

# Mitsui Chemicals Group ESG Report 2022

## Contents

Top Page .....	5
Message from the CEO .....	8
CSO Message .....	14
Sustainability in the Mitsui Chemicals Group .....	17
Sustainability Management .....	18
Management System .....	18
Stakeholder Engagement .....	24
Support Initiatives .....	27
Our Material Topics .....	31
Material Topics and VISION 2030.....	31
How we identify our material topics .....	33
Non-financial metrics (environmental and social targets) .....	40
Endeavor to create a circular economy .....	48
Management System .....	48
Climate Change Policy .....	51
Carbon neutral strategy .....	54
Biomass strategy and Recycling strategy .....	58
Implementing the recommendations of the TCFD .....	63
Blue Value™ / Rose Value™ .....	72
Visualization of Contributions to the Environment and Society .....	72
Blue Value™ — Environmental Contributions.....	76
Rose Value™ — QOL Improvement Contributions .....	81
Blue Value™ / Rose Value™ Products .....	85
Risk and Compliance .....	91
Risk and Compliance Management .....	92
Management System .....	92

Risk Prevention Measures .....	103
Compliance Training .....	106
Bribery Prevention .....	108
Tax .....	110
Information Management .....	113
Management System .....	113
Initiatives .....	114
<b>Responsible Care .....</b>	<b>115</b>
Responsible Care Management .....	117
Management System .....	117
Roll Out Globally .....	132
Safety and Prevention .....	134
Management System .....	134
Initiatives to Prevent Major Accidents .....	137
Accidents and Occupational Injuries .....	144
Safety Education .....	147
Plant Operation Technology Training Center .....	152
Environmental Protection .....	157
Management System .....	157
GHG and Energy .....	161
Industrial Waste .....	166
Environmentally Hazardous Substances .....	169
Water .....	173
Biodiversity .....	177
Environmental Accounting/Compliance .....	180
Product Stewardship .....	182
Management System .....	182
Regulatory Compliance and Providing the Safety Use Information .....	186
Providing Safe Products .....	188
Training .....	192

Quality of Products and Services .....	194
Management System .....	194
Initiatives .....	198
Logistics.....	201
Management System .....	201
Safety and Quality in Logistics .....	204
Stable Transportation (Sustainable Logistics) .....	209
Occupational Health .....	215
Management System .....	215
Health-focused Management .....	218
Preventing Exposure to Harmful Substances .....	228
<b>Engagement with Society .....</b>	<b>230</b>
Respect for Human Rights.....	231
Policy and Basic Approach .....	231
Initiatives .....	238
Sustainable Procurement .....	242
Management System .....	242
Supplier Evaluation and Guidance for Improvement .....	249
Participating in Initiatives .....	265
Human Resources Management .....	269
Management System .....	269
Talent Management.....	275
Diversity.....	280
Compensation & Benefit .....	292
Talent acquisition .....	296
Talent and Organization Development .....	298
Employee-friendly Working Environment and Labor Productivity .....	304
HRIS and People Analytics .....	314
Social Activities .....	318

Management System .....	318
Laboratory Classes on the Wonders of Chemistry .....	320
Nurturing Future Generations .....	324
Environment .....	327
Support for Employees' Participation in Social Activities .....	330
Disaster Relief .....	333
Working in Harmony with Local Communities .....	336
<b>ESG Performance Data .....</b>	<b>342</b>
Environment .....	342
Society .....	352
Governance .....	364
<b>Guideline Cross-reference Tables .....</b>	<b>367</b>
<b>External Assessments .....</b>	<b>390</b>
<b>Editorial Policy .....</b>	<b>393</b>



# ENVIRONMENTAL, SOCIAL, GOVERNANCE

Mitsui Chemicals Group  
ESG Report 2022



## Sustainability News

[See All](#)

- 2022.10.31 Prime Polymer Secures DBJ Sustainability Linked Loan With Engagement Dialogue
- 2022.10.31 Mitsui Chemicals Opens up Employee Benefits to Same-Sex Partners in Push for More Diverse Workforce
- 2022.10.31 Annual update has been made to our Sustainability site.



In an uncertain and unpredictable environment, we will steadily work to transform the Mitsui Chemicals Group to realize VISION 2030.

### Message from the CEO



### CSO Message



### Corporate Governance



### Sustainability in the Mitsui Chemicals Group

- Sustainability Management
- Our Material Topics



### Risk and Compliance

- Risk and Compliance Management
- Bribery Prevention

- Endeavor to create a circular economy
- Blue Value™ / Rose Value™

- Tax
- Information Management



### Responsible Care

- Responsible Care Management
- Safety and Prevention
- Environmental Protection
- Product Stewardship
- Quality of Products and Services
- Logistics
- Occupational Health



### Engagement with Society

- Respect for Human Rights
- Sustainable Procurement
- Human Resources Management
- Social Activities

List of Policies

ESG Performance Data

Guideline Cross-reference Tables

External Assessments

Editorial Policy

ESG Information Archives

## Related Information



BePLAYER™ / RePLAYER™



AEPW Progress Report



Clean-up Caravan



CEO Message for Women's Empowerment

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**FTSE Blossom Japan Index**



FTSE Blossom  
Japan Sector  
Relative Index

2022 MSCI ESG Leaders  
Indexes Constituent

2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

2022



Sompo Sustainability Index





## Message from the CEO

**In an uncertain and unpredictable environment, we will steadily work to transform the Mitsui Chemicals Group to realize VISION 2030.**



**HASHIMOTO Osamu**  
Representative Director,  
President & CEO

### Review of market environment and performance in fiscal 2021

**Building on record profits achieved in fiscal 2021 we will continue pushing forward with our transformation, targeting further growth.**

The external environment has shifted dramatically since we announced our VISION 2030 in 2021, including developments in countries and regions across the world in response to the COVID-19 pandemic, and Russia's invasion of Ukraine. In such an environment, I feel that dealing with uncertainty is becoming an increasingly important management task. However, despite these circumstances, our policy remains unchanged: we will continue pushing forward with our transformation by carefully discerning where to focus our major investments while trialing a range of new initiatives across the Group, based on our understanding that growing environmental awareness is a long-term trend that will continue in the future.

Looking back on our performance in fiscal 2021, while some products benefited from a tailwind in terms of market conditions, I feel that one of our major achievements was the growth of our operating income before special items in the growth domains, which had remained flat at around 70 billion yen through to fiscal 2020, to a level where we are positioned to target 100 billion yen. Going forward, we expect further growth as the facilities in which we have been investing aggressively commence operation, and the anticipated benefits of the mergers and acquisitions (M&A) we have made start to be realized.

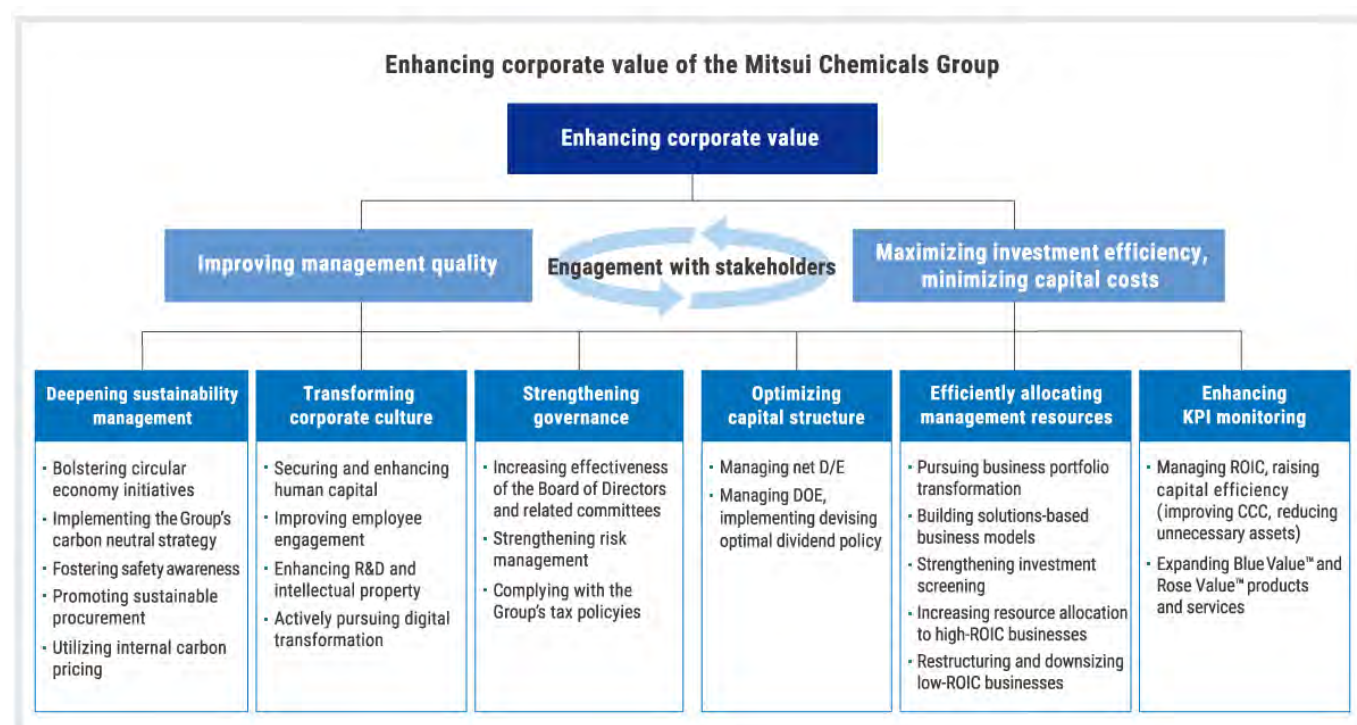
### Realizing a new management system

**We aim to increase our corporate value by monitoring performance from both a financial and non-financial perspective.**

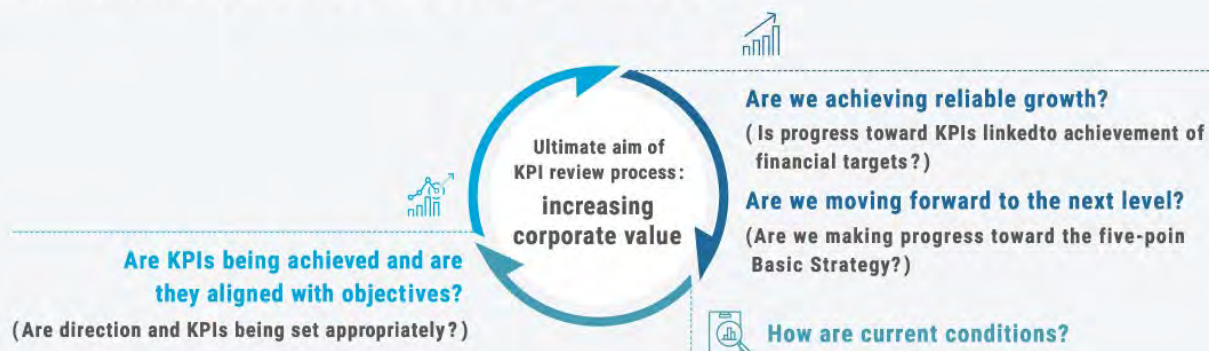
We revised our material topics in fiscal 2020 as the foundation of our VISION 2030, and I believe that the understanding of their importance is growing within the Group. In fiscal 2021, we formulated non-financial key performance indicators (KPIs)

corresponding to these material topics, and are promoting a management style that integrates both financial and non-financial perspectives. I often use a sporting analogy to explain management using financial and non-financial KPIs. For example, if a runner's target time represents a financial KPI, then non-financial KPIs can be thought of as the elements that form the foundation for achieving this goal, such as physical conditioning, nutrition management, post-training recovery, and mental conditioning. By breaking down the necessary elements required to run a certain time into smaller pieces, and by meeting each of these targets, an athlete is able to achieve their overall goal, and I believe that the same principle applies to the activities we undertake across the Group. Organically linking our activities to achieve non-financial KPI targets, such as the degree of employee engagement, the ratios of Blue Value™ and Rose Value™ products sales revenue to total sales revenue, and our GHG emissions reductions will strengthen our business foundation, laying the way for us to realize VISION 2030 and achieve our profit targets. Of course, each KPI must constantly be verified against the vision we are striving to achieve, and also be reviewed and revised periodically in light of changes in the external environment.

