tsunami measures. In the training, the leader of the evacuation area also carries out the generator start-up test and checks the emergency stockpile.



A drill to confirm the safety of personnel at a tsunami evacuation area (Ichihara Works)



Water cannon drill by a volunteer firefighting unit (Nagoya Works)



A drill to confirm the safety of personnel at an earthquake evacuation area (Osaka Works)

Earthquake Readiness Drills in line with Business Continuity Plan

It is now coming on to six years since the nation was devastated by the Great East Japan Earthquake. Based on concerns of another major earthquake occurring directly beneath the Tokyo Metropolitan area or Nankai Trough, Mitsui Chemicals conducted business continuity plan (BCP) drills at its head office as well as Osaka and Ichihara Works on January 24, 2017.

The training was conducted on the assumption that an earthquake exceeding a magnitude of five in the Tokyo Metropolitan area during the morning hours when employees are commuting to work and substantial disruption to the city's infrastructure. Designed to confirm effectiveness so that the divisions involved can communicate information in an assured manner in the event of an emergency, the plan called for the setting up and transfer of control to an emergency response headquarters by the afternoon of the same day as well as a satellite emergency response office at the Company's Osaka Works to collate various pieces of information, including the status of damage.

In addition to putting in place the systems required to confirm the safety of employees as well as the basic procedures to collate information from each head office department, these training drills encompassed reporting and emergency support initiatives between the Head Office and Ichihara Works based on the scenario of a fire as a result of the earthquake.

In his summing up, President Tannowa recapped that "it is indispensable to confirm the basic operation and extremely important to keep constantly preparing. Without forgetting that it will happen that there are aspects from training that you will forget in an emergency situation, maintain an attitude of preparedness." Going forward, Mitsui Chemicals will continue to put in place a response structure and systems that are capable of addressing any contingency.



General view of Business Continuity Plan training

For Second Consecutive Year Iwakuni-Ohtake Works' Self-defense Disaster Prevention System Receives Outstanding Performance Award from Minister of Internal Affairs and Communications

Iwakuni-Ohtake Works' self-defense disaster prevention system received an outstanding performance award from the Minister of Internal Affairs and Communications at the Fiscal 2016 Skill Contest of Self-defense Disaster Protection Systems for Petrochemical Complexes, etc. organized by the Ministry's Fire and Disaster Management Agency.

This contest, which was first launched in fiscal 2014 with the aim of enhancing skills and morale, pits large-scale chemical plant elevated water cannon and foam concentrate transporter crews against each other in a number of operations, such as their safety management and the standard of their firefighting vehicles and equipment.

Judging the Iwakuni-Ohtake Works' self-defense disaster prevention crew on its fire control technique and discipline, this award marked the second year in a row that the crew had received an outstanding performance award from the Minister of Internal Affairs and Communications. All employees will unite in striving for safer and more stable Works operations.



Self-defense disaster protection system



A general view of the skill contest

Occupational Health and Safety

▼ Goals and Results

▶ Creating Secure and Safe Workplaces

▶ Introduction to Safety Activities at Production Sites

▶ Occupational Health

Working together, the Mitsui Chemicals Group conducts near miss activities, training in hazard prediction (kiken yochi, or “KY”), and the thorough implementation of risk assessments, while also engaging in activities aimed at preventing accidents and occupational injuries. The Group is committed to ongoing measures that help employees address a host of issues including lifestyle-related diseases and mental health.

* Please refer here for details of the fire that broke out at the Mobara Branch Factory in July 2017.

▶ [Fire at Mobara Branch Factory](#) 

Management System

Policy

Occupational Safety

Under our Responsible Care Policy, we pledge safety is our top priority and focus on achieving zero accidents and occupational injuries. We have also further formulated our basic items with regard to occupational safety, and promote occupational safety in line with Company regulations that cover environment and safety management.

Occupational Health

Under our Responsible Care Policy, we actively promote the well-being of all our employees, and in accordance with Company rules that pertain to environment and safety management, set forth in our basic items that also covers occupational health. We have also developed the basic philosophy of “Employee well-being is directly linked to the Company’s well-being.” Based on this, we work to develop occupational health measures, including for health management.

System and Responsible Officers

Occupational Safety

Assigning the president as the Chief and the director in charge of the Production & Technology Center as the person directly responsible, the Safety & Environment Technology Division formulates, disseminates and promotes the occupational safety strategy. In addition, they also collaborate with business sectors, production sites and affiliated companies to promote occupational safety.

Occupational Health

With the responsible director in charge of the Human Resources Division, industrial physicians from the parent company come together in regularly held physician conferences to consider issues and measures related to health management. Based on these conferences, we formulate occupational health plans during the fiscal year and proposals for annual plans, which are decided through deliberations by the Responsible Care Committee. In addition, the Head Office, Sodegaura Center, and the healthcare sections of all five of our Works take the lead in drawing up and expanding annual plans for each business site. Full-time industrial physicians, nurses, and health supervisors at healthcare sections support efforts to improve employee health. We also assign part-time industrial physicians, nurses, and other healthcare professionals to our smaller Works and to major Works operated by our subsidiaries and affiliates, in an effort to help improve the health of all Group employees.

Monitoring Methods

Occupational Safety

The Safety & Environment Technology Division regularly confirms, and ascertains the status of progress on key issues with regard to occupational safety at sites in Japan. In addition, information on occupational injuries throughout the Group is consolidated in the Safety & Environment Technology Division, and shared across the Group.

Occupational Health

With regard to Mitsui Chemicals business sites, we report the status of annual occupational health plan progress at industrial physician conferences, and aggregate as Companywide statistics the rate of findings of lifestyle-related disease risk, number of days off due to illness (and the degree of severity), number of days of mental health ailments (and the degree of this severity), and number of new cases of mental health disorders.

Furthermore, we conduct occupational health audits of Mitsui Chemicals business sites once every two years and at domestic and overseas affiliates once every three to four years while taking steps to achieve annual plans and make improvements in occupational health management-related problem areas.

Achievements and Reviews

Occupational Safety

We continued to be unable to achieve the world's highest standard for safety which aims for a frequency rate of 0.15 or below with regard to Work-related Significant Occupational Injuries (WSOI)*. However, we are promoting preventive measures for similar types of incidents across the Group. In our 2025 Long-term Business Plan's goals for environmental and social axes, namely, to pursue thorough safety, high quality, and fairness across the entire supply chain, we have positioned the important aspect of frequency of WSOI as a KPI, and we are clarifying our goal of achieving the highest global safety standards.

* Work-related Significant Occupational Injuries (WSOI) :

- Occupational accidents and injuries that are directly related to operations and result in days away from work cases or fatality
- Restricted work or transfer to other job and medical treatment cases that are caused by a major incident and have the potential to result in fatality or days away from work cases

Occupational Health

Together with enhancing health as an important occupational health-related issue, there is a concern with an increase in the rate of lifestyle-related disease diagnosis. Looking at lifestyle-related disease risks, we see that there is a slight improvement in the blood pressure and blood sugar trends, but have positioned the trend toward greater rates of obesity as an important issue. In particular, we are working to expand measures targeting younger generations to prevent obesity. Mental health measures also represent important health issue for employees, and have an enormous impact on labor productivity. Utilizing stress check systems is a way we work to further raise the level of improvements in the workplace environment. With regard to the promotion of policies to prevent the release of chemical substances, we are seeking to reinforce measures in line with revisions to the Occupational Health and Safety Act, and we are moving forward methodically with particular attention to risk assessments with regard to the hazards of chemical substances.

Goals and Results

Goals for Fiscal 2016

Occupational Safety

- Implement basic items on an even more comprehensive basis
- Promote measures to prevent a reoccurrence of similar types of occupational injuries

Occupational Health

- Enhancing employee and worksite health
 - (1) Reduce risk of lifestyle-related diseases: Average rate of lifestyle-related disease diagnosis : Less than 9.0%
 - (2) Reduce mental health disorders : Frequency of absences from work due to mental health disorders: Less than 0.35
- Management of harmful substances in a forward-looking manner
(Promote policies to prevent exposure to chemical substances)
Risk assessment implementation rate : New substances being handled and SDS-updated substances 100%,
implementation rate based on planning for other substances 100%

Fiscal 2016 Results and Assessments

Occupational Safety

Level achieved : C

- Frequency rate of WSOI 0.23 (target : 0.15 or less).
In total for the Mitsui Chemicals Group, goals for the frequency rate of WSOI were not achieved, having come in at 0.23 in fiscal 2016.

Level achieved: C

- Enhancing employee and worksite health
 - (1) Average rate of lifestyle-related disease diagnosis: 9.7%
Within the average rate of lifestyle disease diagnosis, the rate of obesity has increased, as has the average rate of diagnosis. From fiscal 2017 we will target young people with ample measures so that they do not become obese.
 - (2) Frequency of absences from work due to mental health disorders: 0.41
New occurrences of mental health disorders have declined, but the frequency rate of missed work days due to mental health disorders has worsened as work absences have become more prolonged. In the future, together with the early detection of mental health disorders and thorough follow ups, we will endeavor to improve the workplace environment by utilizing stress check group analysis results and mental health climate surveys.
- Management of harmful substances in a forward-looking manner
(Promote policies to prevent the release of chemical substances)
Risk assessment implementation rate : New substances being handled and SDS-updated substances 100%,
implementation rate based on planning for other substances 100%

Priorities for Fiscal 2017

Occupational Safety

- Promotion of measures to prevent occupational injuries at domestic affiliates (in particular, prevention measures for getting caught in accidents)
- Promotion of measures to prevent occupational injuries at construction-related subcontractors
- Promotion of the prevention of falling and tripping-type accidents

Occupational Health

- Enhancing employee and worksite health
 - (1) Reduce risk of lifestyle-related diseases: Average rate of lifestyle-related disease diagnosis : Less than 9.0%
 - (2) Reduce mental health disorders : Frequency of absences from work due to mental health disorders: Less than 0.39
- Management of harmful substances in a forward-looking manner
(Promote policies to prevent exposure to chemical substances)
Risk assessment implementation rate : New substances being handled and SDS-updated substances 100%,
implementation rate based on planning for other substances 100%

Occupational Health and Safety

► Goals and Results

▼ Creating Secure and Safe Workplaces

► Introduction to Safety Activities at Production Sites

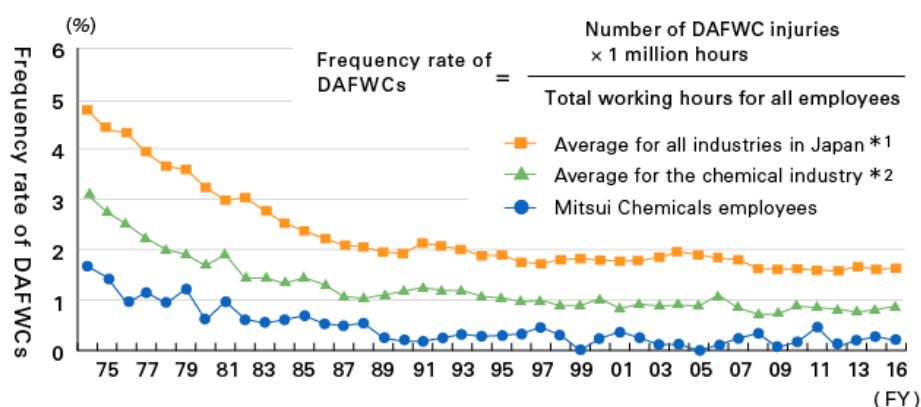
► Occupational Health

Creating Secure and Safe Workplaces

Occupational injuries

The Work-related Significant Occupational Injury (WSOI) frequency rate for the Mitsui Chemicals Group for fiscal 2016 was 0.23. On this basis, while we were unable to achieve the highest global standard for safety of 0.15 or below, this rate marks an improvement compared with last year. By type, half of all severe accidents occurring throughout the Mitsui Chemicals Group involved employees being caught or entangled in machinery. The frequency rate of Work-related Significant Occupational Injuries (WSOI) for domestic affiliates increased for the third straight year. In fiscal 2017, we will work to eradicate occupational injuries by setting goal for more thorough adherence to fundamentals at affiliates. To address the frequent occurrences of occupational injuries caused by falling, we are promoting preventive measures based on proactively expanding the Ministry of Health, Labour and Welfare's "Stop! Fall Injury Prevention Project."

Frequency of DAFWCs (All industries/chemical industry / Mitsui Chemicals employees)



* Frequency rate indicates the frequency of occupational accidents based on the number of individuals killed or injured by occupational accidents per 1 million hours of total working time.

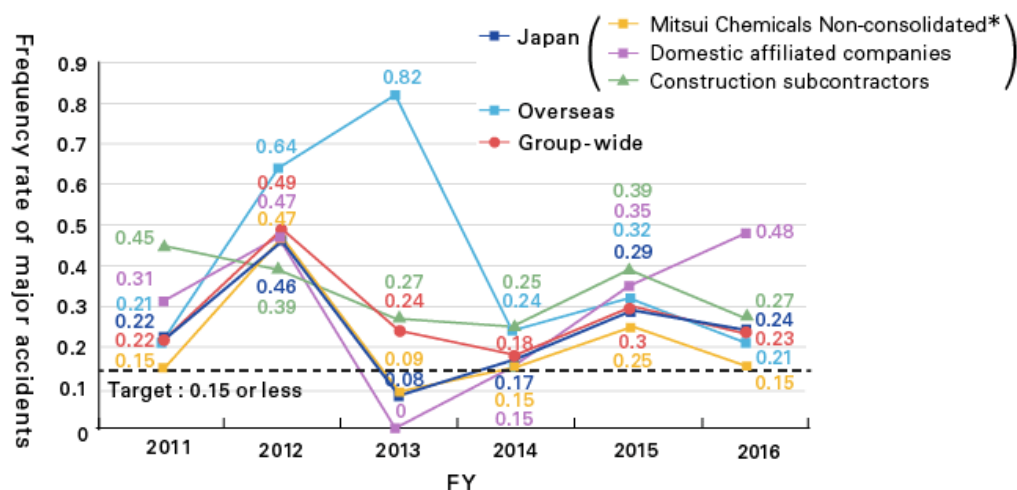
Average DAFWC rate for all industries in Japan and for the chemical industry. Mitsui Chemicals aggregate data for DAFWC rates up to the second half of fiscal 2012 and work-related significant occupational injuries from the second half of fiscal 2012 onward.

Sources :

* 1 Ministry of Health, Labour and Welfare White Paper Fiscal 2016 Survey on Industrial Accidents

* 2 Japan Industrial Safety & Health Association fiscal 2017 safety index

Frequency of Work-related Significant Occupational Injuries



* Includes contractors operating on site.

Notes : For statistical purposes, "domestic and overseas affiliates" refers to companies that fall within Mitsui Chemicals scope of consolidation as subsidiary companies as well as Responsible Care support (13 in Japan, 22 overseas in fiscal 2016)

Instruction in Hazard Prediction (Kiken Yochi, or “KY”) as well as Pointing and Calling

At the Safety & Environment Technology Division, we have been supporting occupational safety-related efforts to eliminate occupational accidents at domestic and overseas affiliates since fiscal 2006.

In particular, we have been continuously holding KY (kenken yochi: hazard prediction) and pointing and calling training, conducting such training 40 times in Japan for 852 individuals participating and 14 times overseas for 272 individuals over the past three years. There has been an increased understanding of the significance and necessity of KY activities among all affiliated companies, and we are currently focusing on training that entrenches KY activities. To this end, our training approach incorporates drills, presentations, and team discussions based on practical operations while keeping lectures to a minimum. We will develop key persons able to play a pivotal role in providing hazard prediction training at each affiliated company.

KY training sessions

	FY2013	FY2014	FY2015	FY2016
Domestic Subsidiaries & Affiliates	157 attendees at 8 sessions	206 attendees at 12 sessions	347 attendees at 15 sessions	299 attendees at 13 sessions
Overseas Subsidiaries & Affiliates	201 attendees at 7 sessions	160 attendees at 7 sessions	56 attendees at 4 sessions	56 attendees at 3 sessions
Total	358 attendees at 15 sessions	366 attendees at 19 sessions	403 attendees at 19 sessions	355 attendees at 16 sessions

Best Plants Awards 2016

Since fiscal 2013, Mitsui Chemicals has recognized through these awards the successes and hardships of production sections with a focus on safety processes in addition to safety records.

In fiscal 2016, the following workplaces were recognized with awards.

The results of the awards for fiscal 2016 show that our recognition activities are expanding globally, with numerous domestic and overseas production sites being selected and the President's Award for Best Plant going to an affiliate in Thailand.

It should be noted that along with the aforementioned award, we simultaneously awarded the General Manager of Works' Award and General Managers of Headquarters Award.

President's Award for Best Plant
TPRC (Thai PET Resin) (Thailand)
Production & Technology Center Executive's Award
EO Section, Manufacturing Dept.-1, Osaka Works
Utility Section, Urethane Manufacturing Dept., Omuta Works
Manufacturing Dept.-1, Ibaraki Works, Mitsui Chemicals Tohcello
Funaoka Factory, Utsunomiya Chemical Industry Co., Ltd.
SDC-AP (SDC Technologies Asia Pacific) (Singapore)



President's Award (TPRC, Thailand)

In addition, we toured the outstanding workplaces recognized by the President's Award for Best Plant as well as held an exchange meeting as a means to exchange information. Starting in fiscal 2015, this year marks the second time we have held this event with the aim of enabling employees to be aware of and take action to improve deficiencies in their workplaces and Works, provide opportunities for line managers to share their concerns and encourage each other, and improve the safety culture throughout the Mitsui Chemicals Group.

Held over two days on February 9-10, 2017, this year's exchange meeting was held at the Omuta Works, with a total of nine line managers participating from the Fine Chemicals Section at Omuta Works (recipient of the fiscal 2015 President's Award for Best Plant) and other Works as well as affiliates in Thailand (SMPC and TMSC). We received positive feedback from participants. This included such comments as "Line managers consider what they can do to help eliminate the burden on operators and are implementing thoughtful measures. This is helpful for me as a reference for my own activities."



Exchange meeting

Plant Operation Technology Training Center Open for External Use

Fiscal 2016 marks a decade since Mitsui Chemicals opened the doors of its research facility, Mitsui Chemicals Plant Operation Technology Training Center (located at Mobara Branch Factory) in October 2006 to train manufacturing operation personnel with the aim of enhancing the Company's production workplace capabilities. During this period, the center has expanded its curriculum and number of employees eligible for training along with taking steps to improve its training programs. Establishing a similar training center at an overseas production site, the center engages in the Group-wide training of employees to excel at all aspects of safety, operations, and equipment handling while being able to solve problems on their own. Starting in fiscal 2015, the center has accepted individuals from companies outside of the Group to participate in experience-based training conducted internally to date. Consequently, the Center has received a large number of visitors so far (fiscal 2015: 462; fiscal 2016: 390), with around 360 trainee applications received in fiscal 2017. Leveraging past cases of various types of accidents and problems experienced within the Company, Mitsui Chemicals will continue to actively provide experience-based, safety-focused training curriculums to companies and individuals outside the Mitsui Chemicals Group as a means to contribute to the development of human resources for production worksites throughout the industrial world.

 Mitsui Chemicals' Plant Operation Technology Training Center 

Introduction to Safety Activities at Production Sites

Introduction to Small-group Activities

Each Works at Mitsui Chemicals takes a bottom-up approach to plant operations through small-group activities. Typical examples of specific activities are as follows.

• Omuta Works

On February 17, 2017, Omuta Works held a presentation on 5S activities. With 192 people participating, 10 teams gave spirited presentations on their respective activities.

The General Manager of Omuta Works summed up his review of the event by commenting: "Today's outstanding event certainly provided memorable presentations, and it reaffirmed my belief that the Omuta Works is really running smoothly. With all of you picking topics based on the challenges you face, you conveyed very well your ingenuity as you moved forward."



Presentation of small-group activities
Omuta Works

• Iwakuni-Ohtake Works

On March 28, 2017, the Iwakuni-Ohtake Works held an event where 11 teams, selected by block screening from a total of 132 teams, gave presentations of small-group activities for fiscal 2016. With the goals of "human development" and "organizational development," this marked the third year of the small-group activities that had been resumed from 2014. This event demonstrated that steady progress was being made. In fiscal 2017, we will establish the "Bamboo Shoot Activities* Reinforcement Committee," and as one important issue at the Works, we will continue activities while working toward further vitality.



Presentation of small-group activities
Iwakuni-Ohtake Works

* Bamboo shoot activities:

A generic term used to refer to the Iwakuni-Ohtake Works' small-group activities and improvement proposal activities.

• Ichihara Works

On May 31, 2017, the Ichihara Works held presentations of its small-group activities. This event was a competition of 11 elite teams from each unit, namely, five from the Manufacturing Department, two from the Technical Department, three MCOS teams, and one team from the Mobara Branch Factory. The teams participating in this event were selected from among the 134 teams of the Ichihara Works, and 40 teams from the Mobara Branch Factory. They covered a diverse range of activity implementation topics, and at this event it was difficult to say which one stood out. At this Works site, the "transformation of organizational culture, realizing an active Ichihara Works" was raised as one topic, and measures being taken included "vitalizing small-group activities." As a description of activities, it was outstanding to have items such as further brushing up improved activities from the problems faced close at hand. In addition, from this event we newly established the "Works General Manager's Special Award," which recognizes quiet dedication, as we look forward to energized and further developed activities of the small groups.



Presentation of small-group activities
Ichihara Works

• MCOS (MC Operation Support)

On July 27, 2016, Ichihara Works held a presentation on MCOS companywide small-group activities. MCOS refers to MC Operation Support, a spin-off affiliated company that provides production support for Mitsui Chemicals, mainly overseeing disaster prevention security services, filling/packaging, and operations/operational support at key domestic production sites.

As the 10th anniversary celebration of the establishment of MCOS, this event was attended by the head of the Production & Technology Center from Mitsui Chemicals Inc., the Ichihara Works general manager, and other related parties, with 11 teams, including those from subcontractors, giving it their all. The head



MCOS small-group activities
presentation

of the Production & Technology Center summed up event by stating, "I've had the honor of attending this MCOS companywide event every year since 2011, and I've always looked forward to hearing about your worksite initiatives. I'm very impressed with the presentations I heard today. Moving forward, to the employees of Mitsui Chemicals, and to all of you, I hope we can work as one to improve the way we do things, so I ask for your kind cooperation and support." We expect these presentations to steadily underpin the foundations of each Works going forward.

Instruction of Hazard Prediction (kiken yochi, or "KY") as well as Pointing and Calling

At Mitsui Chemicals, we undertake initiatives at all our factories with activities that entrench and energize hazard prediction (Kiken Yochi, or "KY") and pointing and calling.

Pointing and calling is a technique whereby at designated areas, the status of operations is confirmed, leading to further improved execution rates, and other benefits. The aim of this technique is to raise the level of operations, with each of the Works sites establishing their respective annual plans, and putting the PDCA cycle into effect. Examples of the main activities in fiscal 2016 are introduced as follows.

- **Ichihara Works**

Implemented a workplace system that utilizes a "self-question card" and "one-person KY." Establishing important points for pointing and calling, with all-employee participation

- **Nagoya Works**

Conducted KY brush-up training for those employees performing front-line operations

- **Osaka Works**

Held worksite KY leader meetings for horizontal development of best-practice activities

- **Iwakuni-Ohtake Works**

Conducted direct KY guidance through worksite visits, held KY training conducted by external trainers.

- **Omuta Works**

Guidance activities performed by KY trainers (confirmed items for horizontal development, attended A-rank construction meetings, safety patrols and other operations)

KY trainers are chosen at each Works to perform as drivers of these initiatives, and once per fiscal term, Companywide meetings are held. At these meetings, KY trainers report on the status of KY initiatives at their Works, and communications from the Head Office are presented. Sharing information enables KY trainers to reference the information with regard to KY activities at their own Works.

Introduction to Near-miss Activities

At each Mitsui Chemicals production site, information on workers' narrowly avoided major accidents or disasters, or "near-misses," that occur as a result of operations, is identified with details are shared within the organization. These sharing activities are ongoing.

In line with the occupational safety and health management system for each production site, the organization determines the cause of these near misses, as well as preventive measures. Those concerned are provided with the awareness gained, and plans are put into effect that cover both concrete matters, as well as more intangible issues, in the course of operations.

In carrying out these preventive measures, Mitsui Chemicals continues to secure necessary resources. Examples of specific representative measures are as follows.

- **Omuta Works**

A monthly meeting, with full attendance, is held to discuss information on the near misses submitted by worksite employees (Company employees as well as subcontractor employees).

With regard to those items that section managers, chiefs, and foremen determine to require discussion, together with confirming such details, confirming worksite, and deliberating on measures, a list is created that can be shared with all employees, and progress management and reports on measures are provided.

Through these discussions, potential risks at one's own worksite are detected quickly, and risks minimized.

Occupational Health and Safety

► Goals and Results

► Creating Secure and Safe Workplaces

► Introduction to Safety Activities at Production Sites

▼ Occupational Health

Occupational Health

Taking Good Care of Mitsui Chemicals Employees

We are committed to reducing occupational health risks and improving working conditions via the Occupational Safety and Health Management System (OHSAS 18001) scheme, the harmful chemical substance risk assessment (new risk assessment system) established in fiscal 2015, and through onsite inspections conducted by industrial physicians and healthcare managers.

In fiscal 2016, we operated the new risk assessment system, systematically conducted risk assessments at workplaces that handle harmful substances, and identified a total of 4,209 harmful substances. In particular, we undertook risk reduction measures in stages, completing risk assessments for 2,526 operations that handle very harmful substances.

In fiscal 2017, we will work to reduce risks identified in fiscal 2016 while conducting risk assessments centered on operations that handle moderately harmful substances. In addition, we plan to develop risk assessments specifically for harmful chemical substances that cause health problems by being absorbed through the skin in an effort to address social problems caused by these substances.

In so doing, we will promote further enhancements to measures for preventing exposure to harmful substances by conducting accurate risk assessments.

In an effort to reduce occupational health risks at overseas affiliates, onsite inspections are undertaken on a systematic basis and steps taken to provide instructions regarding areas of occupational health improvement at the time head office industrial physicians make their rounds at overseas bases. This initiative was conducted at 10 overseas bases in fiscal 2016. Energies were also directed toward educating and training local responsible officers. The Mitsui Chemicals Group will continue these activities in fiscal 2017.

Health Management

We promote good health management among employees via activities such as medical examinations and health guidance, carried out by industrial physicians, nurses and other healthcare professionals.

We are now in our ninth year since we introduced comprehensive medical check-ups, combining regular medical examinations with special medical check-ups and cancer screening. We have achieved a steady uptake of almost 100% for medical check-ups.

The uptake rates for cancer screening were as follows: nearly 100% for lung cancer, over 80% for colon cancer, over 60% for stomach cancer/abdominal ultrasound, over 90% for prostate cancer, and over 50% for breast/uterine cervical cancer.

As a result of stomach cancer risk screenings conducted in fiscal 2015, many individuals underwent treatment to eliminate *Helicobacter pylori*, and the number of individuals undergoing stomach cancer screening using gastroscopic examinations increased primarily for individuals who received treatments to eliminate *Helicobacter pylori* as well as those categorized in group D by medical specialists. Moreover, nearly all employees identified by the Health Management Office following cancer screening results received necessary detailed examinations. As a result, of the over 70% of cancers discovered by these screening, around 80% are curable.

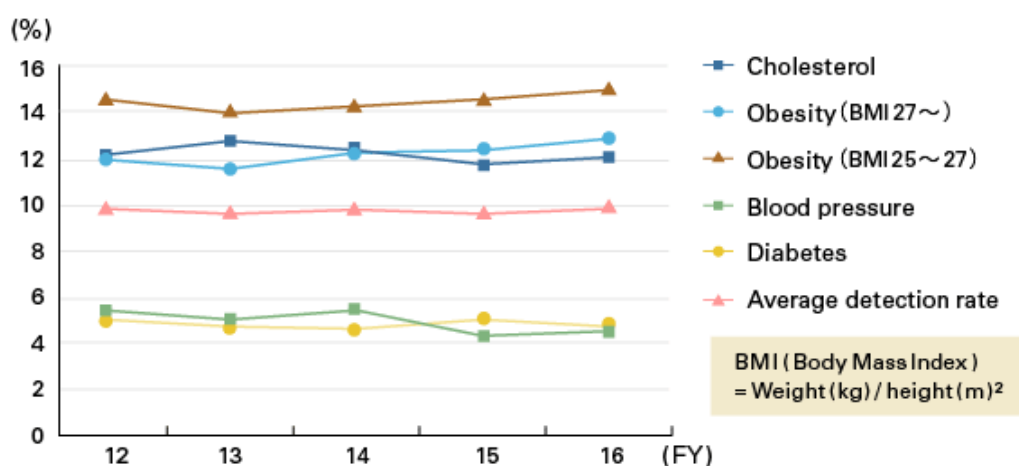
The number of sick days taken off for cancer (malignant tumors) in fiscal 2016 fell by nearly half of the previous fiscal year.

In addition to health guidance based on diabetes genetic test results for interested predisposed individuals, follow up guidance and health improvement activities have helped to reduce the rate of high blood pressure, which can be seen by the ongoing decrease in detection rates from 9.1% in fiscal 2008, while lipid and HbA1c* levels have remained flat. Our findings revealed that rates for other lifestyle-related disease areas remained unchanged. In fiscal 2016, as result of our initiatives for elderly workers who suffer from diminished physical capabilities, we determined the importance of maintaining active lifestyles from a young age.

At our overseas bases, our industrial physicians go overseas every year to make the rounds, conducting health interviews with all employees working overseas, including their families if they so desire. We offer support to our employees for both mental and physical ailments.

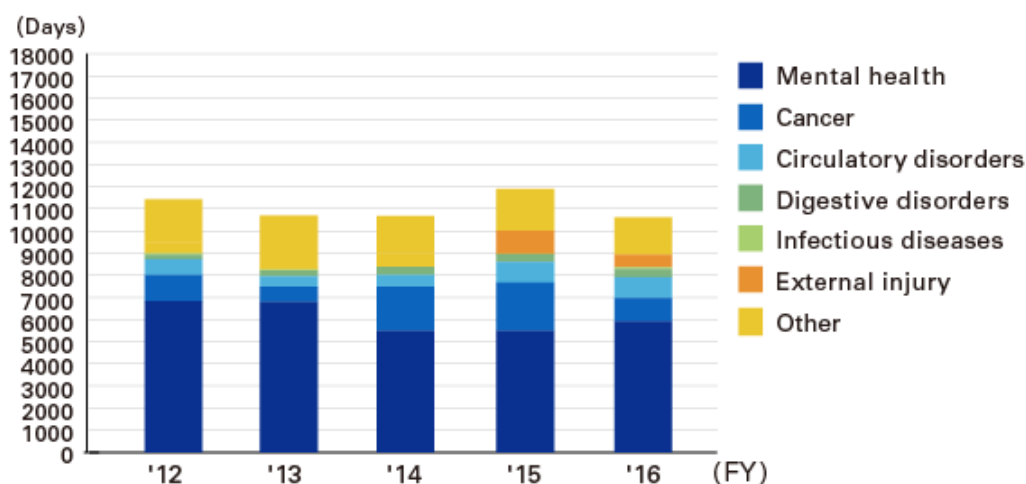
* HbA1c : reflects average blood sugar levels 1-2 months prior; those with HbA1c of $\geq 6.5\%$ may have diabetes

Positive Diagnosis Results for Lifestyle Diseases
(Mitsui Chemicals parent company-registered male employees)



* Lifestyle disease observation rate are compiled separately by gender since criteria for men and women differ depending on the category. As the proportion of men is high the case of Mitsui Chemicals, observation rates for men are disclosed.

Breakdown of Days Off due to Illness
(Mitsui Chemicals parent company-registered employees)



Mental Health Initiatives

In fiscal 2016, we continued to implement mental health initiatives such as training (for new recruits, managerial staff, line managers, etc.), conduct interviews undertaken by industrial physicians, and provided counseling.

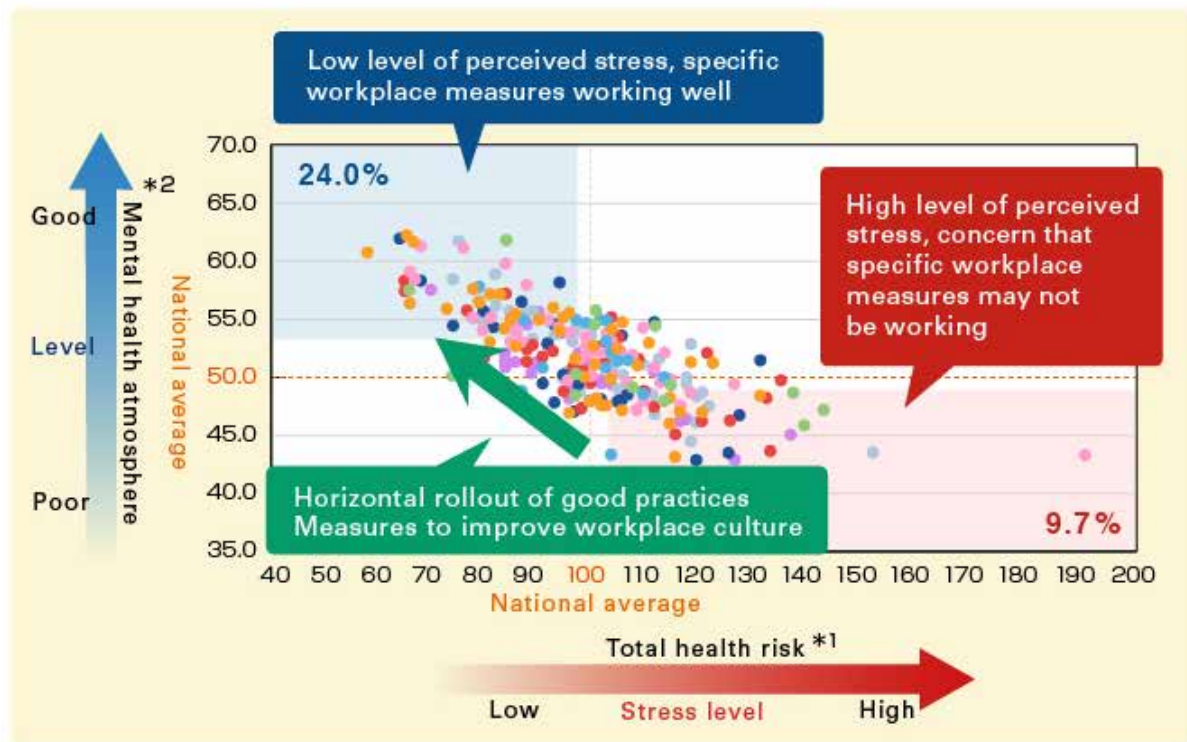
In addition to training, new employees undergo three types of e-learning-based communication courses for a fixed period after entering the Company. We also provide appropriate support regarding new employee work-related lifestyles, which involves industrial physicians interviewing all employees every six months, determining the status of communications in the areas of lifestyles, health, supervisors, colleagues, provided advice as needed, and hold discussions that include supervisors.

In addition to our simplified occupational stress survey, since 2011 we have conducted a workplace stress questionnaire (occupational stress and mental health) to provide hints for improving the workplace, with nearly all employees replying to. Beyond providing individuals with feedback, managers in each workplace are also given details of the results of their organization useful for improving workplace conditions. We have also formulated and implemented stress reduction plans (communication improvement plans) in workplaces deemed to be particularly susceptible to high stress levels by conducting interviews with managers and members of such workplaces. Moreover, we are working to identify good practices in workplaces with a positive mental health environment and improving work conditions over time, with interviews with and documents released by representatives of these workplaces made available via the intranet in order to apply them to other workplaces throughout the Company.

With more workplaces actively using these questionnaire results recently, this has led to independent workplace improvements. As a result, the percentage of workplaces with low noticeable stress levels and are considered to be functioning well in various categories rose from 22.1% in fiscal 2015 to 24.0% in fiscal 2016.

Through these efforts, we are working to improve workplace culture by examining the results of stress-level surveys at each workplace over period of years.

New Workplace Stress Survey Results (Mitsui Chemicals Non-consolidated)



* Each dot in the graph represents a workplace at Mitsui Chemicals (department level at the Head Office, section level at offices)

*1 Total health risk :

A measurement on the subjective sensory scale of workload, sense of control, and empathy from superior and co coworkers. (A relative measurement that uses 100 as the national average. A workplace score of 120 implies that the rate of health problems is 20% higher than the average.)

*2 Mental health atmosphere:

A scale-based measurement of the appropriateness of command and control, labor management, cooperation, and training opportunities. (A relative measurement that uses 50 as the national average. Higher figures imply a better workplace atmosphere.)

A Wide Range of Health Management Programs

Mitsui Chemicals runs a wide variety of health promotion programs in order to support the health management of its employees, primarily through our healthcare section and health insurance association.

In fiscal 2016, our initiatives included the Healthy Mileage Campaign, fitness classes, eating habit/dietary classes, walking events, sports competitions, quitting smoking campaigns, employee cafeteria healthy menus, and health/balanced body measurement events.

The Healthy Mileage Campaign is a program that involves participation by individuals or teams, collecting points (health miles) for exercise and healthy lifestyles, and winning prizes for miles collected. With employees being able to enter achievements via the web and smartphones, the number of employees participating in this program increased by 50% in Japan and approximately 10% overseas. In addition, not only can visceral fat and body fat be measures before taking part in the program, results can be verified afterward in order to make it easy for individuals to manage their own health based on an awareness of one's own status.



Nutrition class



Health measurement meeting

Examples of initiatives taken by overseas affiliates



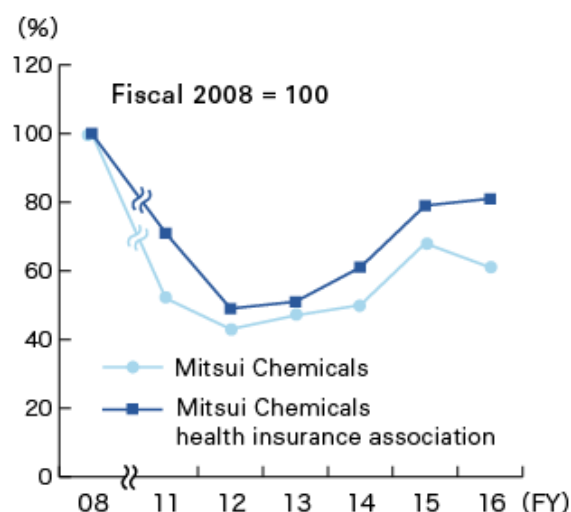
Reducing Medical Costs

Through these efforts to improve health, sick/accident allowances, while trending upward since fiscal 2013, were lower in fiscal 2016 year-on-year, and have decreased by around 60% compared with fiscal 2008.

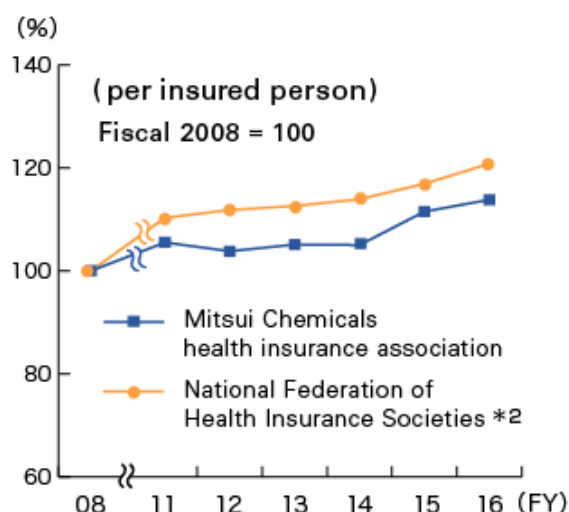
Going forward, we will continue to strengthen health measures for elderly workers in response to the increase in related costs since fiscal 2013 accompanying an upswing in the percentage of rehired employees.

In light of a general increase in costs for legally mandated medical benefits, we have sufficiently reduced medical costs.

Sick / accident allowances



Legally mandated benefits*1 (per insured person)



*1 Legally mandated benefits : Includes medical costs, sick / accident allowances, lump-sum birth allowances, maternity allowances, burial dates

*2 National Federation of Health Insurance Societies : Data taken from an overview of health insurance society early budget collation results

External Recognition regarding Occupational Health

Recognized for its promotion of health management, Mitsui Chemicals was certified as an Excellent Enterprise of Health and Productivity Management—White 500 jointly by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi for its superior management practices that focus on promoting employee health.

 Mitsui Chemicals Selected as an Excellent Enterprise of Health and Productivity Management — White 500 Company

Seitaro Dohi, an industrial physician at the Head Office Healthcare Section received the fiscal 2016 "Labour Minister's awards to excellent workplaces, organizations and persons who contributed to occupational safety and health" by the Ministry of Health, Labour and Welfare in July 2016. This award is given to individuals tasked with overseeing health and safety activities who have made major contributions to improving and advancing health and safety standards in regions, organizations, and related workplaces.

In addition, Ryo Kono (Iwakuni-Ohtake Works Health Management Office) received the seventh Best Practices award from the Japan Society for Occupational Health in recognition of developing and using occupational health and safety numerical evaluation tools as the first step for improving workplace conditions as part of the Company's occupational health and safety management activities.

Environmental Protection

▼ Goals and Results

► Measures to Address Climate Change

► Reducing Industrial Waste

► Substances Subject to the PRTR Act

► Preserving Air Quality

► Preserving Water Resources

► Introduction to Activities at Production Sites

► Biodiversity

► Environmental Accounting

► INPUT⇒OUTPUT

► Handling Environmental Complaints

As a chemical company, Mitsui Chemicals acts to protect the environment in two ways: by reducing the environmental impact of our business activities and by appropriately managing chemical substances. Specific initiatives include preventing global warming, saving energy, promoting the 3Rs (Reduce, Reuse, Recycle) in order to reduce the volume of industrial waste sent to final disposal (landfill), and reducing the environmental impact of substances subject to the PRTR Act and volatile organic compounds (VOC). We also publish environmental accounting figures and run eco-efficiency assessments in relation to our environmental impact and economic activities, in an effort to ascertain the impact of our activities and pave the way for sustainable development.

Management System

Policy

Our Responsible Care Policy states that we make efforts to assess the risks of our products throughout their lifecycles in order to ensure the health and safety of all persons and to protect the environment by reducing their environmental impact. We have also established a basic Environment Protection policy, and continue to promote environmental protection in line with internal regulations for the management of the environment and safety.

System and Responsible Officers

Assigning the president as the Chief and the director in charge of the Production & Technology Center as the person directly responsible, the Production & Technology Center Planning & Coordination Division and the Safety & Environment Technology Division formulates, disseminates and promotes the environmental protection strategy. In addition, they also collaborate with business sectors, production sites and affiliated companies to promote environmental protection.

Monitoring Methods

The Planning & Coordination Division in the Production & Technology Center and the Safety & Environmental Technology Division regularly check to confirm progress in meeting priority goals for environmental protection at domestic sites. Data related to the protection of the environment, including for GHG emissions, are collected once a year, with the results of analysis shared throughout the Group.

Achievements and Reviews

We have achieved steady progress in our annual GHG reduction targets. Medium- to long-term targets include zero environment-related accidents while our 2025 Long-term Business Plan environmental and social targets focus on “maximizing products and services to achieve a low-carbon, recycling-oriented, and cohesive society in harmony with the environment”, with five-year average reduction targets for energy consumption and greenhouse gas emissions as key performance indicators (KPI). Our goal for the group as a whole is to make more effective use of resources in order to reduce the emission of GHG and environmentally hazardous materials.

Goals and Results

Goals for Fiscal 2016

- Reduce the per-unit energy consumption rate by an average of over 1% per year over five years (Mitsui Chemicals Non-consolidated)
- Reduce the amount of GHG emissions by 20,000 tons or more compared to fiscal 2015 through energy conservation initiatives (Mitsui Chemicals Non-consolidated)
- Achieve zero environment-related accidents at production sites
- Promote voluntary activities including risk management of environmentally harmful substances

Fiscal 2016 Results and Assessments

Level achieved: A

- Achieved a reduction in the per-unit energy consumption rate by an average of over 1% per year over five years (Mitsui Chemicals Non-consolidated)
- Reduced the amount of GHG emissions by 25,000 tons compared to fiscal 2015 through energy conservation initiatives (Mitsui Chemicals Non-consolidated)
- Achieved zero environment-related accidents at production sites
- Formulated plan for reducing environmentally harmful substances, and included these plans in fiscal 2017's targets

Priorities for Fiscal 2017

- Reduce the per-unit energy consumption rate by an average of over 1% per year over five years (Mitsui Chemicals Non-consolidated)
- Reduce the amount of GHG emissions by 40,000 tons or more compared to fiscal 2016 through energy conservation initiatives (Mitsui Chemicals Non-consolidated)
- Achieve zero environment-related accidents at production sites
- Reduce emission volume of substances subject to the PRTR Act by 200 tons or more compared to fiscal 2015 (Mitsui Chemicals non-consolidated)

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Environmental Protection

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► INPUT⇒OUTPUT

► Handling Environmental Complaints

Measures to Address Climate Change

As part of its Mid-term Business Plan from fiscal 2014 onwards, the Mitsui Chemicals Group set itself the target of reducing greenhouse gas (GHG) emissions by 22% (compared with fiscal 2005, operating at full capacity) primarily at six of its domestic manufacturing sites and 15 domestic consolidated subsidiaries by fiscal 2016. We are working to realize a low-carbon society by actively promoting energy saving, switching to alternative fuels, and creating innovative processes (Figures 1 and 2).

In fiscal 2016, the last year in the Mid-term Business Plan, the company aimed to reduce GHG by 20,000 tons compared to fiscal 2015 through energy saving and switching to alternative fuels undertaken independently. However, we achieved a reduction of 25,000 tons by thoroughly reducing factory energy use, including enhancing exhaust heat recovery and improving the efficiency of refining processes. We reduced domestic GHG emissions 140,000 tons to 4,550,000 tons by conserving energy and shutting down certain production equipment (Figure 2). As a result, our emission reduction rate reached 24% (23% in the case that NF_3 *1 emissions are initially included) since fiscal 2005.

In addition, we are undertaking energy conservation measures with the aim to reach targets under the Act on the Rational Use of Energy (Mitsui Chemicals non-consolidated: reduce per-unit energy consumption by over 1% annually over the medium- to long-term). In fiscal 2016, we reached our targets for a fourth straight year owing to the five-year average energy consumption per unit rate reaching 1.7% (Figure 3).

Our 2025 Long-term Business Plan sets GHG emissions and the five-year average energy consumption per unit rate reductions as key performance indicators for social and environmental targets and the company remains committed to achieving these targets.

In addition, we calculate GHG emissions regarding Scope 1 and 2-category emissions generated from in-house operations and production activities as well as Scope 3 categories for indirect emissions in order to identify GHG emissions throughout the entire supply chain, extending from purchasing raw materials to customer use and disposal (Table 1).

*1 NF_3 : Nitrogen trifluoride

Figure 1 : Energy Consumption

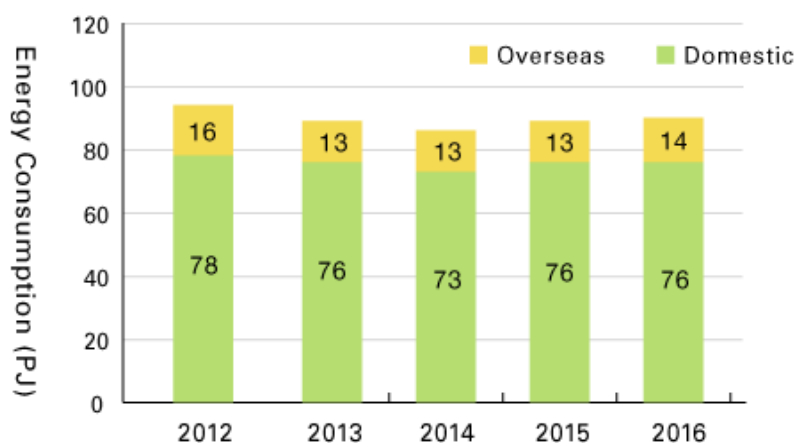
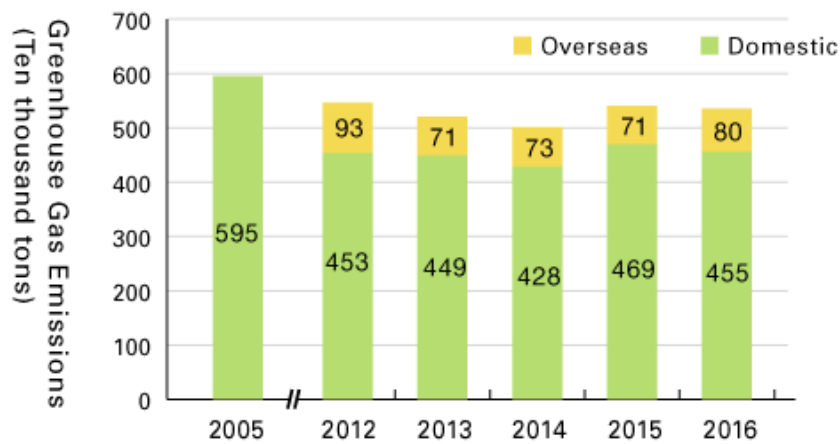


Figure 2 : Greenhouse Gas Emissions



- * Scope of domestic and overseas affiliates: consolidated subsidiaries (15 in Japan, 22 overseas in fiscal 2016)
- * GHG emissions calculated in accordance with Japan's Law Concerning the Promotion of Measures to Cope with Global Warming based on energy consumption figures for overseas consolidated subsidiaries. Past electric power emission factor data has been restated in accordance with IEA's emission factor by country.
- * FY2005 overseas data has not been calculated.