In the past, our discussions focused heavily on whether or not profit targets could be achieved, but by defining the process for reaching these targets—or applying a scientific approach to management, so to speak—we will also be better positioned to evaluate the growth of the Group from a more sustainable perspective. Rather than simply aiming to be a strong company with outstanding financial KPIs, we aim to be a strong and good company that also achieves the non-financial KPIs that measure our purpose as a company existing to contribute to society. By monitoring our management from both financial and non-financial perspectives, our management team will review not only the achievement status but also all aspects of KPIs including their appropriateness, in order to increase the corporate value of the Mitsui Chemicals Group. Our KPIs span not only environmental consideration and respect for human rights, but also human resources/organization, logistics/quality management, procurement, and other metrics, and for each KPI, an executive officer has been assigned responsibility for achievement. The establishment of the new positions of chief strategy officer (CSO) and chief human resources officer (CHRO) aims to clarify the roles of each division and strengthen awareness of their respective responsibilities. I believe that this type of framework will help the entire Group regardless of business or functional division—including each and every employee working at our sites—to move forward toward a common goal while maintaining an awareness of the challenges in their respective fields.



## Management monitoring from both a financial and non-financial perspective



For detail, please refer to Our Material Topics.

For detail, please refer to Sustainability Management.

Transforming our business models through our VISION 2030 strategy

**Striving to transform our business models to create new value.**

The first point of our Basic Strategy set out in VISION 2030, Pursuing business portfolio transformation, is the most important strategy that we have carried over from VISION 2025. For materializing this, Building solutions-based business models, which is another pillar of our Basic Strategy, centers on how we can enhance the added value of our business. Instead of simply providing materials, we will identify social challenges and also provide ideas and business models that will contribute to their resolution. In order to realize this goal, we will actively collaborate with other companies, academic institutions, local governments, and other external organizations.

One such example is the touchless aerial display point-of-sale cash register for which field trials began in January 2022 at convenience stores operated by Seven-Eleven Japan Co., Ltd. This solution, jointly developed with five other companies including Asukanet Co., Ltd., responds to the need for space saving, as well as touchless technology due to the COVID-19 pandemic. In addition to supplying our adhesive product for use in the display, we are also assisting in the planning and management of the joint development project, as well as providing technological support.

Another example is in the dental materials business, where in addition to providing 3D printers for use in dentistry, we offer a lineup of inks for diverse applications. We have established a multi-faceted software and hardware business, proposing solutions based on our clinical dental knowledge, which specialized printer manufacturers cannot offer.

Although we have only just begun building this solution-based business model and have experienced both successes and setbacks thus far, I believe it is important that we continue working to build on our cumulative efforts. Going forward, I look forward to seeing employees at our worksites further transform the business via a flexible mindset and repeated challenges employing a variety of approaches.

Bolstering circular economy initiatives, another point in our Basic Strategy, also aims to advance the transformation of our business models. By establishing the Green Sustainable Chemicals Division within the Basic & Green Materials Business Sector, we aim to further accelerate the development of circular economy-based business models. I view the development of environmental initiatives as not only our duty as a chemical company, but also a prime opportunity to transform our Group and drive our future growth. For example, our ongoing effort to expand use of bio-based hydrocarbons will help drive our shift to biomass-derived raw materials upstream in the chemical product value chain, which in turn adds new value to our derivatives downstream. We view this as both an advantage and a business opportunity for the Mitsui Chemicals Group, as we own naphtha

crackers and possess an integrated value chain that extends to the production of derivatives. Going forward, we intend to utilize this advantage in new initiatives that contribute to solving social challenges.

Meanwhile, we are pushing forward with a variety of initiatives to achieve carbon neutrality by 2050. Although we expect to achieve an approximate 70 to 80% reduction in CO<sub>2</sub> emissions from the Group's manufacturing by utilizing current technologies and resources, in order to reduce CO<sub>2</sub> emissions beyond this level, we believe it will be essential to develop new technologies. Accordingly, we have established the Mitsui Chemicals, Inc. – Carbon Neutral Research Center in collaboration with the International Institute for Carbon-Neutral Energy Research, Kyushu University to accelerate the development of carbon neutral technologies and promote their rapid social implementation. We are also developing fuel conversion technology for naphtha crackers utilizing the Green Innovation Fund, aiming to contribute to the reduction of CO<sub>2</sub> emissions across the petrochemical industry through the social implementation of entirely ammonia-fired crackers.

We also see it as our important duty as a chemical company to contribute to the reduction of CO<sub>2</sub> emissions throughout the value chain via our products and services. To this end, we are actively working with other companies to establish mechanical and chemical recycling technologies and implement them in society.

The Group's unique Blue Value™ and Rose Value™ initiatives are aligned with the business model transformation we are pursuing, including building solutions-based and circular economy-based business models, with the aim of resolving social challenges. Our Blue Value™ products and services, which help reduce environmental impact including CO<sub>2</sub> emissions throughout the entire product life cycle, and Rose Value™ products and services, which help improve the quality of life (QOL) from such perspectives as health and livelihood, highly livable communities, and food security, represent the types of solutions that we aim to provide to our ideal future society. As part of our non-financial KPIs for VISION 2030, we have set the targets of achieving sales revenue ratios of 40% each for Blue Value™ and Rose Value™ products, and have also established KPIs for our business sectors to promote growth of these products in order to achieve these goals. Currently, approximately 80% of our Blue Value™ and Rose Value™ certified products are positioned in the highly profitable growth domains. I therefore believe that developing new businesses and products with a focus on Blue Value™ and Rose Value™ starting from the technology development and product design stages will contribute to profits in the future.

For detail, please refer to Endeavor to create a circular economy.

For detail, please refer to Blue Value™/Rose Value™.

Creating a culture of change and innovation

**Working to create a foundation to support our transformation.**

Although fostering our corporate culture is essential in order to promote change, simply saying, "Let's change our corporate culture," in an authoritative manner will not result in any meaningful progress. As we work toward VISION 2030 from both a financial and non-financial perspective, an area I touched on earlier, I feel that the ideal scenario is one in which each and every employee shares a sense of ownership regarding the challenges facing us, thereby transforming our collective mindset, actions, and as a result, our corporate culture. It is therefore important that we communicate and share our vision thoroughly and monitor our progress.

At the same time, in order to transform ourselves it is essential above all that each and every employee has a flexible mindset and a willingness to take on new challenges without fear of failure, and for this to happen, we need to put systems in place to support our employees in their endeavors.



In addition to relaxing our dress code in August 2020, we established our Guidelines for Side Jobs in January 2021. This step was taken in the hope that personnel with more specialized skills will gain experience, expanding their perspectives and further developing their abilities across a broader network, including outside the Group, and bring back and apply the knowledge and experience they have gained to their work at the Group. From fiscal 2022, we also introduced a new performance evaluation system for recognizing efforts to take on new challenges. The system is designed to allow employees to engage in trial and error based on a solid understanding of issues, even if the endeavor in question does not ultimately result in success. We are also currently studying how to upgrade our IT infrastructure and office layout to accommodate changing work styles, such as remote work, in preparation for the accompanying relocation of our Head Office. I believe that the combined effect of these interlinked measures will help transform the mindset across our employee base and further accelerate the implementation of the VISION 2030 Basic Strategy.

At the Mitsui Chemicals Group, we have conducted regular employee engagement surveys since 2018, and have set the improvement of our engagement score as one of our non-financial KPIs. John Rawls, a well-known American scholar of political philosophy, lists “the principle of fair equality of opportunity” and the right to “equal liberty” as two important social principles. I believe that the same applies to companies, with employees seeking “fair equality of growth opportunities” and the “liberty to think and act freely.” With these principles in mind, we will continue pushing forward with a range of initiatives to promote greater engagement and provide growth opportunities.

We have also established successor coverage rate for critical positions as one of our human resources-related KPIs. While there are a wide range of personal attributes required for critical positions, if I had to pick just one, it would be selflessness. I believe that only by freeing ourselves from our egos can we create a corporate culture that allows free and multi-dimensional ideas to emerge organically and provides fair and equal opportunities for our employees. With this attribute as a baseline for future executives, we are seeking people with competencies appropriate for the given era and business environment.

From a management perspective, a sound foundation of corporate governance is also important. We must fulfill our accountability as a public entity by ensuring that we are transparent and fair to our diverse stakeholders. We have thus far made ongoing reforms to improve the effectiveness of our corporate governance, and going forward we will further refine our efforts, including introducing metrics for executive compensation that are aligned with the non-financial KPIs for VISION 2030.





**Self-initiative, autonomy, and collaboration:**  
Combining the power of individuals to form an organization of comprehensive strength

Human resources strategy	Corporate culture	Business operation system	Evaluation system		
<p><b>Relaxation of dress code</b></p> <p>From August 2020</p> 	<p><b>Guidelines for Side Jobs</b></p> <p>From January 2021</p> <p>Building up diverse experience outside of Mitsui Chemicals to expand horizons and develop abilities</p> <p>Over 30 employees to date</p>	<p><b>Open calls for internal positions</b></p> <p>From May 2021</p> <p>Providing employees with various career opportunities and options</p> <p>70 applicants to date</p>	<p><b>Expanded use of telework</b></p> <p>From July 2021</p> 	<p><b>New performance evaluations</b></p> <p>From April 2022</p> <p>Trial of transformation targets Promoting challenges Greater flexibility in evaluations</p>	<p><b>Office relocation</b></p> <p>March 2023 (planned)</p> 

For detail, please refer to [Human Resources Management](#).

### Looking beyond VISION 2030

**A good relationship with all of our stakeholders will lead to sustainable growth.**

From the perspective of increasing corporate value, we believe it is important to ensure the sustainability of both the Group and society.

I believe that a company and its employees should work together as equals, rather than one being superior to the other. For employees, a company is a place where they can both earn a living and achieve personal growth, and the relationship between the company and its employees is one in which each employee performs to the best of their ability in order to maximize profits, which can then be redistributed to employees. Ideally, both grow in synergy with one another.

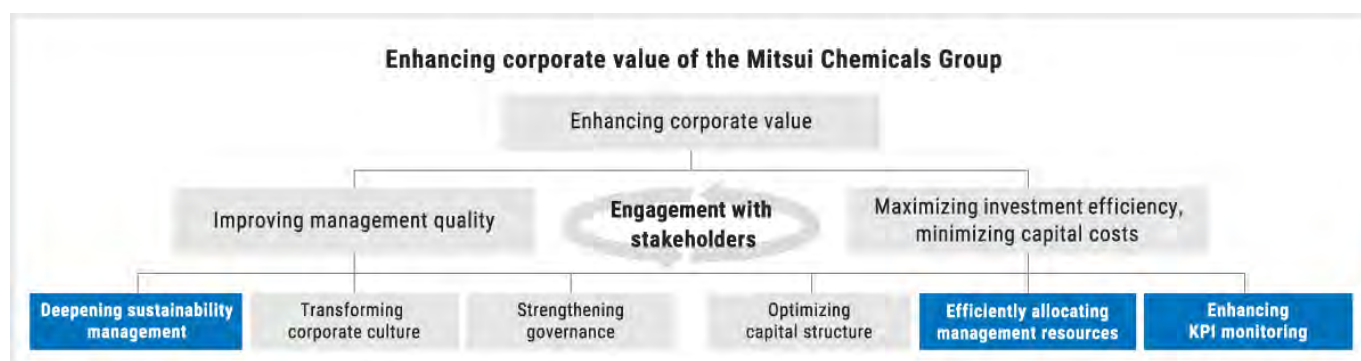
I also believe that the relationship between companies and society is similar. A company can exist only if it is able to contribute to solving social challenges, while also generating solid profits. As I outlined earlier regarding a management style that integrates both financial and non-financial perspectives, in order to achieve this goal we must create an environment in which our employees, as stakeholders, can work with vitality, while continuing to deliver value to all stakeholders through the Group's business. Combining these efforts will help solve social challenges and ultimately enhance our corporate value, leading to sustainable growth for both the company and society.

Going forward, we will continue to pursue a range of transformations to achieve our Corporate Target and ideal future society set out in VISION 2030.



As the Mitsui Chemicals Group's business expands further across the globe and becomes increasingly complex, I have been appointed to the newly-established position of chief strategy officer (CSO) with the task of promoting and supporting the execution of Group-wide strategy. My view of what the CSO role entails is to optimize the Group's business portfolio by carefully assessing financial KPIs and investment profitability, while at the same time improving the quality of our management by utilizing non-financial KPIs with the aim of building a company that can continuously create value. The word strategy in CSO spans two meanings: to formulate strategies, and to execute strategies. I believe that our immediate mission in the implementation phase of VISION 2030 is to ensure that the Basic Strategy outlined in VISION 2030 is executed from both a financial and non-financial perspective.

Since my appointment as CSO, I have had discussions with the heads of each business sector and other key members in order to determine the most effective way to approach my role. As I have worked in the business sectors in the past, I am fully aware that each sector has its own logic and organizational dynamics, as well as their own priorities when it comes to execution of corporate strategy. One of my important roles is to facilitate synergies among the business sectors from a holistic perspective, while ensuring that the Group's vision and the focus of each business sector are closely aligned.



\* Please see the CEO message for an overview of the strategy. Items in blue are mentioned in this message.

## The Mitsui Chemicals Group will undergo major changes as it implements the VISION 2030 Basic Strategy.

In view of the accelerating speed of change in the external environment, the Basic Strategy of VISION 2030 reflects a sense of urgency that the Mitsui Chemicals Group must transform and evolve from its past self. In particular, Pursuing business portfolio transformation and Building solutions-based business models are two important drivers that will enable us to achieve dynamic change.

In Pursuing business portfolio transformation, we have set a new goal of achieving growth by expanding and fleshing out our businesses in growth domains, for example, by positioning the Life & Healthcare Solutions business segment as our first earnings pillar. We aim to achieve operating income before special items of 90 billion yen in Life & Healthcare Solutions in fiscal 2030. Naturally, this requires not only expanding our existing businesses, but also pursuing inorganic growth including acquiring new business platforms through mergers and acquisitions (M&A) and alliances with external partners. However, looking back over the past M&As conducted by the Group, some of these projects may not necessarily be considered successful, and on occasion we have received harsh feedback from investors regarding our performance in this area. However, after analyzing past projects within the Group and holding discussions on the feedback received from external parties, we feel that the accuracy of our project screening and our ability to implement post-merger integration and other measures have steadily improved. In addition, in the Mobility Solutions business segment we aim to shift to a business model of providing products and services that meet the changing social needs related to mobility by leveraging the solution capabilities that we have worked to strengthen, in addition to our technological expertise as a materials manufacturer.

One other major change is the establishment of the ICT Solutions business segment. This segment brings together the ICT-related products, technologies, and human resources that were previously dispersed across the respective business segments in response to the megatrend of exponential growth in ICT-related businesses. In doing so, we aim to respond to changes in the market environment and the speed of technological innovation characteristic of the ICT sector, which differs significantly from other business fields, while at the same time generating a range of technological and human resource synergies.

We have also relaunched with a new organization the New Business Incubation Center, which has been responsible for developing new businesses within the Group as the core organization for creating next-generation businesses. By utilizing the newly established corporate venture capital fund and through other means, we will proactively incorporate external knowledge and utilize the Group's resources in new ways. By working with the same sense of speed as startup companies and other partners, we will raise the success rate of new business and new product creation. I also believe that this initiative may help spark the transformation of our corporate culture, building a foundation for further innovation.

In Building solutions-based business models, we are breaking away from our conventional business model of supplying materials. Going forward, we will adopt a higher point of view and work to swiftly identify changes in society so that we can provide materials, propose applications for these materials, and deliver solutions that also integrate our services to help solve challenges faced by our customers and society as a whole. In order to achieve this, the way we carry out operations at each worksite must also evolve. As flexible and innovative thinking is more important than ever, we will also work to promote change at the business segment level.

**We view the contribution we make to solving social challenges as a differentiation strategy, and will work to create added value.**

The Group's ESG promotion policy is to pursue the sustainable development of society and the Group by seeking business opportunities linked to ESG issues, striving to solve these challenges through our business activities, and recognizing and addressing future risks while upholding our corporate social responsibility.

Based on this policy, when formulating VISION 2030, we redefined our ideal future society and reviewed our material topics. For each of our material topics, we have established new metrics (non-financial KPIs), which are used in processes including business evaluations and investment decision making. In such ways, we have adopted a management approach that integrates financial and non-financial perspectives. An executive officer has been assigned responsibility for each non-financial KPI, and the Corporate Sustainability Committee, the Company-wide Strategy Committee, and other decision-making bodies will conduct thorough reviews not only verifying the achievement status of these KPIs, but also analyzing progress in light of changes in the environment and examining the appropriateness of targets.

As one of our non-financial KPIs, we have also established targets for the sales revenue ratios of Blue Value™ and Rose Value™ products—initiatives unique to the Group—at the Group-wide and business segment levels toward the year 2030. Our Blue Value™ and Rose Value™ products exemplify the creation of social and corporate value we are striving for. In the 10 years since we launched this concept in 2011, each of our business segments have grown increasingly aware of the importance of this initiative and the value it contributes to society. We are also working across the Group to expand the range of products and applications certified through collaboration and information sharing. I consider Blue Value™ and Rose Value™ products and services as a type of differentiation strategy. In practice, these products have helped us provide unique solutions to our customers' manufacturing cost-reduction challenges, as well as the prevention and mitigation of disasters and reduction of food loss—issues that are difficult to quantify in terms of tangible losses. I believe that further refining these efforts and incorporating a Blue Value™ and Rose Value™ perspective from the product design and marketing stages will lead to tangible results in the form of profit contribution.

Bolstering circular economy initiatives, another point in our Basic Strategy, includes the expansion of the Blue Value™ products I mentioned above, the utilization of digital technology, and the initiatives we are pursuing at the Carbon Neutral Research Center, which we established through a collaboration with Kyushu University. The Basic & Green Materials business segment will play an important role in implementing this strategy. Our Group is unique in that we have manufacturing facilities for petrochemicals and basic chemicals, such as naphtha crackers, which are positioned upstream in the chemical product value chain, and the Basic & Green Materials segment plays a key role in supporting the creation of added value in the growth domains. In order to achieve carbon neutrality and a circular economy, we are striving to establish advanced proprietary technologies in order to leverage the strength of our presence across the value chain, including introducing bio-based hydrocarbons, chemical and mechanical recycling, and developing technologies to reduce greenhouse gas (GHG) emissions from naphtha crackers, which account for a significant portion of our GHG emissions. We believe these technologies will have a tremendous impact, as their widespread implementation in society will lead to product differentiation from the perspective of environmental friendliness and help to realize a circular society.

## **Building a trusted corporate group through continuous innovation—an essential part of Mitsui Chemicals.**

As a chemical manufacturer, I believe that our Group shoulders a great responsibility as the global community increasingly focuses on addressing a range of social challenges, as exemplified by the SDGs. At the same time, this is also an opportunity for us to give full play to the technological capabilities we have developed over the course of our history. VISION 2030 reflects our resolve to not only reduce the negative impacts from GHGs and other sources to zero, but also to generate positive impacts. As stated in our Corporate Mission, throughout our history we have contributed to the resolution of social challenges through technological innovation, and I always emphasize to our employees that innovation is a key part of who we are as a company. Of course, change also brings with it risks. However, I believe that if we can build up solid profits in the short-term while also managing risk, and if each and every employee is aware of both our financial and non-financial objectives and works to implement positive changes step by step, a wide range of stakeholders will recognize the value that the Group provides to society. In my role as CSO with responsibility for the Corporate Planning Division and the Corporate Sustainability Division, I am committed to leading these changes and ensuring that the Mitsui Chemicals Group continues to be trusted by a wide range of stakeholders.

# Sustainability in the Mitsui Chemicals Group



## Sustainability Management

- Management System
- Stakeholder Engagement
- Support Initiatives

## Our Material Topics

- Material Topics and VISION 2030
- How we identify our material topics
- Non-financial metrics (environmental and social targets)

## Endeavor to create a circular economy

- Management System
- Climate Change Policy
- Carbon neutral strategy
- Biomass strategy and Recycling strategy
- Implementing the recommendations of the TCFD

## Blue Value™ / Rose Value™

- Visualizing Contributions to the Environment and Society
- Blue Value™ – Environmental Contributions
- Rose Value™ – QOL Improvement Contributions
- Blue Value™ / Rose Value™ Products



## Management System

### Policy and Basic Approach

Amidst efforts to achieve SDGs and overcome other social challenges, companies are facing increasing expectations and demands for proactive actions and they are expected to play ever more important roles. Under these circumstances, we recognize that the chemical industry is responsible for the foundation of society and innovation, and that it bears a great responsibility to solve social issues. In order to realize a sustainable society, it is essential for companies themselves to grow while continuously creating social value, by providing diverse solutions. To this end, it is now even more important that companies accurately identify opportunities and risks from an ESG perspective and reflect them into management.

The Mitsui Chemicals Group has been promoting a variety of initiatives since it launched its triple bottom line management of economy, environment, and society in 2006. In April 2018, we established the Corporate Sustainability Division, expressing our intention to refine the triple bottom line management approach and commit to corporate management with ESG elements at its core. In 2022, we launched VISION 2030 to further embody the incorporation of ESG elements into management/strategies, proceed to the execution phase, and strengthen our efforts to disclose information to stakeholders.

#### Sustainability in the Mitsui Chemicals Group

In addressing global social challenges highlighted in the SDGs and other initiatives, we aim to achieve sustainable development in society and the Group by implementing the following:

- ▶ Seek business opportunities and strive to solve challenges through business activities
- ▶ Recognize future risks for the Group and uphold our corporate social responsibility

#### Challenges

##### Incorporation of ESG elements into management/strategies

- Reflect ESG considerations in management and strategy discussions at the Board of Directors, Company-wide Strategy Committee, and Corporate Sustainability Committee meetings
- Generate business involving business and R&D divisions and promote innovation