Figure 3 : Per-Unit Energy Consumption (Mitsui Chemicals Non-consolidated)

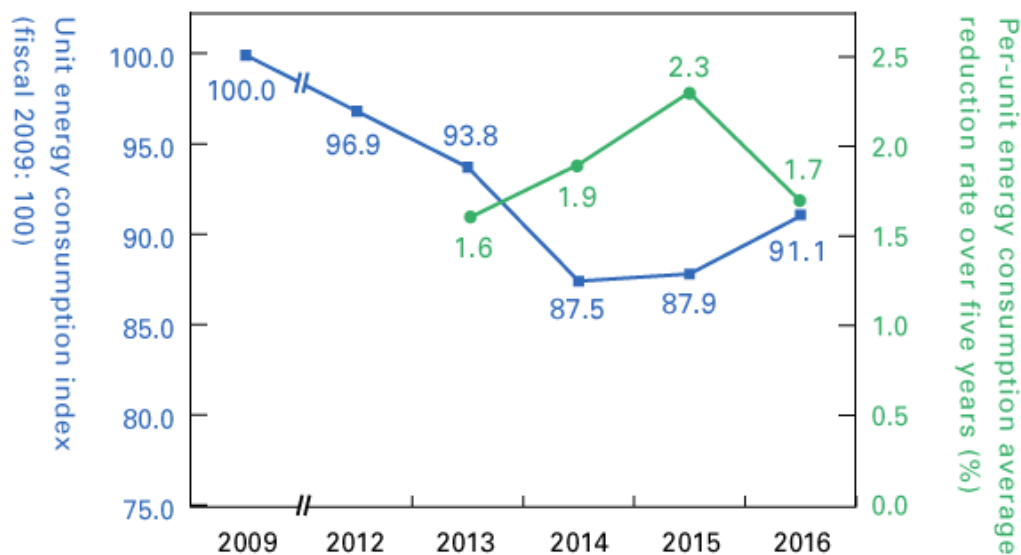


Table 1: Scope 3 CO₂ Emissions (Mitsui Chemicals Non-consolidated Fiscal 2015)

Grouping	Category	Emissions (Thousands of tons CO ₂ / year)
1	Purchased goods and services	3,398
2	Capital goods	66
3	Fuel- and energy-related activities (not included in Scope 1, 2)	188
4	Transportation / distribution (upstream)	52
5	Waste generated from operations	39
6	Business travel	5
7	Employee commuting	6
8	Leased assets (upstream)	1
11	Sold product specifications	3,220
12	Sold product disposals	2,300

15	Investment	1,019
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【Calculation Method】

Basic Guidelines for Calculating Greenhouse Gas Emissions Via Supply Chains (Ver. 2.3), Ministry of the Environment and Ministry of Economy, Trade and Industry

Based on the Basic Guidelines for Calculating Greenhouse Gas Emissions Via Supply Chains (Ver. 2.3) published by the Ministry of the Environment and Ministry of Economy, Trade and Industry, we used emission factors provided by IDEA and the Act on Promotion of Global Warming Countermeasures calculation/reporting/disclosure system, and emission units formulated by the Ministry of Environment.

■ Status of CO₂ fixation technologies

Mitsui Chemicals took part in the CO₂ fixation project launched by the Research Institute of Innovative Technology for the Earth (RITE) and has continued with the development of catalysts that will synthesize methanol from CO₂ and hydrogen. Having constructed a pilot plant inside its Osaka Works in 2009, Mitsui Chemicals commenced operations toward the commercial application of methanol synthesis technologies that utilize as feedstock the CO₂ contained in exhaust gases. As a result of a variety of verification tests, we were able to verify and confirm that methanol can be synthesized from CO₂ and hydrogen in 2010.

Since then, we have also been able to examine a variety of business models, including whether a manufacturing plant would be good as a source of CO₂, or good as a source of hydrogen, or whether locations with an abundance of natural energy would be better. The current status is that we are continuing our investigations to improve commercialization accuracy, but the securing of hydrogen supplies is presenting a major hurdle. We are looking into biomass-derived hydrogen to overcome this problem.

Environmental Protection

► Goals and Results

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▼ Reducing Industrial Waste

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► Biodiversity

► Environmental Accounting

► INPUT⇒OUTPUT

► Handling Environmental Complaints

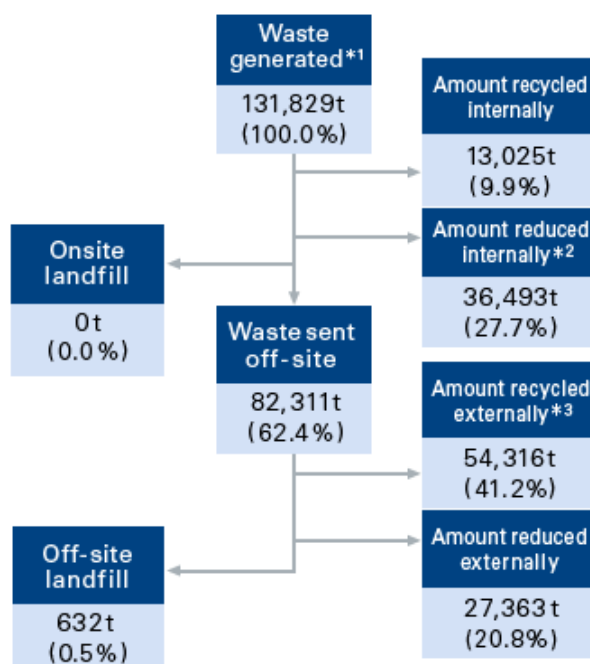
Reducing Industrial Waste

The Mitsui Chemicals Group aims to minimizing industrial waste at domestic production sites and overseas affiliates, aiming for an average final disposal (landfill) rate for industrial waste of 1% or less.

The Group was again successful at minimizing industrial waste at all domestic production sites including domestic affiliated companies in fiscal 2016 and has continued to minimize industrial waste for six consecutive years since fiscal 2011.

With an average landfill rate for final industrial waste at our overseas affiliates of approximately 0.4%, we have now maintained a rate of 1% or less for eight straight years since fiscal 2009. In spite of the numerous challenges that we need to overcome to promote minimization at our overseas sites, including waste treatment regulations and industrial structures varying from one country to another, we are nonetheless committed to reducing and recycling waste at all of our companies in order to conserve resources. We will continue to work as a group to reduce final landfill waste.

Industrial waste treatment process (Fiscal 2016 Mitsui Chemicals non-consolidated*)



Does not include results for domestic and overseas affiliates.

Any minor discrepancies in percentages are due to rounding.

- * Six parent production sites: Kashima, Ichihara (including Mobara Branch Factory), Nagoya, Osaka, Iwakuni-Ohtake and Omuta; and the Sodegaura Center
Operations were suspended at Kashima Works in fiscal 2016, while Tokuyama Branch Factory under Iwakuni-Ohtake Works was managed as an affiliated company.

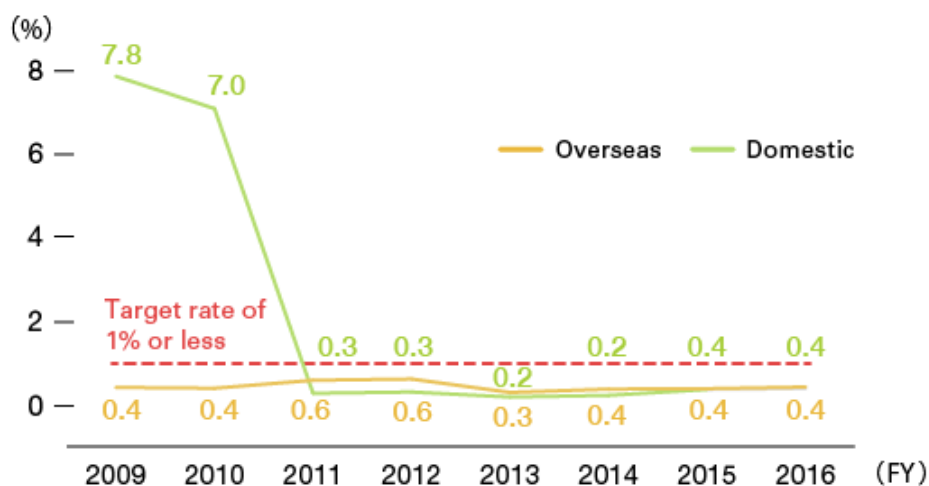
*1 Waste generated: Sludge (dry weight), waste plastics, soot and dust, etc.

*2 Amount reduced: Amount reduced as a result of waste plastic incineration and waste acid neutralization

*3 Amount recycled: Includes waste plastic recycling and the reuse of waste oil as fuel

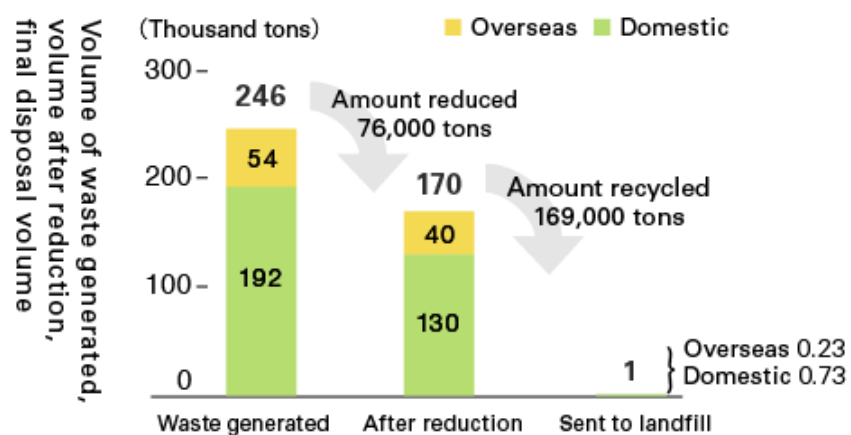
Trends in the average landfill disposal rate for industrial waste

Average landfill disposal rate for industrial waste



Scope of domestic and overseas affiliates : Production sites operated by consolidated subsidiaries and companies eligible for Responsible Care support (22 in Japan, 23 overseas in fiscal 2016)

Industrial waste disposal categories (fiscal 2016)



Scope of domestic and overseas affiliates : Production sites operated by consolidated subsidiaries and companies eligible for Responsible Care support (22 in Japan, 23 overseas in fiscal 2016)

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Substances Subject to the PRTR Act

In accordance with the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR*1 Act), Mitsui Chemicals submits a report to the Japanese government each year declaring the amounts of designated substances produced or used by the Company that were released into the environment or transferred elsewhere.

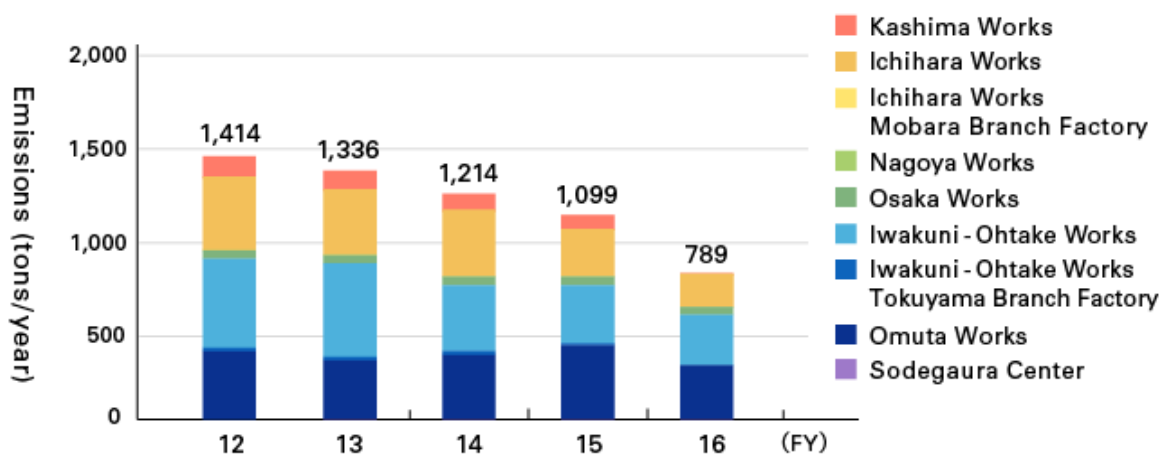
In fiscal 2016, the amount of emissions decreased approximately 300 tons compared with the level recorded in fiscal 2015. This was mainly due to the consolidation of plants, the review of substances covered, and a change in the classification of data recorded for the Tokuyama Branch Factory from MCI Works to an affiliated company.

As calls for the management of chemical substance emissions to be improved and strengthened increase going forward, we will continue to manage emissions and to further strengthen our endeavors.

*1 PRTR : Pollutant Release and Transfer Register

► [PRTR data for individual sites \(PDF : 771KB\)](#) 

Emissions of substances subject to the PRTR Act (Mitsui Chemicals non-consolidated*2)



*2 Six parent production sites: Kashima, Ichihara (including Mobara Branch Factory), Nagoya, Osaka, Iwakuni-Ohtake and Omuta; and the Sodegaura Center

Operations were suspended at Kashima Works in fiscal 2016, while Tokuyama Branch Factory under Iwakuni-Ohtake Works was managed as an affiliated company.

PRTR data for individual sites

Mitsui Chemicals CSR Report 2017

We have calculated the top ten PRTR substances emitted by Mitsui Chemicals at each of our Works (substances handled in annual volumes of at least one ton), and figures for dioxins.

Unit: Tons/year (Dioxins: mg-TEQ/year)

Kashima Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Benzene	400	4.70	0.00	0.00	4.70	0.38	0.00
Dichlorobenzene	181	2.70	0.00	0.00	2.70	0.29	180.00
Toluene	300	2.60	0.00	0.00	2.60	0.00	0.00
Chlorodifluoromethane	104	1.20	0.00	0.00	1.20	0.00	0.00
2,2-Dichloro-1,1,1-trifluoroethane	164	0.30	0.00	0.00	0.30	0.00	0.00
Formaldehyde	411	0.14	0.00	0.00	0.14	120.00	0.00
Acetaldehyde	12	0.13	0.00	0.00	0.13	0.00	0.00
Tolylene diisocyanate	298	0.03	0.00	0.00	0.03	0.00	44.00
Toluenediamine	301	0.01	0.00	0.00	0.01	0.00	0.00
Dioxins	243	0.3900	0.0000	0.0000	0.3900	0.0000	8.0000

Osaka Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Cumene	83	17.00	0.00	0.00	17.00	0.00	2.50
Benzene	400	5.30	0.01	0.00	5.31	0.00	0.00
Zinc compounds (water-soluble)	1	0.00	4.20	0.00	4.20	0.00	0.15
Toluene	300	3.00	0.01	0.00	3.01	0.00	2.40
Dicyclopentadiene	190	2.50	0.00	0.00	2.50	0.00	0.00
Chloroethylene	94	1.80	0.01	0.00	1.81	0.00	0.00
Acrylonitrile	9	1.50	0.00	0.00	1.50	0.00	2.90
1,4-Dioxane	150	1.20	0.06	0.00	1.26	0.00	0.00
α -methylstyrene	436	1.20	0.00	0.00	1.20	0.00	0.00
Vanadium compound	321	0.00	1.10	0.00	1.10	0.00	0.00
Dioxins	243	0.5600	0.0200	0.0000	0.5800	0.0000	0.0950

Ichihara Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
N-Hexane	392	130.00	0.00	0.00	130.00	0.00	24.00
Toluene	300	18.00	0.01	0.00	18.01	0.00	0.00
Xylene	80	9.50	0.01	0.00	9.51	0.00	0.00
Ethylbenzene	53	7.20	0.00	0.00	7.20	0.00	0.00
Epichlorohydrin	65	2.40	0.00	0.00	2.40	0.00	0.00
Cumene	83	2.20	0.01	0.00	2.21	0.00	0.00
Zinc compounds (water-soluble)	1	0.00	1.30	0.00	1.30	0.00	0.00
Hydrogen fluoride and its water-soluble salt	374	0.00	1.00	0.00	1.00	0.00	0.00
HCFC-123	164	0.56	0.00	0.00	0.56	0.00	0.00
1,2,4-Trimethylbenzene	296	0.44	0.00	0.00	0.44	0.00	0.00
Dioxins	243	0.0000	0.1500	0.0000	0.1500	0.0000	0.0000

Iwakuni-Ohtake Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
N-Hexane	392	210.00	0.00	0.00	210.00	0.00	0.00
Xylene	80	23.00	0.00	0.00	23.00	0.00	0.00
Toluene	300	19.00	0.02	0.00	19.02	0.00	0.53
1,4-Dioxane	150	0.00	6.80	0.00	6.80	0.00	0.00
Cumene	83	5.60	0.00	0.00	5.60	0.00	0.00
Bromomethane	386	4.70	0.00	0.00	4.70	0.00	0.00
Benzene	400	2.90	0.00	0.00	2.90	0.00	0.00
Acetaldehyde	12	0.87	0.00	0.00	0.87	0.00	0.00
Phenol	349	0.01	0.15	0.00	0.16	0.00	0.00
Cresol	86	0.09	0.00	0.00	0.09	0.00	0.00
Dioxins	243	0.0000	0.0740	0.0000	0.0740	0.0000	110.0000

Mobara Branch Factory

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Styrene	240	0.25	0.00	0.00	0.25	0.00	29.00
Toluene	300	0.06	0.00	0.00	0.06	0.00	4.10
N-Butyl methacrylate	7	0.05	0.00	0.00	0.05	0.00	3.60
Xylene	80	0.05	0.00	0.00	0.05	0.00	19.00
Methyl methacrylate	420	0.03	0.00	0.00	0.03	0.00	10.00
Acrylic acid	4	0.01	0.00	0.00	0.01	0.00	00.00
Ethyl cyanoacrylate	3	0.01	0.00	0.00	0.01	0.00	3.10
Methacrylic acid n-butyl	419	0.00	0.00	0.00	0.00	0.00	1.20

Omuta Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Toluene	300	220.00	0.26	0.00	220.26	0.00	370.00
Dichlorobenzene	181	22.00	0.26	0.00	22.26	0.00	220.00
Toluene (Yotsuyama area)	300	17.00	0.00	0.00	17.00	0.00	0.27
Epichlorohydrin	65	6.20	0.00	0.00	6.20	0.00	0.00
N,N-Dimethylformamide	232	0.14	5.80	0.00	5.94	0.00	0.61
Formaldehyde	411	0.00	5.20	0.00	5.20	0.00	17.00
Phenol	349	1.70	0.00	0.00	1.70	0.00	0.67
Nitrobenzene (Yotsuyama area)	316	1.30	0.00	0.00	1.30	0.00	0.14
Dicyclopentadiene	190	1.20	0.00	0.00	1.20	0.00	9.30
Cresol	86	0.54	0.00	0.00	0.54	0.00	1.20
Dioxins	243	0.0000	3.8000	0.0000	3.8000	0.0000	0.0000

Nagoya Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
1,2-Epoxypropane	68	1.40	0.03	0.00	1.43	0.00	0.23
Styrene	240	0.29	0.00	0.00	0.29	0.00	0.01
Ethylene oxide	56	0.16	0.00	0.00	0.16	0.00	0.04
Toluene	300	0.14	0.00	0.00	0.14	0.00	44.00
Formaldehyde	411	0.05	0.00	0.00	0.05	0.00	0.00
Acrylonitrile	9	0.01	0.00	0.00	0.01	0.00	0.04

Sodegaura Center

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Dichloromethane (also called methylene chloride)	186	0.37	0.00	0.00	0.37	0.00	0.98
Dichlorobenzene	181	0.34	0.00	0.00	0.34	0.00	0.91
Tolylene diisocyanate	298	0.00	0.00	0.00	0.00	0.00	0.88
Methylenebis (4,1-phenylene)-diisocyanate	448	0.00	0.00	0.00	0.00	0.00	1.90

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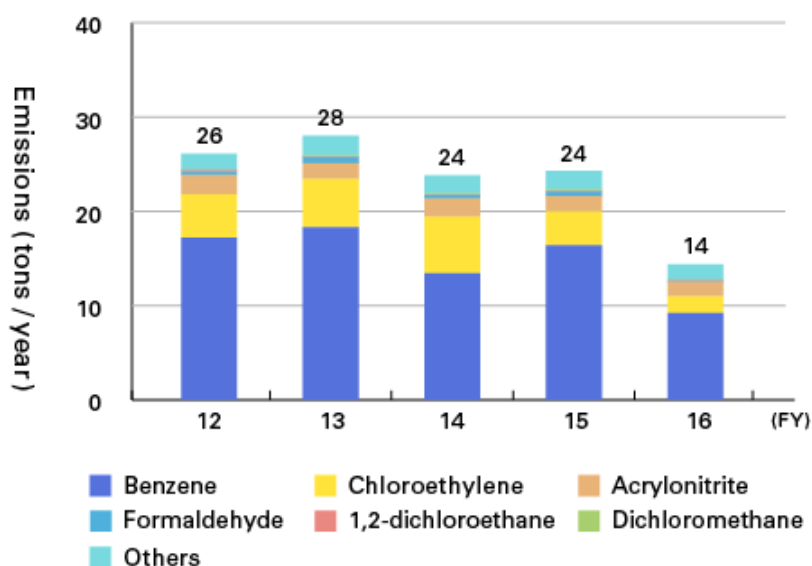
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Preserving Air Quality

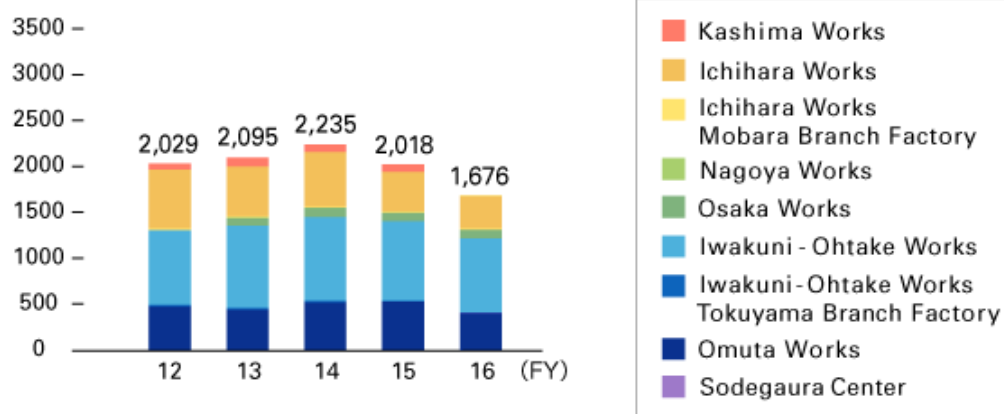
Of the hazardous air pollutants specified under the Air Pollution Control Act, we are particularly focused on reducing emissions of priority substances that pose a significant health risk. Substantial reductions were secured through to fiscal 2010 with the Group achieving its target of less than 3,000t/y. Over the ensuing period, successful steps have been taken to maintain and control emissions at this level.

Emissions of hazardous air pollutants (Mitsui Chemicals non-consolidated*)



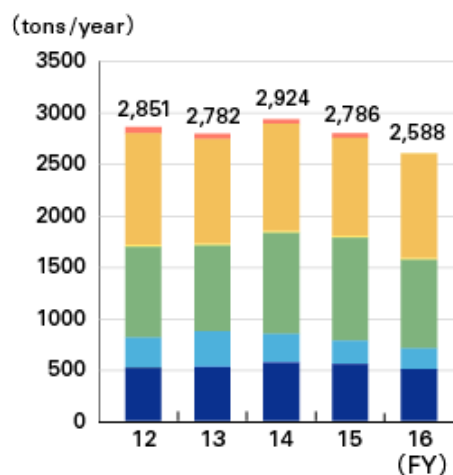
Notes: Precious emission figures:
771 tons/years(FY1995), 445 tons/years(FY2000), 110 tons/years(FY2005)

Volatile Organic Compounds (VOC) emissions (Mitsui Chemicals non-consolidated*)

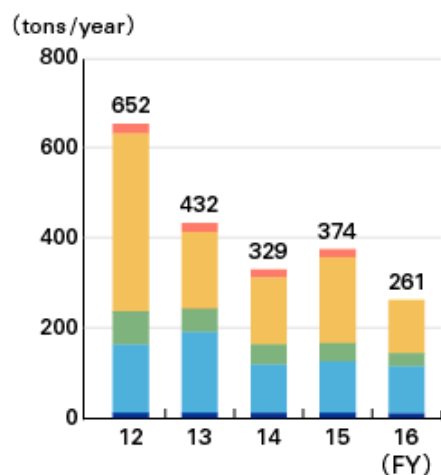


- ◆ VOC emissions in FY2000 : 8,523 tons
- ◆ Government target (30% reduction compared to FY2000 by FY2010) : 5,966 tons or less
- ◆ Mitsui Chemicals target : 3,000 tons or less

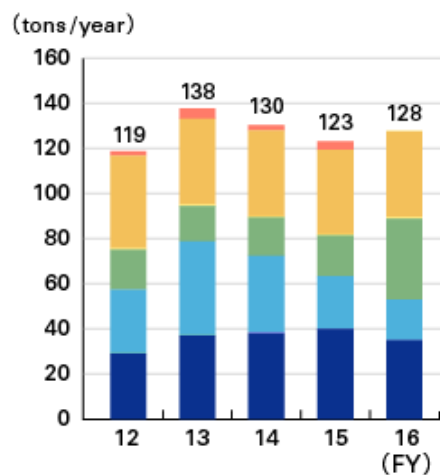
NOx emissions
(Mitsui Chemicals non-consolidated*)



SOx emissions
(Mitsui Chemicals non-consolidated*)



Soot and dust emissions
(Mitsui Chemicals non-consolidated*)



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Basic Philosophy on Water Resources

The Mitsui Chemicals Group works to manage efficient water usage and water preservation.

Basic Philosophy on water resources

1. We recognize that water is a finite and precious resource, and regard water preservation as a key priority on a global scale.
2. We make every effort to use water efficiently as we recognize quality water resources are crucial to our operations.
3. We appropriately manage water on a case-by-case basis for each country and region in which we operate, in recognition of the fact that water resources distribution varies both geographically and temporally.

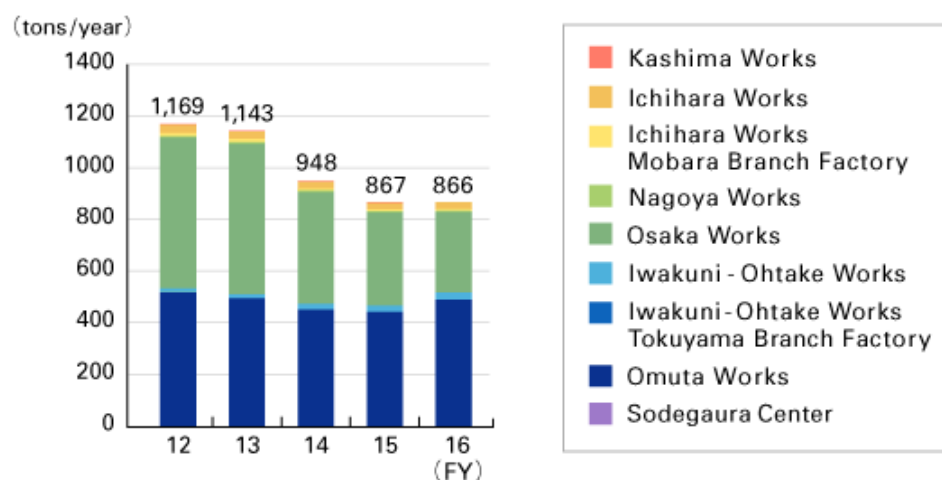
Preserving Water Resources

Reducing Emissions of Water Contaminants

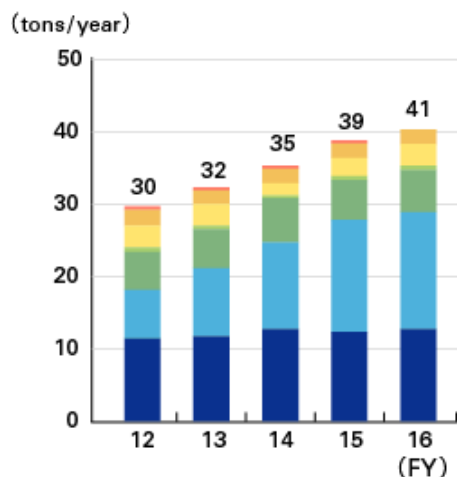
We are committed to reducing emissions of water contaminants such as chemical oxygen demand (COD), nitrogen and phosphorus, to preserve water quality.

Emissions at all of our domestic production sites are significantly lower than levels required by law or other legislation. The Mitsui Chemicals Group is committed to preserving water quality on an ongoing basis.

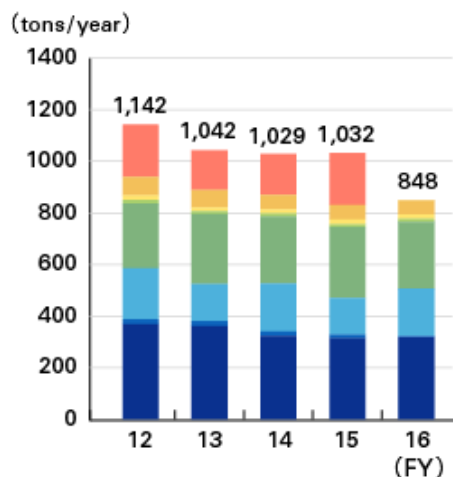
Total nitrogen emissions (Mitsui Chemicals non-consolidated*)



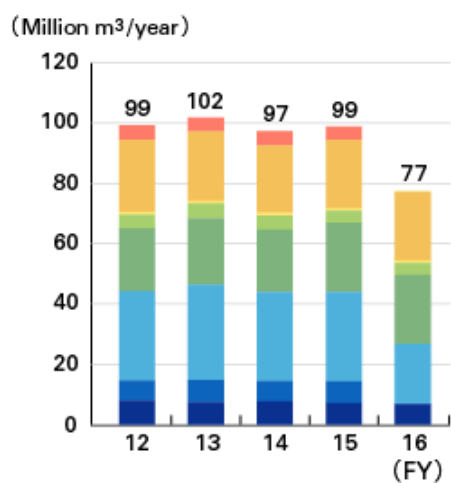
Total phosphorous emissions
(Mitsui Chemicals non-consolidated*)



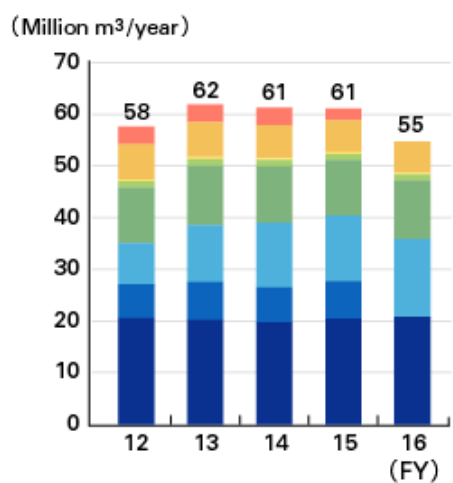
COD emissions
(Mitsui Chemicals non-consolidated*)



Water consumption
(Mitsui Chemicals non-consolidated*)



Wastewater
(Mitsui Chemicals non-consolidated*)



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Introduction to Activities at Production Sites

Regional Meetings to Exchange Opinions

Mitsui Chemicals' production sites hold meetings to exchange opinions with members of local communities regarding its environmental preservation initiatives.

• Nagoya Works

On 19 April 2016, we held a meeting to exchange opinions regarding efforts to preserve the environment as well as process safety and disaster prevention activities with City Hall personnel and the chairs of six neighborhood school districts. We discussed environmental activities and the state of the environment during the question and answer period and listened to comments and advice in regard to providing assistance to areas hit by disasters such as earthquakes.



A meeting to exchange opinions at Nagoya Works

• Iwakuni- Ohtake Works

On 13 July 2016, we welcomed the leaders of the local communities to exchange opinions on activities related to preserving the environment, process safety and disaster prevention, and contributing to the local communities. We received valuable advice that could contribute to enhanced cooperation between Iwakuni- Ohtake Works and the local communities.



A meeting to exchange opinions at Iwakuni- Ohtake Works

• Omuta Works

On October 14, 2016, we invited residents of the surrounding communities and related government agencies that consistently provide us with guidance to a meeting to exchange opinions, especially on our process safety and disaster prevention initiatives and efforts to provide information during an emergency. Among the opinions we received, some participants thought that "Omuta's environment has improved; it has become a town free of pollution. I would like to see you working daily to strengthen management and ensure safety in your operations," and "preventing accidents is the first priority, so I hope you can further strengthen the disaster prevention system."



A meeting to exchange opinions at Omuta Works

Looking ahead, Mitsui Chemicals will strive to make its Works even safer and more secure based on the cooperation with government and neighboring companies as well as the opinions of local residents.

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Biodiversity

The Mitsui Chemicals Group strives to protect biodiversity and promote business activities that encourage sustainable use based on its corporate mission to “contribute broadly to society by providing high-quality products and services to customers through innovation and the creation of materials, while keeping in harmony with the global environment.”

Basic Approach to the Preservation of Biodiversity

1. We conduct our business activities in gratitude for the blessings of nature and biodiversity and recognize that environmental preservation is a globally important issue.
2. We contribute broadly to society by encouraging the preservation of biodiversity through the supply of environmentally friendly materials, products, and services.
3. We will comply with international biodiversity agreements.
4. We strive to preserve biodiversity by cooperating with relevant parties in Japan and abroad and within and outside the company and taking into account its effect in the supply chain.
5. To protect biodiversity, we will promote employee social contribution activities that have our stakeholders trust.

Although we make every effort to incorporate biodiversity into all of our day-to-day business activities here at the Mitsui Chemicals Group, we are particularly increasing our focus on areas such as chemical safety and management, based on the fact that environmental initiatives are inextricably linked to biodiversity. Moreover, the Group as a whole is undertaking a variety of measures including tree-planting and cleanup initiatives in a bid to help create an environment that allows living organisms to thrive.

On January 22, 2010, the Group signed up to the Japan Business Federation's (Keidanren) Declaration of Biodiversity as a Promotion Partner. This means that the Group supports the seven principles set out in the declaration and that we intend to take the initiative in our business activities and act in accordance with the declaration and accompanying action policy.

Keidanren Declaration of Biodiversity

1. Appreciate nature's gifts and aim for corporate activities in harmony with the natural environment
2. Act from a global perspective on the biodiversity crisis
3. Act voluntarily and steadily to contribute to biodiversity
4. Promote corporate management for sustainable resource use
5. Create an industry, lifestyle and culture that will learn from biodiversity
6. Collaborate with relevant international and national organizations
7. Spearhead activities to build a society that will nurture biodiversity

Honshu Chemical Industry Co., Ltd.

Participating in Wakayama Prefecture's Company forest scheme

As part of its environmental activities, our affiliate Honshu Chemical Industry Co., Ltd. signed a Forest Conservation and Management Agreement with Wakayama Prefecture and Hidakagawa Town on September 7, 2010, with the aim of participating in Wakayama Prefecture's Company Forest conservation scheme.

As part of the Company Forest scheme, Wakayama Prefecture, forestry cooperatives, and companies work in partnership to effectively harness the prefecture's rich natural environment and get local people involved in environmental preservation.

In November 2010, Honshu Chemical Industry held a tree-planting event. As part of this event, employees and members of their families planted approximately 1,500 trees on a 1.32-hectare area of forestland in Hidakagawa Town (Hidaka-gun, Wakayama Prefecture). The forest was also given the official



The employees who participated in the weeding activities

On July 30, 2016, 30 people from the company participated in the cutting of weeds at the Hidakagawa Honshu Chemical Industry Forest under the guidance of the Nakatsu Forestry Cooperative, which has been entrusted with the forest's local management.

Wildlife survey on rice fields

Pests that feed on rice plants are the greatest threat to rice production. With the idea of raising awareness of the numerous living things other than pests that inhabit rice fields, the Mitsui Chemicals Group affiliate company, Mitsui Chemicals Agro, Inc. (MCAG), has been conducting a "Wildlife Survey on Rice Fields" using MCAG products since 2012.

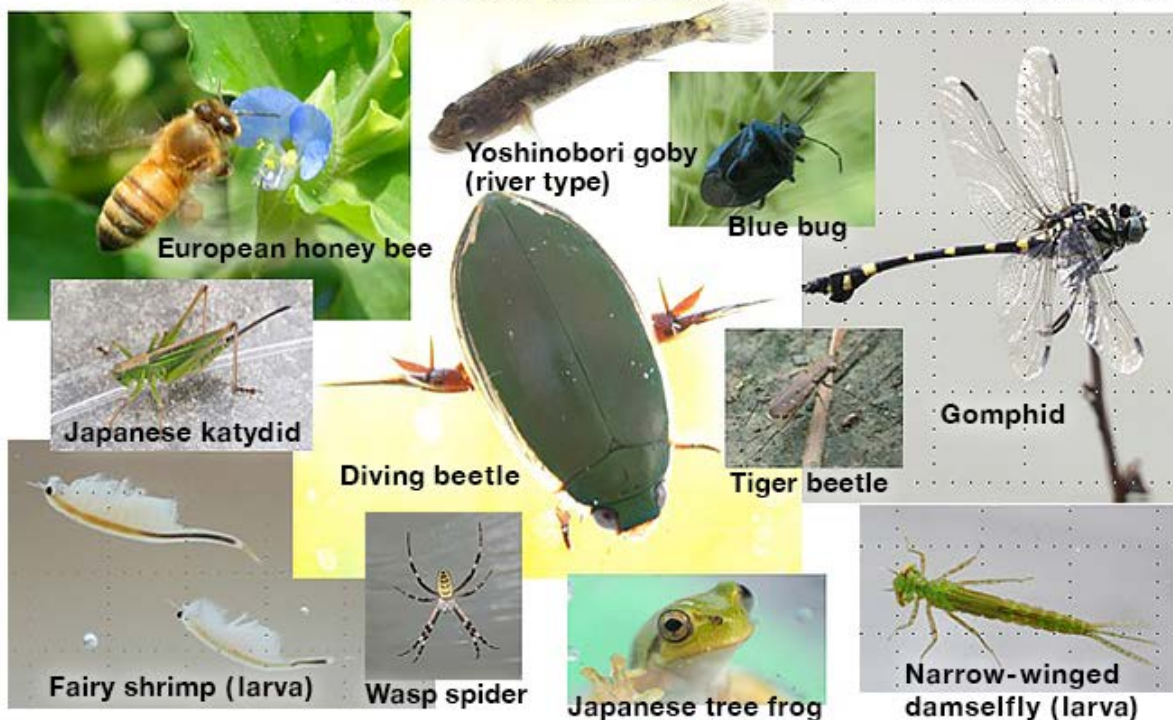
Involved in the manufacture and sales of agrochemicals and fertilizers, MCAG conducts the "Wildlife Survey on Rice Fields" annually with the full support of customers, confirming that a wide variety of wildlife inhabit rice fields. MCAG surveys the effects of agrochemical use on wildlife in rice paddies, which leads to the improvement and development of products. Further, through the release of experts' written opinions that summarize the results of these wildlife surveys, we certify that rice was grown in rice paddies inhabited by a wide variety of wildlife, which contributes to adding value to local rice.



Rice field activities

Examples of the wildlife observed on the survey

In-house survey conducted by Mitsui Chemicals Agro, Inc. in 2014



MT AquaPolymer, Inc. High-concentration Liquid Polymer Flocculants

The Mitsui Chemicals Group affiliate company MT AquaPolymer manufactures and sells high-quality, high-concentration liquid polymer flocculants realized by high polymer technologies.

A source of pride for the company over many years, its ACCOFLOC™ and ARONFLOC™ products are agents that by flocculation action cause clumping and mass precipitation and are thus highly effective in separating water from the sludge generated in the purification process of domestic wastewater.

Hygienically reducing the amount of wastewater treatment that can affect disposal, these products are extensively utilized not only at wastewater treatment plants but also in the factory effluent treatment field, including paper and food processing.

MT AquaPolymer is working to conserve natural resources and biodiversity as well as carry out improvements through the manufacture and sale of environment-friendly products, such as high-concentration liquid polymer flocculants.



General view of a water purification plant that uses ACCOFLOC™

Preservation Activities at Omuta Works

At the Omuta Works (Fukuoka Prefecture), Mitsui Chemicals has a protected forest that spans approximately 5.4 hectares and engages in ongoing activities to preserve this area. In 2009, we cooperated on a survey of the natural environment in the forest around our property (the southern side of Mt. Takatori) at the request of Omuta City, which considers the preservation of the natural environment an important issue. The survey conducted by Omuta City Natural Environment Survey Association examined rare plants and species of living organisms in areas managed by Omuta Works, and presented its findings in the Omuta City Natural Environment Survey Results Report.



View of Shinomuta Station from Mt. Takatori

Rare wildlife found in survey (example)

Plants	Serissa japonica, tree of a thousand stars
	Selaginella moellendorffii
Amphibians	Japanese brown frog
Insects	Cydnidae, Parastrachia japonensis

Conservation Activities of Our Affiliates in China

On March 2, 2017, Mitsui Chemicals affiliated company Tianjin Cosmo Polyurethane Co., Ltd.' Suzhou Plant participated in the "4th Protect Mother Lake" (fry releases in Taihu Lake and tree planting on Taiyang Mountain) sponsored by the Suzhou New District's Environmental Protection Agency Protection Association. Around 250 employees of member companies located in the Suzhou New District took part in this event with the aim of helping to preserve the region's environment. Participating since 2016, Tianjin Cosmo Polyurethane assisted with fry releases at Taihu Lake (referred to as "Mother Lake") along with tree-planting and clean-up activities in Suzhou New District Forest Park this time around.

Conservation Activities at Shimonoseki Mitsui Chemicals

The Mitsui Chemicals Group affiliate Shimonoseki Mitsui Chemicals, Inc. has been participating in the "Forestation Meetup Event to Protect the Waters of the Koya River" since 2001

As the purpose of the event is to maintain and promote the water conservation functions served by forests, the local government and Shimonoseki Mitsui Chemicals have continued to conduct the activities centered on companies that utilize water from the Koya River.

The 15th time for the activities to be held was on November 16, 2016, in the mountain forest on the outskirts of Tawarayama-Tsunburi River Green Erosion Control Park (in the town of Tawarayamayu, Nagato City, Yamaguchi Prefecture). The planting of zelkova seedlings, the cutting back of weeds to protect the seedlings, and the pruning of cherry and zelkova trees to encourage them to grow tall and sturdy contributed to maintaining the forest.

Environmental Protection

▶ Goals and Results

▶ Measures to Address Climate Change

▶ Reducing Industrial Waste

▶ Substances Subject to the PRTR Act

▶ Preserving Air Quality

▶ Preserving Water Resources

▶ Introduction to Activities at Production Sites

▶ Biodiversity

▼ Environmental Accounting

▶ INPUT⇒OUTPUT

▶ Handling Environmental Complaints

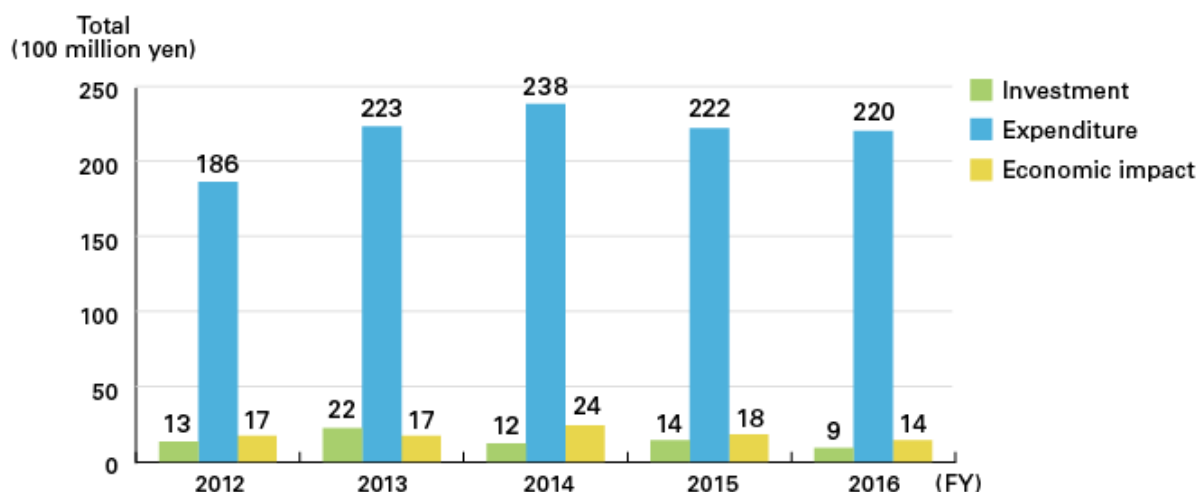
Environmental Accounting

Mitsui Chemicals invests as much as is necessary in responsible care, including environmental initiatives and occupational health and safety. We also compile and publish our environmental accounts in accordance with the Environmental Accounting Guidelines set out by the Japanese Ministry of the Environment in 2005.

In fiscal 2016, we invested approximately ¥0.9 billion on protecting the environment.

In addition, expenses totaled around ¥22.0 billion on the back of higher research and development as well as other costs. Including conserved resources and saved energy, the economic impact of our environmental activities this year was equivalent to approximately ¥1.4 billion. Moving forward, will continue to actively focus on environmental protection activities.

Trends in environmental accounts (Mitsui Chemicals non-consolidated*1)



Environmental preservation costs (Mitsui Chemicals non-consolidated*1)

Unit: Million yen

Category	Main initiatives	FY 2015		FY 2016	
		Investment	Expenditure	Investment	Expenditure
1	Business area costs (Cost of reducing the environmental impact of production and service activities within our business area)	1,348	14,740	875	14,148
	1-1 Cost of preventing pollution	399	11,683	529	11,138
	1-2 Cost of protecting the global environment	812	192	211	191
	1-3 Cost of recycling resource	137	2,865	135	2,819

2	Upstream / downstream costs (Cost of reducing the environmental impact of production and service activities in upstream or downstream areas)		0	0	0	0
3	Management activity costs (Cost of environmental management activities)	Maintaining environmental management systems, training employees, etc.	0	549	0	817
4	R&D costs (Cost of environmental research and development activities)	Developing products and processes to protect the environment, reduce environmental impact, etc.	0	6,000	0	6,100
5	Social activity costs (Cost of environmental social activities)	Increasing greenery, funding measures to combat pollution, etc.	0	229	0	203
6	Environmental damage costs (Cost of remediating environmental damage)	Remediating pollution, etc.	22	712	0	720
Total			1,370	22,230	875	21,988

Impact of environmental activities (Mitsui Chemicals non-consolidated *1)

Category		Details	Item (unit)	FY 2015	FY 2016
1	Preventing pollution	Emissions of air pollutants and water contaminants	PRTR substances (tons)	1,099	791
			Harmful air pollutants (tons)	24	14
			Volatile organic compounds (VOC) (tons)	2,018	1,676
			Nitrogen oxides (NOx) (tons)	2,786	2,588
			Sulfur oxides (SOx) (tons)	374	261
			Dust (tons)	123	128
			Chemical oxygen demand (COD) (tons)	1,032	849
			Total nitrogen (tons)	867	866
			Total phosphate (tons)	39	40
2	Preserving the environment		CO ₂ emissions (thousand tons)	4,120	4,010
			Water usage (million m ³) *	473	474
			Wastewater treatment (million m ³)	61	55
			Final effluent (million m ³)	453	463
3	Recycling resources		Industrial waste sent offsite (tons)	86,113	82,311
			Industrial waste sent to landfill (tons)	655	631
			Recycling rate (%) [Waste recycled / Waste sent offsite]	68.9	66.0

* Total water used, including mains water, groundwater, industrial water and seawater

Economic impact of environmental initiatives (Mitsui Chemicals non-consolidated *1)

Unit: Million yen

Category		Main benefits	Monetary value	
			FY 2015	FY 2016
1	Income from recycling	Recycling waste into resources	694	611

2	Income from saving energy	Saving energy	900	400
3	Income from saving resources	Improving our raw material intensity index	221	437
total			1,815	1,448

* 1 Six parent production sites: Kashima, Ichihara (including Mobara Branch Factory), Nagoya, Osaka, Iwakuni-Ohtake and Omuta; and the Sodegaura Center
Operations were suspended at Kashima Works in fiscal 2016, while Tokuyama Branch Factory under Iwakuni-Ohtake Works was managed as an affiliated company.

Environmental Protection

► Goals and Results

► Measures to Address Climate Change

► Reducing Industrial Waste

► Substances Subject to the PRTR Act

► Preserving Air Quality

► Preserving Water Resources

► Introduction to Activities at Production Sites

► Biodiversity

► Environmental Accounting

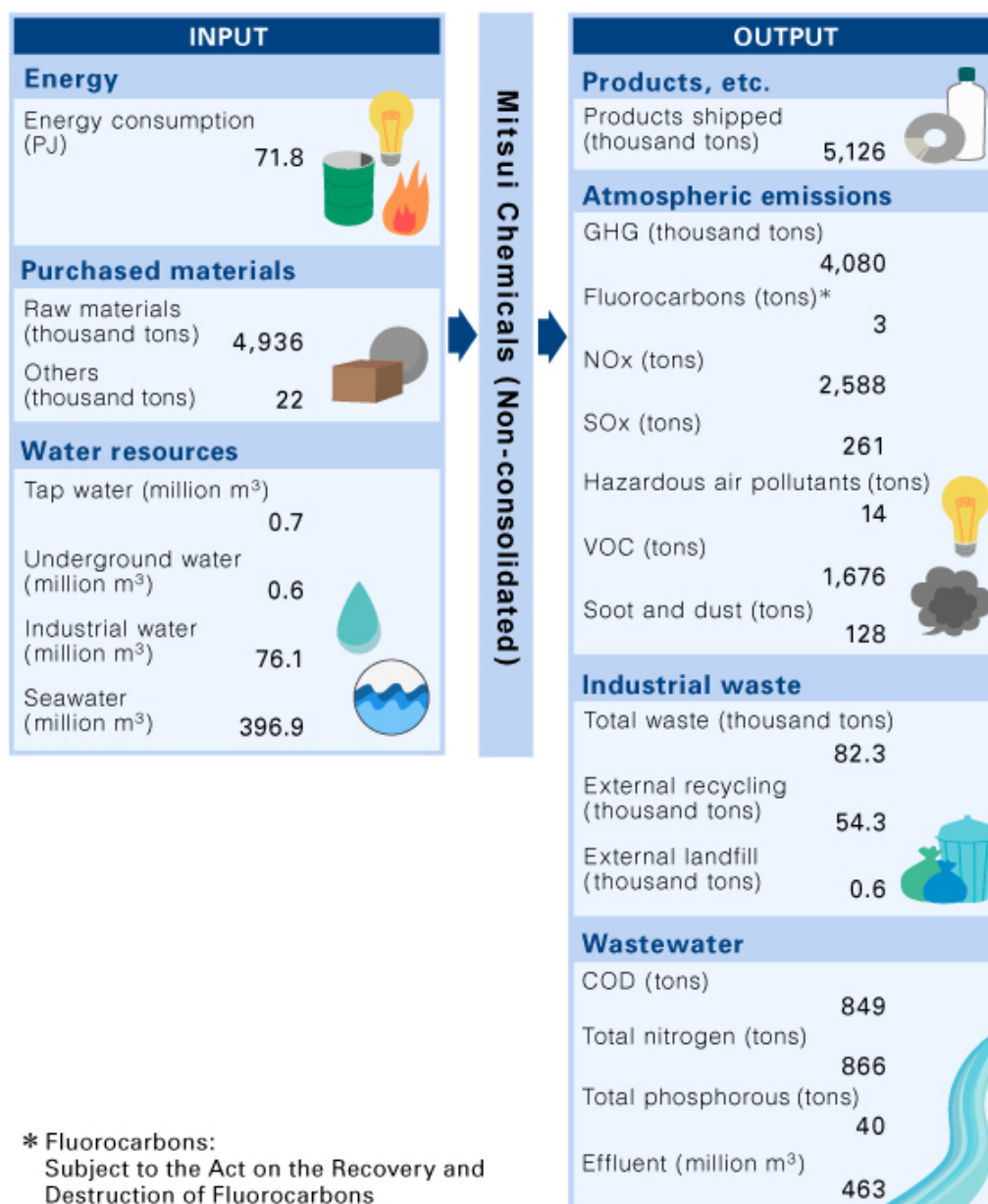
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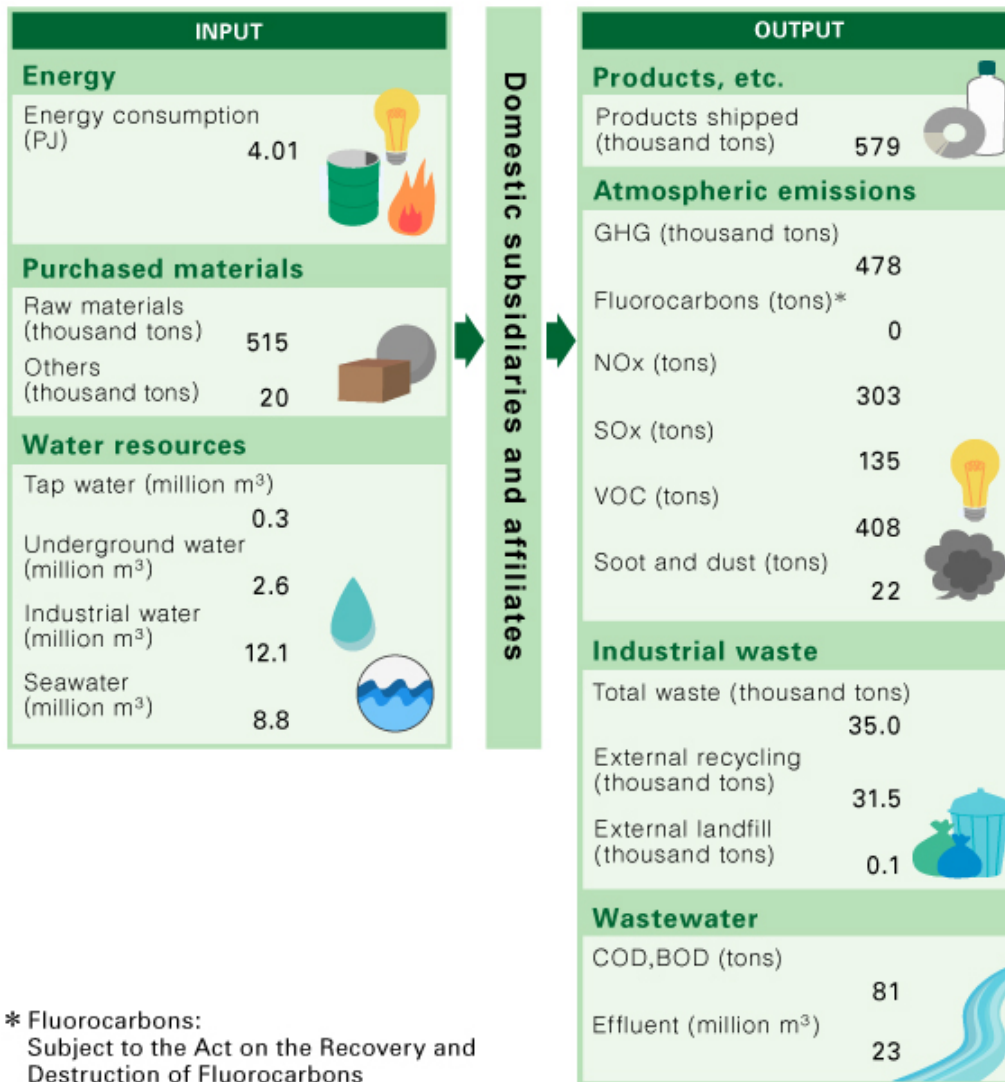
► Handling Environmental Complaints

INPUT⇒OUTPUT

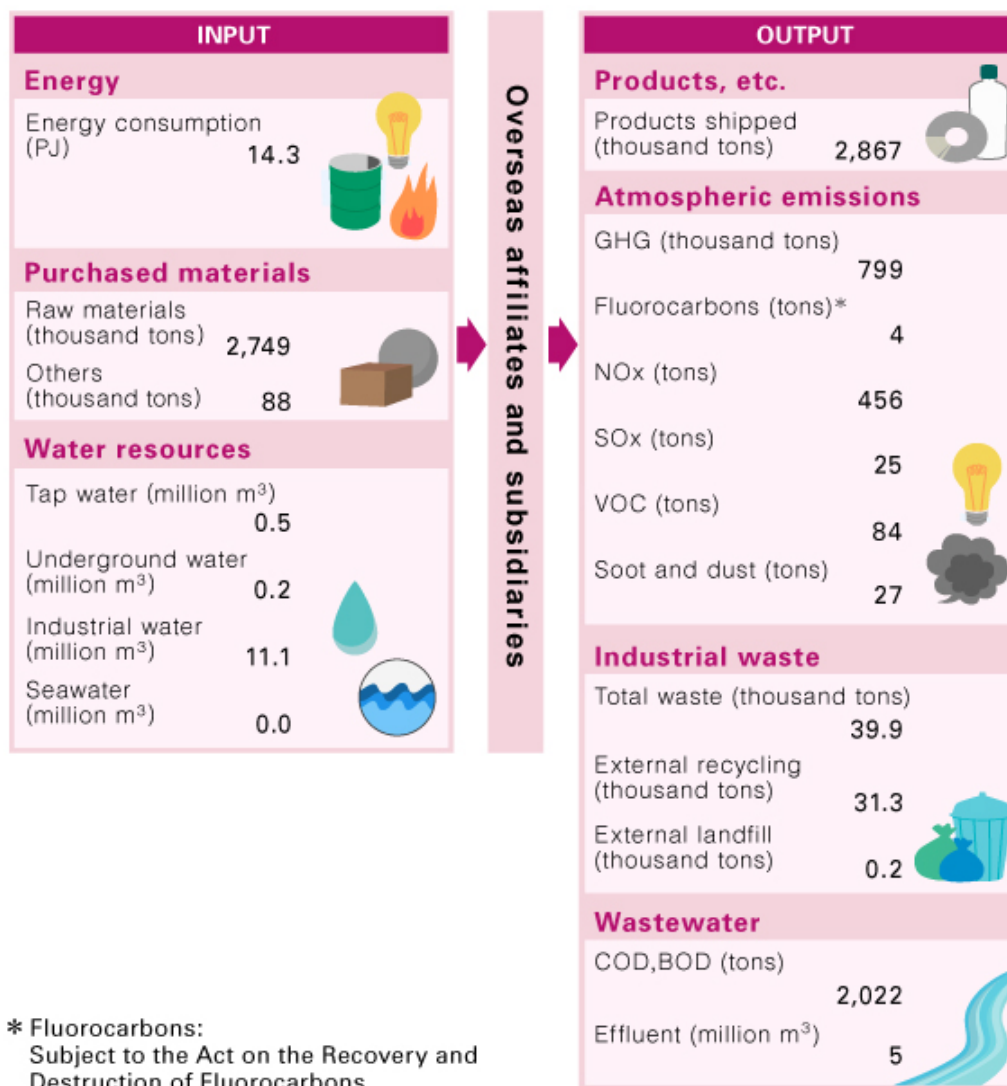
We publish input-output reports explaining the volume of resources that we have consumed and the environmental impact of our business activities throughout the Mitsui Chemicals Group. We are actively working to save resources and reduce environmental impact throughout our business activities in the interests of sustainable development.

Input⇒Output data (Mitsui Chemicals Non-consolidated)





Input⇒Output data (overseas affiliates and subsidiaries)



INPUT⇒OUTPUT Data for Individual Sites (PDF : 246KB) 

Ichihara Works

We commenced operations at our Ichihara Works in 1967. It is one of the leading comprehensive petrochemical Works in the country, manufacturing various resins, chemical products and other derivatives around a central ethylene plant. Production activities continue to go from strength to strength, as our core Works for petrochemical and basic chemical products.

http://jp.mitsuichem.com/corporate/group/domestic_02.htm

Energy consumption (thousand GJ)	27,700	Products shipped (thousand tons)	1,907
Raw materials (thousand tons)	2,168	GHG(thousand tons)	1,360
Purchased materials (thousand tons)	7.3	Fluorocarbons(tons)	1.0
Tap water (thousand m ³)	0	NOx(tons)	1,014.3
Underground water (thousand m ³)	131	SOx(tons)	118.3
Industrial water (thousand m ³)	22,585	Hazardous air pollutants (tons)	0.7
Seawater (thousand m ³)	315,291	VOC(tons)	356.1
		Soot and dust (tons)	38.0
		Total Industrial waste (thousand tons)	12.9
		External recycling (thousand tons)	12.8
		External landfill (thousand tons)	0.10
		COD(tons)	54.8
		Total nitrogen (tons)	24.9
		Total phosphorous (tons)	2.0
		Effluent(thousand m ³)	320,985

Mobara Branch Factory

We commenced operations at our Mobara Branch Factory in 1957, with the aim of expanding the chemical industry using natural gas as a raw material. These days, it specializes in manufacturing highly functional products. We established our Plant Operation Technology Training Center on site in 2006, as an educational facility and a focal point for transferring skills throughout the company.

http://jp.mitsuichem.com/corporate/group/domestic_08.htm

Energy consumption (thousand GJ)	744	Products shipped (thousand tons)	51.6
Raw materials (thousand tons)	49	GHG(thousand tons)	39
Purchased materials (thousand tons)	1.3	Fluorocarbons(tons)	0.0
Tap water (thousand m ³)	3	NOx(tons)	16.0
Underground water (thousand m ³)	461	SOx(tons)	0.0
Industrial water (thousand m ³)	549	Hazardous air pollutants (tons)	0.0
Seawater (thousand m ³)	0	VOC(tons)	12.0
		Soot and dust (tons)	0.6
		Total Industrial waste (thousand tons)	2.2
		External recycling (thousand tons)	2.2
		External landfill (thousand tons)	0.00
		COD(tons)	18.0
		Total nitrogen (tons)	6.8
		Total phosphorous (tons)	3.0
		Effluent(thousand m ³)	778

Nagoya Works

We were the first in Japan to use our own unique technology to manufacture polyvinyl chloride resins at our Nagoya Works in 1951, using unique technology that had never previously been used in Japan. These days, the works has transformed into a production hub specializing in electronic and IT materials and products. Its main products include processing tape for manufacturing integrated circuits(IC) and sealant sheets for solar cells.

http://jp.mitsuichem.com/corporate/group/domestic_03.htm

Energy consumption (thousand GJ)	742	Products shipped (thousand tons)	44
Raw materials (thousand tons)	46	GHG(thousand tons)	37
Purchased materials (thousand tons)	3	Fluorocarbons(tons)	0.0
Tap water (thousand m ³)	5	NOx(tons)	3.5
Underground water (thousand m ³)	0	SOx(tons)	0.0
Industrial water (thousand m ³)	3,928	Hazardous air pollutants (tons)	0.2
Seawater (thousand m ³)	0	VOC(tons)	2.0
		Soot and dust (tons)	0.1
		Total Industrial waste (thousand tons)	4.4
		External recycling (thousand tons)	1.5
		External landfill (thousand tons)	0.01
		COD(tons)	11.6
		Total nitrogen (tons)	5.8
		Total phosphorous (tons)	0.6
		Effluent(thousand m ³)	3,282

Osaka Works

Located in the Sakai Senboku Coastal Industrial Zone, one of the leading industrial areas in Japan, our Osaka Works has a large dock capable of accommodating 100,000-ton tankers. Production activities make the most of the Works' ideal location, in terms of operations and distribution, with nearly half of all products and raw materials transported by ship.

http://jp.mitsuichem.com/corporate/group/domestic_04.htm

Energy consumption (thousand GJ)	29,800	Products shipped (thousand tons)	2,164
Raw materials (thousand tons)	2,072	GHG(thousand tons)	1,700
Purchased materials (thousand tons)	2.1	Fluorocarbons(tons)	1.1
Tap water (thousand m ³)	60	NOx(tons)	855.9
Underground water (thousand m ³)	0	SOx(tons)	28.5
Industrial water (thousand m ³)	22,840	Hazardous air pollutants (tons)	9.3
Seawater (thousand m ³)	51,977	VOC(tons)	95.7
		Soot and dust (tons)	35.8
		Total Industrial waste (thousand tons)	10.7
		External recycling (thousand tons)	9.2
		External landfill (thousand tons)	0.1
		COD(tons)	257.5
		Total nitrogen (tons)	312.3
		Total phosphorous (tons)	5.8
		Effluent(thousand m ³)	61,600

Iwakuni-Ohtake Works

We commenced operations at our Iwakuni-Ohtake Works in April 1958, as Japan's first comprehensive petrochemical works. It manufactures PTA, the raw material in polyester fibers, and PET resin, which is used to make plastic bottles, and is one of the largest scale facilities of its kind in the country.

http://jp.mitsuichem.com/corporate/group/domestic_05.htm

Energy consumption (thousand GJ)	6,440	Iwakuni-Ohtake Works	Products shipped (thousand tons)	434
Raw materials (thousand tons)	384		GHG (thousand tons)	455
Purchased materials (thousand tons)	1.9		Fluorocarbons (tons)	0.6
Tap water (thousand m ³)	109		NOx (tons)	202.4
Underground water (thousand m ³)	0		SOx (tons)	105.5
Industrial water (thousand m ³)	19,799		Hazardous air pollutants (tons)	3.8
Seawater (thousand m ³)	29,615		VOC (tons)	807.6
			Soot and dust (tons)	18.0
			Total Industrial waste (thousand tons)	5.3
			External recycling (thousand tons)	4.8
			External landfill (thousand tons)	0.03
			COD (tons)	187.5
			Total nitrogen (tons)	27.6
			Total phosphorous (tons)	16.0
			Effluent (thousand m ³)	57,513

Omuta Works

We commenced operations at our Omuta Works in 1912 and continued to operate as a coal complex through to the early 1960s, using byproducts from Mitsui Mining's coke ovens. These days, the Works specializes in organic synthesis technology and serves as our main fine chemical facility, primarily manufacturing functional chemicals.

http://jp.mitsuichem.com/corporate/group/domestic_06.htm

Energy consumption (thousand GJ)	6,030	Omuta Works	Products shipped (thousand tons)	528
Raw materials (thousand tons)	216		GHG (thousand tons)	449
Purchased materials (thousand tons)	6.6		Fluorocarbons (tons)	0.5
Tap water (thousand m ³)	450		NOx (tons)	496.0
Underground water (thousand m ³)	0		SOx (tons)	9.0
Industrial water (thousand m ³)	6,394		Hazardous air pollutants (tons)	0.4
Seawater (thousand m ³)	0		VOC (tons)	403.0
			Soot and dust (tons)	35.0
			Total Industrial waste (thousand tons)	45.9
			External recycling (thousand tons)	23.3
			External landfill (thousand tons)	0.40
			COD (tons)	319.0
			Total nitrogen (tons)	488.0
			Total phosphorous (tons)	12.7
			Effluent (thousand m ³)	18,729

Sodegaura Center (R&D Center)

Including affiliates, our R&D center brings together around 1,000 researchers, all of whom continue to create new technologies and materials in an effort to make society a more comfortable place.

http://jp.mitsuichem.com/corporate/group/domestic_07.htm

Energy consumption (thousand GJ)	243	Sodegaura Center	Products shipped (thousand tons)	0
Raw materials (thousand tons)	0		GHG (thousand tons)	12
Purchased materials (thousand tons)	0		Fluorocarbons (tons)	0
Tap water (thousand m ³)	70		NOx (tons)	0
Underground water (thousand m ³)	24		SOx (tons)	0
Industrial water (thousand m ³)	0		Hazardous air pollutants (tons)	0
Seawater (thousand m ³)	0		VOC (tons)	0
			Soot and dust (tons)	0
			Total Industrial waste (thousand tons)	0.8
			External recycling (thousand tons)	0.5
			External landfill (thousand tons)	0.00
			COD (tons)	0.3
			Total nitrogen (tons)	0.3
			Total phosphorous (tons)	0.0
			Effluent (thousand m ³)	73

Environmental Protection

▶ Goals and Results

▶ Measures to Address Climate Change

▶ Reducing Industrial Waste

▶ Substances Subject to the PRTR Act

▶ Preserving Air Quality

▶ Preserving Water Resources

▶ Introduction to Activities at Production Sites

▶ Biodiversity

▶ Environmental Accounting

▶ INPUT⇒OUTPUT

▼ Handling Environmental Complaints

Handling Environmental Complaints

There were no environmental complaints in fiscal 2016. Looking ahead, we will continue to earn the trust of local residents as well as government authorities while promoting close-knit interaction going forward.

Product Stewardship

▼ Goals and Results

▶ Product Stewardship System

▶ Product Stewardship Initiatives

With the adoption of specific goals at the WSSD*¹ held in 2002, countries around the world are taking steps to reinforce related laws and regulations. This includes the establishment of REACH*² regulations in Europe, Japan's Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., and the Toxic Substances Control Act*³ of the U.S. Under these circumstances, the need for companies to address and comply with more stringent laws and regulations and to voluntarily undertake the assessment and management of safety is becoming increasingly important in order to achieve WSSD goals. In its efforts to expand its business worldwide, the Mitsui Chemicals Group is working diligently to ascertain the latest trends in chemical management policies and to comply with the laws and regulations of each country on a timely basis. In addition to the above, the Group is also endeavoring to collaborate with and allocate responsibilities between companies along the supply chain complete an evaluation of risks for all of its products throughout the entire product life cycle from development to disposal by 2020. In this manner, the Mitsui Chemicals Group is protecting human health and the environment by engaging in proper management.

*1 WSSD :

The World Summit on Sustainable Development (WSSD) held in Johannesburg, South Africa. During the Summit, the WSSD goal of achieving, by 2020, the use and production of chemicals in ways that lead to the minimization of significant adverse effects on human health and the environment, using transparent science-based risk assessment procedures and science-based risk management procedures was adopted.

*2 REACH: Regulations relating to the registration, evaluation, authorization, and restriction of chemical substances.

*3 TSCA: The Toxic Substances Control Act.

Management System

Policy

The Mitsui Chemicals Group maintains a Responsible Care Policy that focuses on assessing the risks on people and the environment of its products throughout their entire lifecycles as well as ensuring human health and reducing the Group's impact on the environment. In adopting this Policy, the Group is working to achieve the WSSD goal of minimizing the significant adverse effects imposed on human health and the environment by chemicals by 2020. Guided by its Responsible Care Policy, the Group has also put in place internal rules regarding environmental safety and quality management. These regulations help the Group traverse the increasingly stringent laws and regulations of each country and provide a roadmap for conducting surveys of products containing chemical substances, conveying information to stakeholders including customers, ensuring the health of consumers, customers, and employees, and reducing its environmental impact.

* The Mitsui Chemicals Group is building the Product Stewardship framework which extends beyond the Chemicals Safety boundary of its six Responsible Care functional categories.

→ Responsible Care Policy

System and Responsible Officers

With the General Manager of the RC & Quality Assurance Division as the responsible officer, the RC & Quality Assurance Division puts in place the Product Stewardship Strategy. The results of Product Stewardship are reported and reviewed by the Responsible Care Committee. The findings of the Committee are then reflected in plans for the next fiscal year after taking into consideration the concerns and requirements of society as well as changes in the environment. This includes the latest trends in government policy as well as laws and regulations as they relate to chemical substances.

In addition, the RC & Quality Assurance Division collaborates with the departments concerned including the R&D laboratory, business divisions, and Works to collect information concerning products containing chemical substances, conducting risk assessments of products, addressing laws and regulations relating to chemicals, and preparing product SDS* and labels that comply with regulations. Based on the results of these endeavors, the general managers of business divisions and general managers of each Works oversee chemical safety across the full gamut of operations from the sourcing of raw materials to shipment at their respective locations of responsibility.

Each of the aforementioned measures are implemented at each of product development prior to market release, market development, and raw materials procurements stages. Moreover, these measures are taken at other stages of the Group's operations. This includes any change in raw materials or equipment after a product has been released, when exporting to a new country, and sale as a result of new application.

*SDS: Safety Data Sheet.

Monitoring Methods

The General Manager of the RC & Quality Assurance Division undertakes a detailed confirmation of progress by major theme of the Product Stewardship Strategy at monthly reporting meetings.

The RC & Quality Assurance Division takes both exhaustive and comprehensive steps to ensure that it fully grasps the annual submission requirements prescribed under Japan's Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. as well as the application and submission requirements associated with efforts to reinforce the European REACH and other regulations. Thereafter, the Division undertakes the necessary collation of information for each category and puts in place a Group-wide plan to ensure that requirements are met. In order to advise the rest of the organization and to provide support, meetings are held to provide officers in charge of Responsible Care with the appropriate information. Among a host of endeavors, the Division makes full use of the gate check function of the chemical product safety information system (SAP-EHS). This helps in preventing the termination of export activities when the necessary registration requirements of each country have not been completed, and avoiding the manufacture of products in excess of approved limits.

A risk assessment that takes into consideration the impact on human health and the environment is undertaken for new products up to their market release and in accordance with any change in management after each product launch. In the event that the necessary low level of risk cannot be confirmed, a product safety meeting is held chaired either by the responsible director in charge of the RC & Quality Assurance Division or the General Manager of the RC & Quality Assurance Division. The goal of the meeting is to decide whether or not a product will be released and if so under what terms and conditions.

Achievements and Reviews

The results of Product Stewardship are reported and reviewed at each Responsible Care Committee meeting. The results of each review are reflected in plans for the next fiscal year after taking into account the interest and requirements of society as well as changes in the environment.

The Mitsui Chemicals Group did not violate any newly enacted or amended laws in fiscal 2016. Over and above these newly enacted and amended laws relating to chemical products, food packaging, the environment, and other issues in Japan and overseas, we recognize that many countries are currently in the progress of reinforcing controls on products after their registration and market release. As a result, we have formulated plans to build a chemicals management framework that is capable of addressing these increasingly stringent controls from fiscal 2017.

Furthermore, we have incorporated Product Stewardship as a target item in efforts to pursue thorough safety, high quality, and fairness across the entire supply chain, an environmental and social target under the Long-term Business Plan. We have also set the goals of a product risk assessment implementation rate of 99% or more (by fiscal 2020) while continuing the provision ratio of the latest safety information for all products at 100% as KPIs.

Goals and Results

Goals for Fiscal 2016

- Undertake a response to the chemical regulations of each country in order to ensure the smooth running of our business
- Strengthen assessment technologies in order to accelerate priority businesses
- Promote risk assessment and risk management based on Product Stewardship

Fiscal 2016 Results and Assessment

Level achieved: A

- Undertook a response to the chemical regulations of each country in order to ensure the smooth running of our business
We are systematically complying with all of the newly enacted and amended laws of each country with respect to our products. In particular, we have addressed the requirements of newly enacted laws in South Korea and Thailand in fiscal 2016.
In order to more easily ascertain the laws and regulations of each country, companies within the Mitsui Chemicals Group have set up and are operating a system that ensures the sharing of information.
- Strengthened assessment technologies in order to accelerate priority businesses
For animal testing that is conducted in-house or on a contract basis, the Mitsui Chemicals Group has put in place a policy that is based on the 3R principles of replacement, reduction, and refinement. This naturally includes efforts to identify alternative means to animal testing. Steps have also been taken to strengthen the monitoring functions of the Institutional Animal Care and Use Committee.
Moreover, and in the new business domain, every effort is being made to investigate risk assessment methods based on related application legislation in the U.S. and Europe. Preparations to ensure compliance have been completed.
- Promoted risk assessment and risk management based on Product Stewardship
The Mitsui Chemicals Group implemented qualitative evaluations of all products and selected those products requiring detailed evaluation on a priority basis.
Evaluations are currently in progress based on overall plans.

Priorities for Fiscal 2017

The Mitsui Chemicals Group has identified two medium-term Product Stewardship targets for around 2020.

Target 1:

The Mitsui Chemicals Group will continue to ensure that it complies with all statutory and regulatory requirements in an exhaustive and comprehensive manner. Measures will be put in place to prevent any violation with respect to the Group's manufacturing and shipping activities.

Target 2

Mitsui Chemicals' safety evaluations will garner the confidence of society; as an integral element in the value chain, the Company will work toward sustainable development and provide increasingly safe products.

With an eye to 2020, the Mitsui Chemicals Group has identified the following priorities for fiscal 2017.

Fiscal 2017 targets aimed at achieving target 1:

- Reinforce governance in a bid to fully comply with all newly enacted and amended laws
- Adhere strictly to a policy of chemical substance management after product have been released to the market
- Build a structure that properly conveys information that in turn complies with diversifying regulatory requirements

Fiscal 2017 targets aimed at achieving target 2:

- Undertake risk assessments as well as risk management via the supply chain for all products
- Expand business and development products from the perspective of sound chemicals management
- Put in place a safety evaluation platform that engenders the confidence of society and acquire cutting-edge technologies

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Product Stewardship System

Strengthening Statutory and Regulatory Compliance in Line with Globalization

Toward the achievement of the World Summit on Sustainable Development (WSSD) targets, each country is promoting the enactment of new or revised laws. Having greatly changed the whole concept of the chemical management system, the European Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) system has been adapted by each country while continuing to be introduced into many countries. Meanwhile, regarding the taking of measures against existing chemicals as a priority issue, even those countries that are at the forefront of chemicals management are proceeding to make changes to their laws.

In accordance with the Act on the Registration and Evaluation, etc. of Chemical Substances (K-REACH) that came into effect in Korea in 2015, the Mitsui Chemicals Group reported its first manufactured and imported tonnage, that for 2015, in June 2016. In addition, K-REACH abolishes the system that registers only some chemical products, and a revision has been proposed to cover the registration of all chemical products manufactured and imported in volumes of one ton or more per year, in the same way as European REACH. We will take advantage of our European REACH and other experience in responding to this revision.

In Thailand, there were plans to compile a list, by the end of 2016, of existing chemical substances to be listed as notifiable chemical substances for the enactment of a new law, and we provided notification of the imports of certain products.

In the United States, the Toxic Substances Control Act (TSCA) was revised in June 2016, and a "reorganization" of the list of existing chemical substances undertaken. As this called for the notification of substances manufactured and imported over the past 10 years, we will continue our steady response.

Through active participation in industry initiatives, such as those of the Japan Chemical Industry Association (JCIA), and through close exchanges of information with local subsidiaries and affiliates as well as local consultants, the Mitsui Chemicals Group quickly obtains the regulatory information from each country. At the same time, the Group works to ensure thorough compliance.

Holding monthly meetings of the Global Chemical Regulation Compliance Team, in which business divisions and all corporate divisions participate, Mitsui Chemicals is also sharing the latest trends throughout the Company and speedily implementing Companywide efforts to address legal revisions. In fiscal 2017, we will engage in the building of a framework to further strengthen the regulatory compliance support for subsidiaries and affiliates in Japan and overseas, for example by the sharing of regulatory information.

Thorough Chemicals Management after Product Release to Market

The promulgation of national laws, including European REACH, marks the beginning of the registration of products and chemical substances, but the management of risks, such as the imposing of restrictions and the granting of approvals by regulatory authorities after registration, does not end after a product is released to the market. Regulatory requirements after launch to the market are also becoming more sophisticated and complicated, and it is essential to promptly and precisely implement appropriate responses.

We respond to changes in, for example, risk assessments and risk management from a range of perspectives that include a variety of changes in the business environment after release to the market, such as changes in laws and regulations; the addition of regulated substances; the ascertaining of new hazard information; changes of product application; changes in raw materials/manufacturing methods; and toxicity based on internal regulations. It is thought, however, that the responses to be made will become progressively more complex in the years to come due to the regulations covering chemicals becoming even more stringent, as a result of revisions to the law and the formulation of new laws, and due to progress made in the evaluation of substances, including under European REACH. To better respond to such a variety of changes of this kind in the business environment, we will promote the reinforcement of the chemicals management system and the automatic detection of changed items.

Establishment of a Management System Based on Our Chemical Safety Information System

Information on all the products, raw materials and chemical substances handled by Mitsui Chemicals is controlled in an integrated manner by a chemical product safety information system (SAP-EHS). Through coordination between this system and mission-critical processes, we have reinforced both the expeditious provision of information to customers and compliance relating to chemical laws and regulations, such as the confirmation of legal compliance with domestic and foreign regulations, the management of production/import quantities, and the automatic creation of safety information, such as multilingual SDS, product labels, MSDSplus*, etc.

To enable us to share product-related regulatory and safety information, we introduced this system to some affiliates in Europe, the United States and China and have been carrying out system upgrades. In fiscal 2016, one domestic affiliated company carried out function development to the same level as at the parent company. In addition, the automation of SDS

creation was completed in China, following on from Europe, the United States, South Korea and Taiwan. System compatibility with major export destination countries was also completed.

In addition to advancing the development of this system to affiliates in Japan and overseas in the years to come, we will strive to communicate information that will enable us to respond to diversifying regulations and customer demands.

Specifically, in the case of the overseas version of SDS, we will assign expert staff to carry out locally the confirmation of the detailed applicable laws of each country and strengthen SDS creation and supply systems as the Mitsui Chemicals Group.

* MSDSplus :

A basic information sheet used to communicate information about chemical substances contained in products, as recommended by the Joint Article Management Promotion-consortium (JAMP).

Product Stewardship Initiatives

Risk Assessment and Risk Management Based on Product Stewardship

On the basis of Product Stewardship, the Mitsui Chemicals Group takes a risk-based approach to the safety management of chemicals that extends to product life cycles.

New products undergo the necessary risk assessments step by step, broken down into each of the five product development stages.

In accordance with Company rules, we conduct risk assessments from the viewpoints of product development (raw materials, physiochemical properties) and manufacturing (explosion risk, human health, environmental impact) and assign those assessments to the R&D Laboratory, business divisions, the Responsible Care (RC) & Quality Assurance Division, and the Safety & Environment Technology Department, respectively. In addition to the products themselves, we perform risk assessments that extend through the entire product life cycle, covering the raw materials, catalysts, and additives used in the manufacturing process, the byproducts that arise from the manufacturing process, and the chemical substances' effects on operator safety and on the products.

In order to have conducted risk assessments and reliably implemented risk management for all existing products that are already on the market by 2020, we will determine risk levels from the points of view of the exposure level and hazard, and then systematically conduct risk assessments, starting with high-priority products. In fiscal 2016, worker risk assessment was carried out using the Control Banding Method*1, and from the total number of around 2,500 Company products we narrowed down the number of high-priority products to approximately 1,000. Going forward, we will calculate risk levels covering those 1,000 products using tools such as ECETOC TRA*2, which is used for European REACH risk assessments. In the case of products where there is the possibility that the risk might be unacceptable, we will provide customers with information, including the assessment results and measures to reduce risk, and technical information.

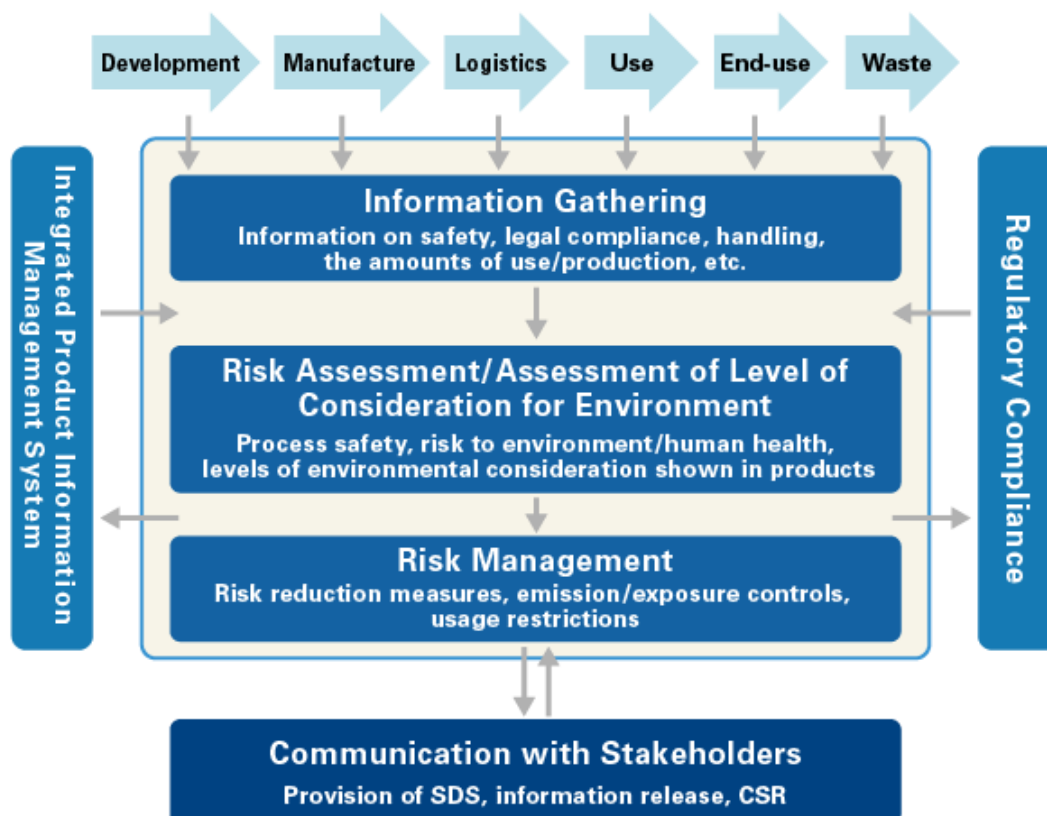
*1 Control Banding Method:

A chemical substance management method created by the International Labour Organization (ILO) with the aim of protecting workers from chemical substances.

*2 ECETOC TRA :

A targeted risk assessment (TRA) tool developed by the European Centre for Ecotoxicology and Toxicology of Chemicals (ECETOC).

Chemicals Management throughout Product Life Cycles



Mitsui Chemicals Product Development Guidelines

Stage	Role	RC Responses
I	Tentative setting of product concept	Gathering of safety-related information, conducting of surveys
II	Tentative product concept market opportunity assessment	Provide customers with safety information when supplying prototypes
III	Preliminary market development by limited number of customers	Notify those involved within the Company of safety information Provide safety information to limited number of potential customers
IV	Full-scale market development	↓ Conduct risk assessment by application Conduct operator/environmental risk assessment ↓ Hold product safety conference*1 → Change*2/cease development ↓ Implementation of risk management measures*3 Submission of application for approval
V	Commercialization, release to market	Implement Management of Change (MOC) Implement risk assessment of existing products

*1 Held when it cannot be confirmed that the risk is sufficiently low, etc., or in the event of conflicts arising with internal standards.

*2 Examples: Changes of materials, method of manufacture, specifications, etc.

*3 Examples: Restrictions on application/use conditions; in addition to SDS, information conveyed in technical documents.

Business/Product Development That Incorporates Sound Chemicals Management Perspectives

For human health and environmental protection as well as for sustainable development, the Sound Chemicals Management (SCM) of chemical substances and hazardous waste that takes into account product life cycles is being proposed and is also being deployed by the International Council of Chemical Associations (ICCA). The Mitsui Chemicals Group is also promoting business and product development that incorporates SCM perspectives.

For example, in the Development Assistance Guidelines we set out the items to be checked at each of the five development stages, and at the Product Concept Hypothesis Setting Stage we conduct surveys on the safety of product components of the product and legal information.

In recent years, social concerns with regard to the safety of chemical substances have been on the rise and reached the stage where even greater safety is being demanded. Under the European REACH regulations, risk assessments are conducted by the authorities, but due to the previously mentioned demands of society, there is a tendency for the judgments necessary to strengthen the regulations, such as the limitations of use imposed by the authorities, to be even more stringent on the basis of precautionary principles.

In response to this situation, we are planning activities from SCM perspectives in fiscal 2017, including disseminating information to research and business development departments and the raising of awareness. The Group is certifying products that have an environmental contribution value as Blue Value™ products, and we plan to also introduce these kinds of concepts to environmental impact assessment criteria used at that time.

Through these efforts, the Mitsui Chemicals Group aims to provide products that will enable even more of a contribution to human health, environmental protection and sustainable development.

Reinforcement of Safety Evaluation Platform and Acquisition of Cutting-Edge Technologies

The development of chemical products and chemicals management requires the safety tests demanded by legal regulations. There are also cases in which animal test may be necessary, but we are formulating in-house guidelines comprising an approval system via the Institutional Animal Care and Use Committee based on the 3R principles (of replacement, the utilization of alternative methods; reduction, reduction of the number of uses; and refinement, the alleviation of suffering). On the basis of these initiatives, we are working to implement and manage appropriate animal testing that takes animal welfare into consideration.

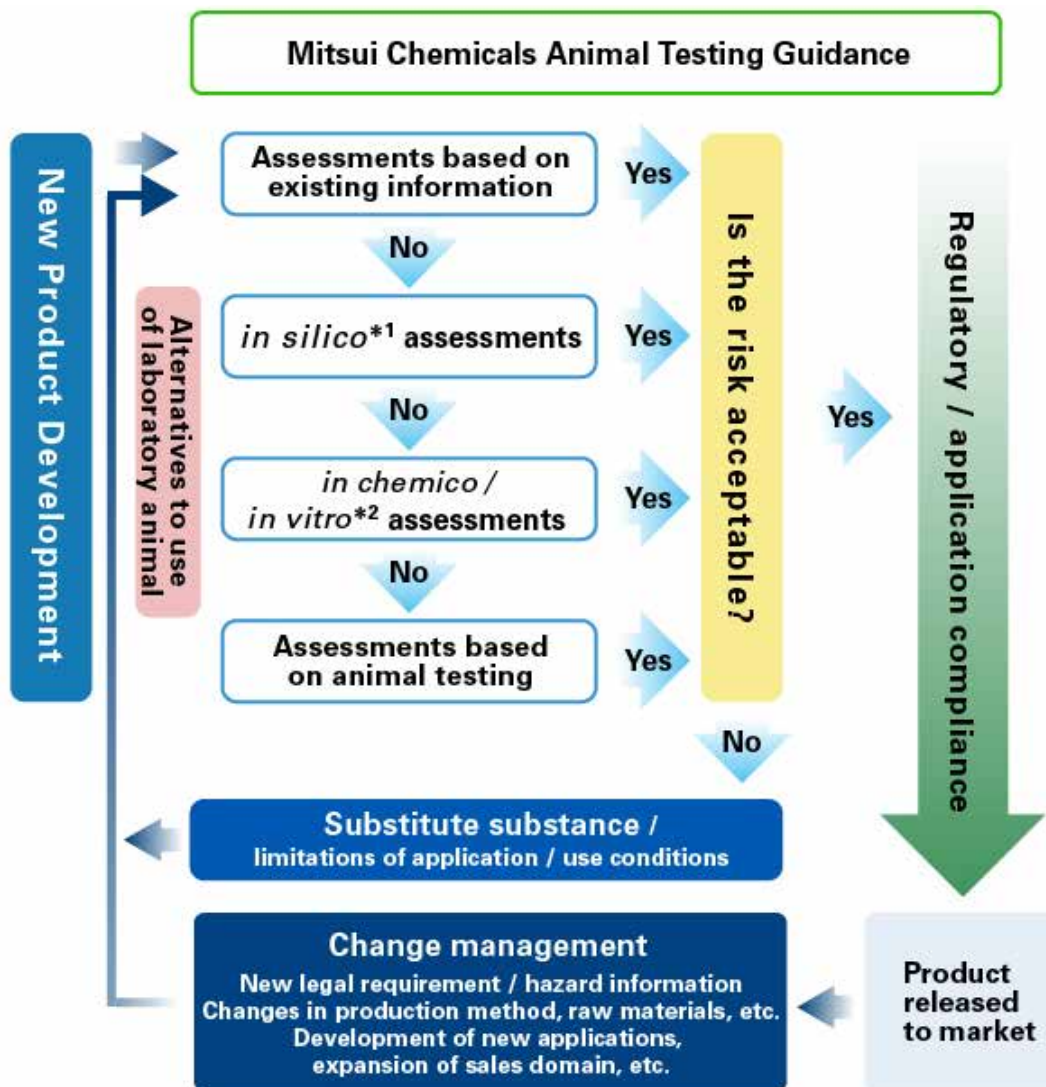
As a global risk assessment trend, the Integrated Approaches to Testing and Assessment (IATA), the Organisation for Economic Co-operation and Development (OECD) risk assessment method, has gained in popularity. Under this method, *in silico* (techniques that predict harmfulness from a chemical substance's structure) and *in vitro* (an alternative test method that does not utilize animal testing) are integrated with existing data, and animal experiments only carried out when necessary. In addition, now that words such as irritant, corrosive and 'causes sensitivity,' are being incorporated into OECD guidance documents, they are being introduced into each country's regulations. In order to respond to these new legal requirements and to further enhance reliability, we are actively promoting the acquisition of advanced technologies.

In fiscal 2016, in an effort to contribute to establishing the technologies for an alternative method to animal testing, we participated in the beta test of the new version OECD QSAR* toolbox (one of the *in silico* techniques) and the OECD guideline project for an alternative method for sensitivity testing in cooperation with the Japanese Center for the Validation of Alternative Methods (JaCVAM), and are contributing to their promotion.

In accordance with the transformation of the Company's business portfolio, we are promoting the acquisition of appropriate evaluation/testing technologies to enable us to provide safer and better products in new business areas.

* QSAR :Quantitative Structure—Activity Relationships.

New safety assessment system



*1 *in silico*: Computational scientific method utilizing structural activity correlations and similar substance information.

*2 *in chemico/in vitro*: Laboratory-level evaluation method that utilizes scientific /biological reactions.

Participation in Industry Chemicals Management Initiatives

One international initiative taken to achieve the World Summit on Sustainable Development (WSSD) goals is UN Environment's SAICM*1. Having concluded an agreement with UN Environment to promote the implementation of SAICM, the International Council of Chemical Associations (ICCA) provides support in a number of areas, including human resources and financing. The ICCA intends to contribute to sound chemicals management aimed at SAICM through Responsible Care and the Global Product Strategy (GPS)*2. Each country's chemical industry association is conducting activities aimed at achieving the WSSD target under the ICCA.

To achieve the WSSD goals, the Mitsui Chemicals Group endorses and proactively participates in the voluntary initiatives encouraged by the ICCA.

One activity for the ICCA has been Capacity Building. This is an activity that, especially in developing countries, supports Capacity Building for sound chemicals management. Since fiscal 2015, Mitsui Chemicals employees have co-chaired the ICCA's Capacity Building Task Force and displayed leadership qualities in support activities designed to improve sound chemicals management and sustainability throughout the world.

In Japan, the JCIA is promoting GPS/JIPS*3 activities to achieve the WSSD goals, and the company is a key member in reinforcing those activities. In fiscal 2016, we actively participated in and contributed to JCIA activities, for example by

having Mitsui Chemicals employees serve as lecturers at JCIA-sponsored seminars on the subjects of risk assessment and on chemicals management.

*1 SAICM (Strategic Approach to International Chemicals Management) :

A strategic approach to international chemicals management. Established to promote advances in a number of areas to achieve the WSSD goals, such as risk reduction based on scientific risk assessment, preventive approaches, the collection and provision of information on hazardous chemical substances, improvements in each country's chemical substance management system, and the promotion of technical cooperation in developing countries.

*2 Global Product Strategy (GPS) :

In order to minimize the risk from chemicals throughout the supply chain, each company conducts risk assessments on its chemical products. In addition to implementing appropriate risk-based management, they engage in voluntary efforts to disclose to society in general, including customers, information on product safety and risk. GPS is thus designed to strengthen product stewardship.

*3 GPS / JIPS (Global Product Strategy / Japan Initiative of Product Stewardship) :

Name given to GPS activities in Japan.

Quality

▼ Goals and Results

► Quality Improvement Initiatives

The Mitsui Chemicals Group is providing products and services that foster the satisfaction while responding to the trust of customers by continually improving the level of its quality management based on the Responsible Care Policy.

Management System

Policy

Under our Responsible Care Policy, we have identified details of our quality structure and other key issues such as PDCA procedures as basic matters concerning quality management in our internal regulations. In carrying out the appropriate procedures, we are providing products and services that foster the satisfaction and trust of customers.

→ Responsible Care Policy

In conjunction with the global expansion of the Group's business, we have identified specific principles for global quality management in order to ensure a uniform awareness toward the basic level of quality. Steps are being taken to roll out these principles across the Group as a whole.

The Mitsui Chemicals Group's Global Quality Management Principles

The Mitsui Chemicals Group makes every effort to increase customer satisfaction via a two-pronged approach to quality management, based on quality control ("built-in quality activities") and quality assurance ("activities that win over customers' trust"). In this regard, the Company has identified the following principles.