##### Improvement of ESG information disclosure

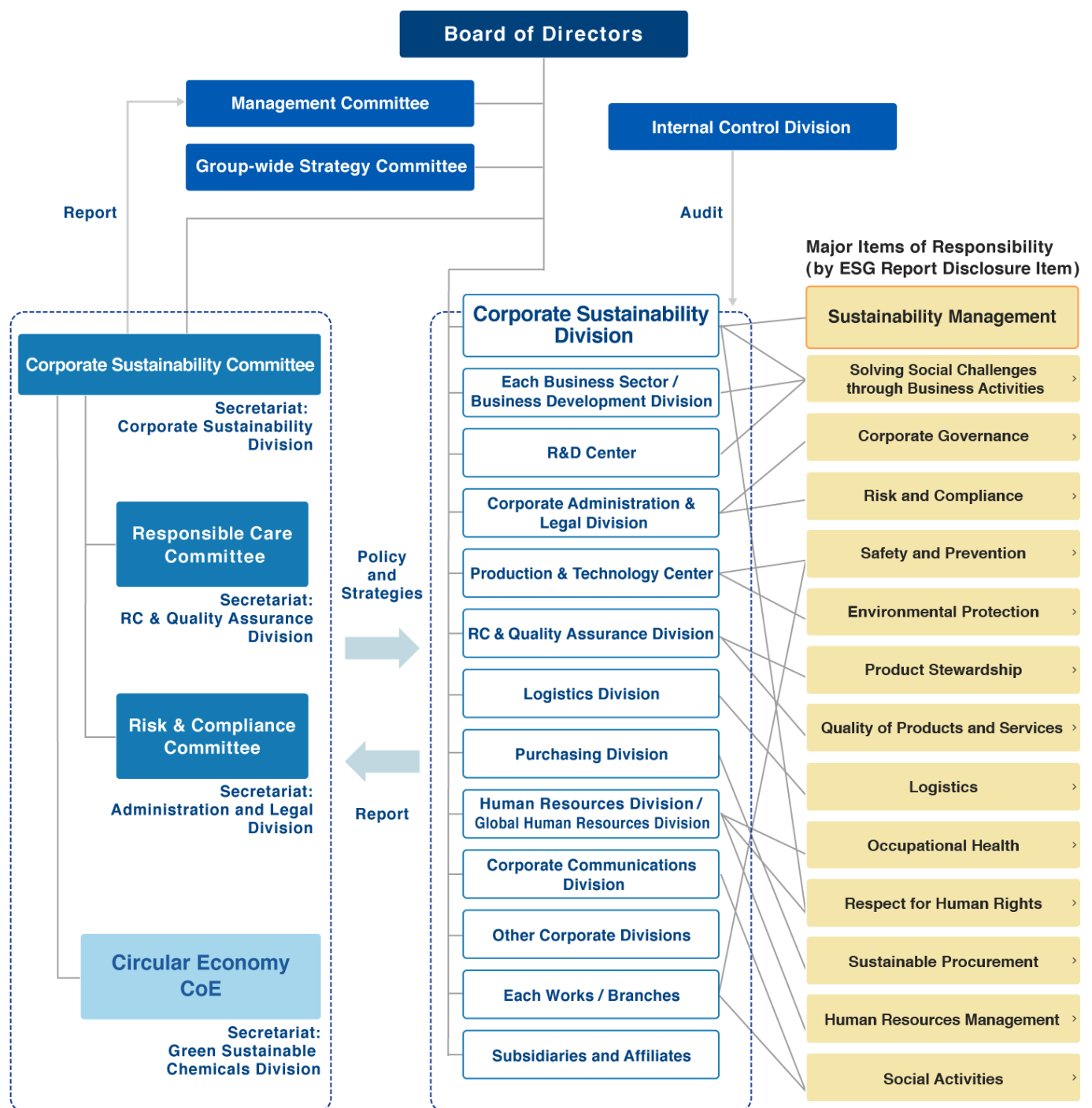
- Boost appeal to institutional investors, customers, and sustainability rating agencies
- Strengthen ESG dialogue

## System and Responsible Officers

The person in charge is the responsible officer for the Corporate Sustainability Committee.

With ESG concerns as a central feature of the Group's sustainability management, steps are being taken to discuss the Group's overall direction at various organizations including the Board of Directors and Corporate Sustainability Committee. In addition, the progress of VISION 2030 non-financial metrics and reviewing material topics are also undertaken within this system.

## Sustainability Management System



\* Click to link to each page.

In June 2018, Mitsui Chemicals restructured the CRS Committee into the Corporate Sustainability Committee in order to further enhance its ESG-related initiatives. The roles of the committee are presented as follows.

- Deliberate on the Group's policies, strategies, plans, and measures as they relate to the promotion of ESG
- Define the priorities and direction for strengthening and improving individual committees, including the Responsible Care Committee, Risk & Compliance Committee, and Circular Economy CoE
- Conduct performance evaluations of the Group's ESG initiatives and oversee internal distribution of results
- Consider other important matters relating to ESG

Although in principle, the company rule requires the Corporate Sustainability Committee to meet twice a year, it has been meeting three times a year since its launch. In FY2022, the committee will begin meeting four times annually, in response to the recent increase in the number of topics to be discussed.

If circumstances require us to plan new important matters related to promoting sustainability strategies and propose measures accordingly, the committee chair will establish a subcommittee to address such matters. Until FY2021, the committee has been working on climate change and plastics strategies by establishing a dedicated subcommittee. However, the recent trend, including the increasing call for carbon neutrality, has led to a wider range of initiatives for the subcommittee, increasing the need to further deepen and accelerate them. In response, in FY2022, the committee has restructured and upgraded the subcommittee into the Circular Economy Center of Excellence (CoE) to further strengthen the initiatives.

Details of the committee's deliberations and activity results are reported to the Management Committee. In addition, the committee submit particularly important agenda items to the Management Committee and Board of Directors for approval.

### Composition of the Corporate Sustainability Committee

Chair	President
Vice Chair	Responsible officer for the Corporate Sustainability Committee
Members	Executive Officers with specific titles, Sector presidents, Center Executive of the R&D Center, Center Executive of the Production & Technology Center, General Manager of the Corporate Planning Division, General Manager of the Human Resources Division, General Manager of the RC & Quality Assurance Division, General Manager of the Corporate Administration & Legal Division, General Manager of the Corporate Communications Division, General Manager of the Corporate Sustainability Division, other members appointed by the Chairperson
Secretariat	Corporate Sustainability Division

### Corporate Sustainability Committee (August 2021–May 2022) main discussion items and opinions (excerpt)

Set VISION 2030 non-financial metrics, formulate annual budgeting policy for non-financial matters

- It is important to clarify the basis for KPIs and target-setting and explain it to stakeholders.
- It is important to monitor whether we are progressing toward our ideal vision for 2030 from both financial and non-financial perspectives.
- As with financial metrics, it is important to stipulate the responsible departments and for each department to incorporate it into their annual budget as a matter of relevance and steadily implements it.



## Measures to reduce GHG emissions

- For each facility, we should not only set drastic reduction targets, but also consider step-by-step switchover measures.
- When considering measures to reduce GHG emissions, we must also take into account not only the cost aspect, but also marketing strategy to promote how reductions improve the added value of products.
- Regarding the utilization of biomass raw materials, it is necessary to grasp the supply chain data and prepare for procurement risks.

## Developing a foundation for life cycle assessment (LCA), including product carbon footprint (PCF)

- When accentuating the expansion of Blue Value™ products, we want to be able to externally communicate environmental impact (contribution level).
- We should respond with a sense of speed, with a stance of first moving to execution even if it is not 100% complete and making revisions and improvements in the implementation process.

## Revision of Human Rights Policy

- There are limitations on how much corporate divisions alone can manage the supply chain. They should collaborate with plants, business divisions, and others.
- Our attitude should be clearly communicated. At the same time, there are also difficulties in situations such as screening partners and business partners in countries with high human rights risks.

## Revising corporate sustainability system

- We have currently established a steering committee to respond to climate change and problems with plastic waste, but one of the opening points of discussion is whether this system will continue to be suitable.
- Discussions are necessary on what kind of system we should take concerning companywide risk management. TCFD response is also part of this.

\* Corporate auditors also attend committee meetings and are able to offer their opinions whenever necessary.

\* The chairperson is able to call on the attendance of executive officers and general managers who have an interest in the matters being deliberated and ask for their explanation and opinion.

## Incorporating ESG elements into the management system

The Mitsui Chemicals Group aims to build a management system that integrates financial and non-financial aspects by incorporating ESG elements into its management practice and strategies.

### Incorporating ESG elements in investment and financing decisions

The Mitsui Chemicals Group has established a system to incorporate ESG elements and perspectives on social challenges, including the SDGs, when making decisions on major investment and financing cases. Starting in FY2019, we decided to include estimates calculated based on ICP<sup>\*1</sup> in the investment planning form. Furthermore, in FY2022, in addition to IRRs, which were usually evaluated, we added ICP-based IRRs (c-IRR)<sup>\*2</sup> as a reference for investment/financing evaluation. We also updated the ICP price, based on a discussion by the Corporate Sustainability Committee.

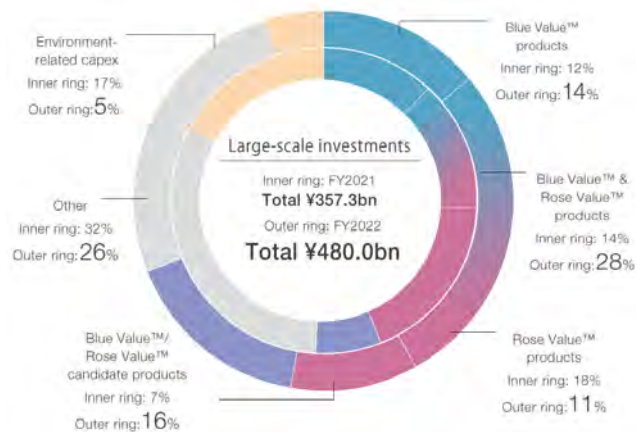
\*1 ICP:  
Internal carbon pricing.

\*2 c-IRR:  
IRR calculated by the following formula: Incremental profit ± GHG increase or decrease × ICP price

## Investment planning form (Example)

Name of proposed project [_____]			
Name of div. [_____]		Applicant [_____]	
Outline of investment plan			
Works [_____]	Plant [_____]	Products [_____]	
Purpose & details, total investment amount, execution plan			
[_____]			
Economic viability evaluation		IRR [_____] %	PP [_____] years
		c-IRR [_____] %	Payback period [_____] years <small>(The impact of ICP is taken into account.)</small>
Competitor analysis; business & marketing strategies; sales, profit, production, & headcount plans			
[_____]			
<b>ESG elements</b>			
◆ Related SDG Targets [_____] [_____] [_____]			
◆ Blue Value™/Rose Value™ contributions			
[_____] Reducing CO <sub>2</sub>		[_____] Enriching life and society	
[_____] Conserving resources		[_____] Extending healthy life-span	
[_____] Coexisting with nature		[_____] Protecting food	
◆ Social challenges [_____]			
◆ GHG emissions CO <sub>2</sub> increase or decrease [_____] t-CO <sub>2</sub> eq/year			
ICP equivalent: [_____] mil yen/year			

## FY2022 major investments\*



\* Not including alliances, M&A, financial assistance, etc. For FY2022-2024.

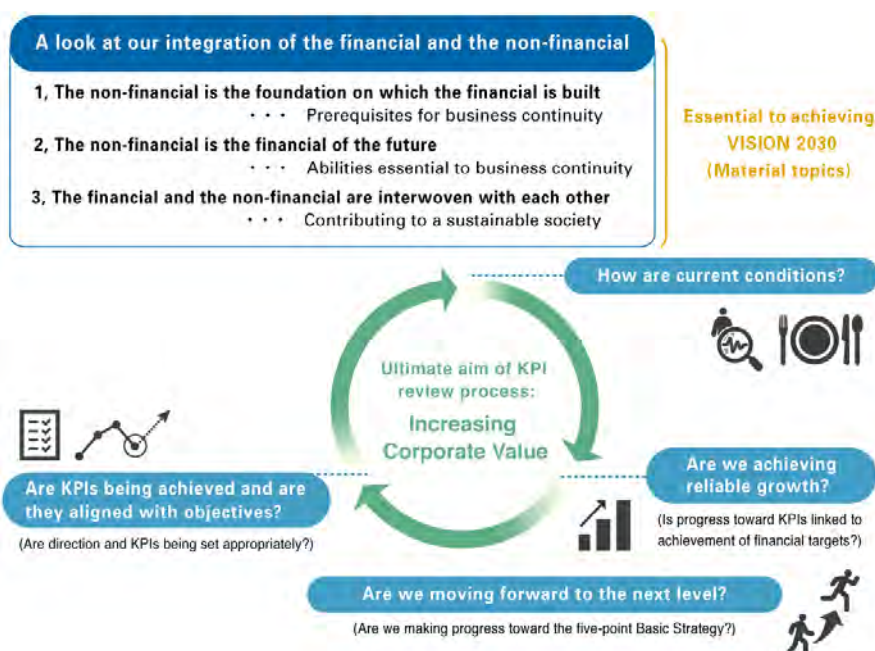
## Incorporating ESG elements in annual budgets

Mitsui Chemicals incorporates ESG elements into its basic company-wide budgeting policy.

In FY2020, in our efforts to accelerate the production of **Blue Value™** and **Rose Value™** products and services, we adopted the sales revenue ratios of Blue Value™ and Rose Value™ products and services as performance indicators in line with the goal under VISION 2030 (40% of sales revenue by product and service). Each business division plans its annual budget based on the challenges and measures for the targets and tracks their progress.

As for climate change measures, each division includes its short-, medium-, and long-term challenges, goals, and measures in its annual budget, and also adds measures for circular economy starting in 2022.