1. Provide customer-oriented products and services

- Clarify customers' requirements and ensure quality
- Design and provide products that also look beyond immediate customer needs
- Propose and provide new products and services that address customers' needs

2. Ensure objective and transparent quality assurance

- Give priority to compliance with laws and regulations over the pursuit of any profit
- Put in place a framework that enables a prompt response when an issue occurs
- Ensure the independence of the Quality Assurance Division

3. Put in place a framework that allows the stable supply of products

- Ensure quality control from the procurement of raw materials to the delivery of products to customers
- Adhere strictly to a policy of management of change and non-conforming product control

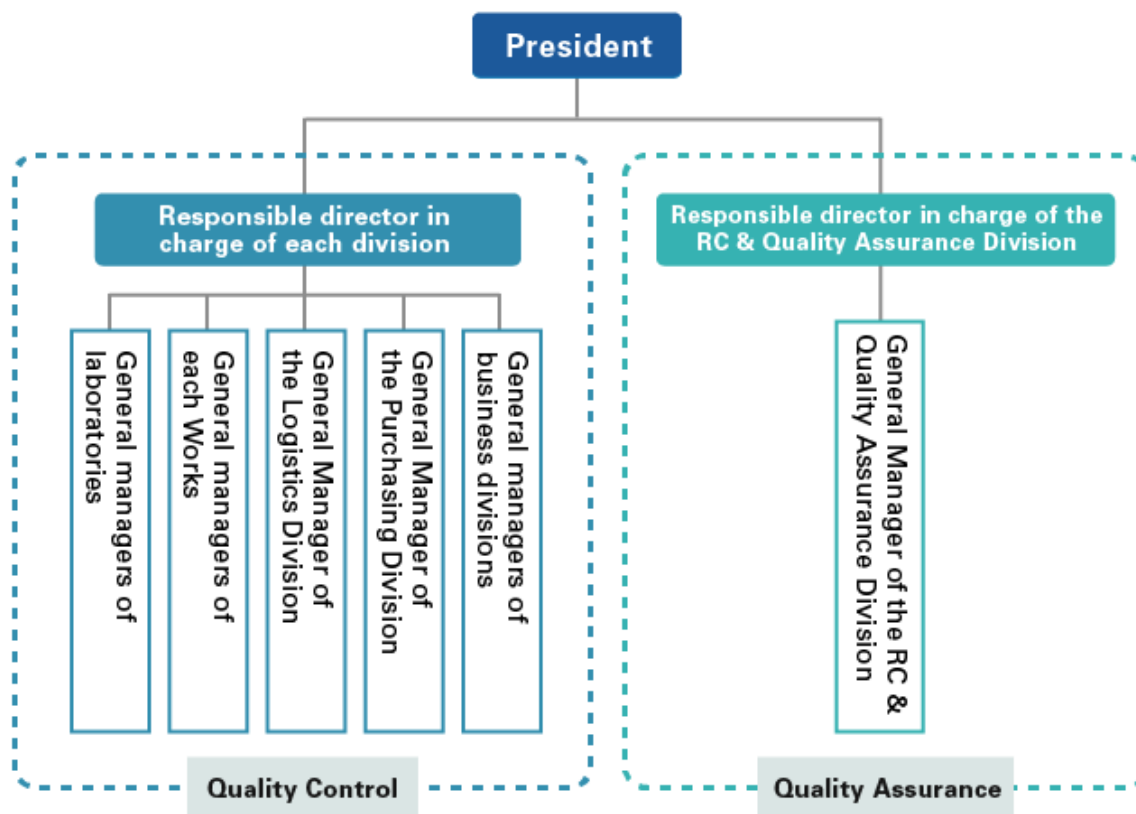
4. Create a more open corporate culture

- Adhere strictly to a policy of "report, contact, and consult;" promote the sharing of information between departments
- Undertake the exchange and horizontal deployment of quality assurance information and techniques across the Group

System and Responsible Officers

With the president assuming ultimate responsibility for quality management, the RC " Quality Assurance Division controls quality management for the entire Mitsui Chemicals Group in Japan and overseas. Under this structure, every effort is made to improve product and service quality in all divisions and further raise customer satisfaction.

Business divisions, the Logistics and Purchasing divisions, Works, and laboratories are responsible for quality control. The RC & Quality Assurance Division is responsible for quality assurance. As the heads of each division, general managers promote quality management.



Monitoring Methods

Quality management:

Steps are taken to identify quality audit program and priority audit items and to confirm the status of quality management implementation across the Group as a whole. A review of certain items including observations raised during fiscal year-end audits is undertaken. The results of this review are reflected in the audit program for the following fiscal year.

Quality of Products:

In addition to systematically collating customer complaints, steps are taken to monitor the details, causes, and each customer's response with respect to each complaint. After analyzing the information gleaned on a monthly basis, the results are shared within the Group. After conducting a review of complaints over the year, quality targets are identified for the following fiscal year.

Achievements and Reviews :

Quality complaints also remained at record low levels in fiscal 2016. This reflects successful efforts to uncover the underlying cause of each complaint and measures aimed at preventing any recurrence promoted horizontally across the Group.

In addition, considerable emphasis is placed on nurturing increased awareness toward quality within the Mitsui Chemicals Group through explanations of the Global Quality Management Principles put in place in 2015 during audits and training sessions.

Looking ahead, and amid the growing trend toward globalization and increased product performance, every effort will be made to further raise awareness toward quality and to address the critical need for an increasingly customer-oriented and sophisticated quality management system.

Goals and Results

Goals for Fiscal 2016

- Uncover high-quality risk factors and consider preventive measures while addressing customer complaints as a matter of course for all products.
- Build a quality assurance system for new businesses and products in a variety of fields including the Mobility and Food & Packaging domains.

Fiscal 2016 Results and Assessment

Level achieved: A

- Uncovered high-quality risk factors and considered preventive measures while addressing customer complaints as a matter of course for all products.
Undertook a system diagram analysis of complaints and uncovered each underlying cause while also implementing preventive measures across the organization as a whole.
Continued to carry out QRG activities*, uncovered on-site quality risks, and implemented measures.
- Measures aimed at building a quality assurance system for new businesses and products:
Assigned a designated quality assurance officer in each new business field; built a quality assurance system by project.

* QRG activities : A quality improvement initiative that is unique to the Mitsui Chemicals Group, QRG activities are carried out by the Quality Risk Reduction Group in an effort to reduce quality risks.

Priorities for Fiscal 2017

- Minimize quality complaints in the pursuit of customer satisfaction
- Build stable quality into new businesses and products
- Comply with legal and regulatory requirements regarding safety

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Quality

► Goals and Results

▼ Quality Improvement Initiatives

Quality Improvement Initiatives

Quality Management System

The Mitsui Chemicals Group makes every effort to increase customer satisfaction via a two-pronged approach to quality management, based on quality control ("built-in quality activities") and quality assurance ("activities that win over customers' trust").

Our built-in quality activities are aimed at minimizing discrepancies at every stage of the process, including purchasing, design, logistics, and sales as well as manufacturing, to enable every department to provide the same quality of product and service.

Our activities that win over customers' trust meanwhile are aimed at resolving issues from the customer's perspective, and are spearheaded by the Quality Assurance Department, independently of our sales and manufacturing sections.

Quality Management Philosophy



Improving the Standard of Quality Management

Our efforts to improve quality management standards revolve primarily around quality auditing and training.

The RC & Quality Assurance Division provides all departments within the Mitsui Chemicals Group, including the Head Office, works, laboratories, and domestic and overseas affiliates, with support in order to improve quality management through quality auditing that takes into consideration the perspectives of customers.

Please click the link below to view the results of quality audits in fiscal 2016.

🔗 Audits Conducted in Fiscal 2016

In terms of quality training, we have formulated a training program and are educating employees through e-learning. Covering more than just the Group's operations in Japan, this training is also implemented for the benefit of overseas subsidiaries and affiliates. Moreover, we have been implementing frontline measures to prevent quality issues on the shop floor (QRG activities) since fiscal 2010, with the aim of identifying and eliminating risks that could lead to quality issues. These measures are being carried out at all of the Company's main works and factories while also being rolled out to

subsidiaries and affiliates.

We are constantly working to encourage and raise the level of quality awareness on the frontline, and give out awards to departments or individuals that have particularly helped to improve frontline quality standards, to coincide with our annual nationwide Quality Month campaign.

Responding to the Voices of Customers

Whenever we receive a complaint from one of our customers regarding our products or services, business and manufacturing divisions together with the Quality Assurance Department work in unison to identify the cause of the complaint and to take corrective action. In this manner, every effort is made to implement preventive measures across the organization as a whole.

As one such initiative, all members of the Quality Assurance Department take the time to go back to the root of any issues and reassess the cause of each complaint, reconsider appropriate countermeasures, and confirm progress. At the same time, energies are channeled toward extracting important case studies, particularly where there is a substantial risk to customers, and where the potential exists for similar cases to arise. These case studies are then shared across the entire Company.

Society's interest toward the impact of chemical substances on people's health and the environment continues to rise. Against this backdrop, chemical substance regulations are becoming increasingly stringent with growing importance placed on the higher level of management of products containing chemical substances.

Under these circumstances, the Mitsui Chemicals Group has not only set up an information database in response to inquiries regarding products containing chemical substances from customers, but also established a designated department to undertake appropriate research. Through these means, we are working diligently to reply accurately to each inquiry in a timely manner.

Customer-specific Initiatives:

Initiatives Aimed at Ensuring Statutory, Regulatory, and Authentication Compliance

The Mitsui Chemicals Group takes steps to ensure compliance with all applicable statutory, regulatory, and authentication requirements on an individual product application basis and conducts internal risk assessments before bringing a particular product to market. In fiscal 2015, we established a designated group to address compliance issues in connection with laws and regulations related to pharmaceutical affairs including medical instruments and authentication. With this designated group taking the lead, every effort is made to confirm the safety and efficacy of products. Steps are also taken to strictly comply with all statutory and regulatory requirements. Moreover, we look to confirm the status of statutory, regulatory, and authentication compliance through periodic inspections after products have been launched.

Logistics

▼ Goals and Results

▶ Transporting Products Safely

▶ Initiatives to Reduce Environmental Impact in Logistics

Here at the Mitsui Chemicals Group, we carry out a wide range of initiatives to ensure that our products are safe and transported in a manner that takes into consideration the environment.

Management System

Policy

Based on its Responsible Care Policy and Companywide regulations for risk management, Mitsui Chemicals has established "Off-site Logistics Environment, Safety, and Quality Management Bylaws." At the same time, the Company is working to maintain and improve its logistics environment, safety and quality (logistics responsible care).

System and Responsible Officers

With the responsible director in charge, the Logistics Division sets targets for the fiscal year based on results (number of accidents, complaints, etc.) up to the previous year. Various measures (audit of logistics subcontractors, education, on-site discussion, campaigns, etc.) are incorporated into the annual plan with definitive steps then taken to implement a PDCA cycle. The Logistics Division reports on logistics performance as well as the progress of annual plans while promoting the exchange of opinions through various means including regular meetings with the Responsible Care Committee and the responsible director in charge of the Logistics Division.

Monitoring Methods

Among a host of measures, steps are taken to conduct a Logistics Division responsible care audit based on specific criteria and a checklist that is prepared in advance. In this manner, every effort is made to monitor the progress of annual logistics responsible care plans. The results of the aforementioned measures and audit are reported to all relevant logistics-related parties and proper action taken.

Achievements and Reviews

The Company has achieved all of the targets identified under its annual plan and continues to maintain a major accident- and work-related significant occupational injury-free track record. As far as trends are concerned, the number of complaints is in a decline. This is largely due to the success of original and creative responsible care activities (education, measures aimed at increasing awareness, campaigns, monthly and weekly reports, etc.). In addition, the Company has adopted a new KPI (trouble ratio) and is initiating plan proposals that reflect specific data from a prevention perspective.

Goals and Results

Goals for Fiscal 2016

Maintain and increase safety, the environment, and quality

- Work-related significant occupational injuries / Major accidents: 0
- Complaints: Not more than 8

Fiscal 2016 Results and Assessment

Level achieved: A

- Work-related significant occupational injuries / Major accidents: 0
- Complaints: 7

Priorities for Fiscal 2017

Maintain and increase safety, the environment, and quality (ongoing)

- Work-related significant occupational injuries / Major accidents: 0
- Complaints: Not more than 7
- KPI (trouble ratio): Not more than 50ppm

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Logistics

► Goals and Results

▼ Transporting Products Safely

► Initiatives to Reduce Environmental Impact in Logistics

Transporting Products Safely

Dialog with Logistics Subcontractors

Here at the Mitsui Chemicals Group, we are committed to conducting safety activities in partnership with our logistics subcontractors.

The department responsible for logistics at each of our works organizes logistics meetings with the works' logistics subcontractors, usually once a month, in order to share information about accidents and other relevant matters, review details of *hiyari-hatto* (near-miss) *1 incidents, carry out on-site patrols and training, and improve communication. We also make every effort to prevent accidents as part of our logistics operations by requiring contractors to undergo responsible care audits and engage in safety dialog with on-site operators, based on the principle of *Shichigen Shugi*, or "the seven actuals *2." Energies are also directed toward preventing incidents relating to the logistics process. This includes the elimination of erroneous shipments and deliveries as well as product leakage.

Third-party logistics (3PL) *3 companies take the lead in managing 3PL products. The aforementioned activities are also undertaken with the departments responsible for logistics at each works playing a supporting role.

*1 Near-miss:

Any narrowly avoided major accident or disaster

*2 The seven actuals:

Solving problems by going to the actual location (*genba*), inspecting the actual situation (*genbutsu*) and ascertaining the actual facts (*genjitsu*) while placing the utmost importance on actual principles (*genri*), actual rules (*gensoku*), the actual basics (*genten*), and actual people (*ningen*)

*3 Third-party Logistics (3PL):

A form of logistics operation where a third party undertakes all or a portion of the logistics function on a contract basis

Safety Measures Using SDS and Yellow Cards

As we deal with high-pressure gas and numerous hazardous or toxic chemicals that are required by law to be managed and handled in a certain manner, we take the utmost care to ensure that our products are transported safely. For the subcontractors to whom we consign logistics, we provide an SDS*1 for each product, regardless of whether it is dangerous or hazardous, to serve as information regarding the precautions needed when handling and storing our products. In the same way as the SDS, we also require drivers and other operators transporting our products to carry yellow cards*2 outlining measures that need to be taken and information that needs to be reported in the event of an accident.

*1 SDS: Safety Data Sheet

Documentation issued by one operator to another when transporting chemicals or other such substances, containing information such as the name of the substance, the name of the supplier, hazard/toxicity levels, safety measures and emergency procedures

*2 Yellow card:

Promoted by the Japan Chemical Industry Association, an emergency contact card on which are written the actions to be taken those involved, including the truck driver, fire and police, in preparation for the unlikely event of an accident when transporting chemical substances or high-pressure gas.



Yellow card

Eliminating Transport-related and Occupational Accidents

We publish a monthly report on responsible care (RC) logistics safety quality and monthly / weekly RC reports, conduct creatively original risk prevention activities, such as reinforcing the basic rules for vehicle safety* and peer group case studies of logistics accidents and difficulties, while working to reduce and eradicate accidents and occupational injuries.

At busy periods and at the end of the year/fiscal year, we distribute and put up posters to prevent logistics difficulties and put into effect a nationwide campaign at worksites.

* Basic rules for vehicle safety:

1. Before reversing, get out of the truck and make sure it is safe.
2. Put the brake lock on and be sure to place a chock against a tire.
3. Before departure, always do a full walk-around, top to bottom inspection to check that everything is safe.



Monthly report on logistics safety quality

Minimizing Damage in the Event of an Accident

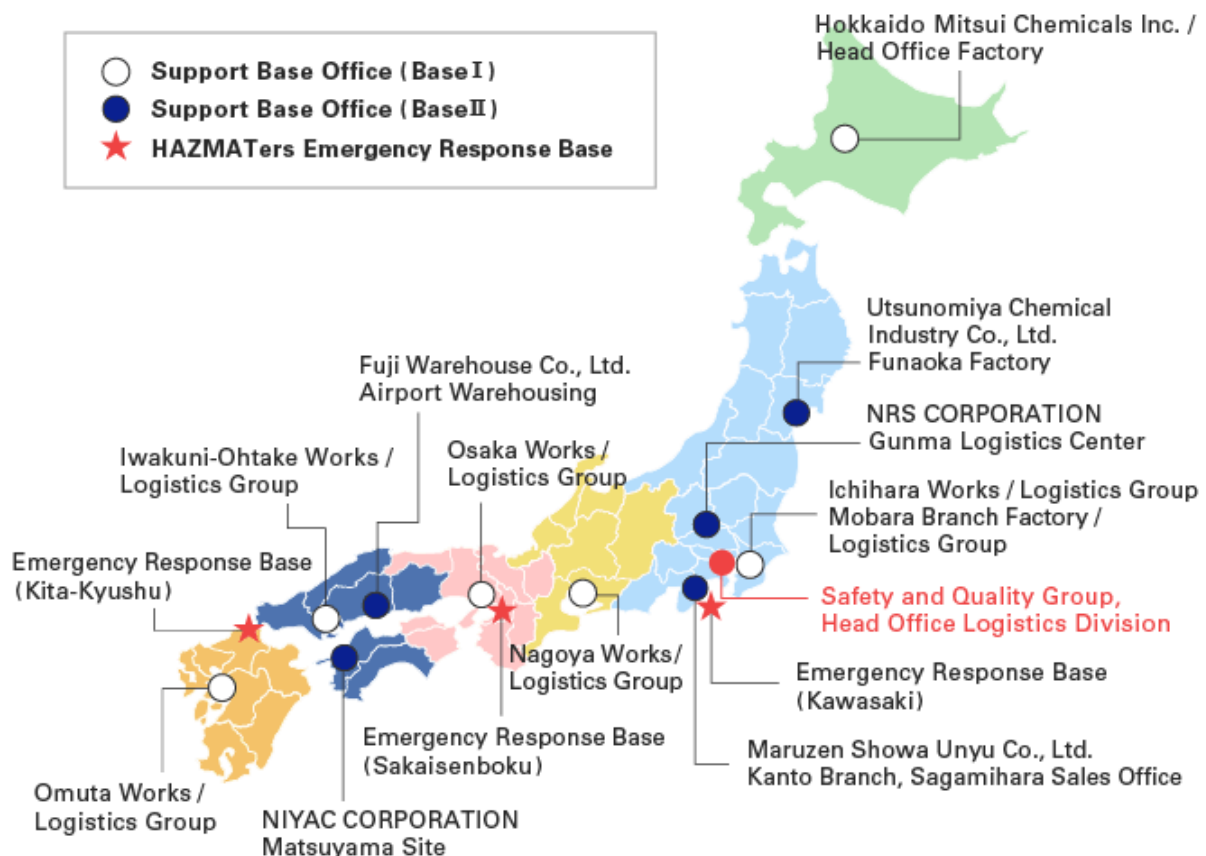
In an effort to minimize damage in the event of an accident during the transportation of our products, we have introduced a set of regulations outlining the Mitsui Chemicals Group Logistics Emergency Network (MENET*1). The network is divided into six areas covering different parts of the country and can be mobilized 24 hours a day. We also conduct emergency contact and mobilization drills twice a year.

Maintaining Support Base Offices (Base Is) and Emergency Equipment Loading Points (Base IIs), we also adopted the Maritime Disaster Prevention Center's Hazardous Material Emergency Response Service (HAZMATers*2) to respond in a timely manner to accidents as and when they occur and to prevent major damage while working to enhance the MENET system.

*1 MENET (Mitsui Chemicals-G Logistics Emergency NETwork): Offsite logistics accident/emergency network and support system

*2 HAZMATers (Hazardous Material Emergency Response Service) Maritime Disaster Prevention Center: Hazardous Material Emergency Response Service (HAZMATers)

MENET support bases and HAZMATers emergency response bases



Logistics

► Goals and Results

► Transporting Products Safely

▼ Initiatives to Reduce Environmental Impact in Logistics

Initiatives to Reduce Environmental Impact in Logistics

Mitsui Chemicals is working to build a logistics structure that has a low impact on the environment. Promoting a modal shift in moving away from the use of trucks and increasing the volume of marine and rail transportation, we are working to reduce CO₂ emissions by making further improvements to our load efficiency by shared logistics*¹.

In fiscal 2016, the Company's per-unit energy consumption rate for the transportation of products*² was 7.05 kiloliters per thousand tons. This was up 2.9% compared with fiscal 2015. While the increase in the Company's per-unit energy consumption rate reflected the impact of extended product transportation distances owing mainly to changes in sales, the modal shift ratio is showing a steady improvement.

In addition, Mitsui Chemicals has been designated as an Eco Rail Mark company by the Administration and Screening Committee of Japan's Ministry of Land, Infrastructure and Transport.

*1 Shared logistics: The building of a shared logistics system for small-lot products by chemical manufacturers in the Keiyo area.

*2 Per-unit energy consumption rate for the transportation of products: Amount of energy consumer (crude oil equivalent in kiloliters) / Volume of product shipments (thousands of tons)



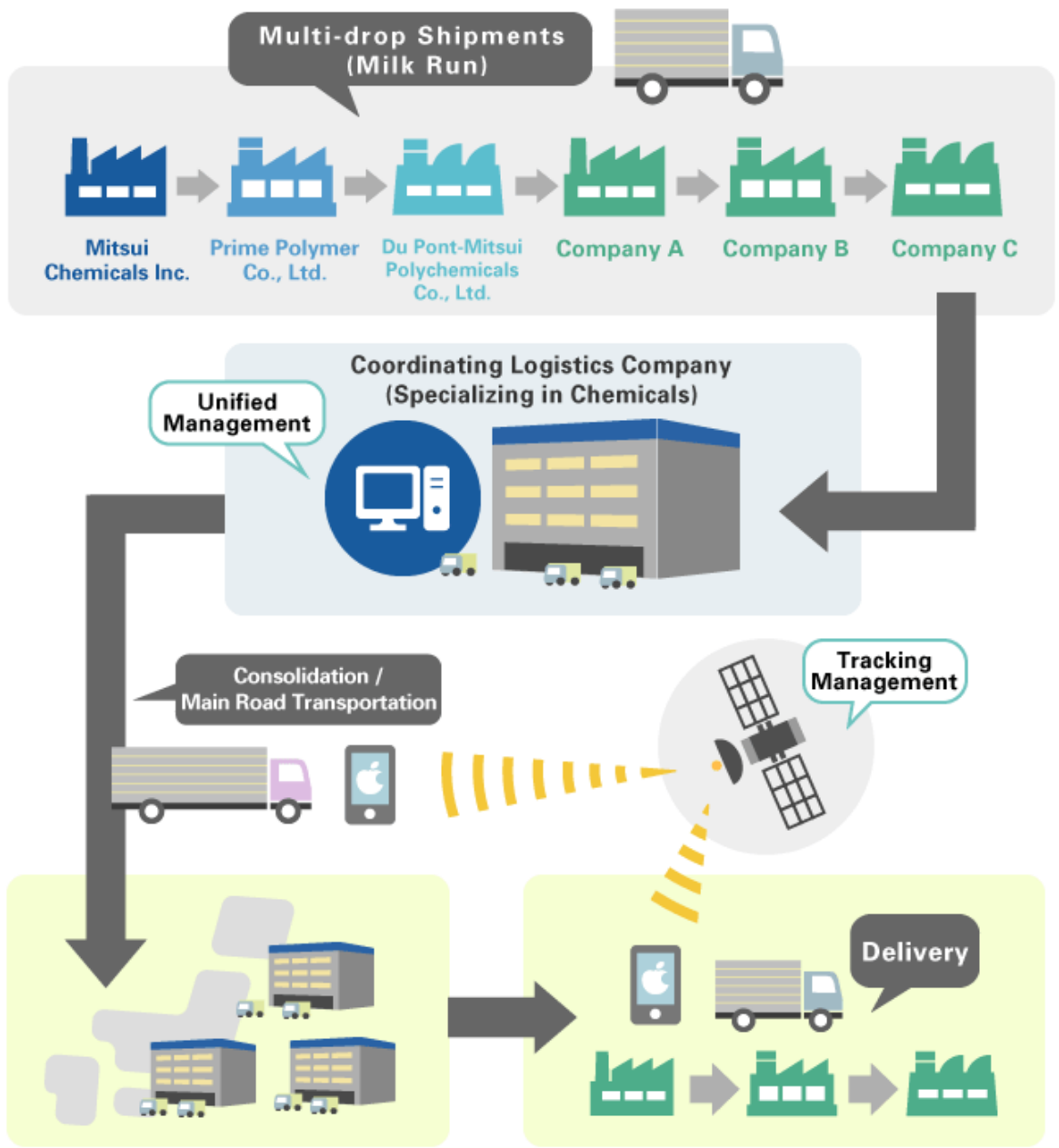
Shared Logistics System for Small-lot Products by Keiyo Area Chemical Manufacturers

Against the backdrop of an increasingly serious shortage of drivers and burgeoning mail order demand, operators began to shun the transportation of chemicals. Securing stable transportation capacity for small-lot products over long distances thus became an urgent issue common among chemical shippers. In the Keiyo area to the east of Tokyo, we collect shipments from the production sites of other manufacturers in the vicinity and share the logistics of delivering those products to customers via common transportation routes.

Traditionally, transportation was carried out by delivery companies that took chemicals mixed with loads of general merchandise on set routes via multiple transshipment points. Since we reduce the number of transshipment points by using companies specializing in chemicals, we can expect to reduce the number of quality issues, such as damage caused in transit.

We can also expect that the improvement in load efficiency will have the effect of reducing our CO₂ emissions.

Shared Logistics System



Communication with Society



Here at the Mitsui Chemicals Group, we recognize the critical need to be as receptive as possible to what our stakeholders want and what they expect from us in order to secure sustainable growth in concert with society.

With this in mind, we are fully committed to engaging in a wide range of activities while taking to heart the importance of communication with our various stakeholders.

► Respect for Human Rights

► Basic Philosophy on Human Rights

► Initiatives Aimed at Raising Awareness

► Working with Our Customers

► In order to Satisfy Customers

► Working with Our Suppliers

► Purchasing Policy

► Goals and Results

► Supplier Sustainability Evaluation and Improvement Support

► Sustainable Procurement Initiatives

► Working with Our Shareholders and Investors

► Goals and Results

► Disclosure of Information to Shareholders and Investors

► Working with Our Employees

► Human Resources Management Policy

► Goals and Results

► Human Resources Development

► Creating an Employee-friendly Working Environment

► Promoting Diversity

► Working with Industry, Government, and Academia

► Goals and Results

► Promoting Cooperation with Industry

► Promoting Joint Research Projects

► Promoting Global Collaboration

► Social Activities

► Social Activities Policy

► Goals and Results

► Laboratory Classes on the Wonders of Chemistry

► Nurturing Future Generations

► Environment Communication

► International Exchanges and Cooperation

► Support for Employees' Participation in Social Activities

► Disaster Relief

► Working in Harmony with Local Communities


Respect for Human Rights

▼ Basic Philosophy on Human Rights

► Initiatives Aimed at Raising Human Rights Awareness

Basic Philosophy on Human Rights

Respect for human rights is one of the fundamental principles that underpin our business activities all over the world. The Mitsui Chemicals Group is committed to observing all laws and regulations. At the same time, we maintain a deep respect for the personality and opinions of each individual. The Group does not tolerate discrimination on any grounds including gender, race, nationality, age, and religion or any form of harassment. We have codified this commitment together with our obligation to respect human rights in the Mitsui Chemicals Group Action Guidelines and the Human Resources Management Policy of the Mitsui Chemicals Group. As a member of society, we will also fulfill our environmental and social responsibilities across the entire supply chain by always acting in good faith, having a high regard for people and society, and practicing dream-inspiring innovation.

 The Mitsui Chemicals Group Action Guidelines

 The Human Resources Management Policy of the Mitsui Chemicals Group

The Mitsui Chemicals Group has put in place its Basic Philosophy on Human Rights after taking into consideration various standards including the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work Issued by the International Labour Organization and the Global Compact as well as the Guiding Principles on Business and Human Rights of the United Nations.

The Mitsui Chemicals Group's Basic Philosophy on Human Rights

1. Maintaining international standards

We signed the UN Global Compact in January 2008. We uphold and take steps to prevent any violation of internationally proclaimed basic human rights, including the Universal Declaration of Human Rights.

2. Respect for basic labor rights


We respect basic labor rights, including freedom of association and the right to collective bargaining.

3. Elimination of forced, compulsory, and child labor

We will not engage in any form of forced, compulsory or child labor as part of our corporate activities, in any country or region.

4. Elimination of discrimination

We will not engage in any form of discrimination on any grounds, including race, gender, nationality, age, or religion.

 Signatory to the UN Global Compact

 The 10 principles of the UN Global Compact Cross-reference Table

Respect for Human Rights

► Basic Philosophy on Human Rights

▼ Initiatives Aimed at Raising Human Rights Awareness

Initiatives Aimed at Raising Human Rights Awareness

Consideration for Human Rights within Mitsui Chemicals

At each type of training session, we entrench awareness for human rights by studying the “Mitsui Chemicals Group Action Guidelines” and “Basic Philosophy on Human Rights” and educate attendees on a number of issues, such as discrimination and harassment.

Mitsui Chemicals participates in the subcommittee concerning human rights of the Global Compact Network Japan. This subcommittee provides the forum to learn about and deliberate on a wide range of issues pertaining to human rights on a global scale in conjunction with human rights NGOs and participating companies. In addition to deepening its understanding toward human rights issues, the Mitsui Chemicals Group will draw its participation in the subcommittee to bolster its awareness activities.

Everything we do as a company depends on “people.” That is why we consider our employees to be our most important assets and pay particular attention to the following points.

➡ The Mitsui Chemicals Group Action Guidelines

- Human Resources Development
- Global Human Resources Management
- Responding to Life Events
- Promoting diversity
- Occupational health
- Risk Hotline

Consideration for Human Rights in Investment Activities

The Mitsui Chemicals Group undertakes substantial investments as a part of its business development activities. When selecting an investment, a meeting is held to consider any related human rights issues. As a part of the Group’s due diligence, steps are also taken to assess the impact of human rights concerns in the context of each country’s statutory and regulatory requirements regarding the use of labor.

Taking Human Rights Issues into Consideration along the Supply Chain

While advocating the promotion of environmental activities and social responsibility along its entire supply chain, the Mitsui Chemicals Group is equally committed to respecting the human rights of all of its stakeholders who are in some way linked to the Group’s business activities.

For example, we have clearly set out our expectations of suppliers in the Mitsui Chemicals Group Purchasing Policy. Under this policy, we place considerable importance on compliance with laws and regulations as well as social norms and respect for human rights and labor conditions. When we commence a new business arrangement, and also in the case of ongoing suppliers, we periodically and depending on the nature of the business conduct wide-ranging checks that include corporate governance, human rights, occupational safety, fair trade and environmental protection.

In addition, we have also extended our Risk Hotline (internal reporting system) so that it is now accessible to suppliers and are determined to keep on building stronger partnerships in the future. The Mitsui Chemicals Group works diligently to ensure equal opportunity and transparency while maintaining and promoting fair and equitable business practices.

➡ Purchasing Policy

Participation in Stakeholder Engagement Program

Through dialog with companies, NPOs/NGOs and knowledgeable experts, the Mitsui Chemicals Group deepens its understanding of the importance of corporate activities that show consideration for the contexts in which human rights issues occur, the relationship between business activities and human rights, important human rights themes as well as human rights, while working to utilize that understanding in its corporate activities.

In fiscal 2016, the Group participated in the Stakeholder Engagement Program organized by Caux Round Table Japan (CRT Japan).

The program holds discussions, conducted by companies, NGOs/NPOs and knowledgeable experts, geared toward the human rights due diligence called for under the United Nations *Guiding Principles on Business and Human Rights*.

At the 2016 program, we identified the important industry sector-specific priority issues on the basis of the Sustainable Development Goals (SDGs).

Through a variety of activities, the Group is aiming to “pursue thorough safety, high quality, and fairness across the entire supply chain” as one of its declared goals in the 2025 Long-term Business Plan.

➡ Stakeholder Engagement Program

► 2016 human rights due diligence workshop in Japan.pdf 

Working with Our Customers

▼ In order to Satisfy Customers

The Mitsui Chemicals Group is harnessing its collective strengths and making every effort to provide value and solutions that customers can genuinely appreciate.

In order to Satisfy Customers

The Mitsui Chemicals Group has positioned efforts to pursue innovations as a basic strategy of its 2025 Long-term Business plan. With this in mind, the Group has identified the needs to promote customer-driven innovation and strengthen capabilities to propose solutions. In order to address these needs, we are shifting to a customer-driven business model. This endeavor will not only help us achieve our economic-based targets, but also allow us to maximize products and services to achieve a low carbon, recycling-oriented, and cohesive society in harmony with the environment, to maximize products and services to achieve increased QOL and a smart society, key environmental and social targets.

...➡ 2025 Long-term Business Plan ...➡ Special Feature – Contributing to Society through Customer-driven Innovation
Changes in R&D at the Mitsui Chemicals Group

The Mitsui Chemicals Group has identified the pursuit of thorough safety, high quality, and fairness across the entire supply chain as a third environmental and social target. Quality in particular is directly linked to efforts aimed at increasing customer satisfaction. Accordingly, the Mitsui Chemicals Group makes every effort to increase customer satisfaction via a two-pronged approach to quality management, based on quality control and quality assurance.

...➡ Quality

Utilizing our online inquiries link, we are attending to customers' inquiries, complaints, and requests for information in a timely manner.

...➡ Inquiries

Working with Our Suppliers

▼ Purchasing Policy

► Goals and Results

► Supplier Sustainability Evaluation and Improvement Support

► Sustainable Procurement Initiatives

Here at the Mitsui Chemicals Group, we regard all of our suppliers as good partners. We always purchase items from our suppliers fairly and in good faith so as to ensure mutually sustainable growth.

Purchasing Policy

The Mitsui Chemicals Group engages in purchasing activities based on the Mitsui Chemicals Group Purchasing Policy formulated in April 2006. Details of this policy are being conveyed to suppliers.

The Mitsui Chemicals Group verifies the status of sustainable activities when starting transactions with new suppliers as well as periodically with our current suppliers depending on transaction details. This involves confirming a wide range of specifics that include environmental protection, occupational safety, quality assurance, corporate governance, fair transactions, human rights, and information security. In addition, we evaluate supplier companies based on the results of these surveys and offer guidance on making improvements as needed. In the case that there are compliance violations and other significant discrepancies at suppliers, we will take steps to address these issues in accordance with established standards.

The Mitsui Chemicals Group Purchasing Policy

As we rely on our suppliers to help us to enhance the Group's corporate value through our purchasing activities, we regard all of our suppliers as good partners. We always deal with our suppliers fairly and in good faith and make every effort to ensure the mutually sustainable development of our corporate activities. As such, all purchasing divisions within the Mitsui Chemicals Group engage in purchasing activities in accordance with the following Purchasing Policy.

1. Legal compliance

We will strictly comply with all laws and social norms as part of our purchasing activities.

2. Equal opportunities and transparency

We will be wide open with our suppliers, both domestic and overseas, and provide equal opportunities for fair trade in good faith.

3. Harmony with the environment

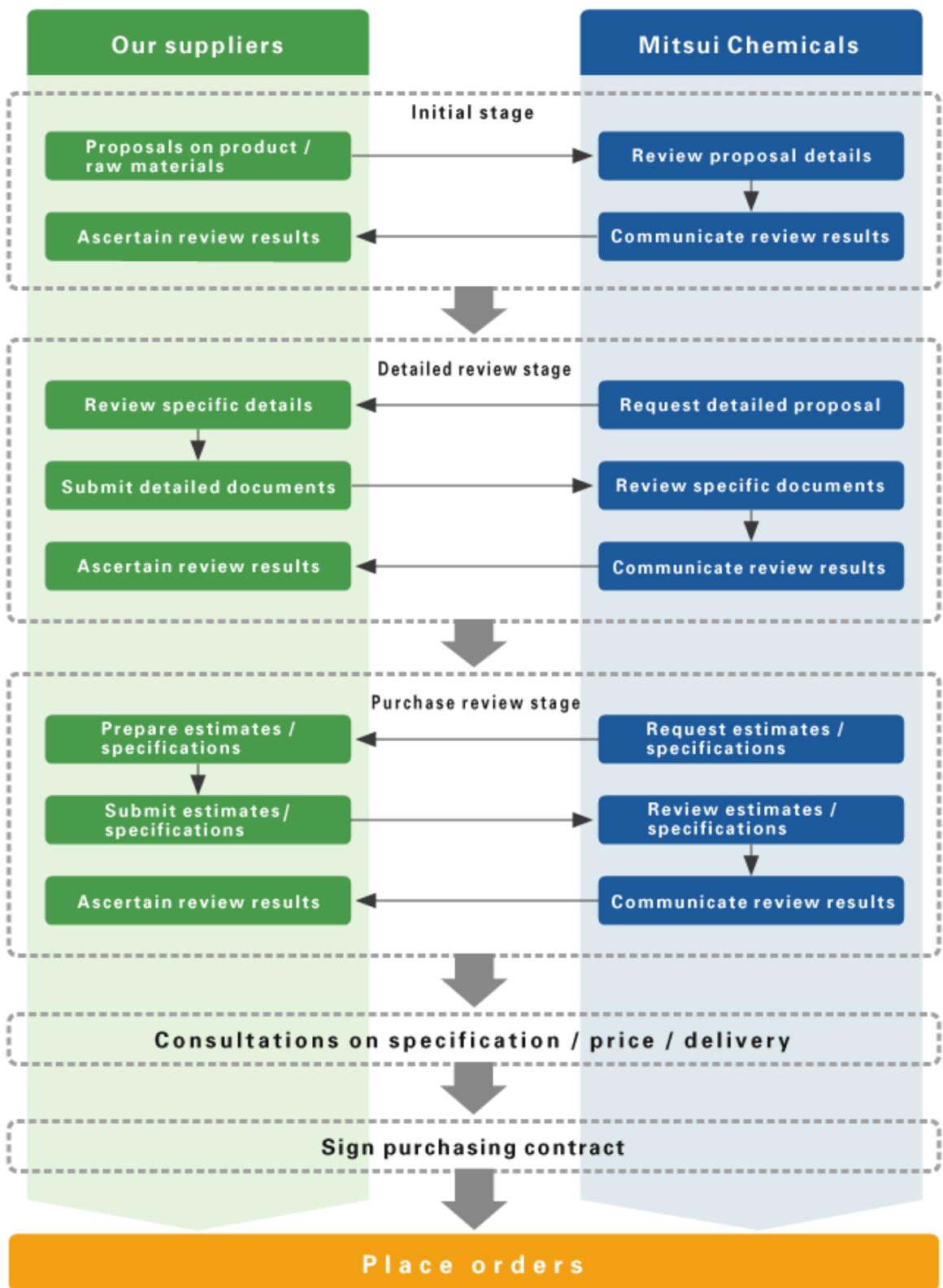
We will endeavor to purchase goods and materials that have less impact on the environment.

4. CSR-oriented selection

When selecting suppliers, we will give priority to and seek to build stronger partnerships with companies that satisfy the following requirements.

- Strict compliance with laws and social norms
- Respect for human rights and consideration for working environments
- Commitment to environmental preservation and safety assurance
- Sound management
- Commitment to maintaining and improving appropriate standards in areas such as quality, price and delivery dates

The Company's procedures leading up to supplier transactions follow the basic processes listed below.



Working with Our Suppliers

► Purchasing Policy

▼ Goals and Results

► Supplier Sustainability Evaluation and Improvement Support

► Sustainable Procurement Initiatives

Management System

Policy

Falling under Mitsui Chemicals' Purchasing Policy, Sustainable Procurement involves the following stipulations. When selecting suppliers, we will give priority to and seek to build stronger partnerships with companies that satisfy the following requirements.

- Strict compliance with laws and social norms
- Respect for human rights and consideration for working environments
- Commitment to environmental preservation and safety assurance
- Sound management
- Commitment to maintaining and improving appropriate standards in areas such as quality, price and delivery dates

System and Responsible Officers

The responsible director in charge of the Purchasing Division is in charge of sustainable procurement and is a member of the CSR Committee, Mitsui Chemicals' highest body for overseeing Group CSR. The Purchasing Division convenes a meeting once per month to determine the status of sustainable procurement and promote these activities on a daily basis.

Monitoring Methods

The Purchasing Division regularly conducts surveys of suppliers to determine the status of their sustainable procurement activities using the SAQ (self-assessment questionnaire; previously CSR Procurement Survey) along with periodic supplier audits. At monthly results review meetings, such surveys determine the progress of sustainable procurement action plans as well as achievements, which are then reflected in plans for the next fiscal year. In addition, we check the status of sustainable procurement activities during annual audits conducted by corporate auditors and the Purchasing Division.

Achievements and Reviews

Mitsui Chemicals has promoted mutual understanding between it and suppliers as well as improvement assistance since establishing the Mitsui Chemicals Group Purchasing Policy in fiscal 2006 based on its sustainable procurement SAQ. One of the aims of the 2025 Long-term Business Plan is to "pursue thorough safety, high quality, and fairness across the entire supply chain." To this end, the Mitsui Chemicals Group undertakes supplier sustainability assessments and improvement assistance (sustainable procurement ratio of 70% or more).

Mitsui Chemicals will pursue initiatives to promote a shared understanding of the importance of sustainable procurement and expand the scope of sustainable procurement throughout the Group centered on the Purchasing Division.

Goals and Results

Goals for Fiscal 2016

- Determine the content of surveys to be implemented during fiscal 2017
- Organize and evaluate supplier risks; determine the scope of surveys
- Standardize and align the approach toward sustainable procurement across the Group as a whole

Fiscal 2016 Results and Assessment

Level achieved: A

- Decided to adopt a Sustainable/CSR Procurement SAQ based on a new SAQ format drafted at a UN Global Compact Network Japan supply chain subcommittee meeting
- Decided to apply these assessments to Purchasing Division suppliers with total transaction amounts of 90% over a three-year period (from fiscal 2014 to fiscal 2016)
- Conducted hearings targeting two affiliates on information exchanges about procurement activities and the status of sustainable procurement

Priorities for Fiscal 2017

- Request Purchasing Division suppliers answer sustainable procurement SAQs; begin offering feedback and improvement assistance
- Exchange information between the Purchasing Division and other divisions (target: all Mitsui Chemicals business divisions)
- Have the Procurement Division provide explanations of sustainable procurement at domestic affiliate liaison meetings

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Working with Our Suppliers

► Purchasing Policy

► Goals and Results

▼ Supplier Sustainability Evaluation and Improvement Support

► Sustainable Procurement Initiatives

Supplier Sustainability Evaluation and Improvement Support

Adopted a Sustainable/CSR Procurement SAQ


Mitsui Chemicals decided to adopt a Sustainable/CSR Procurement SAQ format based on the SAQ drafted at the UN Global Compact Network Japan supply chain subcommittee meeting in order to promote sustainable procurement.

This SAQ was drafted to conform with the UN Global Compact's 10 principles and international regulations such as ISO 26000 and GRI. In addition, we have established universal content regardless of industry or business format as shared (required) categories to ensure that SAQ tools extend beyond any industry and business format.

Moreover, the following concepts for drafting the SAQ were stated at the UN Global Compact Network Japan supply chain subcommittee meeting.

- Hold discussions on equal treatment for companies that comprise supply chains regardless of the size of management resources (personnel, assets, funds); sustainable procurement is becoming important for creating a sustainable society.
- Foster a shared vision, mutual understanding/growth based on SAQ responses from all companies that comprise the supply chain, while aiming to make SAQs a baseline by making them easy to understand, user friendly, and opened-ended in order to implement sustainable procurement on a global level.
- Take steps to facilitate the channeling of management resources toward improving internal and supply-chain sustainable procurement by sharing SAQs among suppliers and buyers while working to reduce workloads for both parties.

Sharing these ideas, Mitsui Chemicals has taken the initiative in adopting the SAQ to improve sustainable procurement not only in its own supply chain but throughout society and along with other participating companies.

► Sustainability / CSR procurement SAQ (PDF) 

* Partial excerpt from the Sustainable / CSR Procurement SAQ tool set of the helpful series aimed realizing global sustainable development published by Global Compact Network Japan

 Global Compact Network Japan Sustainable / CSR Procurement SAQ tool set 

Selecting Applicable Suppliers

Mitsui Chemicals has selected applicable suppliers based on purchasing track records over a three-year period since fiscal 2014. Tabulating purchasing amounts by first-tier suppliers, Mitsui Chemical selected suppliers with a 90% monetary coverage ratio listed in sequence of large monetary amounts, with 354 companies falling within this category. This is equivalent to a monetary coverage ratio of 55% in the case of Mitsui Chemicals' business division purchases being placed in the denominator. Looking ahead, we are considering extending the scope of applicable suppliers beyond first-tier suppliers to include raw materials production companies.

Mitsui Chemicals will take steps to reach the 2025 Long-term Business Plan target of an over 70% Group-wide sustainable procurement ratio.

Policy on conflict minerals

We are fully aware of the essential need to address so-called conflict minerals here at the Mitsui Chemicals Group. In fiscal 2015, the Purchasing Division conducted an investigation covering all raw materials except fuels and packaging materials transactions taken in fiscal 2014. As a result, we have confirmed that we do not purchase or use any conflict minerals associated with inhumane acts committed by armed groups on the ground in the Democratic Republic of Congo or any of its neighboring countries. That includes gold (Au), tantalum (Ta), tungsten (W) and tin (Sn). If it comes to light that we have used any conflict minerals in the future, we will immediately halt procurement of the relevant minerals.

From fiscal 2017, Mitsui Chemicals has adopted Sustainable/CSR Procurement SAQ based on a SAQ format drafted at a UN Global Compact Network Japan supply chain subcommittee meeting, which has established a category for confirming conflict mineral-related activities.

* In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act was enacted in the U.S. The act came about as a result of reports regarding serious human rights violations and damage to the environment, stemming from inhumane acts committed by armed groups on the ground in the Democratic Republic of Congo and its neighboring countries. As this has become a serious international issue, there are growing concerns that trade in conflict minerals could be used to fund armed groups in those countries, either directly or indirectly.

Scope of reply:

* Terms with numbers in parentheses correspond to the numbered items in the sheet (3) Explanation of Terms

Company:	
Department:	
Business:	
Scope of reply:	Consolidated, Group in Japan (incl. main company), Main company alone, Individual Company, Business Division, Business site (incl. plant), Other

When answering:

Refer to the instructions, glossary, and guide. To answer a question, enter the number of your chosen "Response Level" from the right into the "Answer" field.

Yellow cells are required to be filled, while blue cells ("Comments") are optional.

Quick Links

I. Corporate governance	IV. Environment	VII. Information security
II. Human rights	V. Fair business practices	VIII. Supply chain
III. Labor	VI. Quality and safety	IX. Local Communities

Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
I. (1) Corporate governance related to (2) CSR	1. Establishment of a CSR promotion system Companies are expected to endeavor to achieve a sustainable society while observing the law, abiding by social norms, meeting society's expectations, and taking care not to have a negative impact on society and the environment. Companies must put this idea into practice while familiarizing employees with it. Toward that end, they must establish a system for risk management of ESG (environmental, social, and governance) related to CSR and for implementing the PDCA (Plan, Do, Check, Act) cycle.	Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
		Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	2. Establishment of (3) internal controls It is expected that management systems and schemes are in place within the company to ensure effectiveness and efficiency of operations as a company, reliability of financial reporting, compliance with laws and regulations related to business activities, and asset protection, with a view toward the establishment of an organizational structure for sound corporate management.	Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
		Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	3. Establishment of a (4) business continuity planning (BCP) system It is expected that a system is in place for continuity or early recovery of important operations and business during/ after a disaster (e.g., natural disaster, major fire, terrorist attack).	Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, one (or both) is established and reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
		Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	4. Establishment of a whistle-blower system It is expected that a system is in place for employees who have learned of a compliance problem in the company's business activities in general, such as a legal violation or wrongful act or an act that could be a compliance problem, or for employees who themselves have suffered human rights or labor abuses to directly report to or consult with a dedicated department or outside contact. It is also expected that the system is set up to ensure confidentiality and that the whistleblower will not be treated unfavorably.	Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
		Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	5. Dispatch of CSR-related information inside and outside the company It is expected that financial information and (5) non-financial information is dispatched appropriately inside and outside the company in response to requests from society and (6) stakeholders for transparency and accountability regarding corporate activities.	Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
		Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
Comments	Use the right column if there is anything you would like to add, such as initiatives your company is taking in regards to this theme.								

Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
II. Human rights	<p>1. Basic attitude toward human rights</p> <p>Companies should respect and protect human rights as declared in international standards and frameworks and ensure that they are not complicit in (or contributing to) human rights violations.</p> <p>Major international frameworks and norms: (7) Universal Declaration of Human Rights, (8) Ten Principles of the UN Global Compact, (9) UN Guiding Principles on Business and Human Rights, (10) OECD Guidelines for Multinational Enterprises, (11) UK Modern Slavery Act, etc.</p>	Legal awareness	Are you aware of international standards and frameworks, national legislation as well as (12) social norms/(13) industry norms and standards at home and abroad related to this category?		No		Yes, but the existence of violations is not checked.		Yes, and the existence of violations is checked.
		Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
	<p>2. Respect for human rights and prohibition of discrimination</p> <p>Companies should respect human rights and have a responsibility to conduct decision-making and business activities without discrimination based on race, nationality, gender, (14) sexual orientation, age, ancestry, religion, ethnicity, or immigration, etc., or against children, senior citizens, persons with disabilities, indigenous populations, the poor, or persons with HIV/AIDS, etc.</p>	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	<p>3. Avoidance of complicity in (or contribution to) human rights abuses</p> <p>Companies should ensure that the company's decision-making, business activities, and products and services do not lead to complicity in (or contributions to) human rights abuses of consumers or members of the local community.</p>	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	<p>4. Respect for indigenous peoples and local communities</p> <p>It is important for companies that conduct business in regions where indigenous peoples and ethnic minorities live to respect their unique cultures and histories, to abide not only by local laws and ordinances but also international standards, and to give consideration to the rights of indigenous peoples. Also, beyond the issue of indigenous peoples, it is essential to conduct responsible business operations with sensitivity to local communities that are affected, in order to maintain the right to operate and to obtain permits and licenses.</p>	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
Comments	Use the right column if there is anything you would like to add, such as initiatives your company is taking in regards to this theme.								

Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
III. Labor	1. Basic attitude toward labor practices Companies should recognize and comply with the labor principles presented in international norms, etc., and to apply basic workplace principles as universal values. Main international frameworks and norms: (7) Universal Declaration of Human Rights, (15) International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, (8) Ten Principles of the UN Global Compact, (9) UN "Guiding Principles on Business and Human Rights," (10) OECD Guidelines for Multinational Enterprises, (11) UK Modern Slavery Act, etc.	Legal awareness	Are you aware of legislation as well as social norms/ industry norms and standards at home and abroad related to this category?		No		Yes, but the existence of violations is not checked.		Yes, and the existence of violations is checked.
		Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
	2. Prohibition of discrimination in the workplace Companies should not discriminate at the workplace, including during recruitment process, based on race, nationality, gender, sexual orientation, age, ancestry, religion, ethnicity, immigration, the existence of a disability, etc., or any factors other than factors such as the applicant's abilities and aptitude.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	3. Provision of equal opportunities to employees regarding human resources development and (16) career advancement, etc. Companies are expected to play a critical role in ensuring that opportunities, such as for promotion and training, are provided equally without undermining fairness on the grounds of race, nationality, gender, sexual orientation, age, ancestry, religion, ethnicity, immigration, the existence of a disability, marital status, or the condition of health, etc.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	4. Prohibition of inhumane treatment Companies should respect employees' human rights. Inhumane treatment, such as abuse, physical punishment and harassment, is prohibited.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	5. Payment of fair wages Companies should abide by the legal minimum wage of the country and region in which they are operating, and ensure that an appropriate (17) collective agreement is concluded regarding matters such as overtime, and that extra pay and payment methods, etc., are applied fairly.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	6. Fair application of working hours, time off, and paid time off, etc. Companies should abide by working hours designated by law or agreed to in advance. They should ensure that employees' working hours are managed appropriately and that they are given the right to take paid time off. Employees should be given at least one day off per week.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	7. Prohibition of forced labor Companies should avoid making people work against their will and making people do work that restricts their freedom to leave their jobs. Work coercion using unjustified means of restraint and compulsion of overtime work, etc., should not be practiced. In addition, (18) unjustified retention of identification documents, etc., and unjustified collection of (19) deposit should not be practiced.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	8. Prohibition of child labor Companies should avoid employing children under the legal working age in that country or region. In addition, children should not be made to perform work that could harm their health, safety, or morals.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	9. Respect for the religious traditions and customs of the country of operation Companies should respect the traditions and customs of the country and region in which they are operating, and respect their employees' religious traditions and customs. Care should be taken through uniform employment regulations, etc., to not hinder them.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	10. Recognition of and respect for (20) freedom of association and the right to collective bargaining Companies should respect their employees' freedom of association, freedom to join a labor union, and freedom to protest without being subject to retribution, threats, or harassment and should provide opportunities for labor-management dialogue.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.

Intent of question: To question whether work environments are provided that are safe and healthy for workers, including their mental health.	11. Proper management of employee safety and health	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No			Yes, but we have no mechanism for checking results.		Yes, we have both.
	Companies should take steps so that the risk of accidents occurring during work and the risks of harmful chemical substances, noise, and odors on the human body are understood and that appropriate safety measures, etc., are taken (including statutory inspections, (21) safeguards, (22) danger signals, control of the handling of chemical substances, measures against dangerous work, and compliance with designations for protective equipment, etc.). In addition, measures that give consideration to employees' mental health should also be taken.	Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?	No			Yes, we have.		Yes, and it is reviewed properly in a timely manner.
Comments	Use the right column if there is anything you would like to add, such as initiatives your company is taking in regards to this theme.								
Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
IV. Environment	1. Basic attitude toward environmental initiatives Companies are expected to be aware of environmental issues in (23) business processes and to establish systems to resolve them. They are also required to identify factors that have an impact on the environment and to take responsibility for managing them. Main international frameworks and norms: (24) Rio Declaration on Environment and Development, (8) Ten Principles of the UN Global Compact, (25) ISO 14001, (26) Paris Agreement, (27) Basel Convention, (28) Major laws and regulations related to the environment: Japan: Basic Environment Act; Chemical Substance Control Law; Industrial Safety and Health Act; Water Pollution Prevention Act; Act on Advancement of Water Resources Development; Act Relating to the Prevention of Marine Pollution and Maritime Disasters; River Act; Waste Management and Public Cleansing Act; Basic Act on Establishing a Sound Material-Cycle Society; various recycling laws US: TSCA EU: REACH Regulation South Korea: Toxic Chemical Control Act; Occupational Safety and Health Act China: Provisions on the Environmental Management of New Chemical Substances Taiwan: Occupational Safety & Health Act	Legal awareness	Are you aware of legislation as well as social norms/ industry norms and standards at home and abroad related to this category?	No			Yes, but the existence of violations is not checked.		Yes, and the existence of violations is checked.
		Policy	Do you have a policy and guidelines related to this topic?	No			Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?	No			Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
	2. Management of chemical substances indicated in laws and regulations, etc., in production processes, products, and services Companies should manage chemical substances in products and, moreover, ascertain and report the amount of handled chemical substances to the government.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No			Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?	No			Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	3. Control and reduction of waste water, sludge and air emissions Companies are expected to set targets at the level prescribed by law or more rigorous voluntary environmental impact reduction targets. In addition, efforts should be made to prevent pollution, to monitor and control waste water, (29) sludge and air emissions etc., and to reduce outflow.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No			Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?	No			Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	4. Sustainable and efficient utilization of resources (energy, water, raw materials, etc.) Companies are expected to set independent targets for implementing resource conservation and energy savings, and to make efforts to effectively use sustainable resources and energies.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No			Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?	No			Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	5. Reduction of (30) GHG (greenhouse gases) Companies are expected to set independent reduction targets for greenhouse gases, such as carbon dioxide, methane and fluorocarbons, and make efforts to reduce them to help combat climate change.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No			Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?	No			Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	6. Identification, management, reduction, and (31) responsible disposal or recycling of waste Companies are expected to set independent reduction targets for waste, and make efforts to reduce it.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No			Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?	No			Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	7. Initiatives related to (32) biodiversity Companies are expected to conduct investigations into the direct and indirect impacts of business on the ecosystem, and make efforts to protect biodiversity and ensure its sustainable utilization.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No			Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?	No			Yes, we have.		Yes, and it is reviewed properly in a timely manner.

Comments	Use the right column if there is anything you would like to add, such as initiatives your company is taking in regards to this theme.		
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Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
V. Fair business practices	1. Basic attitude toward fair business practices Companies are expected to engage in fair business practices (e.g., prevention of corruption, responsible political involvement, fair competition, rejection of relationships with (33) antisocial forces/ organizations) in (23) business processes producing/providing products and services. Major international frameworks and norms related to fair business practices: (8) Ten Principles of the UN Global Compact, (10) OECD Guidelines for Multinational Enterprises, (34) United Nations Convention against Corruption Major laws and regulations related to fair business practices: (35) Domestic laws regarding competition: Antimonopoly Act (Japan), antitrust laws (US), European Union competition law (EU)	Legal awareness	Are you aware of legislation as well as social norms/industry norms and standards at home and abroad related to this category?		No		Yes, but the existence of violations is not checked.		Yes, and the existence of violations is checked.
		Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
	2. Establishment of appropriate relationships with local governments and public officials in and outside countries where business activities are conducted It is expected that healthy relationships will be maintained between the company and public officials, such as by managing the entertainment of public officials to prevent corruption.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	3. Prevention of the giving and receiving of improper advantages with customers and trade partners, etc., in sales and purchasing activities, etc. Healthy relationships must be maintained with customers.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	4. (36) Prevention of competition law violations in sales activities, etc. (37) Bid rigging, (38) cartels, (39) abuse of dominant bargaining position, and other (40) unfair trading practices should be prevented from occurring.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	5. Rejection of relationships with antisocial forces/organizations Relationships with violent groups and corporate extortionists, etc., should be rejected.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	6. Prevention of unauthorized use of a third party's intellectual property and of illegal reproduction of copyrighted works Intellectual property rights, including (41) patent rights, copyrights, and trademark rights, should be respected.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	7. Services for responding to complaints from outside the company and for consultations There should be a system in place for persons involved with trade partners or consumers who have knowledge of important risk information related to transactions with the company allowing them to directly report to or consult with a dedicated department or outside contact. Also, the system should be set up to ensure confidentiality and to ensure that the informant will not be treated unfavorably.	System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
		Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	8. Prohibition of insider trading Persons involved with a listed company, etc., are prohibited from using undisclosed company information to trade that company's stocks, etc.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	9. Prohibition of acts with conflicting interests In situations in which there is a conflict between an employee's interest and the company's interest, employees are prohibited from enjoying personal benefits at the expense of the company's benefits.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
Comments	Use the right column if there is anything you would like to add, such as initiatives your company is taking in regards to this theme.								

Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
VI. Quality and safety	1. Basic attitude toward product and service quality and safety Companies are required to ensure the quality and safety of products and services provided through business activities and to respond appropriately to customers/ consumers, etc., in the event of an accident. Main international frameworks and norms: (42) ISO 9001, ISO/IEC Guide 51, EU New Approach Directives, and HACCP (43) Major laws and regulations related to quality and safety: PL Act: Consumer Product Safety Act; Electrical Appliances and Materials Safety Act; Gas Business Act; LP Act: PMD Act; Radio Act; Food Sanitation Act; JAS Act: Water Supply Act; Quality Labeling Act; Housing Quality Act; Road Transport Vehicle Act; Building Standards Act; Premiums and Representations Act, etc.	Legal awareness	Are you aware of legislation as well as social norms/industry norms and standards at home and abroad related to this category?		No		Yes, but the existence of violations is not checked.		Yes, and the existence of violations is checked.
		Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
	2. Ensuring product and service quality and safety Companies are expected to qualify and ensure safety when supplying products and services. [In-house quality management system, use of a third-party certification system, etc. (S mark, SG mark, ST mark, JIS mark, JAS mark, etc.)]	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, and they are audited.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	3. Appropriate response to product and service accidents and the circulation of defective goods Companies should establish a system in case of situations such as information disclosure, notification of the relevant authorities, product recall, and safety measures for supply destinations.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, and they are audited.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	Comments								
Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
VII. Information security	1. Basic attitude toward information security Businesses are required to properly manage and protect information obtained through business activities and to take defensive measures against threats on computer networks. Major laws and regulations related to information security: Penal Code; Basic Act on Cybersecurity; Act on the Protection of Personal Information; Act against Unauthorized Access; Act on Electronic Signature Certification, etc.	Legal awareness	Are you aware of legislation as well as social norms/industry norms and standards at home and abroad related to this category?		No		Yes, but the existence of violations is not checked.		Yes, and the existence of violations is checked.
		Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
	2. Defense against attacks on computer networks Defensive measures should be taken against attacks on computer networks, and managed so as to not cause damage to the company or other businesses.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, and they are audited.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	3. Protection of personal data and privacy The personal information of customers, third parties, and employees should be properly managed and protected.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, and they are audited.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	4. Prevention of misuse of confidential information Confidential information received from customers and third parties should be properly managed and protected.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, and they are audited.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	Comments								

Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
VIII. (44) Supply chain	1. Basic attitude toward the supply chain Companies are required to fulfill corporate responsibility in business processes that create products and services. It is advisable to establish a CSR/sustainable procurement policy and to make it widely known and instilled in and outside the company, with the aim of practicing CSR activities not only in the company but also throughout the supply chain. Accordingly, it is necessary to inform and instill in the company's suppliers the practice of the matters included in each SAQ. Major laws and regulations related to the supply chain: (45) EU RoHS Directive, (28) REACH Regulation, (11) UK Modern Slavery Act, (46) California Transparency in Supply Chains Act	Legal awareness	Are you aware of legislation as well as social norms/industry norms and standards at home and abroad related to this category?		No		Yes, but the existence of violations is not checked.		Yes, and the existence of violations is checked.
		Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
		Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, and they are audited.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	2. Use of raw materials not involved in conflict or crime (initiatives against (47) conflict minerals) Companies are expected to survey suppliers and conduct verification, in case of the purchase and use of gold (Au), tantalum (Ta), tungsten (W), and tin (Sn), which are conflict minerals connected to inhumane acts committed by local armed groups in the Democratic Republic of the Congo and surrounding regions and elsewhere. The purchase and use of such minerals are prohibited. Major laws and regulations related to conflict minerals: (48) Dodd-Frank Act	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, and they are audited.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
Comments	Use the right column if there is anything you would like to add, such as initiatives your company is taking in regards to this theme.								
Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
IX. Harmonious coexistence with (49) local communities	1. Initiatives to reduce negative effects on local communities Companies are required to carry out initiatives eliminating health, safety, and other hazards to local communities and residents from the production process and operation of products and services.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	2. Initiatives with local communities towards sustainable development Companies are expected to carry out initiatives with local communities aimed at sustainable development. Examples of initiatives with local communities: Job creation, skills development, priority purchasing of local products and services, supplier development, etc.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
Comments	Use the right column if there is anything you would like to add, such as initiatives your company is taking in regards to this theme.								

GCNJ CSR/Sustainable Procurement SAQ - Explanation of Terms

No.	Term	Meaning
1	Corporate governance	A mechanism for companies to practice transparent, fair, swift, and resolute decision-making while taking into consideration the standpoints of shareholders, customers, employees, local communities, and other stakeholders.
2	CSR	Corporate Social Responsibility. Refers to a company's attitude and initiatives to contribute to society by giving consideration to its impact on society as a whole, not just its own profit. It is thought that companies should give consideration not only to generating earning, maintaining dividends, and observing the law, but also to their economic, environmental, and social impacts, bearing in mind the various social groups connected to the company—that is, stakeholders.
3	Internal controls	Mechanisms for controlling organizations to ensure proper and efficient performance of operations in a company or administrative body, etc. They are established by prescribing and applying operational rules, standards, and processes and by continually conducting assessments of their effectiveness and risks in order to prevent wrongdoing, illegal acts, and errors in organizations and ensure that organizations are run effectively. Adoption of IT is also required, including the establishment of information systems.
4	Business continuity planning (BCP)	Planning that organizes routine activities and emergency actions (e.g., methods and means) in order for a company that has fallen into a state of emergency (due to natural disaster, major fire, terrorism, etc.) to minimize damage suffered, continue its core business, and recover quickly.
5	Non-financial information	Refers to information about a company other than financial information such as financial statements. In order to understand corporate activities, there is now a demand for the disclosure of non-financial information that has an impact of any kind on the financial state, in addition to financial information.
6	Stakeholders	Individuals or groups that could have an impact on the decisions or activities of an organization, that could be impacted by those decisions or activities, or that are recognized as being impacted by those decisions or activities. Examples include customers, owners, shareholders, bankers, regulators, suppliers, employees/ labor unions, contractors/partners, and society including the government and residents (sometimes including competitors or opposition lobby groups).
7	Universal Declaration of Human Rights	A declaration adopted by the third United Nations General Assembly on December 10, 1948, as a universal standard for all people and all nations to achieve. It arose from reflection amidst the devastation following World War II that, "this mistake must never be repeated." The Declaration, which consists of a preamble and articles 1 to 30, clearly expresses liberty rights and social rights. Liberty rights include personal liberty, prohibition of torture and slavery, freedom of thought and expression, suffrage and so on. Social rights include the right to education, the right of workers to unionize, the right to lead life with human dignity and so on.
8	Ten Principles of the UN Global Compact	The UN Global Compact is an initiative that was advocated by then UN Secretary-General Kofi Annan to the World Economic Forum (Davos meeting) in 1999 and officially launched at UN Headquarters the following year. It fulfills its role as a forum (a place for the exchange and practice of opinions) for addressing various issues arising from globalization through the implementation of activities based on 10 principles established in the four domains of human rights, labor standards, environment, and anti-corruption. At present, 12,480 organizations (of which about 9,456 are companies) in around 160 countries have signed the Compact (as of May, 2017). Principle 1: Support and respect the protection of human rights; Principle 2: Make sure that one is not complicit in human rights abuses; Principle 3: Freedom of association and recognition of the right to collective bargaining; Principle 4: Elimination of forced labor; Principle 5: Effective abolition of child labor; Principle 6: Elimination of discrimination in employment and occupation; Principle 7: Precautionary approach to environmental challenges; Principle 8: Initiatives to promote environmental responsibility; Principle 9: Development and diffusion of environmentally friendly technologies; Principle 10: Work against corruption in all its forms, including extortion and bribery. (UNGC website: https://www.unglobalcompact.org/)
9	UN Guiding Principles on Business and Human Rights	Principles conceived as the "Protect, Respect and Remedy" framework by Harvard University professor John Ruggie, who served as a UN Special Representative from 2005. The UN unanimously endorsed the principles on June 16, 2011. The objective is to strengthen standards and practices related to business and human rights, in order to contribute to sustainable globalization. The principles are applicable to all states and businesses.

No.	Term	Meaning
10	OECD Guidelines for Multinational Enterprises	Guidelines established by the OECD in 1976 to recommend multinational corporations to voluntarily act in the responsible manner that is expected of them. The Guidelines consist of principles related to responsible corporate activities in a wide range of areas including general policies; disclosure; human rights; employment and industrial relations; environment; combating bribery, bribe solicitation and extortion; customer interests; science and technology; competition; and taxation. The Guidelines are legally nonbinding. Participating nations besides OECD member countries are Argentina, Brazil, Columbia, Costa Rica, Egypt, Jordan, Lithuania, Morocco, Peru, Rumania, and Tunisia.
11	UK Modern Slavery Act	Enacted in the UK as of March 2015. It is a law requiring commercial organizations and companies operating in the UK with annual turnover exceeding £36 million to disclose annual statements and report to ensure that slavery and human trafficking are not taking place in the business.
12	Social norms	Rules that people must observe when interacting within social life. These include manners, morals, customs, role models and so on.
13	Industry norms	Self-imposed rules established through the cooperation of companies and organizations in an industry that serve as standards for behavior and judgments that must be observed.
14	Sexual orientation	Refers to the concept of showing the direction of a person's romantic or sexual attraction. These include heterosexuality, homosexuality, bisexuality and so forth. In recent years, some of these have started to be widely recognized as LGBT*. *Lesbian, gay, bisexual, and transgender
15	International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work	Refers to the ILO Declaration of the Fundamental Principles and Rights at Work adopted by the International Labor Organization (ILO), which is one of the ILO's most important key documents alongside the ILO Charter and Declaration of Philadelphia. It establishes the minimum standards related to labor. It consists of eight articles in four areas related to the basic human rights of freedom of association, prohibition of forced labor, elimination of child labor, and elimination of discrimination in employment and occupation.
16	Career advancement	The acquisition of higher qualifications and abilities. The improvement of one's career.
17	Collective agreement	A written agreement concluded between a labor union or representative of workers and an employer.
18	Unjustified retention of identification documents, etc.	In developing countries and elsewhere, there are instances of employment intermediaries forcing migrant workers from neighboring countries to hand over their work permits and passports to prevent them from running away and withholding unreasonable sums from their wages (e.g., migrant workers from neighboring countries in Southeast Asia losing their freedom of movement when their passports are confiscated by employment intermediaries). However, the safekeeping of documents such as passports and alien registration cards is an obligation of the person whose documents they are; forced retention of such documents by employment intermediaries and employers is illegal. This also applies to foreign technical intern trainees in Japan.
19	Deposit	A general term for a certain amount of money placed interest-free by a borrower into the keeping of the lender when making a rental agreement; also called a security deposit or key money. In terms of CSR, refers to unjustified costs collected from foreign workers by employment services in the sending country and is regarded as a primary factor leading to debt labor and forced labor.
20	Freedom of association	The ability of anyone to form a group or association. It includes the right to join or leave a group and the right to disband.
21	Safeguards	Measures to prevent workers from having work-related accidents. These include employers providing for the safety of equipment and working environments, etc., and workers themselves engaging in work with an understanding of dangers and hazards of that work and a thorough familiarity with the appropriate ways to cope with those dangers and hazards. See Chapter VI of Japan's Industrial Safety and Health Act.
22	Danger signals	Reducing envisioned dangers through warning labels by directly posting stickers, signs and so on and around dangerous spots.
23	Business processes	The series of activities conducted to achieve a business objective, such as the production and sale of a product or provision of a service.

No.	Term	Meaning
24	Rio Declaration on Environment and Development	Rio Declaration on Environment and Development. An agreement made at a UN Conference on Environment and Development held in June 1992. Consists of 27 principles on environment and development, for example that States have, in accordance with the Charter of the United Nations, etc., the sovereign right to exploit their own resources, and the responsibility to ensure that their own activities do not cause damage to the environment of other States.
25	ISO 14001	A certification standard for an Environmental Management System (EMS), issued by the International Organization for Standardization (ISO) in 1996. It requires the establishment and implementation of the Plan-Do-Check-Act (PDCA) cycle aimed at objectives such as the reduction of environmental load, in line with an environmental policy drawn up by management. A review by a third party is needed to acquire certification.
26	Paris Agreement	A multilateral agreement concerning climate change, adopted at the 21st Conference of the Parties of the UN Framework Convention on Climate Change (COP 21) held in Paris in December 2015. A stated goal is to achieve net zero emissions worldwide by the second half of this century. It requires all countries to independently establish reduction targets and to take domestic measures aimed at their achievement.
27	Basel Convention	Officially the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal. A treaty that requires as a matter of principle processing hazardous wastes by the country that produced it, as well as ensuring international safety standards when moving hazardous wastes across borders, giving advance notice to countries receiving the waste and/or through which the waste passes and obtaining their consent, preventing illegal transfer, and establishing punishment measures, etc.
28	Major laws and regulations related to the environment	National laws related to the control and regulation, etc., of chemical substances and chemical substances used in products, enacted by Japan, the US, EU, South Korea, China, and Taiwan to ensure the health and safety of workers. <Explanation of abbreviations> <ul style="list-style-type: none"> • Chemical Substance Control Law (Japan): Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. • TSCA (US): Toxic Substances Control Act • REACH Regulation (EU): Registration, Evaluation, Authorization and Restriction of Chemicals
29	Sludge	The mass of the final inorganic and organic products from the treatment process of a sewage treatment plant or the waste liquid treatment process of a factory, etc. It is buried in final landfill sites as industrial waste or recycled.
30	GHG (greenhouse gases)	A general term for gases that warm the atmosphere near the surface of the Earth by absorbing infrared rays. Regarded as substances that cause global warming (climate change). The Kyoto Protocol, which was adopted at the third session of the Conference of Parties to the UNFCCC (COP 3), specified six gases, including carbon dioxide, methane, chlorofluorocarbons, and dinitrogen monoxide, to be reduced. The Intergovernmental Panel on Climate Change (IPCC) has nearly concluded that rising surface temperatures are an anthropogenic result of an increase in GHG emissions since the Industrial Revolution of the 18th century.
31	Responsible disposal	Japan's Waste Management and Public Cleansing Act, for example, stipulates that in Article 3 that "business operators must take responsibility for the proper disposal of wastes generated in connection with their business activities." This makes it explicit that emitters are responsible for disposal. It is also stipulated that "business operators strive to reduce the amount of waste generated in connection with their business activities through means such as recycling," and "business operators must cooperate with the policies of local public bodies in relation to the reduction of waste and the ensuring of its proper disposal, etc."
32	Biodiversity	Biological diversity can be perceived on three levels: ecosystem, species, and genetic diversity. The Convention on Biological Diversity is a treaty whose goals are the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of benefits arising out of the utilization of genetic resources. The 10th Conference of the Parties to the Convention on Biological Diversity (COP 10), held in 2010, adopted the "Aichi Targets," which is a strategy for reducing the speed of biodiversity loss by 2050, and the "Nagoya Protocol" on the handling of genetic resources.
33	Antisocial forces/ organizations	A general term for groups and individuals who pursue economic benefits through unreasonable demands using violence, power, or fraudulent means.

No.	Term	Meaning
34	United Nations Convention against Corruption	A treaty for preventing economic crimes including corrupt practices (including corruption by public officials, foreign public officials, and officials of a public international organization), bribery, embezzlement, and money laundering. It plays a complementary role to the United Nations Convention against Transnational Organized Crime and is incorporated into the principles of the UN Global Compact.
35	Domestic laws regarding competition: Antimonopoly Act (Japan), antitrust laws (US), European Union competition law (EU)	“Competition law” is a general term for laws and regulations with the purpose of preventing monopolistic, coordinated, or unfair practices as a means of competition, in order to maintain sound and fair competition in a capitalist market economy. Below are some domestic laws. Antimonopoly Act (Japan): A law aimed at sound market development and the protection of consumer interests by maintaining free competition among companies. Antitrust laws (US): Antimonopoly laws in the United States. A general term for the basic laws of the Sherman Act, the Clayton Act, and the Federal Trade Commission Act plus a series of laws and regulations that amend and supplement these statutes. European Union competition law (EU): Antimonopoly law in the EU.
36	Prevention of competition law violations	When competition laws such as an antitrust law have been violated, the violator may face civil (e.g., an injunction) and administrative (e.g., payment of a fine) measures and, in some offense, criminal charges. Furthermore, as violators may lose social credibility through press coverage, it is important to prevent violations and, toward that end, it is important to have correct knowledge.
37	Bid rigging	Illegal behavior to ensure that a certain bidder wins a bid as a result of an agreement among relevant bidders.
38	Cartels	A form of alliance in which companies and business operators in the same industry, which is in a state of oligopoly, strike a deal on matters such as price, production volume, and sales outlets to avoid competition, with the aim of obtaining exclusive benefits. Also called syndicates, cartels are prohibited in Japan by the Antimonopoly Act.
39	Abuse of dominant bargaining position	Causing disadvantage to a trading partner through unjust behavior in light of normal business practices by using the dominant bargaining position of one's own company (e.g., making burdensome requests such as delayed payment of bills, demand for price reductions, and demand for support money, and making demands for the dispatch of employees). The Antimonopoly Act prohibits these behaviors in Japan.
40	Unfair trading	Acts that could impede fair competition, which are prohibited by Japan's Antimonopoly Act. There are 16 types of unfair trade practices applicable to all categories of business, including “concerted refusal to deal,” in which companies refuse to deal with a certain vendor, and “discriminatory pricing,” in which products and services are provided and received unfairly at discriminatory prices.
41	Patent rights, copyrights, and trademark rights	Patent right: A set of exclusive rights granted by a sovereign state to an inventor or assignee for a limited period of time in exchange for detailed public disclosure of an invention. Copyright: The right to exclusive control of works that creatively express one's own thoughts and feelings through forms of expression such as language, music, and graphic arts. Trademark rights: The right to protect as an asset trademarks attached to products and services, where “trademark” refers to a mark (including letters, graphics, symbols, three-dimensional shapes, and combinations thereof) used to differentiate the products and services of one's own company from those of other companies.
42	ISO 9001, ISO/IEC Guide 51, EU New Approach Directives, and HACCP	ISO 9001: A certification standard for quality management systems, issued by the International Organization for Standardization (ISO) in 1987. It is used to improve quality through the implementation of the Plan-Do-Check-Act (PDCA) cycle aimed at increasing quality. A review by a third party is needed to acquire certification. ISO/IEC Guide 51: An international standard that stipulates guidelines for the inclusion of safety aspects in standards. It is positioned at the top of various safety standards. EU New Approach Directives: A new EU legal structure and means of regulation implemented with the integration of Europe as the EU with the purpose of reducing “technical trade barriers” that impede the flow of goods within the EU. HACCP (Hazard Analysis and Critical Control Point): A system for analyzing health and quality risks that could occur in the production process of foods, specifying the critical control points that should be monitored to ensure safety, and practicing rigorous control and record keeping.

No.	Term	Meaning
43	Major laws and regulations related to quality and safety	<p><Explanation of abbreviations></p> <ul style="list-style-type: none"> • LP Act: Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas • PMD Act: The Law on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical device • Housing Quality Act: Housing Quality Assurance Act • Premiums and Representations Act: Act against Unjustifiable Premiums and Misleading Representations
44	Supply chain	A series of activities or stakeholders related to the chain of all business processes (including development, procurement, production, delivery, and sale) leading from the stage of raw materials to the delivery of products and services to the customers. The business approach for cohesive management of the supply chain is called supply chain management.
45	EU RoHS Directive	EU legislation restricting the use of hazardous substances in electrical and electronic equipment and promoting the collection and recycling of such equipment, enacted in February 2003. Target hazardous chemical substances include lead, mercury, cadmium, and hexavalent chromium, and flame retardants such as polybrominated biphenyls (PBB) or polybrominated diphenyl ethers (PBDE).
46	California Transparency in Supply Chains Act	A law that went into effect in January 2012 that requires companies with worldwide annual revenues of \$100 million or more to report on their specific actions to eradicate slavery and human trafficking in their supply chains.
47	Conflict minerals	A general term for minerals produced in conflict-torn regions where the purchase of those minerals could lead to the funding of local armed groups and, it is feared, could result in complicity in conflicts in those regions. (See No. 48 Dodd-Frank Act)
48	Dodd-Frank Act	A US financial regulatory reform act established in 2010 with the aim of preventing a recurrence of the financial crisis. One part of the act imposes an obligation on companies listed in the US to report to the Securities and Exchange Commission (SEC) matters related to their use of minerals including tantalum, tin, gold, and tungsten produced in the Democratic Republic of the Congo and surrounding regions, out of concern that mineral resources in those regions have become a source of funds for armed groups.
49	Local community	The people or groups living or working in an area impacted economically, socially, and environmentally by a business.

Working with Our Suppliers

► Purchasing Policy

► Goals and Results

► Supplier Sustainability Evaluation and Improvement Support

▼ Sustainable Procurement Initiatives

In addition to promoting mutual understanding among and improvement assistance for suppliers through sustainable procurement SAQs, Mitsui Chemicals is taking the following action.

Sustainable Procurement Initiatives

Sending Reminders to Our Suppliers

In fiscal 2016, Mitsui Chemicals sent reminder letters to around 2,600 Purchasing Division suppliers containing the following items.

- Examples of previous discrepancies
- Request items for each supplier
 - Compliance with laws and social norms from a sustainable standpoint
 - Avoid engaging in direct price negotiations with requesting divisions regarding transactions overseen by the Purchasing Division
 - Formulate BCPs (business continuity plans)
- The Mitsui Chemicals Group Purchasing Policy Details and Risk Hotline Reminder

Risk Hotline

Participate in UN Global Compact Network Japan Supply Chain Subcommittee Meetings

Mitsui Chemicals divisions overseeing CSR and the Purchasing Division have been participating in UN Global Compact Network Japan supply chain subcommittee meetings since fiscal 2013. As part of its efforts together with participating companies to improve sustainable procurement throughout the supply chain, Mitsui Chemicals has been involved in drafting industry-wide SAQs, exchanging opinions with NGOs and experts, and raising awareness of these efforts among other organizations and companies.

Mitsui Chemicals is working to improve sustainable procurement not only in its own supply chain but throughout society.

Details of activities undertaken to date

FY2006	Formulated the Mitsui Chemicals Group Purchasing Policy
FY2007	Commenced dialog with suppliers via the first sustainable procurement SAQ
FY2008	
FY2012	Visited 18 suppliers with a SAQ score of less than 10 and assisted with improvements
FY2013	Commenced dialog with suppliers via the second sustainable procurement SAQ
FY2014	<ul style="list-style-type: none">• After receiving the results of the second sustainable procurement SAQ, visited and conducted hearings with supplier as a part of efforts to assist with improvement measures and good practice suppliers• Reminded suppliers of the Risk Hotline• Selected sustainable procurement as a Mitsui Chemicals Group key issue (materiality)
FY2015	Implemented various measures including the collection of information concerning sustainable procurement (Participated in the UN Global Compact Network Japan supply chain subcommittee meetings)
FY2016	<ul style="list-style-type: none">• Formulated a dialog implementation plan via the third sustainable procurement SAQ• Implemented sustainable procurement training targeting all Mitsui Chemicals Procurement Division employees• Sent reminder letters requesting that suppliers adhere to laws and regulations

Working with Our Shareholders and Investors

▼ Goals and Results

▶ Disclosure of Information to Shareholders and Investors

The Mitsui Chemicals Group is working diligently to maintain and further develop close ties of mutual trust with its shareholders, investors and all other stakeholders. At the same time, the Group is endeavoring to secure sustainable growth and to enhance its corporate value over the medium to long term.

The Company as a whole is paying particular attention to ensuring proactive communication. Management is therefore taking the lead in promoting constructive dialog with shareholders and investors. Among a number of initiatives, we are also working to ensure the appropriate disclosure of open and highly transparent information.

Management System

Policy

The Mitsui Chemicals Group is actively pursuing dialog with shareholders and investors in accordance with the provision stipulated in Chapter 2. Relationship with Shareholders and Chapter 5. Information Disclosure Policy of its Corporate Governance Guidelines.

▶ [Corporate Governance Guidelines](#) 

System and Responsible Officers

The officers in charge of IR, the Corporate Administration & Legal Division, and the Finance & Accounting Division handle the overall coordination of dialog with shareholders and investors. The related IR, Corporate Planning, Corporate Administration & Legal, and Finance & Accounting divisions work to achieve organic cooperation through a variety of means. This includes having certain staff members serve in multiple departments and regularly sharing information. The opinions and concerns gleaned through dialog with shareholders and investors are promptly fed back to management and other relevant departments. This information is used to help create additional opportunities for dialog and to upgrade and expand the scope and quality of disclosure.

Monitoring Methods

In order to contribute to constructive dialog with its shareholders and investors, Mitsui Chemicals regularly conducts beneficial shareholder identification surveys and endeavors to fully grasp its shareholder ownership structure.

Goals and Results

Goals for Fiscal 2016

- Expand and improve information distributed to shareholders and investors
- Improve IR activities the emphasize dialog with institutional investors and analysts
- Further strengthen IR activities targeting individual investors
- Expand and improve the disclosure of information

Fiscal 2016 Results and Assessment

Level achieved: A

- In addition to preparing a full-color Notice of Convocation and improving its visual appeal, upgraded and expanded optional disclosure items relating to corporate governance
- Prepared an easy-to-understand special feature article for inclusion in the Shareholders' Report in connection with the 2016 Long-term Business Plan
- Conducted a survey following the general meeting of shareholders
- Held business strategy briefing sessions that emphasized direct dialog with management in addition to periodic meetings with domestic and overseas institutional investors
- Held briefing sessions for individual investors
- Worked to improve disclosure materials by posting various materials that included easy-to-understand explanations for institutional investors in both Japanese and English on the Company's IR site
- Received the 2016 Award for Excellence in Corporate Disclosure from the Securities Analysts Association of Japan in recognition of the aforementioned initiatives

Priorities for Fiscal 2017

- Expand and improve information distributed to shareholders and investors
- Improve IR activities the emphasize dialog with institutional investors and analysts
- Further strengthen IR activities targeting individual investors
- Expand and improve the disclosure of information

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Working with Our Shareholders and Investors

► Goals and Results

▼ Disclosure of Information to Shareholders and Investors

Disclosure of Information to Shareholders and Investors

General Meetings of Shareholders

We regard general meetings of shareholders as an opportunity for important discussion between our shareholders and management. We are therefore committed to responding in a forthright and easy-to-understand manner to any questions our shareholders may have, to provide a more in-depth understanding of the Mitsui Chemicals Group.

At our general meeting of shareholders held on June 27, 2017, we positioned members of staff outside the venue to exhibit and provide an explanation of the Mitsui Chemicals Group's products and CSR activities. On conclusion of the general meeting of shareholders, directors took part in discussions and explanations outside the venue, providing the opportunity to talk to shareholders in greater depth.

Publishing IR information

We disclose IR information as and when necessary in an appropriate manner, to give shareholders and investors a better understanding of the Mitsui Chemicals Group. We make every effort to expand and improve the content of information disclosed as well as the manner in which it is presented in order to ensure that the information is accurate and easy to understand.

We post IR information, including summary financial statements, security reports, and information subject to timely disclosure, on our website as soon as it has been disclosed (via a press release).

We also work actively to provide information that is not subject to timely disclosure via press releases and our website.

In addition to the aforementioned, we post a wide range of supplementary information and documents on our website. This includes copies of our annual reports (Mitsui Chemicals Reports), which serve as an introductory platform to provide readers with an overview of the Company and medium through which to engage in high-quality discussions with stakeholders. Through our website, we also consistently renew and update information on the Company's financial highlights and corporate governance as well as briefing session materials for analysts and institutional investors, details of Q&A meetings, and various other information for our shareholder and investor base. By accessing the Company's website, stakeholders can also view copies of shareholder reports and materials relating to the general meetings of shareholders. In a bid to further enhance the quality of its information disclosure activities, Mitsui Chemicals also renews its message from the President for shareholders and investors twice a year.

In fiscal 2016, the IR section of our website was selected by Nikko Investor Relations Co., Ltd. as one of the 100 most comprehensive websites of all listed companies in Japan.

Investor Relations

Dialog with Shareholders and Investors

We actively engage in communication with institutional investors and securities analysts, to give them a better understanding of our business activities and strategies.

We also arrange conference calls to coincide with our quarterly results. We also hold around 300 individual meetings in Japan and overseas.

Management places emphasis on personally explaining matters of particular interest to stakeholders. Twice a year, we organize management briefings. Other briefings are held depending on changes in the business environment.

We regularly organize business and management presentations as well as plant tours and other briefings, to offer a more in-depth understanding of our main business activities and strategies. Detailed explanations are also provided by the officers responsible for each activity at our operating, production, and research facilities. This is an opportunity to directly meet our employees and experience our products first-hand. In addition to gaining a deeper understanding of the Company and its activities, these initiatives provide the forum for direct dialog with officers responsible for each division and department as well as management.



Plant tour



Briefing session for individual investors

In an effort to improve understanding amongst individual investors, since fiscal 2011, we have been organizing Company briefings to coincide with seminars hosted by securities firms in Tokyo and other major cities around Japan.

In recognition of these initiatives, the Mitsui Chemicals Group received the 2016 Award for Excellence in Corporate Disclosure from the Securities Analysts Association of Japan.

This award is an accolade for the stance that top management has adopted toward investors relations. It acknowledges the high degree of importance that Mitsui Chemicals' top management places on IR, efforts to proactively disseminate information and the broad range of activities undertaken including the vigorous exchange of opinions regarding such issues as the Company's future management strategies as well as meetings with top management.

Moving forward, the Mitsui Chemicals Group will continue to engage in IR activities that focus on the proper disclosure of information and dialog in order to further increase the understanding of stakeholders and to garner their trust. At the same time, we will work to enhance our corporate value.

Basic Policy on Profit Sharing

We recognize that enhancing corporate value through our business growth and expansion is an important management issue. At the same time, we position the return of profits to shareholders as an equally important management priority. We adopt a holistic approach to profit sharing, including the return of profits to shareholders and enhancing retained earnings in preparation for future strategic growth and expansion.

Regarding the return of profits to shareholders, we endeavor to constantly return profits and pay out dividends based on our consolidated performance from a medium to long term perspective. In specific terms, we will aim to gradually achieve a total return ratio* of profit attributable to owners of parent of 30% or more including the acquisition of treasury stock.

We use retained earnings to vigorously undertake loan and investment activities in a bid to accelerate efforts aimed at realizing a robust business portfolio and targeting further growth and expansion. At the same time, we engage in a wide range of activities including research and development to create innovative new technologies and to improve our business performance.

* Total return ratio: (dividends paid + treasury stock acquired) / profit attributable to owners of parent

Working with Our Employees

▼ Human Resources Management Policy

► Goals and Results

► Human Resources Development

► Creating an Employee-Friendly Working Environment

► Promoting Diversity

Here at the Mitsui Chemicals Group, we are committed to giving each and every employee a sense of personal and professional motivation, with the goal of helping them find happiness and self-fulfillment. In addition, we encourage our employees to take good care of their health and make every effort to provide appropriate working environments, placing top priority on occupational health and safety.

* Please refer to "Occupational Health" for details regarding measures that help employees address a host of issues including lifestyle-related diseases and mental health.

→ Occupational Health

Human Resources Management Policy

The Human Resources Management Policy of the Mitsui Chemicals Group outlines our attitude toward our employees as well as society including those individuals considering employment within the Group. The Policy is based on the principle that people need to be treated well, to enable the Company and its employees to stimulate and actively enhance one another as they work to create a better future.

We will position the Policy as the cornerstone of the human resources initiatives of subsidiaries and affiliates around the world, and aim to strike a balance between the sustainable growth of the Mitsui Chemicals Group and the happiness and self-fulfillment of our employees.

→ Action Guidelines

Human Resources Management Policy of the Mitsui Chemicals Group

1. "Always Act in Good Faith"

1. The Mitsui Chemicals Group will require employees to "act in good faith" as stipulated in "The Action Guidelines," highly appreciate such employees and offer an appropriate environment for them to give full rein to their strengths.
2. Mitsui Chemicals will comply with all labor and employment laws wherever it operates.
3. Mitsui Chemicals will disclose its rules and operate fairly and with justice according to the rules regarding recruiting, assignment, training, evaluation and compensation of employees without any discrimination against gender, race, nationality, age, religion and disabilities.

2. "For People and Society"

1. Mitsui Chemicals will require employees to "have a high regard for people and society" as stipulated in "The Action Guidelines," highly appreciate such employees and offer an appropriate environment for them to give full rein to their strengths.
2. Mitsui Chemicals will protect employees' safety and health in the workplace.
3. Mitsui Chemicals will not tolerate any form of harassment, support, and respect the protection of human rights.

3. "Dream-inspiring Innovation"

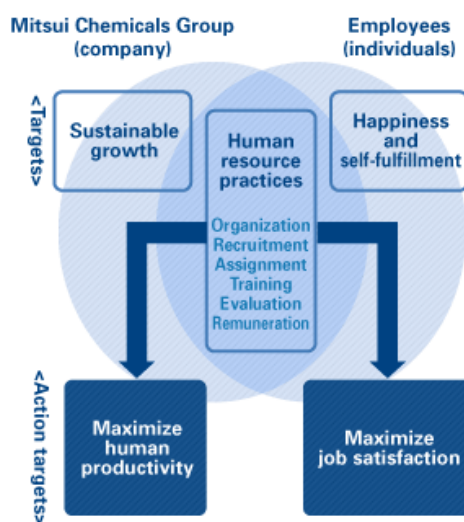
1. Mitsui Chemicals will require employees to pursue dream-inspiring innovation as stipulated in "The Action Guidelines," highly appreciate such employees and offer an appropriate environment for them to give full rein to their strengths:
 - To challenge unflinchingly with full trust in our potential without fear of failure.
 - To create novel values by enhancing our sensitivity.
 - To consider and act proactively based on the actual data and facts at the workplace.
 - To aim to be world-class professionals with a global view.
 - To cultivate the next generation by passing on our experiences and technologies.
 - To integrate individual strengths into the organization through active communication.

The Company established three Core Values to capture the spirit of everyone working at Mitsui Chemicals Group sites around the world and to act as a unifying force, ensuring that we are all working toward the same goals. The "spirit of challenge," "respect for diversity," and "teamwork" established in the Action Guidelines are each connected to the three core values of Challenge, Diversity, and One Team.

4. Mitsui Chemicals, based on the aforementioned, will conduct Human Resources Practices under the following policies:

	Toward sustainable growth of the Company.	Toward the happiness and fulfillment of employees.
Organization	Create an organization based on the strategy and conduct job allocation suited for realization of the strategy.	Conduct job allocation in consideration of each personal motivation and capability.
Recruiting	Carefully recruit human resources that contribute to the organization's growth.	Give equal opportunities for employment to any motivated and capable candidates.
Assignment	Proactively promote employees that yield fruitful results.	Allocate suitable jobs for employees so that they can exercise their motivation and capabilities.
Training	Foster world-class professionals from a long-term perspective.	Support employees in making self-reliant efforts to become world-class professionals.
Evaluation	Evaluate achievement appropriately.	Conduct fair evaluation to enhance motivation and the capability of employees.
Compensation (Remuneration)	Build up and operate a competitive compensation system to control operating costs.	Build up and operate a competitive compensation system to secure motivated and capable human resources.

Overview of Human Resources Management: Relationship between the Company and Employees



Working with Our Employees

▶ Human Resources Management Policy

▼ Goals and Results

▶ Human Resources Development

▶ Creating an Employee-Friendly Working Environment

▶ Promoting Diversity

Management System

Policy

The Group conducts human resources management on the basis of the Human Resources Management Policy of the Mitsui Chemicals Group.

→ Human Resources Management Policy

System and Responsible Officers

With the responsible director in charge, the Human Resources (HR) Division plays a central role in setting the mid-term and fiscal year plans for human resources management while sharing and implementing those plans with the HR department at each site, domestic and overseas office, subsidiary, and affiliate. The HR* managers from domestic and overseas subsidiaries and affiliates and personnel managers from regional headquarters periodically confirm and discuss the state of progress, which leads to the drafting and implementation of related policies. The priority issues of the fiscal year plans are reported to the director in charge on a quarterly basis. Important managerial issues are also discussed mainly by the Management Committee and the Key Talent Management (KTM) Committee.

Furthermore, in order to draft and implement global HR policies, the Mitsui Chemicals Group has established the HR Development Advisory Committee (HRDAC), a virtual global HR organization under the general manager of the Human Resources Division that gathers together HR managers in Japan, Europe, the Americas, and Asia. This organization is addressing a range of issues, such as (1) global HR marketing, (2) global personnel development, (3) global mobility, and (4) global compensation/appraisal systems.

Monitoring Methods

Monitoring is undertaken with regard to the state of progress made with the priority issues in the fiscal year plans and related policies.

Target	Monitoring Forum	Frequency
Domestic offices	Business site HR Group Managers' Meeting	Approx. once a month
Domestic subsidiaries and affiliates	Meeting of those in charge of HR at domestic subsidiaries and affiliates	Twice a year
Overseas affiliates and subsidiaries	Meeting of personnel from regional headquarters (the Americas, Europe, China and Asia-Pacific) (HRDAC)	Twice a year (Information gathering for quarterly reports also implemented)

Achievements and Reviews

The Mitsui Chemicals Group is advancing its global management. The employees at each affiliate and subsidiary work under the relevant laws and regulations of each country or region and on the basis of each company's in-house systems, but we believe standardization within the Group to be necessary. Looking ahead, we will aim for a sense of unity as the Mitsui Chemicals Group and for the maximized utilization of our human resources by instilling core values, the developing of shared global appraisal standards, and the building of personnel management infrastructure, training programs, and IT platforms.