In addition, we have set KPIs and targets that are linked to our material topics as non-financial metrics for VISION 2030. By strengthening our managerial monitoring from both a financial and non-financial perspective, we aim to enhance our corporate value. For each KPI, we have designated an officer or a general manager responsible for monitoring progress, and the respective divisions manage these KPIs by incorporating them into their annual budgets and targets. In addition, the Corporate Sustainability Committee and the Company-wide Strategy Committee will review progress and related issues from the perspective of how progress toward KPIs each fiscal year will contribute to the achievement of non-financial targets for 2030 (appropriateness of KPI/target setting) and how efforts to achieve non-financial targets will contribute to the achievement of financial targets (relationship between financial and non-financial targets).



In order to practice ESG management, the Mitsui Chemical Group believes that it is essential for each and every employee to understand ESG and to incorporate it into their work.

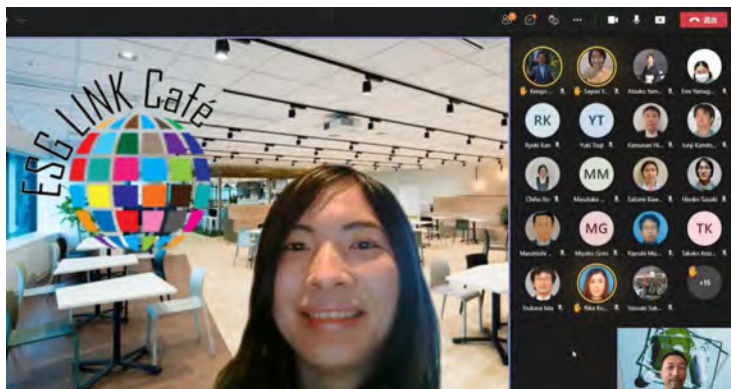
To that end, we have been holding ESG Link Café one-point lessons since fiscal 2020, which are dialogue-based online lessons for all employees to freely participate in, with the concept of “anyone can join as they please.” These lessons deal with and provide simple introductions of a wide variety of ESG-related topics with high social interest in addition to the Group’s ESG-related initiatives. With time set aside for free discussion after the lesson, the events are also utilized as a place for ESG-themed internal communication.

In addition to these lessons, we also work to instill understanding in the Company in a variety of ways, including a series of posts on the internal site explaining ESG-related terminology and workshops for workplaces and departments. Through a multi-layered approach, we will continue to support each and every employee in incorporating ESG into their own work, thereby facilitating the practice of ESG management.

### Main themes for ESG Link Café

- The Mitsui Chemicals Group’s initiatives to promote sustainability strategies
- The Mitsui Chemicals Group’s carbon neutral strategies
- Plastic waste trend of each country

\*Held ten times in FY2021, with 1,118 participants in total



## Stakeholder Engagement

The Mitsui Chemicals Group states “Contribute broadly to society” as its Corporate Mission over the five social contribution areas. We believe that we have to remain sensitive to society’s demands and expectations in order to realize this mission and sustainably develop our business with society. In line with this mission, we deepen communications with our stakeholders, on whom our business activities have an impact.

### Corporate Mission

**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.**



### Shareholders and Investors

The Mitsui Chemicals Group fulfills accountability by holding constructive dialogs with our shareholders and investors and discloses appropriate information in a fair, transparent, and timely manner. We examine the comments we welcome from shareholders and investors to improve our business management and information disclosure. We aim to enhance our corporate value through these efforts.

Priority issues	Major approaches
<ul style="list-style-type: none"> <li>• Constructive dialogs</li> <li>• Disclosing appropriate information in a fair, transparent, and timely manner</li> <li>• Reflecting opinions from shareholders and investors in our business management</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meeting (once per year)</li> <li>• Financial results briefing (4 times per year)</li> <li>• CEO Explanation business Result &amp; Outlook (twice per year)</li> <li>• Large-scale meetings (twice per year)</li> <li>• Individual meetings (approx. 400 times per year)</li> </ul>

	<ul style="list-style-type: none"> <li>● Area-specific briefings including on strategies for specific business areas and ESGs</li> <li>● Plant tour*</li> <li>● Mitsui Chemicals Report &amp; Mitsui Chemicals Group ESG Report (each once per year)</li> <li>● Website (updated as required)</li> <li>● Contact point</li> </ul>
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\* Not held in fiscal 2021 due to the COVID-19 pandemic.

## Customers

Making the best use of the Group's comprehensive resources, we aim to offer optimum solutions to our customers through our technologies, products, and services. The quality management of our products and services ensures that we can meet our customers' expectations.

Priority issues	Major approaches
<ul style="list-style-type: none"> <li>● Providing optimum solutions</li> <li>● Providing high-quality products and services</li> <li>● Providing appropriate information of products and services</li> </ul>	<ul style="list-style-type: none"> <li>● Website (updated as required)</li> <li>● Product and technological presentations</li> <li>● Participating in exhibitions</li> <li>● Contact point</li> </ul>

## Suppliers

In procurement, we strive to fulfill our environmental and social responsibilities across the supply chain from a global perspective. To achieve this, we need to form strong partnerships with our suppliers. We believe this initiative will help drive the sustainable development of the suppliers and Mitsui Chemicals Group.

Priority issues	Major approaches
<ul style="list-style-type: none"> <li>● Fair and honest transactions</li> <li>● Partnerships that aim at mutual sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>● Supplier sustainability evaluation and support for improvement</li> </ul>

## Local Communities

We would like to contribute to the sustainable development of local communities by operating our business in each site stably and safely. This cannot be attained without the trust of the community, and as part of this approach we create a number of opportunities to communicate with local residents.

Priority issues	Major approaches

- Fulfilling social responsibilities
- Building trust with communities
- Collaboration with NGOs and NPOs

- Opinion exchange meetings
- Business site tours
- Local newsletters
- Laboratory Classes on the Wonders of Chemistry program
- Disaster relief
- Website (updated as required)

## Industry, Government and Academia

We maintain a global business presence while complying with local laws and regulations.

In addition, in our efforts to drive sustainable development of the society and the Mitsui Chemicals Group, we endeavor to demonstrate leadership while working with industry, government, and academia.

Priority issues	Major approaches
<ul style="list-style-type: none"> <li>● Appropriate payment of taxes</li> <li>● Compliance with laws and regulations</li> <li>● Understanding the latest regulation trends</li> <li>● Suggestions toward developing industrial organizations or governmental policies</li> <li>● Open innovation under collaborations among industry, government, and academia</li> </ul>	<ul style="list-style-type: none"> <li>● Reports to industry, government, and academia</li> <li>● Participating in industry-government-academia projects</li> <li>● Participating in industrial and academic organizations</li> <li>● Joint research</li> </ul>

## Employees

The Mitsui Chemicals Group aims to attain both the “happiness and self-fulfillment of employees” and the “sustainable growth of the company.” To realize these aims, we are committed to creating working environments where diverse human resources can perform their roles dynamically, exerting their full capabilities.

Priority issues	Major approaches
<ul style="list-style-type: none"> <li>● Human resources development</li> <li>● Appropriate evaluation and compensation</li> <li>● Employee-friendly working environment</li> <li>● Diversity</li> <li>● Safety and prevention</li> <li>● Occupational health</li> </ul>	<ul style="list-style-type: none"> <li>● Intranet (updated as required)</li> <li>● Company newsletter (4 times per year)</li> <li>● Training sessions</li> <li>● Employee Engagement Survey (once every 2 to 3 years)</li> <li>● Labor-management discussion</li> <li>● Health and Safety Committee meetings</li> </ul>

## Support Initiatives

### UN Global Compact

Mitsui Chemicals, Inc. 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. Since then, we have participated in subcommittees of the United Nations Global Compact Network Japan in our efforts to collect a variety of information.

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.



### The 10 Principles of the UN Global Compact and Major Initiatives in the Mitsui Chemicals Group

Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	<a href="#">Respect for Human Rights</a>
Principle 2	make sure that they are not complicit in human rights abuses.	<a href="#">Sustainable Procurement</a> <a href="#">Human Resources Management</a>
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<a href="#">Respect for Human Rights</a> <a href="#">Sustainable Procurement</a> <a href="#">Human Resources Management</a>
Principle 4	the elimination of all forms of forced and compulsory labour;	
Principle 5	the effective abolition of child labour; and	
Principle 6	the elimination of discrimination in respect of employment and occupation.	
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	<a href="#">Blue Value™ / Rose Value™</a> <a href="#">Responsible Care Management</a>
Principle 8	undertake initiatives to promote greater environmental responsibility; and	<a href="#">Environmental Protection</a> <a href="#">Product Stewardship</a>



Principle 9

encourage the development and diffusion of environmentally friendly technologies.

[Sustainable Procurement](#)

#### Anti-Corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

[Action Guidelines](#)

[Risk and Compliance](#)

### Task Force on Climate-related Financial Disclosures (TCFD)

Mitsui Chemicals has declared its support for the Task Force on Climate-related Financial Disclosures (TCFD). We endeavor to deepen our insight into opportunities and risks that may impact our businesses and proactively disclose our initiatives.

[Mitsui Chemicals announced that it would endorse the recommendations issued by the Task Force on Climate-related Financial Disclosures \(TCFD\).](#)

[Implementing the recommendations of the TCFD](#)



### Joining of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum

In October 2022, Mitsui Chemicals joined the [Taskforce on Nature-related Financial Disclosures](#) (hereinafter "TNFD") Forum. The TNFD Forum is a network of companies and organizations who support the vision and mission of the TNFD, which is an international initiative launched in June 2021 aiming to achieve "nature-positive." Its goal is to develop a framework from a natural capital and biodiversity perspective to adequately assess and disclose the opportunities and risks that impact businesses. Through participation in the Forum, we aim to deepen our understanding of the TNFD framework and enhance nature-related disclosures.

[Biodiversity](#)

### Alliance to End Plastic Waste (AEPW)

As the founding member, Mitsui Chemicals Inc. joined [the Alliance to End Plastic Waste \(AEPW\)](#), established in January 2019. The Alliance is committed to the goal of investing \$1.5 billion over the next five years after its foundation to help reduce plastic waste and create a sustainable society.

[Mitsui Chemicals Joins New Global Alliance Formed to Take on Plastic Waste in the Environment](#)

[Biomass strategy and Recycling strategy](#)





## ZERO by 40: Agriculture Industry Unites to Help Eradicate Malaria by 2040

At the London Commonwealth Heads of Government Meeting, the Mitsui Chemicals Group and the world's leading Crop Protection companies jointly announce their commitment to support the research, development and supply of innovative products to save lives and help eradicate malaria by 2040.

### AGRICULTURE INDUSTRY UNITES TO DELIVER A PIPELINE OF INNOVATIVE VECTOR CONTROL TOOLS TO HELP ERADICATE MALARIA BY 2040



## The World Economic Forum (WEF)

Mitsui Chemicals joined [the World Economic Forum \(WEF\)](#) in September 2020. The World Economic Forum is an international organization (not-for-profit foundation) for public-private cooperation to improve global issues. Through participation in the WEF, we are striving "to realize a sustainable corporate group with a global presence" by working to address critical global issues together with global leaders.

## International Council of Chemical Associations (ICCA) and Chemical Industry Associations in Each Country

The Mitsui Chemicals Group is taking leadership in [the International Council of Chemical Associations \(ICCA\)](#) and Chemical Industry Association in each country\*.

Our membership of the International Council of Chemical Associations (ICCA) includes the then Company president, who has continued as a director for the six years since 2014. Since 2016, the Company's councilor has included the vice-chairperson of the Responsible Care Leadership Group (RC-LG) for four years and the chairman of the Asia-Pacific Responsible Care Organization (APRO). Our employees have also chaired the Joint Capacity Building Task Forces of each Leadership Group for the five years since 2015 and the Energy and Climate Change Leadership Group for the two years since 2018.

Our membership of the Japan Chemical Industry Association (JCIA) includes the general manager of the RC & Quality Assurance Division, who has been a JCIA board member since the 2010 establishment of a Responsible Care Committee and who has also worked as a member of the Chemical Management Committee since 2010.