Goals and Results

Recruitment

Goals for Fiscal 2016

Secure human resources based on the development of new businesses (Regular positions: Mitsui Chemicals, non-consolidated)

- Planned number of mid-career hires: 80 Planned number of new graduate hires: 55

Fiscal 2016 Results and Assessment

Level achieved: A

- Number of mid-career hires: 89 Number of new graduate hires: 57

Priorities for Fiscal 2017

[Continuation of above]

- Planned number of mid-career hires: 70 Planned number of new graduate hires: 75

Assignment

Goals for Fiscal 2016

[Draft and implement strategic assignment plan through implementation of Key Talent Management]

- Hold Divisional and Company-wide Key Talent Management Committee meetings
- Formulate personalized development plans for Executive management candidates

Fiscal 2016 Results and Assessment

Level achieved: A

- Held Divisional Key Talent Management Committee meetings and selected Key Talent
- Held Company-wide Key Talent Management Committee meetings and selected Executive management candidates from Key Talent
- Formulated personalized development plans (assignments/training) for Key Talent and Executive management candidates

Priorities for Fiscal 2017

[Implement Global Key Talent Management]

- Hold Divisional and Company-wide Key Talent Management Committee meetings, confirm implementation status of Key Talent and Executive management candidates periodic reassignments and their personalized development plans (assignments/training)

Training

Goals for Fiscal 2016

[Reinforce leadership of management by utilizing coaching methods (set up and implement leadership training system for management class)]

- Implement training programs specially for Key Talent
- Establish team leader / supervisor-class leadership development programs as well as group leader / manager-class programs

Fiscal 2016 Results and Assessment

Level achieved: A

- Conducted personalized coaching for upper management candidates (general manager to executive officer)
- Implemented leadership development programs for head office group leaders / production site line managers (ongoing)
- Implemented leadership development programs for head office team leaders (ongoing)

Priorities for Fiscal 2017

[Continuation of above-mentioned training]

- Extend leadership development programs for head office group leaders / production site line managers to R&D laboratory group leaders,
- Extend leadership development program for head office team leaders to production site assistant managers as well as to affiliate and subsidiary company managers

Evaluation

Goals for Fiscal 2016

[Implement evaluation system based on shared global framework]

- Disseminate global evaluation guidelines internally
- Determine actual conditions at domestic and overseas affiliates

Fiscal 2016 Results and Assessment

Level achieved: A

- Established global evaluation guidelines and made all affiliates and subsidiaries aware of them
- Conducted survey of actual conditions at domestic and overseas affiliates

Priorities for Fiscal 2017

- Provide support for affiliates facing challenges with their employee performance appraisal systems

Compensation(Remuneration)

Goals for Fiscal 2016

[Disseminate global compensation policy]

- Disseminate the global compensation policy internally
- Determine actual conditions at domestic and overseas affiliates

Fiscal 2016 Results and Assessment

Level achieved: A

- Conducted survey of actual conditions at domestic and overseas affiliates

Priorities for Fiscal 2017

- Provide support for affiliates facing challenges with their compensation systems

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Working with Our Employees

▶ Human Resources Management Policy

▶ Goals and Results

▼ Human Resources Development

▶ Creating an Employee-Friendly Working Environment

▶ Promoting Diversity

Human Resources Development

Our Approach to Human Resources Development

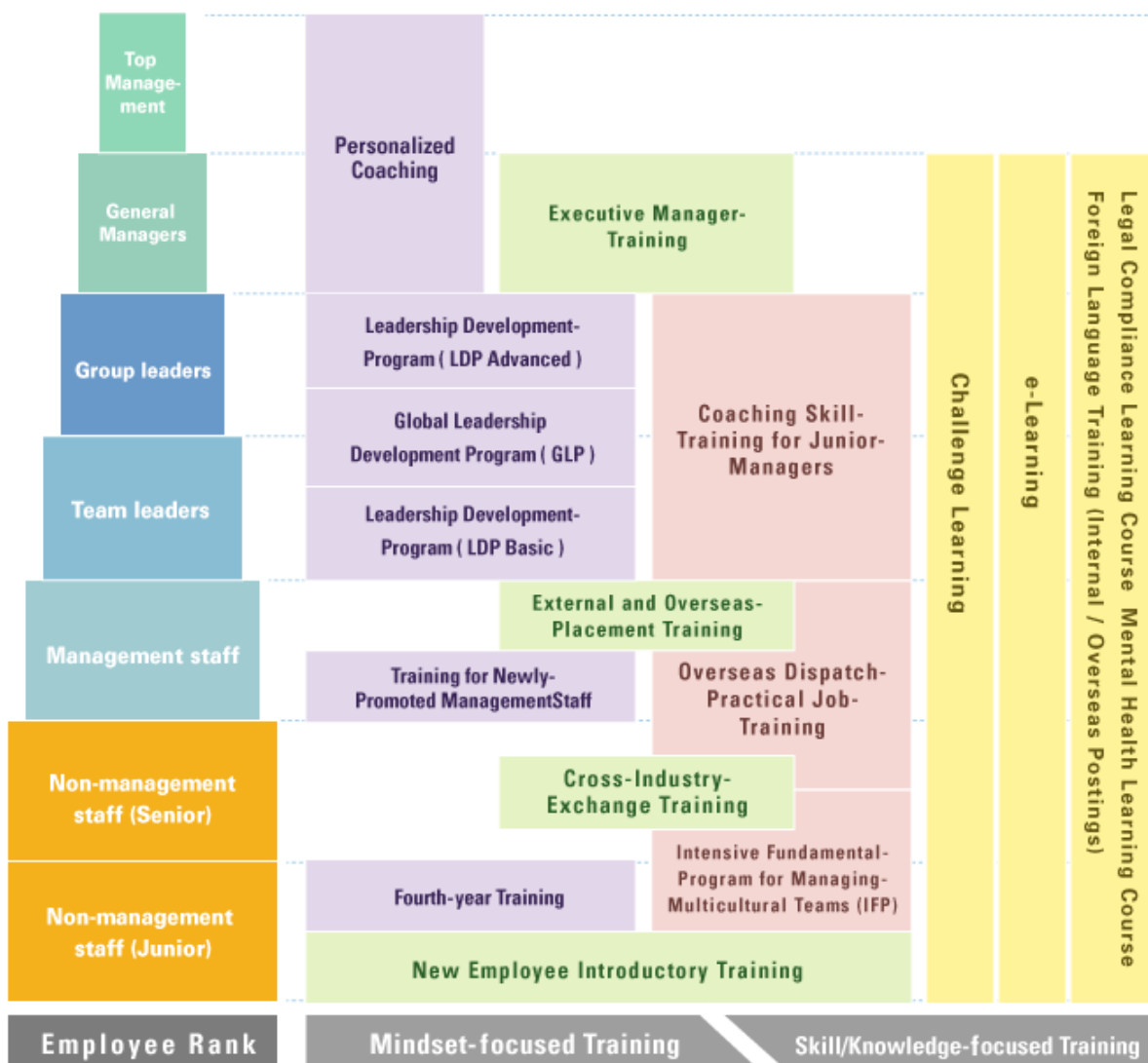
Based on the Human Resources Management Policy of the Mitsui Chemicals Group, the Group is developing, from a long-term perspective, human resources able to work on the world stage.

The Group's basic approach to human resource development is to "proactively support employees who are willing to grow autonomously on their own, in order to foster them so that they able to create the value demanded by society now and in the future while repeatedly communicating with global markets and colleagues."

Programs in Line with Stages in Development Based on a Leadership Pipeline Concept

Aiming for a smooth transition to the upper management level, the rank-specific training programs are designed on the basis of the skills and an awareness of the professional duties demanded by each rank. Minimizing knowledge cramming style training, we are aiming for the employees themselves to repeat "cycles of experience and introspection," while subjectively acting in accordance with the higher level job requirements, and thereby to create behavioral changes that can produce results.

Outline of Rank-Specific Training Based on a Leadership Pipeline Concept



Allowing exceptional human resources to demonstrate their abilities—despite time constraints caused by life-changing events, such as child rearing and nursing care, and regardless of differences in nationality, ethnicity, and religion—requires improvements in line managers' management capabilities. Mitsui Chemicals is focusing on developing leadership skills to guide the organization toward an even better direction by incorporating coaching methods into each level of manager training and by promoting specific innovations in daily operations by core leaders at each division.

Active Training of Global Human Resources: Overseas Dispatch Practical Job Training

Toward the nurturing of the next generation of global management personnel, we are proactively offering overseas practical job training for fixed periods of time to young and mid-career employees, sending employees in Japan to posts overseas, and sending local hires overseas to positions in Japan. With regard to the employees in Japan, in addition to language skills, we enable them to master the essentials of cross-cultural and global management at any early stage. As for overseas employees, we expect them to deepen their understanding of the Group's ways of thinking with regard to products and technologies as well as to quality and safety. Every year about 15 employees in total take part in this program.

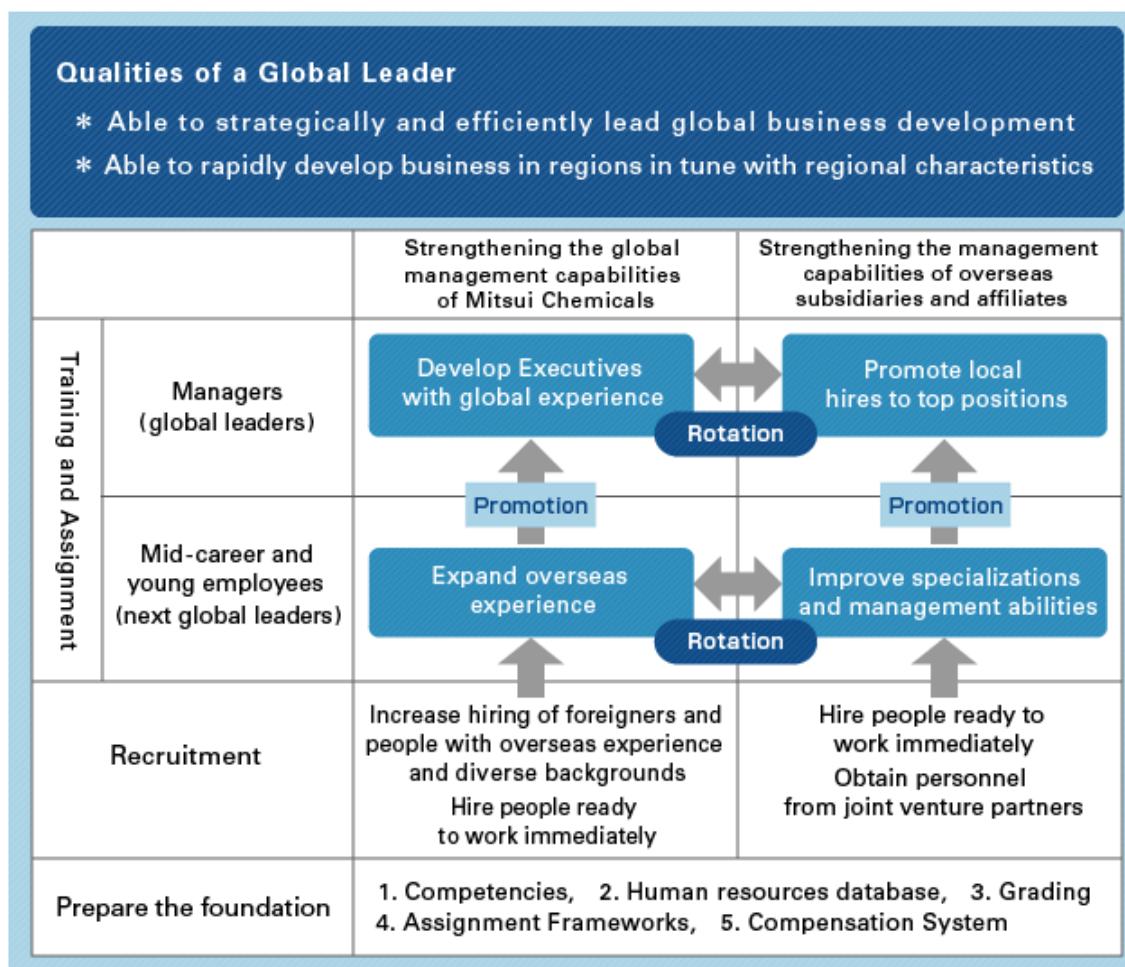
Global Human Resources Management

In keeping with the Group's global development, the number of countries in which the Group has launched an operation base has risen to 27. Non-Japanese nationals account for more than one third of the Group's employees, and the training of global human resources is becoming an issue of unprecedented importance.

Qualities of a Global Leader

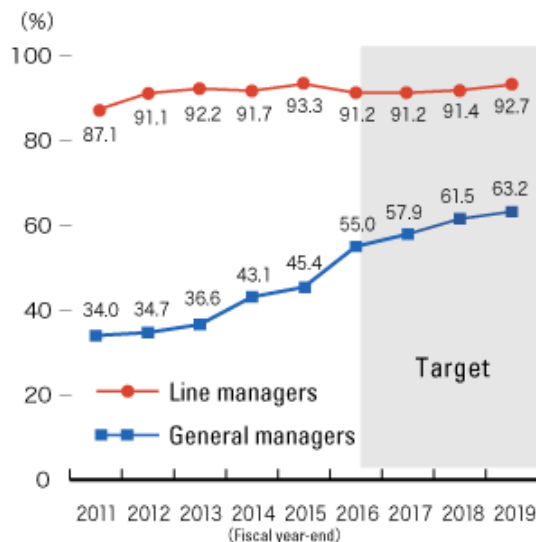
To continue gaining a greater share of domestic and overseas markets, we will secure exceptional human resources who are intimately familiar with local conditions and strengthen our global leadership that enable them to coordinate and manage the operations at each of our domestic bases with those overseas. The Mitsui Chemicals Group is clarifying the requirements for global leaders, securing those exceptional human resources with diverse backgrounds and working to methodically develop global leaders by optimally assign them to its bases around the world. To underpin these efforts, we are introducing improvements, such as common global competencies (quality prerequisites), human resource databases, grading systems, assignment frameworks, and compensation systems.

Overview of Global Human Resources Management



We established the Global HR Development Advisory Committee (HRDAC) in 2014 to establish and appropriately manage the platforms for accelerating global management on a Group-wide basis. The HRDAC is composed of personnel managers from regional headquarters and key affiliates. We have also put in place the Mitsui Chemicals Academy to work toward global common and standardized training programs centered on the instilling of our corporate culture and core values as well as on the strengthening of leadership. Through these initiatives, we are also making progress in promoting locally hired staff to key positions, including to the level of president of an overseas affiliate.

Trends in Locally Hired Staff Promotions



Note: Overseas subsidiaries and affiliates excluding mergers and acquisitions

Key Talent Management

We built and from fiscal 2016 started to operate the systems for "Key Talent Management" with the aim of effectively promoting Global Human Resources Management and securing the human resources for Group global management. Through this initiative, we will conduct the early selection of exceptional, high-potential human resources, regardless of nationality, where they were hired or the company to which they are assigned, and conduct their training in a strategic manner.

Key Talent and Potential Executive Management Candidates

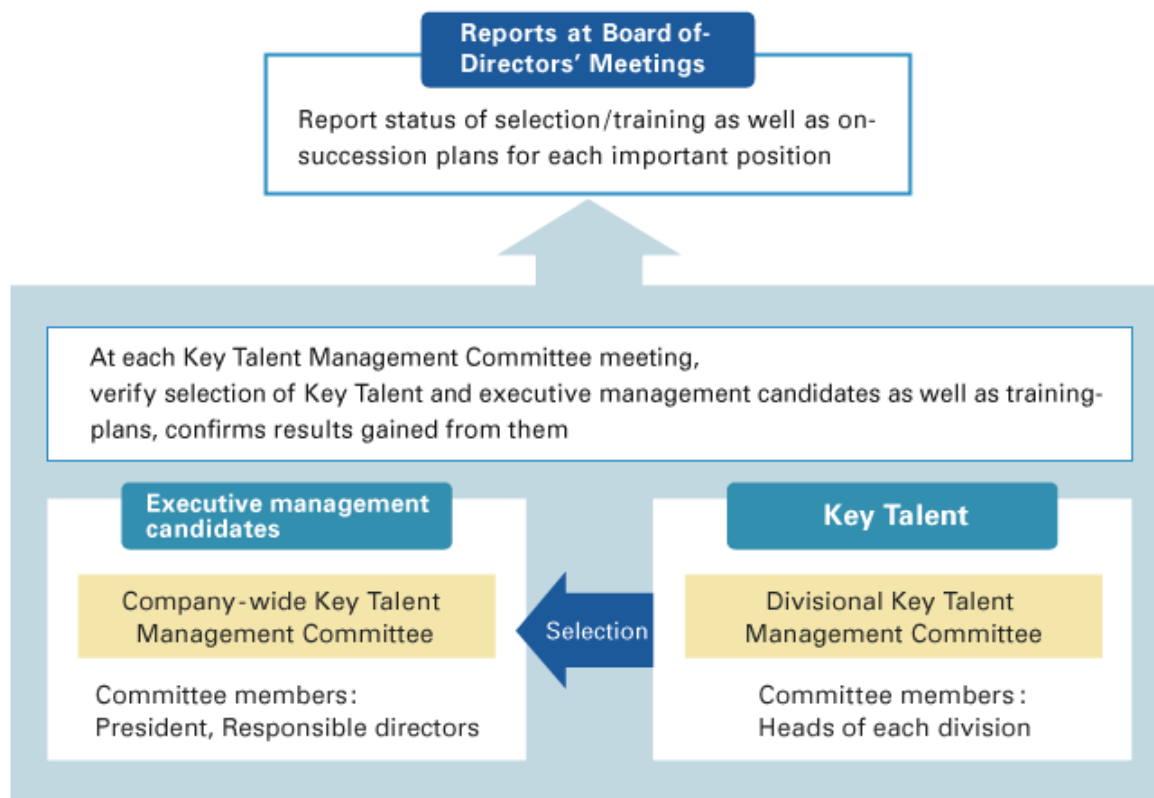
From among the Group's worldwide human resources, we are selecting as Key Talent those people who demonstrate consistently high levels of performance, competency, potential, and enthusiasm. From these, we are selecting as executive management candidates those employees who possess the potential to become future managers.

Establishment of KTM (Key Talent Management) Committees

We have established KTM Committees to act as the organizations that will select Key Talent and executive management candidates as well as verify the training plans and confirm the results gained from them. The Divisional KTM Committee, chaired by a division head executive will undertake responsibility for Key Talent, and the Company-wide KTM Committee, headed by the president and director responsible, will undertake responsibility for the executive management candidates, respectively. The committees are obliged to report on the status of selection and training as well as on the succession plans for each important position at Board of Directors' meetings.

Personalized Development Plans

The KTM Committee reviews the work experience of selected personnel and decides on the subsequent on-the-job training (OJT) from five perspectives: management perspective, business restructuring, new business development, cross-company projects, and overseas corporation management. The Committee also discusses and decides on Off-JT dispatch to / participation in management human resource development programs both in Japan and overseas based on the arrangement plan and required competency.



Evaluation Approach

We believe that treatment in line with appropriate appraisal is an important system that improves employee motivation, secures and fosters talented human resources, and is closely related to the Group's development. At all levels, Mitsui Chemicals has systemized feedback interviews with superiors and meetings to set goals for evaluation results. In goal-setting interviews, we not only set performance targets for a single fiscal year but also, at the same time, conduct an "capability / career development interview" to confirm the business tasks the interviewee would like to experience in the short term (within three years) and long term as well the skills he or she would like to acquire. Employees are thus able to give due consideration to their own careers on their own initiative. In addition, the manager appreciates the career perspectives, the strengths and weak areas as well as the future goals of his or her staff and appropriate support is made possible.

In addition, the Mitsui Chemicals Labor Union studies the take-up ratio of feedback interviews among its members and the degree of satisfaction with the feedback. The results of the survey are shared by labor and management, and we are striving to manage the evaluation system appropriately.

Ratio of Evaluation Result Feedback Interviews Provided and Degree of Satisfaction (Mitsui Chemicals Labor Union Registered Members)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Ratio of evaluation result feedback interviews provided	96%	95%	97%	98%	96%
Degree of satisfaction over evaluation feedback (Ratio of those answering "satisfied", "generally satisfied")	87%	87%	88%	89%	89%

Passing on skills and techniques (Plant Operation Technology Training Center)

Since it was established in fiscal 2006, the Mitsui Chemicals' Plant Operation Technology Training Center in Mobara (Chiba Prefecture) has provided training for employees at all levels, including new recruits. This reflects our ongoing commitment to passing on essential skills, to ensure safe and reliable operations throughout the Mitsui Chemicals Group, and instilling safety awareness based on first-hand experience. In fiscal 2016, 576 Group employees received training.

Since 2015, the Plant Operation Technology Training Center has been addressing the common manufacturing issue of passing along safety skills by opening its doors to the public not only through facility tours but also by conducting training courses and making the facility available to the public. The unique, experience-based training that the center provides has received glowing feedback from customers and other companies. In fiscal 2016, 390 people joined a tour or took part on a course.

Working with Our Employees

▶ Human Resources Management Policy

▶ Goals and Results

▶ Human Resources Development

▼ Creating an Employee-friendly Working Environment

▶ Promoting Diversity

Creating an Employee-friendly Working Environment

Maintaining a “high regard for people and society” is the basis of the Human Resources Policy of the Mitsui Chemicals Group. Guided by this policy, we strive to achieve “high levels of sustainable growth” in conjunction with the “happiness and self-fulfillment of our employees”. Against this backdrop, support measures in tune with the life events of each and every employee are becoming increasingly important to an environment in which each employee can maintain a high degree of motivation and continue to generate results.

Responding to Life Events

Mitsui Chemicals has put in place various programs that exceed statutory requirements in response to employee's circumstances outside work including child and family care. These programs encompass paid leave, unpaid leave, and working hours while also taking individual earnings and costs into consideration. Every effort has also been made to increase awareness toward these programs.

In order to encourage mainly male employees to take childcare leave, the Company has introduced additional incentives, which include treating the first five days as paid leave. As a result, the utilization rate among male employees is increasing steadily. In the case of family care leave, eligibility was originally limited to those who care for a person requiring long-term care. Mitsui Chemicals has also expanded the eligibility of nursing care leave for employees, who care for a person requiring support.

Moving forward, we will work to increase the use of the Company's various programs by upgrading our OA environment, reviewing work flows, and promoting measures that help change the mindset of the organization as a whole.

List of Support Measures That Help Balance Life Events and Work Commitments (Mitsui Chemicals Non-consolidated)

Leave	<ul style="list-style-type: none">• Leave to care for a sick family member (paid leave*)• Paid family care leave*• Childcare leave (first five days treated as paid leave*)• Unpaid family care leave (eligibility extended to enable employees to take leave when family members are certified as being in need of support*)• Special leave (paid leave, leave for illness or injury, family care leave, childcare leave, leave to participate in social activities)*• Leave of absence to accompany spouse's overseas assignment*• Social services leave (paid leave)*
Working hours	<ul style="list-style-type: none">• Shortened working hours (childcare/family care leave)*• Restrictions on overtime (childcare/family care leave)• Restrictions on late night work (childcare/family care leave)• Work-from-home program (childcare/family care leave)*• Company childcare center*
Income	<ul style="list-style-type: none">• Maternity pay*• Childcare assistance*• Maternity allowance*• Family care assistance*• Subsidies for home-care services*• Subsidies for babysitting services*

Measures marked with an asterisk (*) exceed statutory requirements

Support for Employees' Participation in Social Activities

Use of Childcare and Nursing Care Leave (Mitsui Chemicals Parent Company Employees)

			FY2012	FY2013	FY2014	FY2015	FY2016
Childcare	Number of employees taking childcare leave	Males	23	19	29	33	62
		Females	48	50	67	62	16
		Total	71	69	96	95	78
	Number of employees using shortened working hours	Males	5	3	2	1	2
		Females	66	84	89	86	88
		Total	71	87	91	87	90
	Number of employees using the work-from-home program	Males	4	3	3	5	5
		Females	8	7	9	13	19
		Total	12	10	12	18	24
Family care	Number of employees taking unpaid family care leave		1	1	1	0	0
	Number of employees using shortened working hours		1	2	1	1	1
	Number of employees using the work-from-home program		3	2	1	2	1

Program That Supports Employees Returning to Work after Taking Childcare Leave

Mitsui Chemicals formalized a program that supports employees returning to work. The principal goal is to put in place an environment that allows employees rearing young children to return seamlessly to work after giving birth to a child or taking childcare leave and to help instill a high sense of motivation.

The program clarifies the types and details of support for each period from the time before maternity leave through childcare leave to the return to work. Prior to taking leave, each employee and his or her manager engage in one-on-one interviews to discuss the handover of duties, contact details while on leave, various procedures, and other important issues. Meetings between employees and their managers are also conducted while taking leave to share details of workstyles as well as systems that ensure an environment to accept employees as well as details of duties after the return to work and to deepen mutual understanding. After returning to work, the Company provides an explanation of procedures and support regarding its various programs.

In this manner, every effort is being made to relieve employees' anxieties with respect to taking maternity and childcare leave as well as returning to work. This in turn helps to alleviate the need to resign from the Company and allows employees to continue their careers.

Toward Work-life Balance and Promoting Work Style Reform

Mitsui Chemicals is working to increase the rate at which employees utilize the Company's 20-day annual paid leave program as a way to reform the way people work. In order to lift the utilization rate of employees in management positions, which currently remains particularly low, the Company has implemented a compulsory "refreshment leave" system that in principle requires employees to take two consecutive leave days. Among a host of endeavors, the Human Resources Division puts forward various requests. Work days that are sandwiched between holidays are treated as "days to support the taking of paid leave." Managers are requested not to arrange meetings and issue instructions regarding non-urgent work to subordinates on these days. Through these means, we are creating an environment that allows employees to take leave easily.

<Measures Aimed at Increasing the Annual Paid Leave Utilization Rate>

- Refreshment leave (two consecutive days off)
- Encouraging employees to systematically take long-term leave
- Putting in place days to support the taking of paid leave
- Encouraging employees to take half-day afternoon leave on Premium Friday (excluding offices)
- Calculate, inform and provide guidance about the annual paid leave utilization rate by workplace

<Annual Paid Leave Utilization Rate (Mitsui Chemicals Parent Company Employees)>

FY 2016 results: Employee average 70.0% (non-management staff average 80.8%; management staff average 56.0%)

FY 2017 target: Management staff paid leave utilization rate: 60%

A Message from the President

The Mitsui Chemicals Group is targeting operating income of ¥200 billion in 2025 under its Long-term Business Plan. In order to achieve this lofty goal, it is vital that each and every member of the Group takes up this unprecedented challenge and pursues every possible avenue while rethinking their approach to certain concepts and work. Equally important is the need for management to take the lead in ensuring the sound health of all employees, raising productivity, and putting in place an environment in which creativity is the norm. By addressing each of the following issues, I pledge to promote work style reform across the Mitsui Chemicals Group.

<Work Style Reform at Mitsui Chemicals>

1. Strive to ensure that the sum total of overtime and hours worked on designated holidays for each individual employee is less than 80 hours for each month

- Executive manager and management staff will take the initiative in reforming mindsets and promoting varied work styles.
- Management staff will review operational processes as well as human resources systems and improve operational efficiency while strictly controlling the number of hours worked.
- Employees will abandon the notion that the number of hours worked will lead to a favorable assessment and in principle endeavor to carry out their duties within scheduled working hours.

2. Looking beyond child and family care needs, promote the utilization of the work-from-home program in order to address a host of issues. This includes efforts to improve the work-life balance of employees, increase productivity, secure outstanding personnel, and improve business continuity in periods of emergency

- Management staff will take the initiative and incorporate working from home as a viable option. Thought will also be given to the effective management of subordinates with respect to working from home hours.
- Employees will consider how they can raise productivity with respect to their duties while working from home and endeavor themselves to put in place the necessary environment.
- • Related departments will establish rules regarding the promotion of work from home and put in place the necessary framework.

Tsutomu Tannowa
President and CEO
January 1, 2017

Ichihara Dream Plaza Mitsui Chemicals Daycare Center

The Ichihara Dream Plaza Mitsui Chemicals Daycare Center opened near Ichihara Works and the Sodegaura Center in Chiba in April 2009 to provide support for employees who continue to work while bringing up children. The center's capacity was increased to 30 children in fiscal 2011. The south wall of the center is made entirely from glass with a host of improvement features including under-floor heating.

Labor-management Relations Based on Frank Dialog and Mutual Understanding

Mitsui Chemicals has incorporated the realization of its Corporate Mission and to achieve the happiness and self-fulfillment of employees as common goals in its workplace agreements and is working to build constructive and stable relations with labor. In order to help achieve its 2025 long-term targets, the Company is endeavoring to share and exchange opinions regarding a host of management issues. Efforts are also being made to engage in ongoing frank discussions on such themes as improving productivity as well as the work-life balance of employees. In this manner, we are working to lay the necessary foundation so that employees can work in a more enjoyable and meaningful manner.

Working with Our Employees

► Human Resources Management Policy

► Goals and Results

► Human Resources Development

► Creating an Employee-Friendly Working Environment

▼ Promoting Diversity

Promoting Diversity

The Mitsui Chemicals Group has set "Diversity," "Challenge" and "One Team" as the three core values to be shared and held in high regard among Group employees around the world. To realize the wish, encapsulated in those core values, to "create a company in which each and every employee can put their all into their work," we actively deploy initiatives designed to encourage "Diversity" and "Inclusion."

Aiming for human resource diversity that emphasized gender equality, we expanded the activities of our Group's Diversity & Inclusion initiatives, which had started with the establishment of a Promotion and Development of Women Team in 2006. We added new perspectives, such as "Acceptance of / Co-existence with Different Cultures" associated with the expansion of global management and the recruitment and active utilization of people with disabilities, and reorganized into the Diversity Promotion Team (2011) and the Diversity Promotion Department (2015). In addition to aiming to realize our core values, we are working to raise awareness of diversifying employee career paths and adapt to changing values toward work styles.

Promoting Women in the Workplace

The Mitsui Chemicals Group was focusing its efforts on proactively leveraging the capabilities of women in its operations even before establishing the Promotion and Development of Women Team in 2006. These efforts include dispatching female employees to plants and employing women in positions with promotion prospects. Although we have made steady progress in our efforts to foster a corporate culture that encourages the ongoing employment of women over the past decade, we are still facing issues. There remains a lack of consistency in annual female employment rates, there are small numbers of women with technical backgrounds applying and being hired, and a low percentage of female managers. Under the 2025 Long-term Business Plan, we have set a target rate of female managers (line managers or higher) of 10% or more (Mitsui Chemicals parent company-registered employees). Since one reason for the currently low numbers is that the ratio of all employees accounted for by women is comparatively small, we are also working to set a numerical target for the female employment recruitment ratio.

A Message from the President

Our goal is to remain an attractive corporate group in which everyone is able to fully demonstrate his or her capabilities.

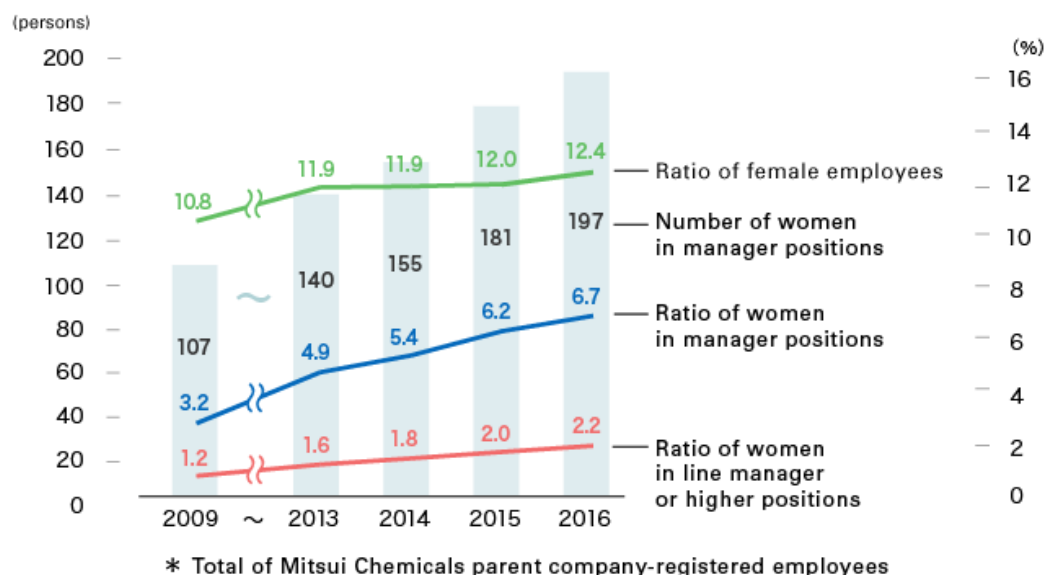
The Mitsui Chemicals Group recognizes the importance of diversity in ensuring sustainable growth both for the Group and society. Based on this understanding, we have positioned diversity as one of our core values.

Advancing diversity is an important business strategy. We strongly believe that a diverse pool of human resources, characterized by wide-ranging experiences and a wealth of new ideas, is the driving force behind innovation, a key source of sustainable growth.

As a part of its efforts to promote diversity, the Mitsui Chemicals Group works diligently to foster a corporate culture in which women are able to excel. Moving forward, we will redouble our efforts to support female employees to take up the challenge of advancing their careers. We will also look to promote a growing number of women to positions of senior management.

The Mitsui Chemicals Group is committed to building a workplace environment in which employees can make the most of their strengths and capabilities. In this manner, we will continue to pursue innovation and work toward becoming an attractive corporate group.

Tsutomu Tannowa
President and CEO



Number/Ratio of Female Employees Hired

	Fiscal 2016
Total number of employees hired and registered to Mitsui Chemicals parent company	295
Number of female employees hired	43
Ratio of female employees	14.6%

Average length of service (Mitsui Chemicals Parent Company Employees)

		FY2016
Average length of service	Males	19.7
	Females	21.1
	Total	19.9

Unit: Year

Promoting Non-Japanese National Employees in the Workplace

The Company began the full-scale hiring of non-Japanese national employees in Japan in 2005. For non-Japanese nationals working in Japan, we provide dedicated consultation services and the systems to enable them to exchange and share information on a daily basis via an internal social networking service (SNS). In addition to supporting trouble-free work and life styles, we are aiming to remain a company where it is easy for non-Japanese nationals to work and to secure talented human resources.

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Number of foreign (non-Japanese) employees (Mitsui Chemicals parent company-registered employees)	54	56	55

【2016 Activity Achievements】

- (1) Assisted with Japanese language training
- (2) Assisted with visa procedures
- (3) Addressed daily inquiries regarding HR programs, initiatives, company regulations
- (4) Conveyed information required for working in Japan in English and Japanese
- (5) Networking

【2017 Activity Plans】

- (1) Assist with Japanese language training (communications training, study groups in which Japanese employees are volunteer teachers)
- (2) Enhance utilization of internal SNS (disseminate visa- and lifestyle event-related information, etc.)
- (3) Conduct inclusion study groups (promote awareness of cultural differences)
- (4) Compile English translations of personnel application-related manuals
- (5) Responses to non-Japanese national occupational lifestyle consultations (conducted at business sites)

Enabling employees with disabilities to reach their full potential in the workplace

In hiring employees with disabilities, the Company goes beyond achieving the legally required employment ratio and works to maintain environments in which people with disabilities have a sense of belonging as members of the organization and reach their full potential. In addition to conducting training sessions at sites that accept people with disabilities to help able-bodied employees better understand the needs of those with disabilities, we establish incubation periods and adaptation / learning periods for certain lengths of time after hiring and devise measures, depending on the nature of each person's disability, to enable him or her to smoothly commence work, which is of benefit to all concerned.

We also hold inclusion study group meetings with the aim of fostering a climate that accepts into the organization not only people with disabilities but also people with a variety of personalities and specific characteristics. At the meetings, attendees learn about sexual minorities, and we provide a forum for employees with disabilities to take roles as lecturers and talk about their own disabilities and experiences.

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Rate of employment for people with disabilities (%) (Mitsui Chemicals parent company-registered employees)	2.0%	2.2%	2.3%
Legally required ratio for employment of people with disabilities	2.0%	2.0%	2.0%

Examples of trainings and lectures related to diversity promotion at Mitsui Chemicals Inc. (MCI)

Year	Target audience	Theme	Lecturer
FY2016	line managers at MCI	Promotion of women's participation and advancement in the workplace	The director of Diversity Promotion Department
	MCI employees	IkuBoss (an ideal boss who supports his or her subordinates' work-life balance and manages his or her work-life balance)	expert outside the company
	MCI employees	Management with understanding of sex differences	expert outside the company
	MCI employees	Employment of persons with disabilities	expert outside the company
	MCI employees	Developmental disability	expert outside the company
	MCI employees	Developmental disability	employee with disability
	MCI employees	LGBT (lesbian, gay, bisexual, and transgender)	expert outside the company
FY2017	MCI employees	Influence of diversity on management	expert outside the company
	employees in charge of consultation services for harassment at the head office, each branch, works and affiliates	LGBT (lesbian, gay, bisexual, and transgender)	expert outside the company
	female employees	Women's career and health	expert outside the company
	MCI employees	Support system related to babysitting services	The director of Diversity Promotion Department
	MCI employees	Family care	expert outside the company
	MCI employees	Learning disabilities	employee with disability
	MCI employees	Dementia Supporter Training Lecture	expert outside the company
	MCI employees	How to approach/instruct employees with developmental disabilities	expert outside the company
	MCI employees	Physical impairment (Visceral impairment)	expert outside the company
	MCI employees	Understanding Muslims	expert outside the company

Working with Industry, Government, and Academia

▼ Goals and Results

▶ Promoting Cooperation with Industry

▶ Promoting Joint Research Projects

▶ Promoting Global Collaboration

Front and center in the Mitsui Chemicals Group's Long-term Business Plan as it looks toward 2025 is the promotion of "customer-driven innovation." With this in mind, it is vitally important that the Group quickly uncover the needs and requirements of customers and end-users in downstream domains. The Mitsui Chemicals Group will actively promote collaboration with industry, government, and academia throughout its R&D process in order to further deepen its capabilities in such core technological fields as organic and polymer chemistry, which it has nurtured over many years, and to forge a presence in new technology fields that are more in line with the values of downstream customers and end-users, an area in which the Group has been weak.

Management System

Policy

Serving as a technology platform, the Mitsui Chemicals Group maintains technologies and personnel that lay at the heart of its efforts to create a diverse array of products and services. Based on these platforms, we are uncovering the technologies necessary to realize customer-driven innovation while putting forward and carrying out utilization plans encompassing a wide range of areas including open innovation in a bid to secure the aforementioned technologies. Moreover, we are also overseeing efforts to strengthen technologies in core domains and develop human resources in line with technological platforms.

System and Responsible Officers

With the responsible director in charge of the R&D Center, R&D managers periodically hold the R&D Strategy Conference and other meetings. Through each avenue, the Group is deliberating on strategies and management issues as they relate to R&D while working to put forward solutions.

Monitoring Methods

We use a Stage Gate System during product development in an effort to visualize the degree of progress made. Using this system, we are able to make efficient and rational decisions about continuing or discontinuing development, resource allocation, and other issues.

We are taking steps to assess whether there is any waste or delay in the development process based on our technological platforms and Stage Gate System. Every effort is being made to ensure efficient operations. We have also received high marks from public institutions for our joint research projects with industry, government, and academia.

Goals and Results

Goals for Fiscal 2016

- Promote new business/product development through external collaboration
- Develop innovative technologies by participating in joint research projects
- Strengthen global networks

Fiscal 2016 Results and Assessment

Level achieved: A

- Promoted new business/product development through external collaboration: new diagnostics and consulting business for photovoltaic power generation (PI Potovoltaik-Institut Berlin AG), joint development of the world's highest magnification stamp loupe (Hopnic Laboratory), metal resin integral molding technology (Taisei Plas Co., Ltd.), and lithium-ion battery safety materials (Industrial Technology Research Institute of Taiwan)
- Developed innovative technologies by participating in joint research projects: Artificial Photosynthesis Project (ARPCHEM), selected as a program in the Innovation Setup Scheme in collaboration with government and academia by the Japan Agency for medical Research and Development (AMED), and development of a non-edible plant-based chemical manufacturing process (New Energy and Industrial Technology Development Organization NEDO)
- Strengthened global networks: Promoted projects at the Mitsui Chemicals Singapore R&D Centre and participated in the 2016 Mitsui Chemicals Catalysis Science Award lectures, etc.

Priorities for Fiscal 2017

- Promote open innovation activities
- Promote joint research projects
- Verify business models that employ CVC*

* CVC (Corporate Venture Capital): Investment activities targeting external venture companies undertaken by business entities.

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Working with Industry, Government, and Academia

► Goals and Results

▼ Promoting Cooperation with Industry

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Promoting Cooperation with Industry

Actively seeking to team up with external partners in areas that include open innovation, the Mitsui Chemicals Group is promoting new business and new product development that will lead to the creation of new customer value, such as the unified offering of products and solutions that the Company had not previously obtained on its own.

Initiatives Aimed at Development of Integrated Metal/Resin Parts

Since concluding a comprehensive licensing agreement with Taiseiplas Co., Ltd. in 2012, the Mitsui Chemicals Group has worked diligently to develop POLYMETAC™, a technology that facilitates the strong adhesion and bonding of various metals and resins that was not possible using conventional methods.

A hybrid product of carbon fiber-reinforced plastic (CFRP) and aluminum joints having been adopted for use in the frames of Aerosense Inc.'s autonomous unmanned aerial vehicle (UAV) in fiscal 2015, Mitsui Chemicals is helping to improve the UAV's range by reducing its weight and to simplify its manufacturing process by reducing the number of parts and steps.

► Mitsui Chemicals' POLYMETAC™ To Be Used in Lightweight Frames of New Autonomous Unmanned Aerial Vehicles



The new autonomous unmanned aerial vehicle from Aerosense



A hybrid product of carbon fiber-reinforced plastic (CFRP) and aluminum joint parts made using POLYMETAC™ technology



Co-development of World's Highest Magnification Stamp Loupe

The Mitsui Chemicals Group, together with the Nippon Lighthouse Welfare Center for the Blind and Hopnic Laboratory, announced the successful co-development of a stamp loupe with the world's highest magnification. By drawing on Hopnic Laboratory's state-of-the-art lens manufacturing technologies to form a lens made with Mitsui Chemicals' MRTM high refractive index ophthalmic lens material—as is widely used in thin and lightweight glass lenses—they succeeded in achieving both high magnification and reduced burden on users.

The product will help improve the quality of life (QOL) of seniors who find the reading of small print difficult and of persons with weak eyesight (amblyopia), who are unable to obtain visual acuity that is to their satisfaction even when fully corrected.

► World's Highest Magnification Stamp Loupe Will Help Persons with Low Vision and Age-related Vision Problems

Working with Industry, Government, and Academia

▶ Goals and Results

▶ Promoting Cooperation with Industry

▼ Promoting Joint Research Projects

▶ Promoting Global Collaboration

Promoting Joint Research Projects

Through its participation in joint research projects with industry, government and academia, the Mitsui Chemicals Group integrates internal and external technologies and knowledge and engages in efforts to find solutions to social issues that it would be difficult to realize independently.

Participating in the Artificial Photosynthesis Project

The Company signed up to participate in the Japan Technological Research Association of Artificial Photosynthetic Chemical Process (ARPCChem) that was launched by the Ministry of Economy, Trade and Industry in fiscal 2012. Aiming to establish the technologies to manufacture basic chemical products, such as the raw materials for plastics, using CO₂ and solar energy from water, four private enterprises, including Mitsui Chemicals, are conducting—with The University of Tokyo, Kyoto University and Tokyo University of Science—the joint development of hydrogen production technologies by means of photocatalysts. Toward the creation of a sustainable society, the Mitsui Chemicals Group is working to resolve resource and environmental challenges, including freeing ourselves from dependence on fossil fuel resources.

Joint Research with Toyama University Selected by AMED Program

The joint research that we are advancing with Toyama University has been selected by the Industry-Academia Collaborative Medical Innovation Creation Program of the Japan Agency for Medical Research and Development (AMED). We are conducting collaborative research to provide a test kit for the novel, Toyama University-developed genetic test method (Tm mapping method) that rapidly identifies the bacteria that cause sepsis.

Working with Industry, Government, and Academia

▶ Goals and Results

▶ Promoting Cooperation with Industry

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▼ Promoting Global Collaboration

Promoting Global Collaboration

Through the promotion of projects at its overseas bases, such as at the Mitsui Chemicals Group Singapore R&D Centre, the Mitsui Chemicals Group aims to closely monitor the needs of its customers across the world.

We are also working to make our core technology domains more elaborate through exchanges with researchers both in Japan and overseas.

Support for Fruits and Vegetable Transportation Testing in Singapore

At the Mitsui Chemicals Singapore R&D Centre, which serves as the Mitsui Chemicals Group's overseas research and development base, a service is being conducted that supports the testing of fruits and vegetables transported from Japan to Singapore. Providing the equipment to assess the quality, such as the taste, color, and freshness, of the fruits and vegetables that have been transported, we supply large refrigerators for temporary storage and other services to enhance the convenience of users in Southeast Asia.

Mitsui Chemicals Catalysis Science Award and Award of Encouragement

The Mitsui Chemicals Group created the Mitsui Chemicals Catalysis Science Award and the Mitsui Chemicals Catalysis Science Award of Encouragement and has presented them every two years since 2004 in recognition of researchers who have made outstanding contributions to the field of catalysis science. In fiscal 2016, a total of three winners were selected from among the entries from around the world, and an awards ceremony and a commemorative event for the award winners took place as part of the Chemical Society of Japan (CSJ) Chemistry Festa.



General view of the award presentation ceremony

Social Activities

▼ Social Activities Policy

▶ Goals and Results

▶ Laboratory Classes on the Wonders of Chemistry

▶ Nurturing Future Generations

▶ Environment Communication

▶ International Exchanges and Cooperation

▶ Support for Employees' Participation in Social Activities

▶ Disaster Relief

▶ Working in Harmony with Local Communities

Social Activities Policy

The Mitsui Chemicals Group Social Activities Policy

The Mitsui Chemical Group will continually strive to:

1. Harness and improve its chemical technologies to contribute to society as a whole
2. Work in harmony with local communities and ensure that its sites are as open as possible
3. Do its bit to nurture future generations, on whose shoulders the future rests
4. Carry out activities aimed at protecting the environment
5. Engage in active international exchange and cooperation
6. Create a corporate environment in which individual employees can actively participate in social activities

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The Mitsui Chemicals Group believes that it can effectively help to resolve social challenges by harnessing its strengths and unique characteristics as a Group. With that in mind, we utilize our chemical technologies and products and roll out a host of social contribution activities that include efforts to nurture future generations and to provide disaster relief. At the same time, we undertake various endeavors to encourage our employees to participate in social contribution activities of their own accord. In addition, and with the aim of ensuring that our sites are always open to the local community, we place the utmost importance on communication with members of the local community while working in harmony with all those around us.

Management Systems

Policy

The Mitsui Chemicals Group engages in activities in line with the Group's Social Activities Policy.

 Social Activities Policy

System and Responsible Officers

With the responsible director in charge of the CSR Committee, the Head Office division responsible for CSR reports on activity detail topics at meetings of the CSR Committee, which are held twice a year. In addition, voluntary and ongoing efforts are made while each business site works to coordinate with the Head Office division responsible for CSR.

Monitoring Methods

The Head Office division responsible for CSR conducts a survey of the results of social contribution activities of each of the Company's business sites as well as subsidiaries and affiliates once a year to confirm activity details.

Achievements and Reviews

The Mitsui Chemicals Group engages steadily in a wide range of activities in line with its Social Activities Policy and fiscal year targets. In addition to reconfirming the significance of activities based on such key criteria as the Social Activities Policy and business details, we will carefully examine the details of activities.

Goals and Results

Goals for Fiscal 2016

- Increase the number of employees taking part in social contribution programs
- Reconsider ways in which to provide sustainable support to those affected by the Great East Japan Earthquake
- Promptly undertake disaster relief activities in conjunction with NPOs and other organizations

Fiscal 2016 Results and Assessment

Level achieved: A

- Increased the number of employees taking part in social contribution programs
Strengthened awareness within the Company toward the One-Coin Club* through implementation of 10th anniversary plans and collaboration in the Group's initiative aimed at promoting good health, the Healthy Mileage Campaign (No. of new One-Coin Club members: 55)
Implemented a Laboratory Class on the Wonders of Chemistry in Indonesia
- Reconsidered ways in which to provide sustainable support to those affected by the Great East Japan Earthquake
Undertook action aimed at creating a better future for areas affected by the Great East Japan Earthquake and put forward joint development proposals in conjunction with other companies
- Promptly undertook disaster relief activities in conjunction with NPOs and other organizations
Dispatched relief supplies to areas affected by the Kumamoto earthquake on the day requests were received from collaborating NPOs

* One-Coin Club:

Employees who join the club choose an amount to be deducted from their wages or bonuses, which is then donated to organizations involved in social activities.

Priorities for Fiscal 2017

- Increase the number of employees taking part in social contribution programs
- Reconsider ways in which to provide sustainable support to those affected by the Great East Japan Earthquake
- Promptly undertake disaster relief activities in conjunction with NPOs and public authorities

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

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Laboratory Classes on the Wonders of Chemistry

We started the Laboratory Classes on the Wonders of Chemistry because we wanted to share the fun and possibilities of chemistry with future generations of children. Since 2006, we have organized various types of classes, from off-site classes, whereby members of staff from each of our sites go out to local schools, summer vacation events and festivals, to those held during tours round our works and research centers. In fiscal 2016, we extended these activities and for the first time held a laboratory class at an Indonesian elementary school.

We are always trying to come up with new ways to teach children about chemistry in a fun and easy-to-understand context. Activities at each of our sites are based on the theme of chemistry in our everyday lives, to make children feel closer to chemicals through fun experiments. The aim is to show children just how crucial chemicals are in their everyday lives and to demonstrate what they can achieve with the power of chemistry. Approximately 5,000 children took part in classes over the course of fiscal 2016.