Moreover, the Japan Initiative for Marine Environment (JaIME) was established by five chemical industry organizations such as JCIA in September 2018. We have been participated in JaIME since then.

\* Chemical Industry Association in each country and region:

The Japan Chemical Industry Association (JCIA), the Association of International Chemical Manufacturers (AICM, China), the Taiwan Responsible Care Association (TRCA), the Singapore Chemical Industry Council (SCIC), the Federation of Thai Industries (FTI), the American Chemistry Council (ACC), and the European Chemical Industry Council (CEFIC)

## Endorsing the METI's "GX League Basic Concept"

In February 2021, Mitsui Chemicals expressed its support for the **GX League Basic Concept**, which was announced by the Ministry of Economy, Trade and Industry, or METI. The GX League will be fully launched in April 2023 as a forum for companies actively engaged in Green Transformation (GX) to discuss the transformation of the entire economic and social system and practice initiatives to create new markets, together with players in government, universities, and financial institutions that are tackling challenges to achieve GX. In accordance with our declared commitment to achieve carbon neutrality, we have announced our support for the GX League Basic Concept and are determined to take initiatives and act as a role model in reducing our own carbon emissions, achieving carbon neutrality in the supply chain, and taking market measures through products and services, as required for participating companies, and join the efforts to create markets and make rules suitable for the era of carbon neutrality.



## Other Major Initiatives Supported by the Company; Major Organizations of which the Company is a Member

[Japan Business Federation \(Keidanren\)](#)

[Japan Petrochemical Industry Association \(JPCA\)](#)

## Material Topics and VISION 2030

### The Mitsui Chemicals Group's Material Topics and VISION 2030

The Mitsui Chemicals Group aims to engage in business activities that help solve social challenges and sustainably grow and develop with society by deepening the triple bottom line management approach, which is founded on the three axes of economy, environment, and society, and managing the Group companies from a long-term perspective.

In FY2021, we formulated VISION 2030, a long-term business plan until 2030.

To formulate VISION 2030, we returned to the Group's purpose, which is to solve social challenges. We hope to become an enterprise that sustainably provides solutions with the power of chemistry capable of creating diverse values to address the various social issues that have arisen amidst the accelerating environmental changes, so we have defined the Group's vision to achieve in the next 15 to 20 years as follows: become a corporate group that continues to grow sustainably by solving social issues with the power of chemistry and creating diverse values.

In light of the changes and megatrends in our internal and external environments, we have defined three visions of the ideal future society that we will contribute to create, as the direction for the Group to take in order to address the numerous environmental and social issues that may arise.

The first vision is to create "a circular society in harmony with the environment." In order to achieve harmony with the environment as stated in our corporate mission, we aim to build a circular society and economy by providing suitable products and services and building an appropriate business structure.

The second is to create "a comfortable society in which people can enjoy healthy lives and well-being." One of the Group's five focus areas for social contribution efforts is "promoting human well-being." We aim to build a flexible and resilient society even when the environment is rapidly changing, and to widely distribute products and services that enhance people's health, security, and comfort in life across the society.

The third one is to create "an inclusive society creating diverse value." The Group's mission is to contribute to society through innovation and the creation of materials with the power of chemistry. The source of innovation lies in the diversity of the people who create it. We believe that by accepting and utilizing the differences of one another, we can keep creating new values. By developing an inclusive society that celebrates diversity, we aim to create a world "no one will be left behind", as envisioned in the SDGs.

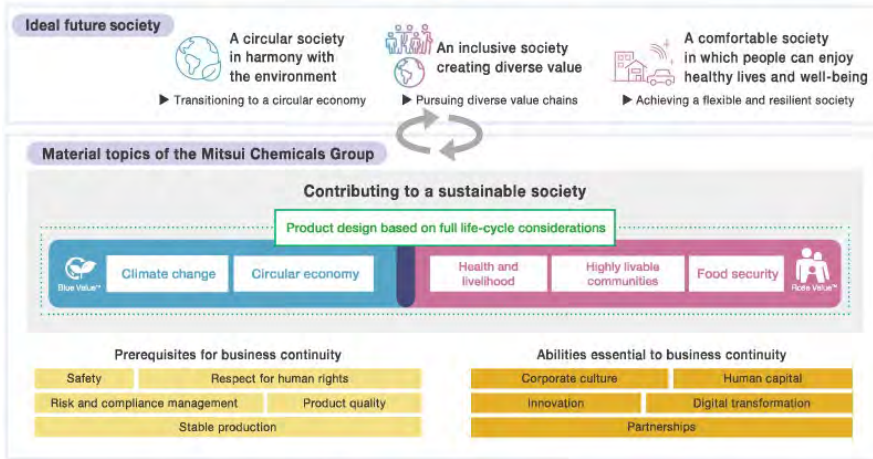
The Group has identified the material topics to address in order to realize these three visions of ideal future society and has incorporated them in the basic strategies for VISION 2030. In addition, we have set KPIs and targets linked to material topics as non-financial metrics to ensure the execution of VISION 2030. Based on these non-financial metrics, we intend to improve our corporate value while implementing specific PDCA cycles.

## Corporate Mission

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.

## Corporate Target

To be a corporate group that continues to grow through solving social challenges and creating diverse value with the power of chemistry.



## VISION 2030

## How we identify our material topics

Material topics are identified through understanding requests and expectations from stakeholders, and analyzing and verifying the scale of social influence from our business activities. We regard this process as significant for the Mitsui Chemicals Group to recognize issues we need to address to help build a sustainable society. In order to keep abreast of changes in the business environment and update its initiatives, the Group periodically and continuously identify material topics, check changes in importance, and reflects them in its business activities.

### Step 1: Identify issues

Identify issues comprehensively with reference to the following:

- ✓ Dialog with stakeholders <sup>\*1</sup>
- ✓ Information gathering regarding global social challenges <sup>\*2</sup>
- ✓ Guidelines for sustainability information disclosure and evaluation criteria used by sustainability rating agencies
- ✓ Group policies such as our Corporate Mission and Action Guidelines
- ✓ Content of discussions by internal committees and decision-making bodies
- ✓ Content of discussions during the formulation of VISION 2030

**\*1 Dialogue with Stakeholders:**

For example, we have established a system to reflect environmental and social challenges in our business activities by seeking advice from experts in the Blue Value™ and Rose Value™ [evaluation, reviewing, and certification processes](#). For human rights due diligence, we also conduct risk assessment and take other necessary measures with input from outside experts. In April 2022, we held our first briefing on ESG sustainability, where we exchanged questions and opinions on sustainability management with stakeholders. Through open and constructive discussions with various stakeholders, we aim to promote mutual understanding and build trust, while identifying expectations and needs for the Group and incorporating the findings in management practice.

**\*2 Information gathering regarding global social challenges**

Mitsui Chemicals is gathering information on the latest global issues by joining the [World Economic Forum](#). With forum members, we aim to resolve social challenges working together with international institutions and governments.

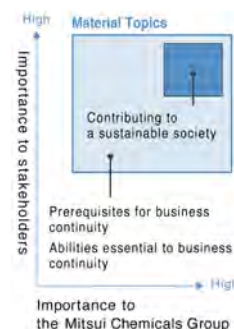
### Step 2: Classify issues by topic

Classify the identified issues by topic mainly with reference to guidelines for sustainability information disclosure and evaluation criteria used by sustainability rating agencies.

### Step 3: Prioritize and organize topics

We have mapped and prioritized each theme based on how important it is for stakeholders (or how impactful it is on society) and the Mitsui Chemicals Group, and shortlisted candidate themes after discussing them at the meetings of the Corporate Sustainability Committee, Management Committee, and Board of Directors.

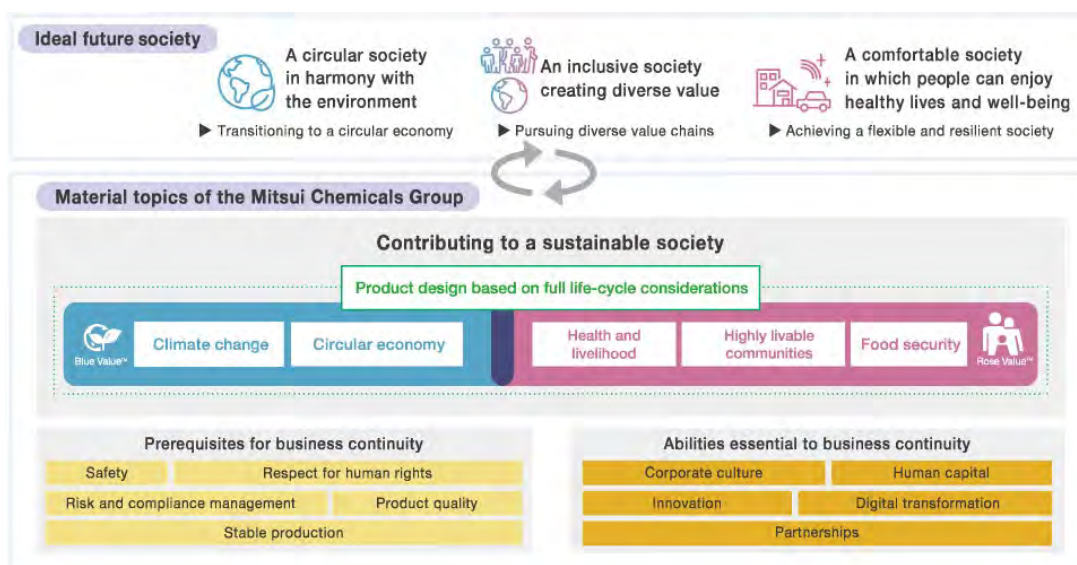
We comprehensively reviewed the short-listed material topics, and based on the primary impacts expected from the initiatives and the required timeline, we categorized the themes that are directly linked to creating both social and corporate values as “contributing to a sustainable society,” which in turn is underpinned by the categories of “prerequisites for business continuity” and “abilities essential to business continuity.” This framework effectively clarifies the direction for specific initiatives by category.



### Step 4: Confirm validity

We confirmed the validity of the identified material topics with the Corporate Sustainability Committee, Management Committee, and Board of Directors. Then acquired final approval from the Board of Directors.

When identifying material topics, it is necessary to take into account the changing importance of issues as well as emerging issues. Therefore, the Corporate Sustainability Committee and Company-wide Strategy Committee will annually review (analyze, consider and discuss) the material topics and update them as needed.



### Identifying risks and opportunities for material topics that contribute to a sustainable society

In classifying material topics, the Mitsui Chemical Group places those directly linked to corporate value and performance improvement achieved through business activities in the category of “contributing to a sustainable society,” which in turn is underpinned by the categories of “prerequisites for business continuity” and “abilities essential to business continuity.” The process for selecting each of the topics included in “contributing to a sustainable society” entailed analysis of opportunities and risks as detailed below.

\* Click [here](#) for the Group’s initiatives for “Prerequisites for business continuity” and “Abilities essential to business continuity.”

## Recognizing social challenges and achieving VISION 2030

Since individual social challenges are interconnected in a complicated way, they need to be addressed from a holistic perspective. That is why business activities need to take into account the environment and society throughout the entire product life cycle. We will not only provide products and services with low environmental impact and universal design, but also expand our solution-oriented business, which provides solutions that combine our products and services by taking a bird's eye view of the value chain to identify issues.

### Related pages

- [Non-financial metrics \(environmental and social targets\)](#)
- [Blue Value™/Rose Value™](#)

## Climate change

### Recognition of the social challenges

The target of the Paris Agreement is to maintain the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels, and it requires the society as a whole to achieve carbon neutrality. While working towards this target, there is a strong expectation for us to not only accelerate the transition to a low-carbon society (mitigation), but also build a resilient society (adaptation) that can cope with the challenges around us posed by climate change, such as intensifying natural disasters and the spread of infectious diseases.

#### ● Opportunities and ▲ risks for the Mitsui Chemicals Group (example)

● ▲ Shift to EVs, renewable energies becoming mainstream	▲ Tightening of regulations such as restrictions on greenhouse gas (GHG) emissions and carbon taxes
● ▲ Transition to renewable raw materials	▲ Decreased demand for products with high environmental impact
● Increased demand for low-carbon and decarbonized products and technologies	▲ Shortage and depletion of water resources
● Increased demand for products that support disaster prevention/mitigation, infection control, etc.	▲ Damage to production sites from storms and flooding
	▲ Supply chain interruptions

## Achieving VISION 2030

Recognizing that addressing climate change is a top priority, the Group has formulated climate change policies on mitigation and adaptation. As our efforts to help achieve the goals of the Paris Agreement, we aim to become carbon neutral by 2050. In our carbon neutrality strategy, the Group states that we aim to make the entire society carbon neutral by promoting our initiatives to reduce our own GHG emissions and helping reduce carbon emissions across the value chain through our products and services. We will develop and acquire fundamental technologies that help achieve carbon neutrality, promote low-carbon products by switching to raw fuel, and provide products and services for a resilient society, including for disaster prevention and mitigation.

#### Related pages

- [Non-financial metrics \(environmental and social targets\)](#)
- [Endeavor to create a circular economy](#)
- [Blue Value™ – Environmental Contributions](#)
- [Rose Value™ – QOL Improvement Contributions](#)
- [GHG and Energy](#)
- [Water](#)
- [Logistics](#)

## Circular Economy



### Recognition of the social challenges

As the world's population grows and global economic activities become more active, including in developing and emerging countries, conventional linear economic activities based on mass consumption and disposal of resources pose a major threat because they cross the planetary boundaries. In addition, the waste problem is becoming more serious due to improper waste management, resulting in the loss of natural capital. Under these circumstances, the entire society is expected to work together to shift to a circular economy that enhances environmental and social sustainability by decoupling resource use and economic growth.

#### ● Opportunities and ▲ risks for the Mitsui Chemicals Group (example)

● Increased opportunities for solutions business that take an ecosystem perspective	▲ Tightening of regulations on use of single-use plastics and decreased demand for plastics
● Increased demand for resource conservation and recycling technologies	▲ Tightening of regulations/international standards related to natural capital
● Increased importance of traceability throughout the product life cycle	▲ Increased risk of litigation arising from extended producer responsibility, etc.
	▲ Reputational damage due to shift in consumer sentiment

### Achieving VISION 2030



The Group promotes the development and acquisition of fundamental environmental technologies and the utilization and recycling of renewable raw fuel resources while working with industry, government, and academia. We aim to build a circular economy business model for all of our business units by providing solutions that go beyond providing materials, including creating materials and services that support the circular economy. We also recognize our responsibility as a producer of plastics, and are committed to conserving and restoring the natural capital, such as by addressing the plastic waste problem.

#### Related pages

- [Non-financial metrics \(environmental and social targets\)](#)
- [Endeavor to create a circular economy](#)
- [Blue Value™ – Environmental Contributions](#)
- [Environmental Protection](#)

## Health and livelihood



### Recognition of the social challenges

The increasing world population, the aging society, and issues around social diversity and social inclusion have brought about big changes in people's lives, raising various new demands on different aspects of our existence. In addition, it is one of the basic human rights of all people to enjoy the highest standard of health regardless of race, religion, political beliefs, or economic or social conditions. Therefore, we are expected to eliminate all types of inequalities in relation to health and improve the quality of life (QOL) of all people.

#### ● Opportunities and ▲ risks for the Mitsui Chemicals Group (example)

● Increased demand for products in mobility, medical equipment, pharmaceutical packaging materials, ICT fields, and residential construction materials in line with growing demand for healthier and more affluent lifestyles for all.	● Increased demand for products that improve hygiene and prevent the occurrence and spread of infectious diseases
● Increased demand for services/products that support participation in society by all people regardless of age, gender, race, disability, etc.	▲ Uncertainty due to the VUCA era
● Growing needs for comfortable and safe lifestyles and support for pre-symptomatic illness, in addition to measures concerning illness and health	▲ Increased risk of litigation in the health care and medical sectors

### Achieving VISION 2030

The Group is encouraging business units to take on social challenges. By creating products and services that help improve the QOL of all people, such as vision care (vision aid and eye protection), dental care, medical and hygiene products, as well as products that feature a universal design, we will continue to help build an inclusive society where people of all ages and genders, with and without illness or disability, in various regions (cities and remote areas) can live healthy, safe, and

comfortable lives. We will also create a more diverse value chain and make the society and the Group more sustainable through activities that promote mental and physical health, safe and comfortable lifestyles, as well as diverse social participation.

#### Related pages

- [Non-financial metrics \(environmental and social targets\)](#)
- [Rose Value™ – QOL Improvement Contributions](#)
- [Human Resources Management](#)

## Highly livable communities



### Recognition of the social challenges

In response to the increasing number of natural disasters caused by climate change, the need to develop disaster-resilient social infrastructures is rising. Such communities are equipped with measures to prevent or mitigate the disruption to the social infrastructure or supply chain caused by such disasters. Also, the increasing demand for conversion to smart cities and technological innovation—such as digital transformation (DX)—highlights the necessity to optimize the entire infrastructure and administration services.

#### ● Opportunities and ▲ risks for the Mitsui Chemicals Group (example)

● Increased demand for smart and resilient community development in accordance with population size (community ICT/infrastructure improvements)	▲ Recruitment and training of personnel for an advanced ICT-based society
● Increased demand for products that support disaster prevention/mitigation, infection control, etc.	▲ Increased need for disaster prevention measures at production sites and sophisticated risk management in business operations

### Achieving VISION 2030

In our efforts to make cities more sustainable, the Group aims to expand products and services that help prevent and mitigate disasters and extend the service life and strengthen the networks of infrastructure. To contribute to the provision of infrastructure and social infrastructure, we will build a solution-oriented business model that takes the entire value chain into account. In addition, the Group will pursue the creation of new values on a global basis by utilizing data and digital technologies while accelerating digital transformation.

#### Related pages

- [Non-financial metrics \(environmental and social targets\)](#)
- [Rose Value™ – QOL Improvement Contributions](#)

## Recognition of the social challenges

As the world's population grows, food supplies are becoming increasingly scarce, pushing up the number of people facing starvation across the world. Also, food security must be reinforced to prevent the negative influences on food production from drought and flooding induced by climate change, and agricultural damage caused by insects, which has also been aggravated through ecological disruption. In addition, food loss due to imbalanced supply and demand is said to be one of the factors in the increase in the number of people who suffer from hunger. We must reduce food loss because it is not only uneconomical, but also leads to environmental problems such as CO<sub>2</sub> emissions from production to disposal.

### ● Opportunities and ▲ risks for the Mitsui Chemicals Group (example)

<ul style="list-style-type: none"> <li>● ▲ Response to improvement of food preservation/distribution technologies (cold supply chains, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>● Increased demand for packaging containers that contribute to reduced food loss/food waste</li> </ul>
<ul style="list-style-type: none"> <li>● Increased demand for products and services that contribute to stable production and supply of food, as well as to reduced burden on workers</li> </ul>	<ul style="list-style-type: none"> <li>▲ Tightening of regulations on agrochemicals and food packaging materials</li> </ul>
<ul style="list-style-type: none"> <li>● Development of new technologies and expansion into new markets through collaboration with food and beverage manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>▲ Risk of restrictions on business activities due to severe water shortages, etc.</li> </ul>

## Achieving VISION 2030

To ensure food security for people around the world, the Group aims to improve food productivity and water accessibility by innovating agrochemicals and agricultural technologies. Furthermore, in our efforts to save resources and combat climate change, we will address the issues of food loss and food waste by improving food packaging materials and helping ensure safety and stability in food distribution.

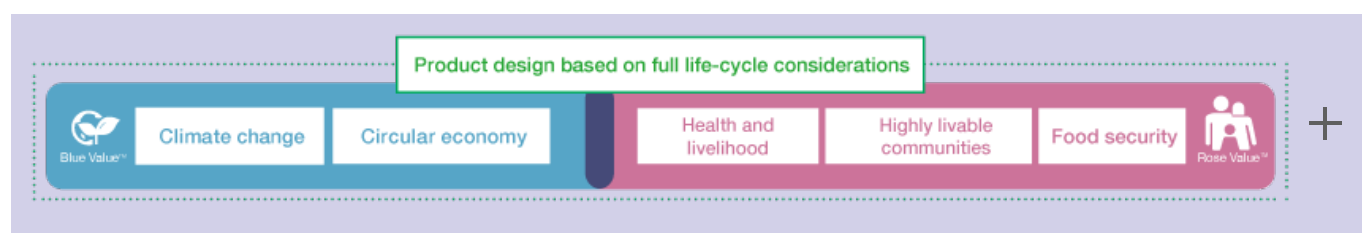
### Related pages

- [Non-financial metrics \(environmental and social targets\)](#)
- [Rose Value™ – QOL Improvement Contributions](#)

## Non-financial metrics (environmental and social targets)

We have set KPIs and targets that are linked to our material topics as non-financial metrics for VISION 2030. By strengthening our managerial monitoring from both a financial and non-financial perspective, we aim to enhance our corporate value. For each KPI, we have designated an officer or a general manager responsible for monitoring progress, and the respective divisions manage these KPIs by incorporating them into their annual budgets and targets. In addition, the Corporate Sustainability Committee and the Company-wide Strategy Committee will review progress and related issues from the perspective of how progress toward KPIs each fiscal year will contribute to the achievement of non-financial targets for 2030 (appropriateness of KPI/target setting) and how efforts to achieve non-financial targets will contribute to the achievement of financial targets (relationship between financial and non-financial targets).

### Results and targets



#### Our Ideal State in 2030

We have deployed a business model that is driven by social challenges (solution and circular economy-oriented) across all businesses to transform the portfolio and establish a main source of profit.

#### Non-financial KPIs

Sales revenue ratio of Blue Value™ and Rose Value™ products

#### Responsible officer

Responsible officer for Corporate Sustainability Division

FY2021 Results	FY2022 Targets	Targets for VISION 2030
Blue Value™ 18% Rose Value™ 20%	Blue Value™ 22% Rose Value™ 25%	Blue Value™/Rose Value™ 40%

#### Related pages

[Blue Value™ \(Environmental Contributions\)](#), [Rose Value™ \(QOL Improvement Contributions\)](#)

Our Ideal State in 2030		
As part of our efforts to achieve carbon neutrality in 2050, we are steadily meeting society's demand for GHG emission reduction for 2030 while securing our business feasibility.		
Non-financial KPIs		
GHG emissions reduction rate (Scopes 1 and 2) * compared to FY2013		
Responsible officer		
Responsible officer for Corporate Sustainability Division		
FY2021 Results	FY2022 Targets	Targets for VISION 2030
21%	21%	40%
Related pages		
<a href="#">Carbon neutral strategy</a> , <a href="#">Environmental protection</a>		

## Safety

Our Ideal State in 2030		
By committing to our principle of ensuring safety as our top priority, we have fostered a culture of safety and achieved a high level of safety throughout the Group amidst the diversifying talent, equipment, and technology.		
Non-financial KPIs		
Incidence of major accidents & serious occupational injuries		
Responsible officer		
Center Executive, Production & Technology Center		
FY2021 Results	FY2022 Targets	Targets for VISION 2030
Incidence of major accidents; Zero Incidence of serious occupational injuries; Zero	Incidence of major accidents; Zero Incidence of serious occupational injuries; Zero	Zero over the course of VISION 2030
Related pages		
<a href="#">Responsible Care Management</a> , <a href="#">Safety and Prevention</a> , <a href="#">Environmental Protection</a> , <a href="#">Product Stewardship</a> , <a href="#">Logistics</a> , <a href="#">Occupational Health</a>		

## Respect for human rights

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Our Ideal State in 2030		
We identify human rights risks across the Group's locations and suppliers in a timely manner and promptly take corrective actions for identified risks, disclosing the results both internally and externally.		
Non-financial KPIs		
Response to human rights risks		
Responsible officer		
Responsible officer for Corporate Sustainability Division		
FY2021 Results	FY2022 Targets	Targets for VISION 2030
Conduct human rights risk assessment of Mitsui Chemicals in accordance with the human rights framework from the Guiding Principles on Business and Human Rights	Revision and announcement of Human Rights Policy, Formulation of a medium-to long-term plan for human rights due diligence, and launch of on-site assessments	Identification & correction of risks by setting up a human rights due diligence system for all of our bases, both domestic and abroad
Related pages		
<a href="#">Respect for Human Rights</a>		

## Risk and compliance management



Our Ideal State in 2030		
The entire Group has zero tolerance towards compliance violation. We take action as soon as possible if we identify a risk of compliance violation and put measures in place across the Group on a permanent basis.		
Non-financial KPIs		
Incidence of major legal and regulatory violations		
Responsible officer		
Responsible officer for Risk & Compliance Committee		
FY2021 Results	FY2022 Targets	Targets for VISION 2030
1	Zero	Zero over the course of VISION 2030
Related pages		
<a href="#">Risk and Compliance Management, Bribery Prevention</a>		

## Quality



Our Ideal State in 2030
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By ensuring a high level of quality awareness among all employees and having an information infrastructure that can be used across the Group globally, we have turned the management system into one that overlooks the entire supply chain, from development to disposal, and generated and provided information. Our product and service quality are our strength that offers value to customers. Based on a high level of quality awareness among all employees and an information infrastructure that can be used by the Group globally, transform our management structure into one that can encompass the entire supply chain, from development to disposal, accomplish an active mechanism of providing information, and deliver a greater value to our customers with our high quality products and services.