In recognition of these activities, we received the Catalysis Society of Japan's 2015 Award for Education and the Ministry of Education, Culture, Sports, Science and Technology (MEXT) Award for Companies Promoting Experience-based Learning Activities for the Youth (Judge's Commendation) in the large corporation category for 2015. In addition, we registered with the Ministry of Education, Culture, Sports, Science and Technology as a Saturday Learning Support Group and are working to spread education to even more children.

- ▶▶▶ Catalysis Society of Japan's 2015 Award for Education
- ▶▶▶ Mitsui Chemicals Receives Catalysis Society of Japan Award for Education
～ Educational programs in chemistry receive high marks ～
- ▶▶▶ Received "Award for Companies Promoting Experience-based Learning Activities for Youth (Judges' Commendation)" from Ministry of Education, Culture, Sports, Science and Technology (MEXT)
- ▶▶▶ Ministry of Education, Culture, Sports, Science and Technology Saturday Learning Support Group 



Laboratory class held at an elementary school



Laboratory Class on the Wonders of Chemistry Held in Elementary School in Cikampek District, Indonesia

Affiliated company PT. MCNS POLYURETHANES INDONESIA (MCNS-I) is a member of the Indotaisei volunteer club that was formed by 34 companies on the Indotaisei Industrial Park. The club organized a CSR event, held on August 4, 2016, to donate to a school a variety of educationally useful items, including textbooks and stationery.

It is very rare for pupils at rural schools in Indonesia to have an opportunity to come into contact with chemical experiments in classroom lessons. For that reason, as one of the highlights at the event, employees from MCNS-I and three other Company affiliates—P.T. Petnesia Resindo (PNR), Mitsui Chemicals Asia Pacific, Ltd. (MCAP), and Mitsui Chemicals Singapore R&D Centre Pte. Ltd. (MS-R&D)—held a laboratory class on the wonders of chemistry for 30 sixth-year pupils as well as their teachers and parents. By means of an experiment to make urethane plump, and the making of slime, the children learned about chemical reactions and the properties of polymers while their expressions showed their surprise and joy.

In the years to come, we would like to increase the range of experiments undertaken locally and expand the laboratory classroom activities in Asia by conveying to the local employees transferred to Head Office know-how regarding laboratory classes.



A laboratory class being held in Indonesia

Laboratory Class on the Wonders of Chemistry Held in Sunagawa City, Hokkaido

Affiliate Hokkaido Mitsui Chemicals Co., Ltd. jointly held a Laboratory Class on the Wonders of Chemistry with the City of Sunagawa, Hokkaido, on May 20, 2017. Having invited Dr. Akira Suzuki (Emeritus Professor of Hokkaido University), who had won the Nobel Prize in Chemistry in 2010, 80 elementary school pupils from the city participated.

Prior to the laboratory class, Professor Suzuki gave a lecture entitled "The Fun of Study and Research." He spoke about how he himself had studied chemistry and followed a researcher's path. His message was for the children to seek to have interests and to study them widely for future possibilities, and to make friends overseas.

With the cooperation of students from Sunagawa High School, experiments were conducted for the laboratory class to, for example, identify a liquid with an indicator made from red cabbage and create a blowing agent for bath use from baking soda and citric acid. The children who took part gave feedback comments that included: "We found out that the properties of an aqueous solution can be distinguished by color change using an indicator," "Although I'm no good at science, I enjoyed taking part," and "I would like to do chemistry in the future."



The laboratory class in which even Professor Suzuki took part



Professor Suzuki with the children and others who kindly took part

Laboratory Classes on the Wonders of Chemistry Experiments

*Experiment titles are subject to change

No.	Experiment title	Field		Related Group products	Description
1	Foamy urethane experiment	Chemistry	Chemical reactions	Isocyanate Polyol	Participants watch urethane, the uses of which include cushion materials, pillows and refrigerator insulation, being foamed and experience reaction heat and differences in hardness
2	Slime • Making your own slime • Making jumbo slime together • Shiny slime • Slime ball	Chemistry	Polymer properties		By making "slime" (i.e. cross-linking polyvinyl alcohol with water using borax), participants learn that water can be confined and about the gels around us in our everyday lives.

3	Light experiments with polarizing plate	Physics	Light		Participants learn about the passage of light through a kaleidoscope fitted with a polarizing plate that converts natural light into linear light, as used in mobile phones and other such devices
4	Chromatography art	Chemistry	Adsorption and separation		Participants learn that the ink in a water-based pen contains a mixture of various different colors (pigments)
5	Plastic board	Chemistry	Polymer properties	General plastics	Participants learn about the properties and separation of plastics, by using the heat shrinkable properties of polystyrene to make their own original accessories
6	Let's make Cartesian divers!	Physics	Buoyancy		Participants learn about buoyancy and pressure, by making a Cartesian diver from a PET bottle and a plastic soy sauce container
7	Let's investigate the properties of aqueous solutions using red cabbage	Chemistry	Acids and alkalis		Using anthocyanin extracted from red cabbage, participants investigate the properties of everyday liquids and learn about acids and alkalis
8	Let's make an air freshener using spongy polymers	Chemistry	Polymer properties	Nonwoven fabrics	Participants learn about the principle of water retention, by making an air freshener from a water-absorbing polymer, as used in disposable diapers, gardening supplies and other such products
9	Let's make a rainbow tower	Physics	Specific gravity		Participants learn about the specific gravity (relative density) of fluids, by pouring colored waters with varying concentrations together to make a tower
10	Let's make a freezer!	Chemistry	Heat of solution	Urea	Participants learn about the principle of heat adsorption via the heat of solution of urea, as used in such products as fertilizer and moisturizing cream
11	Learn how bubble bath works!	Chemistry	Reaction of acid and salt		Participants learn about how carbon dioxide is produced, by making bubble bath from baking soda and citric acid
12	Learn about acid rain!	Chemistry	Acid and alkali Oxidation/reduction		Participants learn about acid rain and what causes it, by measuring the pH using red cabbage extract and conducting a bleaching experiment using iodine
13	Let's make paper!	Technology	recycling / Making paper	Acrylamide	Using everyday implements, participants experience paper recycling from old paper and learn about papermaking and recycling

14	Let's make small objects from melted plastic!	Chemistry	Polymer properties	General thermoplastics	Participants learn about the properties of thermoplastics, which melt when heated, by using a glue gun to melt resin and make small objects
15	Experience the wonders of shrinking films!	Chemistry	Polymer properties	Films, PET, etc.	Participants learn about the principle of heat shrinkage, by using shrinkable film to attach labels and make their own PET bottle
16	See the power of air!	Physics	Hydrodynamics		Participants learn about air resistance, by observing air rings emitted from an air cannon
17	Let's make snow on pine cones!	Chemistry	Crystals	Urea	Participants learn about crystal deposition, by observing dissolved urea being sprayed onto pinecones and drying
18	Let's make light like a firefly!	Chemistry	Enzymes		Participants learn about the difference between bioluminescence and chemiluminescence by making light using each of luciferase enzymes taken from fireflies and using mineral-based chemicals
19	Let's try and absorb oil!	Chemistry	Polymer properties	TAFNEL™, Oil Blotter™	Participants learn about the principles and how to use adsorbent materials, by absorbing only the oil from mixed oil and water substances They also learn about the impact on the environment of oil spillage.
20	Expand? Shrink? Disappear?! Let's look into the properties of mystery plastics!	Chemistry	Polymer properties	Absortomer™	Participants learn about the properties of a variety of plastic films, by taking steps to expand, shrink, and dissolve various plastics. They also learn about changes in polymers (plastics) attributable to temperatures

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Nurturing Future Generations

The future rests on the shoulders of adolescents and children. With that in mind, we carry out various activities aimed at teaching the young that chemicals are all around us, and showing them how fun, interesting and mystifying chemistry can be, as well as getting them interested in science, and inspiring them to create the technologies of the future.

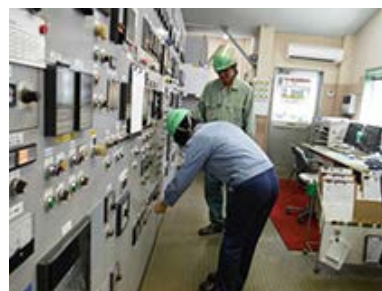
Placements for Trainees on Internships at Affiliates

A Mitsui Chemicals Group affiliated company, Yamamoto Chemicals has been accepting trainees on internships at its Omuta Plant at the request of local schools since 2000 (with the exception of 2002).

In fiscal 2016, a student from the Industrial Chemistry Department at Fukuoka Prefecture Miike Industrial High School took part in an internship held from August 2-3. She learned about manufacturing through a program that incorporated hands-on training, such as training on the manufacturing frontline and with analytical instruments, and by education on the environment, safety, and quality.

The intern spoke of the impression she had gained: "I enjoyed learning about how a factory is laid out and about the role each part plays. Although there were a lot of things I did not understand, such as the analytical instruments, I will draw on this experience as I immerse myself in my studies in the years to come."

Through grass-roots activities with communities like this, Mitsui Chemicals aims to promote interest in the structure and history of the chemical industry to future generations.



Hands-on training on the manufacturing frontline



The intern (center) with Yamamoto Chemicals employees

Supporting SSH Corporate Partnership Classes at Chosei High School

To broaden the forums for science/technology education in high schools, the Company is lending its support to corporate partnership classes at a designated super science high school, Chiba Prefecture Chosei High School (Mobara City). In fiscal 2016, two researchers from the Company's Mobara Research and Development Center were dispatched to the school, where they spoke of their experiences in their R&D line of work and gave lectures on the history of agrochemicals and technological content that focused on selectivity and safety. Among the comments received from students who attended the lecture were "The words 'your past creates who you are now' (what I become in the future takes perseverance now) have left a deep impression on me," and "I learned anew that research is useful for the advancement of what are now familiar technologies."

We hope that the students who took the opportunity to attend the lectures will become more interested in the connections between science and technology and society and that, in the near future, they will develop into talented people who support science and technology in Japan.



A course held at a high school

* Super Science High Schools:

A Ministry of Education, Culture, Sports, Science and Technology (MEXT) designated research project launched in fiscal 2002 to train the internationally minded science and technology personnel of the future. Designated super science high schools (SSHs), which offer advanced tuition in science and mathematics, they collaborate with and support universities, research institutions and private enterprises.

Support for Intellectual Property Education for College Students

At the request of Ariake National College of Technology in Omuta, we have been organizing intellectual property education for students since fiscal 2007. In fiscal 2016, on December 26, 2016, as part of the college's own, local area partnership-based curriculum, we once again organized an intensive training seminar for technical college students that provided an overview of intellectual property (IP) rights systems and how IP rights are used and included the latest IP-related news, judicial case studies and topics.

The six-hour seminar included intensive lectures and a lively question and answer session. Our activities definitely help to deepen the participating students' understanding of IP.

Cosponsoring of China Undergraduate Chemical Engineering Design Competition

Mitsui Chemicals cosponsors the finals of the China Undergraduate Chemical Engineering Design Competition, which was started in 2007. One of the contests that any student majoring in chemical engineering in China would like to enter, the competition's ranking and esteem in the Chinese chemical industry is getting higher with every passing year.

In fiscal 2016, the contest received 1,575 team entries (a total of 7,875 students) from all over China, and 48 teams made it through to the finals held at Szechuan University on August 21-22.

The winning Szechuan University team was also awarded the Mitsui Chemicals Award and, from January 18- 23, 2017, its four members were given the opportunity of visiting Japan.

The students exchanged opinions with our employees, held discussions with researchers, and visited both Ichihara Works and the TAHARA SOLAR WIND™ power generation facility. At the Plant Operation Technical Training Center, they also learned the importance of safety by experiencing part of the training. We hope that, in the years to come, they will actively draw on this experience in the field of chemical engineering.

→ TAHARA SOLAR WIND™ Power Generation Facility

→ Mitsui Chemicals' Plant Operation Technology Training Center



Contest finals presentation ceremony



The contest winners visit the TAHARA SOLAR WIND™ power generation facility



Hands-on safety training at the Plant Operation Technology Training Center

Exchange with Hope Elementary School in Anhui Province, China

As part of activities to celebrate the company's 10th anniversary in 2010, Mitsui Chemicals (China) Management Co., Ltd. (MCCN), a Mitsui Chemicals Group affiliated company, donated the necessary funds to rebuild aging buildings at Hope Elementary School in Anhui Province in China, in conjunction with Mitsui Chemicals Head Office.

Providing ongoing support, in fiscal 2016 the company sent 1,000 books and items of stationery for 250 pupils to the school on November 30. Also 200 yuan scholarships were donated to 50 pupils whose families are suffering financial hardship.

On that day, the company held a Laboratory Class on the Wonders of Chemistry for fifth- and sixth-year pupils. By making urethane plump and other experiments, the pupils felt the mystery and fun of chemistry, gained a sense of the importance of chemical products in their daily lives and had meaningful exchanges.



A view of a lesson at Hope Elementary School

➡ Laboratory Class on the Wonders of Chemistry

Cooperation in Experiential Study Programs for Teachers

From August 3, 2016, Experiential Study Programs for Teachers were held at the Head Office, Sodegaura Center, and Mobara Research and Development Center. Sponsored by the Japan Institute for Social and Economic Affairs, these training sessions date back to 1983. Geared towards teachers from elementary, junior high and high schools, the aim is for them to experience corporate activities, to give some thought to those experiences and their observations, and to convey them through classes to the children who hold the future in their hands. Having cooperated by holding this training every year since fiscal 2006, this marked the 11th time that Mitsui Chemicals had welcomed a group of teachers.

This year, nine teachers from elementary schools in the Tokyo metropolitan area participated in a three-day training program. At the Head Office, the educators listened to presentations about the Group's corporate philosophy, Responsible Care initiatives, and human resources development. They also saw a demonstration of the Laboratory Class on the Wonders of Chemistry as a part of the introduction to our CSR activities. At the Sodegaura Center and Mobara Research and Development Center, a tour of the works was given to explain the basics of manufacturing, while discussions covered safety measures. At the Plant Operation Technology Training Center, the educators participated in hands-on laboratory training. From the education point of view, at the Training Center, which shares a lot of common ground with mainstream education, the educators and researchers engaged in a lively exchange of opinions about their experiences, impressions and discoveries, such as the importance of "experience and feeling" as well as "taking notice of and giving thought to something."



An educator training session at the Plant Operation Technology Training Center

➡ Mitsui Chemicals' Plant Operation Technology Training Center

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Environment Communication

Maintaining Benches with Wood Protective Paint NONROT™

As part of the Mitsui Chemicals Group's Protecting Our World Heritage Project series, Mitsui Chemicals, Inc. and affiliate Mitsui Chemicals Industrial Products Ltd. donated 12 benches in September 2014 to Yakushima Town, which sought to increase the attractiveness of the island as a UNESCO World Natural Heritage site. These benches were made by Yakushima cedar craftsman, using thinning cedar lumber. The benches are applied with Mitsui Chemicals' wood protective paint NONROT™.

As a World Natural Heritage site, Yakushima Town receives a number of tourists from home and abroad. However, it lacked benches where a visitor could relax, admire the beautiful scenery, or take a break, and the town had recognized this as an issue. Consequently, this project got underway. As it has been over two years since these benches were donated, Mitsui Chemicals repainted them in fiscal 2016 with the cooperation of Yakushima Town given the need for regular maintenance.



A bench donated to Yakushima protected by NONROT™

* NONROT™ :

With ultra water-repellency, UV resistance, anti-septic / anti-fungal / anti-insect properties, NONROT™ is highly safe paint which maximizes the breathability (humidity control) that wood naturally possesses. It does not disturb the breathing of wood, allowing it to release the refreshing wood aroma.

 Mitsui Chemicals Group's Protecting Our World Heritage Project series: Project Video in Yakushima 

Wildlife Survey on Rice Fields Providing Opportunities to Learn about Biodiversity

Mitsui Chemicals' affiliate Mitsui Chemicals Agro, Inc. (MCAG) held the Wildlife Survey of Rice Fields together with JA (Japan Agriculture) Asahina (Taiwa Town, Kurakawa-gun, Miyagi Prefecture) on June 14, 2016. MCAG has been conducting these surveys each year since 2012, which involves giving JA members, agricultural organizations, farmers, and consumers an opportunity to investigate what organisms live in rice fields while also facilitating serious consideration about agriculture, food, and the environment going forward.

Not only involved in sales of agrochemicals, MCAG surveys the effects of agrochemical use on wildlife in rice paddies, which is useful for the improvement and development of agrochemical products. Further, MCAG conducts wildlife surveys, and we publish results summaries of these wildlife surveys that certify that rice was grown in rice paddies inhabited by a wide variety of wildlife, which contributes to adding value to local rice.

This year, 14 grade three students from Tsurusu Elementary School located in Taiwa Town participated in the survey, during which they observed a diverse variety of wildlife living in rice paddies while learning about the importance of growing rice in harmony with the environment. Moreover, the survey identified 19 different organisms living in rice fields, with some children commenting that this was their first time seeing fireflies, catching dragonfly larvae and large crayfish was a lot of fun, and seeing so many different types of living things in the fields was a surprise.

In addition, MCAG jointly put on Rice Field Wildlife exhibits during Kasumigaseki Tour Day for Children held in cooperation with the Ministry of Education, Culture, Sports, Science and Technology and other government agencies. We provide opportunities for children to observe wildlife not found in urban areas that inhabit rice fields, which are displayed in aquariums. These displays also showcase the importance of engaging in rice cultivation that preserves biodiversity.



Wildlife survey on rice fields



Kasumigaseki Tour Day for Children



A card game for learning about diversity distributed during Kasumigaseki Tour Day for Children



Exhibit panel

Participation in Junior Eco-Club Nationwide Festival 2017

On March 19, 2017, Mitsui Chemicals participated in the Junior Eco-Club Nationwide Festival 2017*. The Junior Eco-Club Nationwide Festival is an event where members who represent their community can introduce to each other the activities they have done through articles and drawings. The members also visit special booths set up by companies and interact with other members from around Japan. Aiming to realize a cohesive society in harmony with the environment, Mitsui Chemicals has operated a booth at this event since 2014, lending its support of the Junior Eco-Club Nationwide Festival's main activity to help children learn more about the environment. On the day of the event, the Company introduced the children to its products that help protect the environment. We conducted a demonstration simulating ocean pollution cleanup measures using our high-performance oil adsorbent TAFNEL™ Oil Blotter™ to help participants to learn about biodiversity. Surprised by the oil adsorbent properties of TAFNEL™, the children's eyes sparkled with delight while watching the demonstration.

* Junior Eco-Club :

The Junior Eco-Club is a project run by the Japan Environment Association for the purpose of helping children participate in environmental protection and learn more about the environment. There are more than 2,100 Junior Eco-Club branches nationwide and around 120,000 children registered in fiscal 2016.



Junior Eco-Club Nationwide Festival
2017

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International Exchanges and Cooperation


Promoting Do Green™ Activities

As part of the Mitsui Chemicals Group's efforts to realize a cohesive society in harmony with the environment, the Group offers a wide selection of plant-derived products under the name Do Green™. The Do Green™ product selection offers products such as the world's first plant-derived, high-refractive index lens monomer materials MR-60™ and MR-174™, the plant-derived poly-isocyanate STABIO™, and Econykol™, a polyol derived from plants used in eco-seat cushions. Based on fostering environmental awareness through Do Green™ products, we pursue Do Green™ activities with the aim of promoting ethical, humanitarian initiatives to improve the lives of producers of raw plant materials and help solve challenges facing agricultural regions.

As part of its Do Green™ activities, the Mitsui Chemicals Group is a YOKOHAMA SUPPORTER and cosponsors the ITU World Triathlon Yokohama, which aims to promote harmony between society and the environment. In fiscal 2016, the event was held May 14-15 and, continuing on from fiscal 2015, we presented Do Green™ sunglasses developed expressly for the event to participants, judges, and event staff members.

Also, over four days from November 12, 2016, the Company conducted "Activities for Eye Health," including eye examinations, for 805 farmers and residents of Mathura, Uttar Pradesh, India. Following those undertaken from October 27 to 29, 2015, these marked the second time for the Do Green™ activities in India.

[Mitsui Chemicals Develops Plant-derived Do Green™](#)

► [Sunglasses for ITU World Triathlon Yokohama \(PDF : 243.9KB\)](#) 

► Mitsui Chemicals Cosponsors 2017 ITU World Triathlon Yokohama

► The Second Activity of Support for Rural Community in India through Do Green™

Outline of Second Do Green™ Activity in India

Period	November 12 to November 15, 2016 (4 days)
Subjects	A total of 805 farmers in Mathura, Uttar Pradesh, India, and residents in surrounding rural areas
Content	Questionnaires on health condition Eye examinations by doctors Distribution of simplified eyeglasses and eye-drops to those identified by doctors as having an eyesight problem Call for fund-raising by local groups for those identified with eye health problems
Support groups	Holistic Child Development India (Director: N.Thomas Rajkmar) Naujhil Integrated Rural Project for Health and Development (Director: Dr. Shobha Yohan)



Eye examinations by doctors



Local residents waiting for eye examinations



Do Green™ members

Receiving Visitors and Interns from Overseas

The Company receives visitors and interns from overseas to learn about Japanese manufacturing operations and products. JENESYS 2015*¹ is a program under which we invite visiting 22-person delegations to tour the Ichihara Works and exchange opinions.

Moreover, from HIDA*² we accept four interns (one under the emerging market development personnel training assistance program; three under the low-carbon technology export promotion personnel training assistance program).

Through these opportunities, we will cooperate with activities to deepen interest in and understanding of the Japanese manufacturing industry internationally.

*1 JENESYS2015 :

A government-sponsored youth exchange program between Japan and countries in Asia, Oceania, North America, Europe, and Central/South America conducted by the Japan International Cooperation Center (JICE). The purpose of the program is to enhance the foundation of Japan's foreign affairs by promoting understanding of Japan among talented individuals anticipated to excel in various walks of life.

*2 HIDA :

The Overseas Human Resources and Industry Development Association (HIDA) is a human resource development organization that promotes technical cooperation through training, the dispatch of experts and other programs primarily geared toward industrial human resources in developing countries.



Interns from HIDA

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Support for Employees' Participation in Social Activities

As its employees maintain a keen awareness toward social challenges, Mitsui Chemicals provides support for them to remain human resources that voluntarily take it upon themselves to contribute to society.

One-Coin Club

We set up the One-Coin Club in November 2007. Employees who join the club choose an amount to be deducted from their wages or bonuses, which is then donated to organizations involved in social activities. The review and selection process of an organization that will benefit from the donations is conducted by the One-Coin Club Management Committee, which is made up of club volunteers and gives due consideration to the organization's connection to Mitsui Chemicals' businesses.

As of March 2017, the club had 774 members, who between them donated approximately ¥3.9 million to the fund in fiscal 2016.

In fiscal 2016, we donated a total of ¥6.4 million—¥3.2 million from One-Coin Club and the contribution of a matching donation* from the Company—to a total of 16 organizations involved in a range of social activities.









We also donated ¥0.5 million from the fund to help provide assistance for those affected by the Kumamoto Earthquake that struck in April 2016.



The One-Coin Club Management Committee members

Organizations That Benefited from Donations in Fiscal 2016

Organization Name (In random order)	Priority Area of Support	Past Donation History (Years)
United Nations World Food Programme (Japan)	Nurturing future generations	08~ 16
Japan Committee, Vaccines for the World's Children	Nurturing future generations	08~ 16
ASHINAGA	Nurturing future generations	09~ 16
Education for Development Fund (EDF-Japan)	Nurturing future generations	09~ 16
Support Unit for Children Community with Effective Strategy and Solution	Nurturing future generations	11~ 16
Nanbyo Network	Nurturing future generations	09~ 16
Guide Dog & Service Dog & Hearing Dog Association of Japan	Support for people with disabilities	08~ 16
Japan Marrow Donor Registry Promotion Conference	Support for people with disabilities	08、 10~ 16

Helicopter Emergency Medical Network (HEM-Net) 	Medical/disaster response	10~ 16
team RESCUE 	Maintenance of disaster response systems	12~ 16
Peace Winds Japan 	Nurturing future generations, maintenance of disaster response systems	09、 12~ 16
Asia Prevention of Blindness Association 	Medical	13、 16
MEDECIN SANS FRONTIERES 	Medical/disaster response	14~16
Japan Environmental Action Network 	Maintenance of disaster response systems, environment	15、 16
Plan International Japan 	Nurturing future generations	11~12、 15、 16
Cooperative Network for Cultural Studies 	Nurturing future generations	New

For the One-Coin Club 10th Anniversary Project, we decided on providing vaccination support for children in Laos and, having received a matching donation from the Company, donated ¥6.0 million to the NPO Japan Committee, Vaccines for the World's Children.

In Laos, with a ¥6.0 million budget about 200,000 people can be inoculated with BCG (tuberculosis) vaccine and TD (tetanus, diphtheria) vaccine.



Donation ceremony



Vaccinating young children in Laos



Events are also held in collaboration with the beneficiary organizations. Since 2012, we have had the Guide Dog & Service Dog & Hearing Dog Association of Japan put on a service dog demonstration for the "Family Day" event held at the Head Office in Shiodome City Center in November every year. Serving as an opportunity to raise awareness of the important role played by service dogs, the demonstration is always a big hit with visitors to the event. Working together, the Company and labor union have called on employees to participate in the "WFP Walk the World" charity walk event put on by the United Nations' World Food Programme, which affords employees an opportunity to help raise awareness of world hunger, since fiscal 2014.



WFP Walk the World 2016

Collaboration with the Healthy Mileage Campaign, the Mitsui Chemicals Group's health promotion program, came into effect in fiscal 2016. Open to teams or individuals, the Healthy Mileage Campaign program enables people to save exercise and healthy living points (Healthy Miles) and to select prizes according to the miles earned. Approximately 3,500 employees are participating in the program. We have added "1,000 yen donations to the One-Coin Club" to the prizes of this program and are working to raise the profile of the One-Coin Club within the Company.



A Wide Range of Health Management Programs

* Matching gifts :

Whenever an employee makes a donation to a social or environmental organization, the company matches it with a donation of the same amount.

Social Activity Leave Program

In August 2008, we introduced a social activity leave program to provide support for employees participating in social activities, by enabling them to take up to two day's paid leave a year.

In fiscal 2016, employees made use of the program 162 times for a wide range of activities, including assisting with reconstruction following the Kumamoto Earthquake, giving sports coaching for children, serving as officials for local governments, and for local firefighting activities.

Since 2011, we have also been allowing employees to take up to eight days' special leave each year, so that they can engage in social activities aimed at providing disaster relief.

Social Activities

► Social Activities Policy

► Goals and Results

► Laboratory Classes on the Wonders of Chemistry

► Nurturing Future Generations

► Environment Communication

► International Exchanges and Cooperation

► Support for Employees' Participation in Social Activities

▼ Disaster Relief

► Working in Harmony with Local Communities

Disaster Relief

Our disaster relief activities here at Mitsui Chemicals originated from suggestions submitted by employees, who wanted to help those affected by earthquakes and other major disasters by providing them with useful Mitsui Chemicals products. In fiscal 2009, we set up warehouses to store relief supplies at two of our sites – the Iwakuni-Ohtake Works (Yamaguchi Prefecture) to cover West Japan and the Mobara Branch Factory (Chiba Prefecture) to cover East Japan – and put in place the necessary framework to send out supplies upon request from local governments and other such organizations. We have stockpiles of items such as urethane mattresses (cushioned materials to lay on the floors of gymnasiums being used as evacuation shelters), waterproof tarps (to cover buildings damaged by water or landslides), and air cushions (for use at evacuation shelters) at both of these warehouses.

As well as the support sent to the areas affected by the Great East Japan Earthquake in March 2011, emergency relief supplies were also forwarded to areas stricken by flooding and landslides after the torrential rains in eastern Japan caused the Kinu River to burst its banks in September 2015 and areas affected by the Kumamoto earthquake in April 2016.

Looking ahead, the Mitsui Chemicals Group is committed to providing relief that closely fits the needs of people in affected areas in the event of a disaster. In order to fulfill this commitment, the Group will work hand-in-hand with organizations including NPOs and promote the prompt delivery of emergency supplies the local authorities actually require.

※ Air cushion :

Developed by Wako Plastic Industry Co., Ltd. in response to comments from people affected by the Great East Japan Earthquake, air cushions provide an alternative to pillows, conventional cushions, and mattresses. Boasting a host of features, air cushions provide sound protection and comfort against the hard and cold floors of evacuation shelters.

Made from the polyethylene EVOLUE™ material manufactured by Prime Polymer Co., Ltd., a Mitsui Chemicals Group company, the cushioning properties of these air cushions can be adjusted using a single straw. These air cushions also withstand heavy loads and offer environmentally friendly properties.



Relief supplies dispatched from the Company's warehouse



Relief supplies delivered to an evacuation shelter by an NPO



The Company's supplies (air cushions) distributed to an evacuation shelter

Flow for the provision of disaster relief supplies



Distribution of Disaster Relief Supplies in Fiscal 2016

The Kumamoto Earthquake that struck Japan in 2016 caused significant damage. The Mitsui Chemicals Group would like to express its heartfelt condolences to the victims of the disaster and especially to the those who lost the life of a family member or loved one.

Working hand-in-hand with the NPOs Team Rescue*¹ and Peace Winds Japan*², the Mitsui Chemicals Group was quick to assess conditions at the affected areas in the immediate wake of the disaster. The Group maintains a constant stock of supplies of its various materials at the warehouses of its various business sites. Following the Kumamoto Earthquake, the Group distributed relief supplies (details provided below) to Kumamoto City and Mashiki-machi. Working through customers of Group company Mitsui Chemicals Agro, Inc. similar relief supplies were also delivered. Furthermore, the Group took steps to supply its TAFNEL™ Oil Blotter™*³ oil adsorbent products made from nonwoven fabrics at the request of the Ministry of Economy, Trade and Industry for use by the local emergency headquarters.

In addition, donations totaling ¥10 million were made through Kumamoto Prefecture to the people affected by the disaster and disaster-stricken areas. In recognition of these endeavors, the Mitsui Chemicals Group received letters of appreciation from the Governor of Kumamoto Prefecture, the Minister of State for Special Missions, and the Economy, Trade and Industry Minister.

Looking ahead, the Mitsui Chemicals Group will continue to consider and carry out ways to swiftly provide disaster relief support.

*1 Team Rescue :

An NPO that engages in emergency relief support activities spearheaded by students.

<http://teamrescue.jimdo.com/>

*2 Peace Winds Japan :

An NGO that provides support to people ravaged by conflicts, disaster, and a variety of social issues including poverty.

<http://peace-winds.org/en/>


*3 TAFNEL™ Oil Blotter™ :

A mat-shaped oil adsorbent material made from a waterproof polypropylene-based nonwoven fabric that boasts special oil absorbency characteristics.

Summary of Relief Supplies (Fiscal 2016)

Date Provided	Location	Contact	Details of Relief Supplies Provided
April 19	Musashi Elementary School and surrounding areas as well as residences in the East District of Kumamoto Prefecture	Team Rescue	<ul style="list-style-type: none"> Air cushions made from EVOLUE™ (1,000) Blue sheets (100)

April 17	Gymnasium in Mashiki-machi	Peace Winds Japan	<ul style="list-style-type: none"> • Urethane mattresses (400) • Blue sheets (250) • Emergency water bags (1,000) • Plastic wrapping film (70 rolls)
April 17	Support through customers of Sekisui Chemical Agro, Inc. in disaster-stricken areas		<ul style="list-style-type: none"> • Urethane mattresses (100) • Blue sheets (150) • Emergency water bags (500) • Plastic tanks (75)
April 26	Support through customers of Sekisui Chemical Agro, Inc. in disaster-stricken areas		<ul style="list-style-type: none"> • Urethane mattresses (40) • Blue sheets (100) • Emergency water bags (500)
April 28	Local emergency headquarters	The Ministry of Economy, Trade and Industry of Japan	<ul style="list-style-type: none"> • TAFNEL™ Oil Blotter™ (1,000)
May 6	Gymnasium in Mashiki-machi	Peace Winds Japan	<ul style="list-style-type: none"> • Urethane mattresses (80) • Blue sheets (50)
May 10	Musashi Elementary School and surrounding areas as well as residences in the East District of Kumamoto Prefecture	Team Rescue	<ul style="list-style-type: none"> • Blue sheets (50)

▶ [Letter of appreciation from the Governor of Kumamoto Prefecture \(PDF : 297KB\)](#) 

▶ [Letter of appreciation from the Minister of State for Special Missions \(PDF : 153KB\)](#) 

▶ [Letter of appreciation from the Minister of the Economy, Trade and Industry \(PDF : 17KB\)](#) 

Great East Japan Earthquake: Working to Support New Disaster Recovery Activities

Five years that have passed since the Great East Japan Earthquake struck. During that time, the Mitsui Chemicals Group provided assistance, materials, and monetary donations immediately after the disaster as well as organized a series of laboratory classes in the wonders of chemistry in Minamisanriku (Miyagi Prefecture). In addition, over the past few years, Mitsui Chemicals has been involved with such initiative as forming a group with other companies to provide assistance to Minamisanriku Town, holding the Minamisanriku Support Marché, and conducting hearings on the future of the community.

In fiscal 2016, Mitsui Chemicals reexamined its activities to mark the fifth anniversary of the Great East Japan Earthquake mainly from the perspectives of core operations/products, collaboration with companies/NGOs, and rebuilding the area better than before. In order to fulfill the town's request to create industries that bring together the community and companies while fostering local pride, we moved forward with a business plan with three other companies, resulting in the launch of Discover the Future Minamisanriku (commonly known as DF336) with the support of two additional companies.

DF336 involves engaging in discussions about creating a vision of community pride, what is required to realize this, and what companies can do to help based on the community's history, culture, and disaster status. In keeping with the town's characteristics under the key words—forest, home, ocean, and people—a future-oriented joint business creation action plan proposal will then be presented to the community that leverages the strengths of each company. Looking ahead, we will take action based on our activities in fiscal 2016 to deepen interaction, collaboration, and joint business creation that extends beyond the community and companies to include NGOs and entrepreneurs.



Discover the Future Minamisanriku

Social Activities

▸ Social Activities Policy

▸ Goals and Results

▸ Laboratory Classes on the Wonders of Chemistry

▸ Nurturing Future Generations

▸ Environment Communication

▸ International Exchanges and Cooperation

▸ Support for Employees' Participation in Social Activities

▸ Disaster Relief

▼ Working in Harmony with Local Communities

Working in Harmony with Local Communities

At each of its business sites, the Mitsui Chemicals Group believes that relationships of trust, based on close-knit relations with everyone in the local area, are crucial to the normal and stable operation of its businesses. The Group thus provides opportunities for communication with everyone in the vicinity of its facilities.

Promoting Local Communication at Each Business Site

At each of our business sites in Japan, we invite local residents living in the vicinity to opinion exchange meetings and tours of our facilities. At the opinion exchange meetings, we provide an overview of the works and showcase our efforts to protect the environment, safety initiatives and activities designed to contribute to society. Lively discussions have ensued from residents living in the vicinity of our facilities speaking about their day-to-day feelings and any requests they had. We would like to reflect everyone's opinions and requests in the management of our business sites. We are working to further deepen mutual understanding by holding events and actively taking part in local events.

Opinion Exchange Meetings and Facility Tours

Site Name	Date	Those for Whom Meeting / Tour Organized	Details
Ichihara Works	Nov. 15, 2016	Local women's association	<ul style="list-style-type: none"> Summarized explanation of plant Plant tours
	Dec. 2, 2016	All neighboring town representatives	<ul style="list-style-type: none"> Introduction to Safety and Environment Initiatives Plant and research center tours A meeting to exchange opinions
Ichihara Works Mobara Branch	Aug. 28, 2016	Heads of local neighborhood councils, water resource officers from town councils	Fureai Park 2016 <ul style="list-style-type: none"> All types of stage show A meeting to exchange opinions
	Feb. 6, 2017	Senior-ranked officers from Mobara Police Station	<ul style="list-style-type: none"> Summarized explanation of plant Technology Training Center tours
	Feb. 19, 2017	Employees' families and children from local elementary schools	<ul style="list-style-type: none"> Summarized explanation of plant Technology Training Center tours Conducted Laboratory Class on the Wonders of Chemistry
Nagoya Works	July 8, 2016	Officers from neighboring elementary school PTAs	<ul style="list-style-type: none"> Plant tours
	July 25, 2016	Children's clubs from neighboring school districts	<ul style="list-style-type: none"> Plant tours Conducted Laboratory Class on the Wonders of Chemistry
	Aug. 5, 2016		
	Oct. 22, 2016	People from neighboring school districts (approximately 1,420 participants)	11th Autumn Festival <ul style="list-style-type: none"> All types of stage show Conducted Laboratory Class on the Wonders of Chemistry Plant tours, etc.

	Nov. 9, 2016	Officers from neighboring school districts	<ul style="list-style-type: none">• Plant tours
	Nov. 16, 2016		
	Nov. 22, 2016		
	Feb. 27, 2017	Women's associations from neighboring school districts	
	Mar. 13, 2017		
	Mar. 24, 2016	Heads (men and women) of neighbouring school district associations, ward office staff	<ul style="list-style-type: none">• A meeting to exchange opinions (About environmental protection and process safety as well as disaster prevention initiatives, dialogue with local communities, etc.)
Osaka Works	May 31, 2016	Local neighborhood council members	<ul style="list-style-type: none">• A meeting to exchange opinions
	Mar. 3, 2017		
Iwakuni-Ohtake Works	July 13, 2016	Heads of local neighborhood councils and those in charge of volunteer disaster response organizations	<ul style="list-style-type: none">• A meeting to exchange opinions
	Sept. 26, 2016	People (applicants) belonging to local neighborhood councils	<ul style="list-style-type: none">• Plant tours
Omuta Works	Oct. 14, 2016	Local residents	<ul style="list-style-type: none">• Plant overview and explanation of safety, disaster prevention initiatives• Showed historical archive footage relating to the plant• A meeting to exchange opinions
Sodegaura Center	Feb. 23, 2017	Feb. 23, 2017	<ul style="list-style-type: none">• Introduction to Corporate Overview• Tour inside Center• Q&A session on R&D, products, etc.



Soccer tournament support
(Ichihara Works)



Holding of a chemistry laboratory class
on the wonders of chemistry
(Mobara Branch Factory, Ichihara
Works)



Holding of autumn festival
(Nagoya Works)



Participation in 16th Takaishi Central
District Autumn Festival
(Osaka Works)



Holding of autumn festival
(Iwakuni-Ohtake Works)



Participation in 55th Daijyama Festival
(Omuta Works)



Tour inside the Sodegaura Center

Participation in "Fureai" Programs and Concerts

We have been providing support for the activities carried out by the "Fureai (Friendship) Trio," which brings classical music to people throughout Japan, since 2003.

The Fureai Trio undertakes support activities in the areas of education, culture and welfare. There are three mainstay activities: "Fureai Programs" aimed at elementary school children who rarely get the opportunity to experience live music; "Fureai Concerts" designed to get more people interested in classical music; and "Fureai Markets" held in conjunction with social welfare facilities. To date, the trio has put on 439 performances in 179 different towns and cities around Japan and encouraged more than 100,000 people to get involved in exchange through music.

In fiscal 2016, too, employees and their families volunteered to assist with performances for audiences primarily made up of people with disabilities in Osaka and Tokyo. The participants provided general assistance and helped members of the audience to share in the wonders of classical music, through activities such as trying to play the violin.



Trying to play the violin



The Fureai Trio and the entire support staff

Taiwan Mitsui Chemicals Supports Shelter for Abandoned Dogs

In recent years, the situation has arisen in Taiwan of cats and dogs, which had been kept as pets, being abandoned through the selfish acts of their owners and having no place to go.

Taiwan Mitsui Chemicals, Inc. (TMCI), a Group subsidiary, makes donations to the Taiwan Companion Animal Support Association (TCASA), a non-profit organization that cares for dogs abandoned in such a manner. In July 2016, six TMCI employees visited the TCASA shelter and provided support that involved them coming into direct contact with the dogs being cared for there, such as taking the dogs for walks and giving them baths. The visit provided a good opportunity for the TMCI employees to foster a spirit of "animal welfare."



Providing support at the shelter for abandoned dogs

Survey Index by Objective

Details of the Mitsui Chemicals Group's policies and data regarding the environment, society, and governance (ESG) are presented in a variety of guideline cross-reference tables.

▶ Policy List

▶ ESG Performance Data

Guideline Cross-reference Tables

▶ External Assessments

▶ GRI Guidelines Cross-reference Table

▶ ISO 26000 Cross-reference Table

▶ The 10 principles of the UN Global Compact Cross-reference Table

Policy List

Category		Corresponding Sections
Corporate Governance	Corporate Governance	Our Approach to Corporate Governance
	Risk and Compliance	The Mitsui Chemicals Group Risk Management Policy
		The Mitsui Chemicals Group Policy on Bribery Prevention
Responsible care	Responsible Care Policy and Management	Responsible Care Policy
	Environmental Protection	Basic Philosophy on water resources
		Basic Approach to the Preservation of Biodiversity
	Quality	The Mitsui Chemicals Group's Global Quality Management Principles
Communication with Society	Respect for Human Rights	The Mitsui Chemicals Group's Basic Philosophy on Human Rights
	Working with Our Suppliers	The Mitsui Chemicals Group Purchasing Policy
	Working with Our Employees	Human Resources Management Policy of the Mitsui Chemicals Group
		Toward Work-life Balance and Promoting Work Style Reform A Message from the President
		Promoting Women in the Workplace A Message from the President
	Social Activities	The Mitsui Chemicals Group Social Activities Policy
Other		Action Guidelines
		Privacy Policy

ESG Performance Data

Environment-Related

		Scope		FY2014	FY2015	FY2016	Unit
Environmental preservation costs	Investment	Mitsui Chemicals	* 1	12	14	9	billion yen
	Expenditure			238	222	220	
Economic impact of environmental initiatives		Mitsui Chemicals	* 1	24	18	14	billion yen
Energy Consumption		Mitsui Chemicals	* 1	68.9	71.6	71.8	PJ
		Domestic subsidiaries and affiliates	* 2	4.01	4.11	4.01	
		Overseas		13.3	13.1	14.3	
Unit energy consumption index (fiscal 2009: 100)		Mitsui Chemicals	—	87.5	87.9	89.3	—
Per-unit energy consumption average reduction rate over five years		Mitsui Chemicals	—	1.9	2.3	2.0	%
Purchased raw materials		Mitsui Chemicals	* 1	5422	5272	4936	thousand tons
		Domestic subsidiaries and affiliates	* 3	490	502	515	
		Overseas		2502	2516	2749	
Purchased other materials		Mitsui Chemicals	* 1	33	33	22	thousand tons
		Domestic subsidiaries and affiliates	* 3	18	18	20	
		Overseas		81	93	88	
Water consumption (Tap water, Underground water, Industrial water)		Mitsui Chemicals	* 1	97	99	77	million m³
Tap water consumption		Mitsui Chemicals	* 1	0.7	0.7	0.7	million m³
		Domestic subsidiaries and affiliates	* 3	0.3	0.3	0.3	
		Overseas		0.6	0.6	0.5	
Underground water consumption		Mitsui Chemicals	* 1	1.2	1.1	0.6	million m³
		Domestic subsidiaries and affiliates	* 3	2.9	2.6	2.6	
		Overseas		0.1	0.2	0.2	
Industrial water consumption		Mitsui Chemicals	* 1	95.7	97.1	76.1	million m³
		Domestic subsidiaries and affiliates	* 3	3.8	3.8	12.1	

	Overseas		11.5	10.7	11.1	
Seawater consumption	Mitsui Chemicals	* 1	368.7	374.2	396.9	million m ³
	Domestic subsidiaries and affiliates	* 3	9.0	9.0	8.8	
	Overseas		0.0	0.0	0.0	
Products shipped	Mitsui Chemicals	* 1	5656	5526	5126	thousand tons
	Domestic subsidiaries and affiliates	* 3	542	555	579	
	Overseas		2635	2529	2867	
Greenhouse gas emissions	Domestic	Mitsui Chemicals and * 2	428	469	455	ten thousand tons
	Overseas	* 2	73	71	79.9	
	Global	Mitsui Chemicals and * 2	501	540	535	
	Mitsui Chemicals	—	404	412	408	
	Domestic subsidiaries and affiliates	* 2	24	57	47.8	
Scope3 CO ₂ emissions	Mitsui Chemicals	—	Please see separate table.			
Fluorocarbons emissions	Mitsui Chemicals	* 1	5	5	3	tons
	Domestic subsidiaries and affiliates	* 3	0	0	0	
	Overseas		6	6	4	
NOx emissions	Mitsui Chemicals	* 1	2924	2786	2588	tons
	Domestic subsidiaries and affiliates	* 3	246	320	303	
	Overseas		444	348	456	
SOx emissions	Mitsui Chemicals	* 1	329	374	261	tons
	Domestic subsidiaries and affiliates	* 3	152	145	135	
	Overseas		11	22	25	
Emissions of hazardous air pollutants	Mitsui Chemicals	* 1	24	24	14	tons
Emissions of substances subject to the PRTR Act	Mitsui Chemicals	* 1	1214	1099	789	tons
Volatile Organic Compounds (VOC) emissions	Mitsui Chemicals	* 1	2235	2018	1676	tons
	Domestic subsidiaries and affiliates	* 3	404	379	408	
	Overseas		105	67	84	
	Mitsui	* 1	130	123	128	

Soot and dust emissions	Chemicals					
	Domestic subsidiaries and affiliates	*3	34	34	22	tons
	Overseas		82	82	27	
Waste generated	Mitsui Chemicals	*1	144.9	148.5	131.8	thousand tons
Total industrial waste generated	Mitsui Chemicals	*1	88.7	86.1	82.3	thousand tons
	Domestic subsidiaries and affiliates	*3	30.3	29.5	35.0	
	Overseas		41.5	42.3	39.9	
Industrial waste: external recycling volume	Mitsui Chemicals	*1	62.9	59.3	54.3	thousand tons
	Domestic subsidiaries and affiliates	*3	26.8	26.3	31.5	
	Overseas		38.4	35.8	31.3	
Industrial waste: off-site landfill volume	Mitsui Chemicals	*1	0.4	0.7	0.6	thousand tons
	Domestic subsidiaries and affiliates	*3	0.1	0.1	0.1	
	Overseas		0.2	0.2	0.2	
Average landfill disposal rate for industrial waste	Domestic	*1 *3	0.2	0.4	0.4	%
	Overseas	*3	0.4	0.4	0.4	
Wastewater	Mitsui Chemicals	*1	61	61	55	million m ³
Wastewater: COD emissions	Mitsui Chemicals	*1	1029	1032	848	tons
Wastewater: COD, BOD emissions	Domestic subsidiaries and affiliates	*3	62	70	81	tons
	Overseas		2655	1676	2022	
Wastewater: Total nitrogen emissions	Mitsui Chemicals	*1	948	867	866	tons
Wastewater: Total phosphorous emissions	Mitsui Chemicals	*1	35	39	41	tons
Wastewater: Effluent	Mitsui Chemicals	*1	446	453	463	million m ³
	Domestic subsidiaries and affiliates	*3	16	16	23	
	Overseas		5	5	5	
Blue Value™ sales ratio	Global	—	15	16	19	%

*1 : Parent production sites and the Sodegaura Center

*2 : Consolidated subsidiaries

*3 : Production sites operated by consolidated subsidiaries and companies eligible for Responsible Care support

Society-Related

	Scope	FY2014	FY2015	FY2016	Unit
Total		6931	6733	6516	

Number of employees	Male	Mitsui Chemicals	* 4	6104	5925	5709	persons
	Female			827	808	807	
Number of management staff	Total	Mitsui Chemicals	* 4	—	2920	2945	persons
	Male			—	2739	2748	
	Female			155	181	197	
Ratio of Female Employees	Total	Mitsui Chemicals	* 4	11.9	12.0	12.4	%
	Management staff			5.4	6.2	6.7	
	Line manager or higher positions			1.8	2.0	2.2	
Number of foreign (non-Japanese) employees		Mitsui Chemicals	* 4	54	56	55	persons
Number of employees with disabilities		Mitsui Chemicals	* 4	158	168	161	persons
Rate of employment for people with disabilities		Mitsui Chemicals	* 4	2.1	2.2	2.3	%
Ratio of labor union members		Mitsui Chemicals	* 4	53.0	50.0	47.1	%
Average length of service	Total	Mitsui Chemicals	* 4	—	—	19.9	years
	Male			—	—	19.7	
	Female			—	—	21.1	
Annual paid leave utilization rate	Total	Mitsui Chemicals	* 4	70.8	76.4	70	%
	Non-management staff			—	86.0	80.8	
	Management staff			—	63.0	56.0	
Number of employees taking childcare leave	Total	Mitsui Chemicals	* 4	96	95	78	persons
	Male			29	33	62	
	Female			67	62	16	
Childcare leave utilization rate	Male	Mitsui Chemicals	* 4	—	—	39	%
	Female			—	—	100	
Number of employees using shortened working hours for childcare	Total	Mitsui Chemicals	* 4	91	87	90	persons
	Male			2	1	2	
	Female			89	86	88	
Number of employees using the work-from-home program for childcare	Total	Mitsui Chemicals	* 4	12	18	24	persons
	Male			3	5	5	
	Female			9	13	19	
Number of employees taking unpaid family care leave		Mitsui Chemicals	* 4	1	0	0	persons
Number of employees using shortened working hours for family care		Mitsui Chemicals	* 4	1	1	1	persons
Number of employees using the work-from-home program for family care		Mitsui Chemicals	* 4	1	2	1	persons
	Total			—	—	295	

Number of employees hired	Male	Mitsui Chemicals	* 4	—	—	252	persons
	Female			—	—	43	
Ratio of female employees hired		Mitsui Chemicals	* 4	—	—	14.6	%
Ratio of locally hired staff	Line managers	Overseas	Overseas subsidiaries and affiliates excluding mergers and acquisitions	43.1	45.4	55.0	%
	General managers			91.7	93.3	91.2	
Employee turnover rate	Total	Mitsui Chemicals	* 4	0.87	1.24	1.1	%
	Male			—	—	1.1	
	Female			—	—	1.6	
Voluntary retirement turnover rate	Total	Mitsui Chemicals	* 4	0.82	0.99	1.0	%
	Male			—	—	0.9	
	Female			—	—	1.5	
Ratio of evaluation result feedback interviews provided		Mitsui Chemicals	Labor union members of Mitsui Chemicals registered employees	97	98	96	%
Degree of satisfaction over evaluation feedback		Mitsui Chemicals	Labor union members of Mitsui Chemicals registered employees	88	89	89	%
Positive diagnosis results for lifestyle diseases	Male	Mitsui Chemicals	* 4	Please see separate graph.			
Breakdown of days off due to illness		Mitsui Chemicals	* 4	Please see separate graph.			
Sick/accident allowances		Mitsui Chemicals	Mitsui Chemicals, Mitsui Chemicals health insurance association	Please see separate graph.			
Legally mandated benefits		Mitsui Chemicals	Mitsui Chemicals health insurance association	Please see separate graph.			
Number of employees taking social services leave		Mitsui Chemicals	* 4	175	194	162	cases
Social contribution activities expenses		Global	—	193	167	142	million yen
Frequency of Work-related Significant Occupational Injuries		Domestic	—	0.17	0.29	0.24	—
		Overseas	* 5	0.24	0.32	0.21	—
		Global	—	0.18	0.30	0.23	—
		Mitsui Chemicals	Includes contractors operating on site	0.15	0.25	0.15	—
		Domestic subsidiaries and affiliates	* 5	0.15	0.35	0.48	—
		Domestic construction subcontractors	—	0.25	0.39	0.27	—

Rose Value™ sales ratio	Global	—	—	16	15	%
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*4 : Mitsui Chemicals registered employees

*5 : Companies that fall within Mitsui Chemicals scope of consolidation as subsidiary companies as well as Responsible Care support

Governance-Related

		Scope		FY2014	FY2015	FY2016	Unit
Number of members of the Board	Total	Mitsui Chemicals	—	9	8	8	persons
	Outside directors (independent officers)	Mitsui Chemicals	—	2(2)	3(3)	3(3)	persons
	Female	Mitsui Chemicals	—	1	1	1	persons
Ratio of female members of the Board		Mitsui Chemicals	—	11.1	12.5	12.5	%
R&D expenses		Global	—	325	315	308	billion yen
Ratio of R&D expenses to net sales		Global	—	2.1	2.3	2.5	%
Risk Hotline Operating Performance		Global	—	11	7	12	cases
Exclusion recommendations from relevant authorities, such as Fair Trade Commission		Domestic	—	0	0	0	cases
Operations / sales halted due to misconduct		Domestic	—	0	0	0	cases
Filing of criminal charges in compliance-related accidents/incidents		Domestic	—	0	0	0	cases
Detection following price cartel		Overseas	—	0	0	0	cases
Detection following bribery		Overseas	—	0	0	0	cases
Detection following other incidents		Overseas	—	0	0	0	cases

Guideline Cross-reference Tables

▼ GRI Guidelines Cross-reference Table

► ISO 26000 Cross-reference Table

► The 10 principles of the UN Global Compact Cross-reference Table

GRI Guidelines Cross-reference Table

Complies with the “Core” option of the GRI Sustainability Reporting Guidelines G4.




General Standard Disclosures

Indicators		Corresponding Sections	Remarks
Strategy and Analysis			
G4-1	Statement from the most senior decision-maker of the organization	■ Message from the President	
G4-2	Description of key impacts, risks, and opportunities	<ul style="list-style-type: none"> ■ The 2025 Long-term Business Plan for Sustainable Growth and Development ■ Key Issues (Materiality) ■ Visualization of Contributions to the Environment and Society ■ CSR Management ■ Risk and Compliance ■ Responsible Care Policy and Management ■ Initiatives to Prevent Major Accidents 	
Organizational Profile			
G4-3	Name of the organization	■ Corporate Overview	
G4-4	Primary brands, products and services	<ul style="list-style-type: none"> ■ Business&Products ■ Products and Services That Contribute to Sustainable Development ■ Targeted Business Domains to Drive Growth 	
G4-5	Location of the organization's headquarters	■ Corporate Overview	
G4-6	Number and names of countries where the organization operates	<ul style="list-style-type: none"> ■ Overseas Subsidiaries & Affiliates ■ Responsible Care Audits 	
G4-7	Nature of ownership and legal form	■ Corporate Overview	
G4-8	Markets served	<ul style="list-style-type: none"> ■ Overseas Subsidiaries & Affiliates ■ Fact Book 	
G4-9	Scale of the reporting organization	<ul style="list-style-type: none"> ■ Corporate Overview ■ Fact Book ■ INPUT⇒OUTPUT 	Number of employees(consolidated) : 13,447 Subsidiaries & Affiliates : 131(Domestic:47, Overseas:84)
G4-10	Details of workforce	<ul style="list-style-type: none"> ■ Corporate Overview ■ Overseas Subsidiaries & Affiliates ■ Other data ■ Promoting Diversity 	

G4-11	Percentage of total employees covered by collective bargaining agreements	—	
G4-12	organization's supply chain	<ul style="list-style-type: none"> ■ Key Issues (Materiality) 	We have formulated the Mitsui Chemicals Group Purchasing Policy in Japanese, English, and Chinese. The policy expresses the Group's purchasing approach, which is detailed in the sustainable procurement SAQ. In addition, the Group is a signatory to and actively participates in the UN Global Compact as well as applies these principles to its supply chain management.
G4-13	Significant changes during the reporting period	—	
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	<ul style="list-style-type: none"> ■ Commitment to ISO 26000 ■ Risk and Compliance ■ Product Stewardship 	
G4-15	Externally developed charters, principles, or other initiatives to which the organization subscribes or endorses	<ul style="list-style-type: none"> ■ Signatory to the UN Global Compact ■ Commitment to ISO 26000 ■ Responsible Care Policy ■ Biodiversity 	<p>The Mitsui Chemicals Group has made commitments to such industrial organizations as the UN Global Compact, International Council of Chemical Associations (ICCA), Japan Chemical Industry Association (JCIA), Japan Petrochemical Industry Association (JPIA), and Japan Business Federation (Keidanren).</p> <ul style="list-style-type: none"> ● UN Global Compact 
G4-16	Memberships of associations and national or international advocacy organizations	<ul style="list-style-type: none"> ■ Initiatives to Spread Responsible Care through Associations ■ Status of CO₂ fixation technologies ■ Product Stewardship System ■ Participation in Industry Chemicals Management Initiatives ■ Promoting Joint Research Projects ■ Promoting Global Collaboration ■ Cooperation in Experiential Study Programs for Teachers 	<p>Currently, the president of Mitsui Chemicals serves as the commissioner of the ICCA and director of the JCIA, an organization of chemical companies of which Mitsui Chemicals is a member. The president also vice chair the JPIA. The Company has also formulated and is implementing an action plan as part of Keidanren's commitment to a low carbon society and is developing its own concrete plans based on these targets. Moreover, Mitsui Chemicals is a signatory to the UN Global Compact and participates in the Global Compact Network Japan.</p> <ul style="list-style-type: none"> ● Global Compact Network Japan 
Identified Material Aspects and Boundaries			
G4-17	All entities included in the organization's financial statements or equivalent documents	<ul style="list-style-type: none"> ■ Organization 	
G4-18	Process for defining report content and Boundaries	<ul style="list-style-type: none"> ■ Editorial Policy 	
G4-19	All the material Aspects identified in the process for defining report content	<ul style="list-style-type: none"> ■ The 2025 Long-term Business Plan for Sustainable Growth and Development ■ Key Issues (Materiality) 	
G4-20	Report the Aspect Boundary within the organization	<ul style="list-style-type: none"> ■ Editorial Policy 	
G4-21	Report the Aspect Boundary outside the organization	<ul style="list-style-type: none"> ■ Editorial Policy 	



G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	—	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	—	
Stakeholder Engagement			
G4-24	Stakeholder groups engaged by the organization	<ul style="list-style-type: none"> ■ Disclosure of Information to Shareholders and Investors ■ Nurturing Future Generations ■ Promoting Local Communication at Each Business Site 	
G4-25	Basis for identification and selection of stakeholders	<ul style="list-style-type: none"> ■ Communication with Society 	
G4-26	Approach to stakeholder engagement	<ul style="list-style-type: none"> ■ Quality Improvement Initiatives ■ Supplier Sustainability Evaluation and Improvement Support ■ Sustainable Procurement Initiatives ■ Disclosure of Information to Shareholders and Investors ■ Nurturing Future Generations ■ Environment Communication ■ Promoting Local Communication at Each Business Site 	
G4-27	Key topics and concerns raised through stakeholder engagement	<ul style="list-style-type: none"> ■ Dialog : Supply Chain Management ■ Promoting Fundamental Safety Initiatives 	
Report Profile			
G4-28	Reporting Period for information provided	<ul style="list-style-type: none"> ■ Editorial Policy 	
G4-29	Date of most recent report	—	
G4-30	Reporting cycle	<ul style="list-style-type: none"> ■ CSR Report Archives 	
G4-31	Contact point for questions	<ul style="list-style-type: none"> ■ Inquiry 	
G4-32	Report the 'in accordance' option chosen, content index, and external assurance report	<ul style="list-style-type: none"> ■ GRI Guidelines Cross-reference Table 	
G4-33	Organization's policy and current practice with external assurance of the report	—	<p>Financial reporting-related audits</p> <p>External certification including ISO 14001 and OHSAS 18001</p> <p>Issues reports to government agencies and verifies compliance regarding relevant laws and regulations</p>
Governance			
G4-34	Governance structure of the organization	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management ■ Risk Management Framework 	
G4-35	Process for delegating authority for sustainability topics from the board to senior executives and other employees	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management 	
G4-36	Whether the organization has appointed an executive-level position or	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management 	


	positions with responsibility for sustainability topics		
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	<ul style="list-style-type: none"> ■ Dialog : Supply Chain Management ■ Corporate Governance ■ Disclosure of Information to Shareholders and Investors 	
G4-38	Composition of the board and its committees	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management ■ Risk and Compliance 	Formulating its Corporate Governance Guidelines in September 2015, the Mitsui Chemicals Group clarifies its stance in such articles as "4. Ensuring Workforce Diversity." <ul style="list-style-type: none"> ■ Corporate Governance Guidelines 
G4-39	Whether the chair of the board is also an executive officer	<ul style="list-style-type: none"> ■ Corporate Governance ■ Board of Directors 	
G4-40	Nomination and selection processes for the board and its committees	Corporate Governance Guidelines 	
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	<ul style="list-style-type: none"> ■ Corporate Governance 	
G4-42	Board's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainability impacts	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management 	
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management 	
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	<ul style="list-style-type: none"> ■ Corporate Governance 	
G4-45	Board's role in the identification and management of sustainability impacts, risks, and opportunities, and in the implementation of due diligence processes	<ul style="list-style-type: none"> ■ CSR Management ■ Signatory to the UN Global Compact ■ Responsible Care Policy 	
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	<ul style="list-style-type: none"> ■ CSR Management ■ Risk Management Framework 	
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	<ul style="list-style-type: none"> ■ CSR Management ■ Signatory to the UN Global Compact ■ Risk and Compliance ■ Responsible Care Policy 	

G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management 	
G4-49	Process for communicating critical concerns to the highest governance body	<ul style="list-style-type: none"> ■ Corporate Governance ■ Disclosure of Information to Shareholders and Investors 	
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	—	
G4-51	The remuneration policies for the board and senior executives, and the linkage between performance criteria and the organization's sustainability objectives	<ul style="list-style-type: none"> ■ Corporate Governance 	<p>Director compensation is a matter decided at the General Meeting of Shareholders and is disclosed in securities reports and General Meeting of Shareholders convocation notices. Compensation for outside directors is listed separately. In addition, regulations have been established that place upper limits on director compensation decided at the General Meeting of Shareholders. As stated in the Corporate Governance Guidelines, director compensation is based on "contributions to mid- and long-term corporate growth."</p> <p>Environment, Society & Governance (ESG) issues are listed as goals for evaluating director performance and are reflected in compensation through checks performed by the Executive Compensation Advisory Committee.</p> <ul style="list-style-type: none"> ■ Corporate Governance Guidelines  ■ Corporate Governance Report  ■ Convocation Notice for the 20th Ordinary General Meeting of Shareholders 
G4-52	Process for determining remuneration	<ul style="list-style-type: none"> ■ Corporate Governance 	
G4-53	How stakeholders' views are sought and taken into account regarding remuneration	<ul style="list-style-type: none"> ■ Corporate Governance ■ Disclosure of Information to Shareholders and Investors 	
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees in the same country	—	
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees in the same country	—	

Ethics and Integrity			
G4-56	Organization's values, principles, standards and norms of behavior	<ul style="list-style-type: none"> ■ Corporate Mission & Future Vision ■ Action Guidelines ■ The 2025 Long-term Business Plan for Sustainable Growth and Development ■ CSR Management ■ Responsible Care Policy 	
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	<ul style="list-style-type: none"> ■ Risk and Compliance 	
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	<ul style="list-style-type: none"> ■ Risk and Compliance 	The Risk Hotline provides advice and receives reports related to various regulations including human rights and the Mitsui Chemicals Group Action Guidelines. In fiscal 2016, no serious violations were found.

Specific Standard Disclosures


Indicators		Corresponding Sections	Remarks
Economic			
Economic Performance			
DMA		■ Key Issues (Materiality)	
G4-EC1	Direct economic value generated and distributed	—	
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	<ul style="list-style-type: none"> ■ Key Issues (Materiality) ■ Renewable Energy-related Business 	<p>The Paris Agreement was adopted at the 21st United Nations Climate Change Conference (COP21), at which the key message was the need for adaptive planning. The Mitsui Chemicals Group addresses issues related to various types of infrastructure and agriculture/forestry/fisheries as well as takes appropriate measures whenever possible to fight against malaria and other infectious diseases.</p> <ul style="list-style-type: none"> ● MITSUI CHEMICALS INDUSTRIAL PRODUCTS LTD.  ● MITSUI CHEMICALS AGRO, INC. 
G4-EC3	Coverage of the organization's defined benefit plan obligations	—	
G4-EC4	Financial assistance received from government	—	
Market Presence			
DMA			
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	—	<p>The Mitsui Chemicals Group appropriately complies with minimum wage standards in each country and region based on the Mitsui Chemicals Group Human Resources Management Policy.</p> <ul style="list-style-type: none"> ■ Human Resources Management Policy of the Mitsui Chemicals Group

G4-EC6	Proportion of senior management hired from local community at significant locations of operations	■ Global Human Resources Management	
Indirect Economic Impacts			
DMA			
G4-EC7	Development and impact of infrastructure investments and services supported	■ Nurturing Future Generations ■ Disaster Relief	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	■ Promoting Fundamental Safety Initiatives	
Procurement Practices			
DMA			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	—	
Environmental			
<p>The Mitsui Chemicals Group has acquired ISO 14001 certification for 46 (78%) of its 59 manufacturing facilities. Even at facilities that have yet to obtain ISO 14001 certification, the Group undertakes management that conforms to ISO standards as part of its Responsible Care Management activities.</p> <p>The Mitsui Chemicals Group participates in joint research projects with relevant organizations to help solve environmental and various other social problems.</p> <p>■ Promoting Joint Research Projects ■ Responsible Care Audits ■ Climate change-related information </p>			
Materials			
DMA		■ Key Issues (Materiality)	
G4-EN1	Materials used by weight or volume	■ Environmental Contribution Value, Blue Value™ ■ INPUT⇒OUTPUT	In accordance with the Responsible Care Policy, the Mitsui Chemicals Group implements various measures from the standpoint of LCA (life cycle assessment). The Group promotes reduction and efficient use of raw materials through LCA environmental impact assessments that use the Mitsui Sustainability Index (m-SI). In addition, the Mitsui Chemicals Group Purchasing Policy requires “Harmony with the environment” (“We will endeavor to purchase goods and materials that have less impact on the environment”).
G4-EN2	Percentage of materials used that are recycled input materials	—	
Energy			
DMA		■ Key Issues (Materiality)	
G4-EN3	Energy consumption within the organization	■ INPUT⇒OUTPUT	Reducing energy consumption involves implementing various measures that extend beyond in-house initiatives to include participating in joint research projects with relevant organizations. ■ Promoting Joint Research Projects
G4-EN4	Energy consumption outside of the organization	—	
G4-EN5	Energy intensity	■ Measures to Address Climate Change > Per-Unit Energy Consumption	

G4-EN6	Reduction of energy consumption	■ Measures to Address Climate Change	
G4-EN7	Reductions in energy requirements of products and services	■ Environmental Contribution Value, Blue Value™ ■ Renewable Energy-related Business ■ Measures to Address Climate Change	
Water			
DMA		■ Key Issues (Materiality)	
G4-EN8	Total water withdrawal by source	■ Preserving Water Resources ■ INPUT⇒OUTPUT	Disclosing our Basic Philosophy on Water Resources, we appropriately manage water not only in compliance with the laws and regulations in each country and region—including conducting necessary environmental assessments when building new facilities or expanding existing ones—but also based on engaging with responsible government agencies. The Mitsui Chemicals Group has adequately met the standards applicable to wastewater and has not received any indication of an infringement of the standards stipulated under legal regulations even when based on water quality surveys conducted by government agencies.
G4-EN9	Water sources significantly affected by withdrawal of water	—	
G4-EN10	Percentage and total volume of water recycled and reused	—	
Biodiversity			
DMA		■ Key Issues (Materiality)	
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—	
G4-EN12	Significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	■ Biodiversity ■ Environmental Protection ■ Product Stewardship	
G4-EN13	Habitats protected or restored	■ Biodiversity	
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	—	
Emissions			
DMA		■ Key Issues (Materiality)	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope1)	■ Measures to Address Climate Change	The Mitsui Chemicals Group engages in appropriate management based on PDCA as part of its Responsible Care Management activities. Targets have

		■ INPUT⇒OUTPUT	been set for 2025 in line with the Group's Long-term Business Plan.
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	■ Measures to Address Climate Change ■ INPUT⇒OUTPUT	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	■ Measures to Address Climate Change	
G4-EN18	Greenhouse gas (GHG) emissions intensity	—	Scope: Sales per unit that includes domestic/overseas consolidated subsidiaries Unit: tCO ₂ e / ¥100 million FY 2014 : 323 FY 2015 : 402 FY 2016 : 435
G4-EN19	Reduction of greenhouse gas (GHG) emissions	■ Measures to Address Climate Change	Setting itself the mid-term target of reducing greenhouse gas (GHG) emissions by 22% (compared with fiscal 2005, operating at full capacity) by fiscal 2016, the Mitsui Chemicals Group manages GHG emission by establishing reduction targets each year. Against a fiscal 2015 GHG reduction target of 20,000 tons, we achieved a reduction of 25,000 tons in fiscal 2016 through vigorous energy saving activities that included enhancing exhaust heat recovery and improving the efficiency of refining processes. ■ Environmental Protection
G4-EN20	Emissions of ozone-depleting substances (ODS)	■ Substances Subject to the PRTR Act ■ INPUT⇒OUTPUT	
G4-EN21	NOx, SOx, and other significant air emissions	■ Preserving Air Quality ■ INPUT⇒OUTPUT	
Effluents and Waste			
	DMA	■ Key Issues (Materiality)	
G4-EN22	Total water discharge by quality and destination	■ Preserving Water Resources ■ INPUT⇒OUTPUT	
G4-EN23	Total weight of waste by type and disposal method	■ Reducing Industrial Waste ■ INPUT⇒OUTPUT	
G4-EN24	Total number and volume of significant spills	■ Handling Environmental Complaints	Preventing pollution based on the Responsible Care Policy. Targeting and maintaining no major accidents related to process safety, disaster prevention, and logistics. ■ Process Safety and Disaster Prevention ■ Logistics
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	—	
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	—	


Products and Services			
DMA		■ Key Issues (Materiality)	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	■ Environmental Contribution Value, Blue Value™ ■ Reducing Industrial Waste	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	—	
Compliance			
DMA		■ Key Issues (Materiality)	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	■ Responsible Care Audits	There have been no cases of fines being levied against the Company due to violations of environmental laws and regulations.
Transport			
DMA			
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	■ Measures to Address Climate Change ■ Initiatives to Reduce Environmental Impact in Logistics	
Overall			
DMA			
G4-EN31	Total environmental protection expenditures and investments by type	■ Environmental Accounting	
Supplier Environmental Assessment			
DMA		■ Key Issues (Materiality)	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	■ Working with Our Suppliers	<p>We engage in business transactions with our suppliers based on the Mitsui Chemicals Group Procurement Policy. We also monitor specific supplier circumstances through our sustainable procurement SAQ and provide suppliers with assistance.</p> <p>In 2014, Mitsui Chemicals provided assistance to suppliers by formulating the Responsible Care Shiodome Manifesto in an effort to promote Responsible Care activities among all of its affiliates (including suppliers) accompanying revisions to the Responsible Care Global Charter.</p> <p>Moreover, Mitsui Chemicals pursues activities that include suppliers such as undertaking risk assessments to draft a "safety importance agreement" based on the Japan Chemical Industry Association's (JCIA) Japan Initiative of Product Stewardship (JIPS), participating in the JCIA's SCRUM Project (Project of Supply Chain Chemical Risk Management and Useful Mechanism Discussion) working group, and engaging in chemical substance information management as a Joint Article Management Promotion-</p>

			Consortium (JAMP) member company. <ul style="list-style-type: none"> ● Japan Chemical Industry Association  ■ Working with Industry, Government, and Academia
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	■ Working with Our Suppliers	
Environmental Grievance Mechanisms			
DMA			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	—	
Labor Practices and Decent Work			
Employment			
DMA		■ Key Issues (Materiality)	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	—	Mitsui Chemicals non-consolidated turnover rate 1.14% (men 1.08%, women 1.59%)
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	■ Creating an Employee-friendly Working Environment	
G4-LA3	Return to work and retention rates after parental leave, by gender	■ Creating an Employee-friendly Working Environment	
Labor / Management Relations			
DMA			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	—	
Occupational Health and Safety			
The Mitsui Chemicals Group has obtained OHSAS 18001 certification for 22 (32%) of its 68 manufacturing facilities. The Group undertakes a wide range of occupational health and safety initiatives including conducting health interviews with employees working overseas as well as their families.			
DMA		■ Key Issues (Materiality)	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	—	
G4-LA6	Type and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	■ Creating Secure and Safe Workplaces	No fatal accidents including subcontractors within the number of severe accidents occurring over the past three years

G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	<ul style="list-style-type: none"> ■ Health Management ■ Mental Health Initiatives 	The Group appropriately manages employee working hours based on the Mitsui Chemicals Group Human Resources Management Policy. As part of our health management initiatives (including mental health), we have established predetermined overtime hours and issue recommendations in advance to applicable employees and their supervisors.
G4-LA8	Health and safety topics covered in formal agreements with trade unions	—	Hold Health and Safety Committee meetings by site that include the participation of responsible officers as well as labor union members to report and deliberate on occupational accidents and injuries, efforts to maintain and improve health, the workplace environment, and other matters relating to occupational health and safety.
Training and Education			
DMA		■ Key Issues (Materiality)	
G4-LA9	Average hours of training per year per employee by gender, and by employee category	<ul style="list-style-type: none"> ■ Promoting Compliance ■ Process Safety and Disaster Prevention ■ Quality Improvement Initiatives ■ Human Resources Development 	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	■ Human Resources Development	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	■ Human Resources Development	
Diversity and Equal Opportunity			
DMA			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	<ul style="list-style-type: none"> ■ Creating an Employee-friendly Working Environment ■ Promoting Diversity 	Under the Mitsui Chemicals Group Human Resources Management Policy, we promote fair and equal recruitment that is not discriminatory in each country and region. (Fiscal 2016 consolidated foreign employees totaled 4,280; the number of Mitsui Chemicals employees on a non-consolidated basis: 10s(18+) 86, 20s 940, 30s 1,082, 40s 2,451, 50+ 1,957)
Equal Remuneration for Women and Men			
DMA			
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	—	
Supplier Assessment for Labor Practices			
DMA		■ Key Issues (Materiality)	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	■ Working with Our Suppliers	

G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	■ Working with Our Suppliers	
Labor Practices Grievance Mechanisms			
DMA			
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	—	
Human Rights			
As a signatory to the UN Global Compact, the Mitsui Chemicals Group addresses human rights issues as well as promotes initiatives based on its Basic Philosophy on Human Rights in accordance with the Universal Declaration of Human Rights.			
■ Basic Philosophy on Human Rights			
Investment			
DMA			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—	Important investments for expanding business activities are examined by the Investment Committee and their impact on human rights is assessed based on labor laws in each country as part of the Company's legal due diligence. ■ Signatory to the UN Global Compact
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	—	Moreover, Mitsui Chemicals is a signatory to the UN Global Compact and participates in the Global Compact Network Japan. Employees actively participate in human rights-related subcommittees (including those focusing on human rights education). ■ Signatory to the UN Global Compact
Non-discrimination			
DMA			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	■ Supplier Sustainability Evaluation and Improvement Support	
Freedom of Association and Collective Bargaining			
DMA			
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	—	
Child Labor			
DMA			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	■ Supplier Sustainability Evaluation and Improvement Support	

Forced or Compulsory Labor			
DMA			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	■ Supplier Sustainability Evaluation and Improvement Support	
Security Practices			
DMA			
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	—	
Indigenous Rights			
DMA			
G4-HR8	Total number of incidents of violations involving rights of Indigenous Peoples and actions taken	—	
Assessment			
DMA			
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	—	Outside experts conduct reviews as part of the process for identifying key issues. This process also involves investigations of related to human rights issues. ■ Process for Identifying Key Issues
Supplier Human Rights Assessment			
DMA		■ Key Issues (Materiality)	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	■ Working with Our Suppliers	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	■ Working with Our Suppliers	
Human Rights Grievance Mechanisms			
DMA			
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	—	
Society			
Local Communities			
DMA		■ Key Issues (Materiality)	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and	—	We promote activities based on the Mitsui Chemicals Group Social Activities Policy. The Mitsui Chemicals Group undertakes initiatives that take advantage of business opportunities that include developing the next generation and creating

	development programs		environmentally friendly products. ■ Social Activities Policy
G4-SO2	Operations with significant actual and potential negative impacts on local communities	<ul style="list-style-type: none"> ■ Promoting Fundamental Safety Initiatives ■ Handling Environmental Complaints 	
Anti-corruption			
DMA		■ Key Issues (Materiality)	
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	<ul style="list-style-type: none"> ■ Responsible Care Audits ■ Risk Management Framework 	<p>Introducing the Mitsui Chemicals Group Risk Management System, we take steps to analyze and address risks. Relevant departments verify risks in accordance with the basic principles of the UN Global Compact. We thoroughly verify risks from the perspective preventing corruption particularly in emerging and developing countries based on information transparency.</p> <p>■ Risk Management Framework</p>
G4-SO4	Communication and training on anti-corruption policies and procedures	■ Promoting Compliance	<p>Thoroughly adhering to the Mitsui Chemicals Group Action Guidelines, we publicize the details of these guidelines internally in the Compliance Guidebook as well as raise awareness of these through various means that include holding workplace discussions, putting up posters, and conducting e-learning programs. The Compliance Guidebook contains a commitment by the president and promotes understanding of corruption prevention, including specific examples of unhealthy relationships with government officials focusing on entertaining and bribery.</p> <p>Regarding M&A and selecting new business partners, the Company not only complies with business-related laws but also hires consultants and legal advisors to conduct investigations based on its status as a signatory to the UN Global Compact. We also examine M&A based on legal due diligence in accordance with each country's legal regulations.</p> <p>In light of the high risk of fraud (including various permits and licenses) related to operating manufacturing facilities in emerging countries, Mitsui Chemicals' Internal Control Division in particular conducts audits covering all aspects of business operations. The Company provides advice and receives reports via risk hotlines available in the languages of each country as well as raises awareness of these hotlines.</p> <p>■ Compliance Guidebook (abstract) </p>
G4-SO5	Confirmed incidents of corruption and actions taken	—	In terms of corruption prevention, no cases of employee punishments, legal action, or fines levied in response to corruption
Public Policy			
DMA			
G4-SO6	Total value of political contributions by country and recipient/beneficiary	—	Political donations in fiscal 2016 amounted to ¥3.36 million.
Anti-competitive Behavior			

DMA			
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	There were no instances where the Group was involved in legal action.	
Compliance			
DMA		■ Key Issues (Materiality)	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	There were no transgressions.	
Supplier Assessment for Impacts on Society			
DMA		■ Key Issues (Materiality)	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	■ Working with Our Suppliers	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	■ Working with Our Suppliers	We have formulated the Mitsui Chemicals Group Purchasing Policy. The policy expresses the Group's purchasing approach (including the impact on society), which is detailed in the sustainable procurement SAQ. We conduct supplier assessments based on this survey. No major negative impact related to purchasing has been seen.
Grievance Mechanisms for Impacts on Society			
DMA			
G4-SO11	Number of grievances about impacts on society files, addressed, and resolved through formal grievance mechanisms	—	
Product Responsibility			
Customer Health and Safety			
DMA		■ Key Issues (Materiality)	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	■ Responsible Care Policy and Management ■ Quality Improvement Initiatives ■ Product Stewardship Initiatives	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	There were no instances of transgression.	
Product and Service Labeling			
DMA			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling,	■ Visualization of Contributions to the Environment and Society ■ Products and Services That Contribute to Sustainable Development	

	and percentage of significant product and service categories subject to such information requirements	<ul style="list-style-type: none"> ■ Establishment of a Management System Based on Our Chemical Safety Information System ■ In order to Satisfy Customers 	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	There were no instances of transgression.	
G4-PR5	Results of surveys measuring customer satisfaction	<ul style="list-style-type: none"> ■ Quality Improvement Initiatives ■ In order to Satisfy Customers 	
Marketing Communications			
DMA			
G4-PR6	Sale of banned or disputed products	<ul style="list-style-type: none"> ■ In order to Satisfy Customers 	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	There were no instances of transgression.	
Customer Privacy			
DMA			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no applicable instances.	
Compliance			
DMA		<ul style="list-style-type: none"> ■ Key Issues (Materiality) 	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	<ul style="list-style-type: none"> ■ Customer-specific Initiatives 	

Guideline Cross-reference Tables

► GRI Guidelines Cross-reference Table

▼ ISO 26000 Cross-reference Table

► The 10 principles of the UN Global Compact Cross-reference Table

ISO 26000 Cross-reference Table

Commitment to ISO 26000

Core subject	Issues	Refer to
Organizational governance	Organizational governance	■ Dialog : Supply Chain Management
		■ Corporate Governance
		■ The 2025 Long-term Business Plan for Sustainable Growth and Development
		■ CSR Management
		■ Responsible Care Promotion System Centered on the Responsible Care Committee
		■ Disclosure of Information to Shareholders and Investors
		■ Creating an Employee-friendly Working Environment
		■ Promoting Diversity
Human rights	Issue 1:Due diligence Issue 2:Human rights risk situations Issue 3:Avoidance of complicity Issue 4:Resolving grievances Issue 5:Discrimination and vulnerable groups Issue 6:Civil and political rights Issue 7:Economic, social and cultural rights Issue 8:Fundamental principles and rights at work	■ Dialog : Supply Chain Management
		■ Promoting Fundamental Safety Initiatives
		■ Responsible Care Promotion System Centered on the Responsible Care Committee
		■ Handling Environmental Complaints
		■ Respect for Human Rights
		■ Working with Our Suppliers
		■ Promoting Diversity
		■ Creating an Employee-friendly Working Environment
Labour practices	Issue 1:Employment and employment relationships Issue 2:Conditions of work and social protection Issue 3:Social dialogue Issue 4:Health and safety at work Issue 5:Human development and training in the workplace	■ Dialog : Supply Chain Management
		■ Special Feature : After Five Years, We are Entering a New Stage of Safety Assurance
		■ Process Safety and Disaster Prevention
		■ Occupational Health and Safety
		■ Working with Our Employees
The environment	Issue 1:Prevention of pollution Issue 2:Sustainable resource use Issue 3:Climate change mitigation and adaptation Issue 4:Protection of the environment, biodiversity and restoration of natural habitats	■ Environmental Contribution Value, Blue Value™
		■ Products and Services That Contribute to Sustainable Development
		■ Renewable Energy-related Business
		■ Responsible Care Policy
		■ Responsible Care Functions of the Mitsui Chemicals Group
		■ Environmental Protection

		<ul style="list-style-type: none"> ■ Product Stewardship ■ Initiatives to Reduce Environmental Impact in Logistics
Fair operating practices	Issue 1:Anti-corruption Issue 2:Responsible political involvement Issue 3:Fair competition Issue 4:Promoting social responsibility in the value chain Issue 5:Respect for property rights	<ul style="list-style-type: none"> ■ Dialog : Supply Chain Management ■ Risk and Compliance ■ Responsible Care Audits ■ Initiatives to Reduce Environmental Impact in Logistics ■ Working with Our Suppliers
Consumer issues	Issue 1:Fair marketing, factual and unbiased information and fair contractual practices Issue 2:Protecting consumers' health and safety Issue 3:Sustainable consumption Issue 4:Consumer service, support, and complaint and dispute resolution Issue 5:Consumer data protection and privacy Issue 6:Access to essential services Issue 7:Education and awareness	<ul style="list-style-type: none"> ■ Special Feature : Contributing to Society through Customer-driven Innovation ■ Special Feature : After Five Years, We are Entering a New Stage of Safety Assurance ■ Visualization of Contributions to the Environment and Society ■ Promoting Fundamental Safety Initiatives ■ Responsible Care Promotion System Centered on the Responsible Care Committee ■ Responsible Care Audits ■ Reducing Industrial Waste ■ Handling Environmental Complaints ■ Product Stewardship ■ Quality ■ Working with Our Customers
Community involvement and development	Issue 1:Community involvement Issue 2:Education and culture Issue 3:Employment creation and skills development Issue 4:Technology development and access Issue 5:Wealth and income creation Issue 6:Health Issue 7:Social investment	<ul style="list-style-type: none"> ■ Special Feature : Contributing to Society through Customer-driven Innovation ■ Initiatives at Iwakuni-Ohtake Works ■ Introduction to Events on Safety Day ■ Responsible Care Policy ■ Creating Secure and Safe Workplaces ■ Handling Environmental Complaints ■ Product Stewardship System ■ Product Stewardship Initiatives ■ Quality Improvement Initiatives ■ Working with Our Suppliers ■ Human Resources Development ■ Creating an Employee-friendly Working Environment ■ Promoting Diversity ■ Occupational Health ■ Working with Industry, Government, and Academia ■ Social Activities

Guideline Cross-reference Tables

► GRI Guidelines Cross-reference Table

► ISO 26000 Cross-reference Table

▼ The 10 principles of the UN Global Compact Cross-reference Table

The 10 principles of the UN Global Compact Cross-reference Table

... Signatory to the UN Global Compact

The 10 principles of the UN Global Compact			Reference pages (website)
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Respect for Human Rights Purchasing Policy Supplier Sustainability Evaluation and Improvement Support Sustainable Procurement Initiatives Human Resources Development
	Principle 2	make sure that they are not complicit in human rights abuses.	Respect for Human Rights Purchasing Policy Supplier Sustainability Evaluation and Improvement Support Sustainable Procurement Initiatives Human Resources Development
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Labor-management Relations Based on Frank Dialog and Mutual Understanding
	Principle 4	the elimination of all forms of forced and compulsory labour;	Respect for Human Rights Supplier Sustainability Evaluation and Improvement Support Sustainable Procurement Initiatives
	Principle 5	the effective abolition of child labour; and	Respect for Human Rights Supplier Sustainability Evaluation and Improvement Support Sustainable Procurement Initiatives
	Principle 6	the elimination of discrimination in respect of employment and occupation.	Key Issues (Materiality) Respect for Human Rights Human Resources Development Promoting Diversity
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	Key Issues (Materiality) Risk Prevention Measures Environmental Contribution Value, Blue Value™ Responsible Care Policy and Management Measures to Address Climate Change Biodiversity
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	Key Issues (Materiality) Environmental Contribution Value, Blue Value™ Renewable Energy-related Business Responsible Care Policy and Management Purchasing Policy Supplier Sustainability Evaluation and Improvement Support Product Stewardship System Product Stewardship Initiatives Measures to Address Climate Change Reducing Industrial Waste Substances Subject to the PRTR Act Preserving Air Quality Preserving Water Resources Biodiversity Environmental Accounting

	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	Environmental Contribution Value, Blue Value™ Products and Services That Contribute to Sustainable Development Renewable Energy-related Business Responsible Care Policy and Management Measures to Address Climate Change Promoting Joint Research Projects
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Key Issues (Materiality) Policy on Bribery Prevention Risk Management Framework Risk Prevention Measures Promoting Compliance

External Assessments

Socially Responsible Investment (SRI) Indices

The Mitsui Chemicals Group is listed as a constitute company in the following SRI indices (as of September 2017) based on evaluations of its initiatives aimed at the sustainable development of society and the Mitsui Chemicals Group.

FTSE4Good Index Series

FTSE4Good Global Index was developed by FTSE Russell of the London Stock Exchange Group. This index selects companies based on evaluations of their initiatives in the areas of environmental management, climate change, human & labor rights, supply chain labor standards, and preventing bribery.

► [FTSE4Good](#)



FTSE Blossom Japan Index

The FTSE Blossom Japan Index is designed to provide market participants with a tool to identify and measure the performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices. Using the globally established FTSE4Good Index Inclusion Rules, the FTSE Blossom Japan Index has adopted concerns regarding ESG as its core assessment criteria. The index has been constructed to be industry neutral. The FTSE Blossom Japan Index has been selected as an ESG index of the Government Pension Investment Fund (GPIF).

► [FTSE Blossom Japan Index](#)



MSCI Japan ESG Select Leaders Index

The MSCI Japan ESG Select Leaders Index was established on the basis of MSCI ESG Research. This Index is a comprehensive measure that comprehensively reflects ESG risks in the market portfolio. The Index is also made up of companies with a relatively high ESG performance from a variety of industries.

The MSCI Japan ESG Select Leaders Index has been selected as an ESG index of the Government Pension Investment Fund (GPIF).

► [MSCI Japan ESG Select Leaders Index](#)



MSCI Japan Empowering Women Index (WIN)

The MSCI Japan Empowering Women Index (WIN) is made up of companies that actively promote the empowerment of women. These companies are selected from a variety of industries and exhibit high scores for gender diversity based on data regarding the employment of women disclosed in accordance with Japan's Act on Promotion of Women's Participation and Advancement in the Workplace.

The MSCI Japan Empowering Women Index (WIN) has been selected as an ESG index of the Government Pension Investment Fund (GPIF).

► [MSCI Japan Empowering Women Index \(WIN\)](#)



Morningstar Socially Responsible Investment Index (MS-SRI)

The first socially responsible investment index in Japan, MS-SRI consists of 150 leading Japanese companies that have been evaluated and selected by Morningstar Japan K.K. among enterprises listed on domestic stock exchanges.

► [Morningstar Socially Responsible Investment Index](#)



SNAM Sustainability Index

Launched in 2012, the SNAM Sustainability Index is an investment index managed by Sompo Japan Nipponkoa Asset Management Co., Ltd. (SNAM).

Sustainable investments are socially responsible investment (SRI) funds for pension trusts and institutional investors that invest broadly in firms that have strong positive evaluation ratings in each of the environment, society, and governance fields. Considerable weight is placed on ESG evaluation ratings undertaken by research companies when selecting stocks for inclusion in the index which forms the basis for determining long-term investments.

[▶ SNAM Sustainability Index](#)



Other Key External Assessments

Mitsui Chemicals Receives the Top Gold Rank in Eco Vadis Supplier Survey

EcoVadis operates shared platforms that enable companies to monitor the sustainability of their suppliers. Covering 150 commodities and 110 countries, EcoVadis assesses the sustainability of suppliers based on their activities across four themes: environment, fair labor practices, ethics/fair business practices, and supply chain, with numerous global companies applying survey results to their supplier screening activities. The Mitsui Chemicals Group received the highest survey rank of Gold from EcoVadis. The Gold rank is given to companies with overall scores in the top fifth percentile.

[▶ Ecovadis](#)



Mitsui Chemicals received a special award from the Development Bank of Japan (DBJ) under the DBJ Health Management Rating scheme

In March 2013, Mitsui Chemicals received a special award from the Development Bank of Japan (DBJ) under the DBJ Health Management Rating scheme. Mitsui Chemicals was given the highest ranking and was recognized as a model company for health management, with attention drawn to the excellence of its initiatives for caring for the health of employees. One of the conditions of this financing scheme is that the company receiving the loan has excellent measures in place to manage the health of its employees, as evaluated by the Development Bank of Japan.

[▶ DBJ Employees' Health Management Rated Loan Program](#)



Mitsui Chemicals Selected as an Excellent Enterprise of Health and Productivity Management — White 500 Company

Mitsui Chemicals was selected under Excellent Enterprise of Health and Productivity Management—White 500, a program operated jointly by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi. Excellent Enterprises of Health and Productivity Management—White 500 program honors large companies that practice excellent health-oriented management in conjunction with their health insurance providers. Launched in fiscal 2016, this certification program is operated jointly with METI and Nippon Kenko Kaigi (which is comprised financial/medical organizations and local government leaders) with the aim of expanding healthy management practices.

[▶ Announcement of Organizations Recognized under the 2017 Certified Health and Productivity Management Organization Recognition Program](#)



CSR Report Archives

April 9, 2018 Updated

All CSR Communication, CSR Report, and Responsible Care Report publications issued to date by the Mitsui Chemicals Group, whether online or in print, are available in PDF or digital book formats.

 Digital Books

2017

【Online version】 CSR Report 2017



Information uploaded onto the CSR website up to November 2017 is showcased in CSR Report 2017.

► Full report (PDF : 6.8MB) 

► Individual sections

【Leaflet version】 CSR Communication



► Full report (PDF : 1.3MB) 

2016



【Online version】 CSR Report 2016

Full report (PDF : 6.2MB) 

* A booklet version of the CSR Report will not be published in fiscal 2016.

2015



【Online version】 CSR Report 2015

Full report (PDF : 6.2MB) 



【Printed version】 CSR Communication 2015

Full report (PDF : 5.0MB) 

Digital book 

2014



【Online version】 CSR Report 2014

Full report (PDF : 5.8MB) 



【Printed version】 CSR Communication 2014

Full report (PDF : 3.6MB) 
Digital book 

2013



【Online version】 CSR Report 2013

Full report (PDF : 3.8MB) 



【Printed version】 CSR Communication 2013

Full report (PDF : 3.9MB) 
Digital book 

2012

2011



【Online version】 CSR
Report 2012

Full
report (PDF : 3.7MB)



【Online version】 CSR
Report 2011

FY2011 online
version (PDF :8.07MB)



【Printed version】 CSR
Communication

Full report (PDF :
7.59MB)

Digital book

CSR Report



CSR Report 2010
Full report (PDF :
5.58MB)
Digital book



CSR Report 2009
Full report (PDF :
4.78MB)
Digital book



CSR Report 2008
Full report (PDF :
2.59MB)
Digital book



CSR Report 2007
Full report (PDF :
1.62MB)
Digital book



CSR Report 2006
Full report (PDF :
3.24MB)
Digital book



CSR Report 2005
Full report (PDF :
1.77MB)
Digital book

Responsible Care Report

Please click below to view our RC reports regarding environment, safety, occupational health, and quality.



Responsible Care Report
2004
Full report (PDF :
1.19MB)
Digital book



Responsible Care Report
2003
Full report (PDF :
1.34MB)
Digital book




Responsible Care Report
2002
Full report (PDF :
690KB)
Digital book




Responsible Care Report
2001
Full report (PDF :
950KB)
Digital book



Responsible Care Report
2000

Full report (PDF :
582KB) 

Digital book 

Online version - Individual sections -

[Top Page](#) (PDF : 767KB) 

[Message from the President](#) (PDF : 374KB) 

[Special Feature : Contributing to Society through Customer-driven Innovation](#) (PDF : 515KB) 

[Special Feature : After Five Years, We are Entering a New Stage of Safety Assurance](#) (PDF : 462KB) 

[Dialog : Supply Chain Management](#) (PDF : 433KB) 

[Corporate Governance](#) (PDF : 3.2MB) 

[CSR in the Mitsui Chemicals Group](#) (PDF : 1.6MB) 

[Key Issues \(Materiality\)](#) (PDF : 621KB) 

[Products and Services That Contribute to Sustainable Development](#) (PDF : 765KB) 

[Responsible care](#) (PDF : 1.4MB) 

[Responsible Care Policy and Management](#) (PDF : 2.9MB) 

[Process Safety and Disaster Prevention](#) (PDF : 1.4MB) 

[Occupational Health and Safety](#) (PDF : 1.4MB) 

[Environmental Protection](#) (PDF : 2.4MB) 

[Product Stewardship](#) (PDF : 1.5MB) 

[Quality](#) (PDF : 1.4MB) 

[Logistics](#) (PDF : 1.1MB) 

[Communication with Society](#) (PDF : 378KB) 

[Respect for Human Rights](#) (PDF : 403KB) 

[Working with Our Customers](#) (PDF : 357KB) 

[Working with Our Suppliers](#) (PDF : 2.6MB) 

[Working with Our Shareholders and Investors](#) (PDF : 1.0MB) 

[Working with Our Employees](#) (PDF : 2.13MB) 

[Working with Industry, Government, and Academia](#) (PDF : 1.3MB) 

[Social Activities](#) (PDF : 2.1MB) 

[Survey Index by Objective](#) (PDF : 386KB) 

[Policy List](#) (PDF : 353KB) 

[EGS Performance Data](#) (PDF : 984KB) 

[GRI Guidelines Cross-reference Table](#) (PDF : 409KB) 

[ISO 26000 Cross-reference Table](#) (PDF : 966KB) 

[The 10 principles of the UN Global Compact Cross-reference Table](#) (PDF : 962KB) 

[External Assessments](#) (PDF : 447KB) 

[CSR Report Archives](#) (PDF : 522KB) 

[Editorial Policy](#) (PDF : 353KB) 

[CSR Report 2017 Survey](#) (PDF : 385KB) 

Editorial Policy

In producing the CSR Report 2017, our goal is to provide stakeholders with a deeper understanding of the Mitsui Chemicals Group's efforts to realize a sustainable society. The report shines a light on the Group's three-axis management (economy, environment and society), with a focus on environmental and social initiatives.

Taking advantage of the unique features of online media, we have made every effort to post comprehensive details encompassing a wide range of areas including the Group's policies, structure and systems, activities, and numerical data.

To understand more about our activities related to creating new value over the medium to long term, which is the Group's aim, please refer to the annual reports (Mitsui Chemicals Reports) that we have published with the aim of reporting comprehensively on the strategies of three-axis management and its achievements.

 Mitsui Chemicals Report

Scope of the Report

Coverage


Our 2017 report covers activities during fiscal 2016 (April 1, 2016 to March 31, 2017). However, certain data that falls outside this coverage period has been included.

Scope of Compilation Data

Taking the Mitsui Chemicals Group as its basis, any references in this report that fall outside that basis are stated in the text.

Referenced Guidelines

- Global Reporting Initiative(GRI) : 4 version
- Environmental Reporting Guideline 2012 (Ministry of the Environment)
- Environmental Accounting Guideline 2005 (Ministry of the Environment)

 GRI Guidelines Cross-reference Table

CSR Report 2017 Survey

Drawing on the Company's survey form, Mitsui Chemicals welcomes the comments and feedback of readers regarding its CSR Report 2017.

Any personal information received will only be used for specific purposes, for example, in those cases where a subsidiary or affiliate so requests in order to reply to an inquiry. Personal information will not be used for any other purpose.

For details of the Company's policy regarding the protection of personal information, please refer to our [Privacy Policy](#).

▶ [Survey Form](#) 