Non-financial KPIs

**Incidence of PL accidents & serious product quality incidents**

Responsible officer

**Responsible officer for RC & Quality Assurance Division**

FY2021 Results	FY2022 Targets	Targets for VISION 2030
Zero	Zero	Zero over the course of VISION 2030

Related pages

[Responsible Care Management, Quality of Products and Services](#)

## Stable production



Our Ideal State in 2030

**Humans and AI work together to operate the plants efficiently, safely, and stably.**

Non-financial KPIs

**Implementation of advanced production technology centered on AI/IoT**

Responsible officer

**General Manager of the Production & Technology Center**

FY2021 Results	FY2022 Targets	Targets for VISION 2030
10 instances	10 instances	100 instances over FY2021-2030

Related pages

[Safety and Prevention, Environmental Protection, Logistics](#)

## Corporate culture



Our Ideal State in 2030

**The majority of the Group employees remains highly engaged.**

Non-financial KPIs		
<b>Improvement of employee engagement; Engagement surveys</b>		
Responsible officer		
<b>Chief Human Resources Officer (CHRO)</b>		
FY2021 Results	FY2022 Targets	Targets for VISION 2030
Engagement score: 34%	Implementation rate for improvement plans from our FY2021 survey: 100%	Engagement score: 50%
Related pages		
<a href="#">Action Guidelines</a> , <a href="#">Human Resources Management</a>		

## Human capital

Our Ideal State in 2030		
For each position, we constantly train and acquire successor candidates so they will be ready to succeed to the position as needed.		
Non-financial KPI		
<b>Key talent management (Successor coverage rate for critical positions)</b>		
Responsible officer		
<b>Chief Human Resources Officer (CHRO)</b>		
FY2021 Results	FY2022 Targets	Targets for VISION 2030
233%	235%	250%
Related pages		
<a href="#">Action Guidelines</a> , <a href="#">Human Resources Management</a>		

Our Ideal State in 2030		
Over one third of the Executive Officers are minorities, driving innovation and growth with their diverse capabilities, thereby transforming business portfolio.		
Non-financial KPIs		
<b>Executive officers with diverse backgrounds</b>		
* Mitsui Chemicals, Inc.		
Responsible officer		
<b>Chief Human Resources Officer (CHRO)</b>		
FY2021 Results	FY2022 Targets	Targets for VISION 2030

<b>Number of executive officers with diverse backgrounds</b> <b>3 (including 1 woman)</b>	<b>Diversity rate of future executives</b> <b>20%</b>	<b>Number of executive officers with diverse backgrounds</b> <b>10 or more</b> <b>(including at least 3 women)</b>
Related pages		
<a href="#">Action guidelines, Human Resources Management</a>		

Our Ideal State in 2030		
There is no difference in the promotion ratio between men and women, and the ratio of women in each management level has been maintained since they joined the company.		
Non-financial KPIs		
<b>Ratio of women in management positions (manager-level or above)</b> * Mitsui Chemicals, Inc.		
Responsible officer		
Chief Human Resources Officer (CHRO)		
FY2021 Results	FY2022 Targets	Targets for VISION 2030
4%	6%	15%
Related pages		
<a href="#">Human Resources Management</a>		

Our Ideal State in 2030		
Employees' health literacy has improved, enabling the Group to reduce the health risks for individuals and the organization constantly and autonomously.		
Non-financial KPIs		
<b>Health-focused Management; Average rate of lifestyle-related disease, and Frequency of absences from work due to mental health disorders</b> * Mitsui Chemicals, Inc.		
Responsible officer		
Chief Human Resources Officer (CHRO)		
FY2021 Results	FY2022 Targets	Targets for VISION 2030
<b>Average rate of lifestyle-related disease 10%</b> <b>Frequency of absences from work due to mental health disorders 0.54</b>	<b>Average rate of lifestyle-related disease 9.5%</b> <b>Frequency of absences from work due to mental health disorders 0.50</b>	<b>Average prevalence of lifestyle-related diseases ≤ 8.0%</b> <b>Frequency of absences from work due to mental health disorders 0.25</b>

Related pages

[Occupational Health](#)

## Digital transformation



Our Ideal State in 2030

Internally trained data scientists for businesses, R&D, and production technologies are deployed across the company, enabling organizational transformation for each site by utilizing cutting-edge digital technologies and data.

Non-financial KPI

Training of DX specialists; Number of data scientists

Responsible officer

Chief Digital Officer (CDO)

FY2021 Results

FY2022 Targets

Targets for VISION 2030

16

26

165 (by FY2025)

Related pages

[Mitsui Chemicals Teams up With NEC and ABeam Consulting to Create a DX HR Development Plan and Training Content for Corporate Transformation](#)

[Mitsui Chemicals, IBM Japan, and Nomura Research Institute Agree to Establish a Consortium for Realizing a Resource Circulation Society](#)

## Innovation



Our Ideal State in 2030

By creating new businesses and products as a comprehensive outcome of our R&D and marketing initiatives, we continue to create new values that help solve various social challenges, supporting the foundation of our sustainable growth.

Non-financial KPIs

Pipeline expansion, Value creation for beyond 2030 : Number of new areas of development at our Frontier Technology Center

Responsible officer

Center Executive, R&D Center

FY2021  
Results

FY2022 Targets

Targets for VISION 2030

—

Establishment of corporate venture capital (CVC) funds  
Stage 1 themes registered: 30 or more  
3 or more candidates

Number of development themes in the latter half of our Stage Gate System  
(vs. FY2020): double or more  
3 or more new areas

## Related pages

[Blue Value™/Rose Value™, Open Innovation](#)

## Partnerships



### Our Ideal State in 2030

The Group has sustainable procurement policies and mechanisms embedded on a global basis, and strong relationships for mutual understanding and growth with major suppliers.

### Non-financial KPIs

#### Sustainable procurement

### Responsible officer

#### Chief Digital Officer (CDO)

FY2021 Results	FY2022 Targets	Targets for VISION 2030
<p>Conducted the Sustainable Procurement Survey (SAQ21) and achieved a sustainable procurement ratio of 61%</p> <p>* Mitsui Chemicals, Inc.</p>	<p>Bolster communications with partners to solidify our efforts in this area (Interviews; requests for improvement; revision of guidelines, and turning these guidelines into common sense)</p>	<p>Sustainable procurement ratio 80%</p>

## Related pages

[Sustainable Procurement](#)

\* Please access each link to view the progress for each target.

# Endeavor to create a circular economy

Management System

Climate Change Policy

Carbon neutral strategy

Biomass strategy and Recycling strategy

Implementing the recommendations of the TCFD

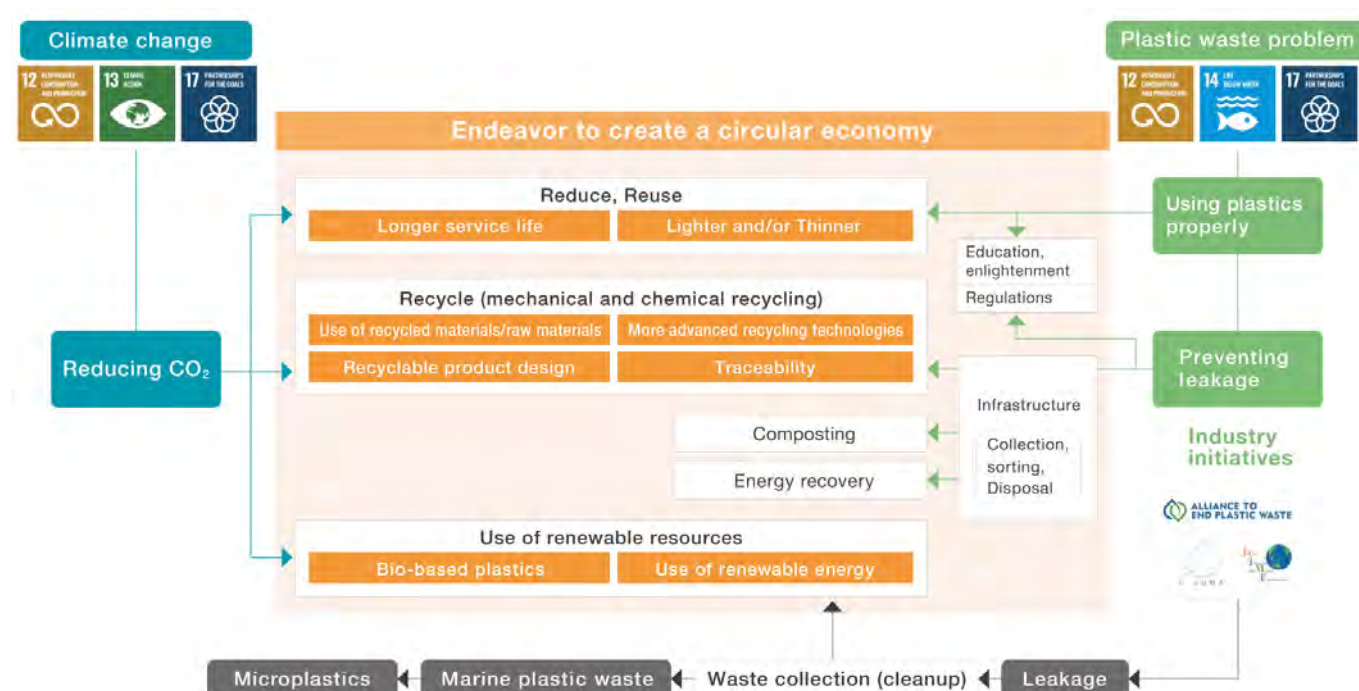
## Management System

### Basic Approach

As the world's population grows and global economic activities become more active, including in developing and emerging countries, conventional linear economic activities based on mass consumption and disposal of resources pose a major threat because they cross the planetary boundaries. In addition, the waste problem is becoming more serious due to improper waste management, resulting in the loss of natural capital. Under these circumstances, the entire society is expected to work together to shift to a circular economy that enhances environmental and social sustainability by decoupling resource use and economic growth.

Through its supply of chemicals and highly functional plastic products, the Mitsui Chemicals Group has contributed to improving convenience in people's lives and helped to solve social challenges by, for example, improving energy efficiency and reducing food loss. At the same time, our business activities require the substantial use of fossil resources and energy, which emits large volumes of greenhouse gases (GHGs). Also, in recent years there is growing concern over environmental pollution caused by plastic waste that has leaked into the oceans. The Group believes that these climate change issues cannot be separated from the massive consumption and disposal of plastic resources and leakage of plastic waste (hereinafter "plastic waste problem") and they must be addressed as a single issue.

By introducing the perspective of life cycle assessment, the Group will help create a circular economy for the entire product life cycle, from development, manufacturing, distribution, usage, recycling, and final consumption to disposal.

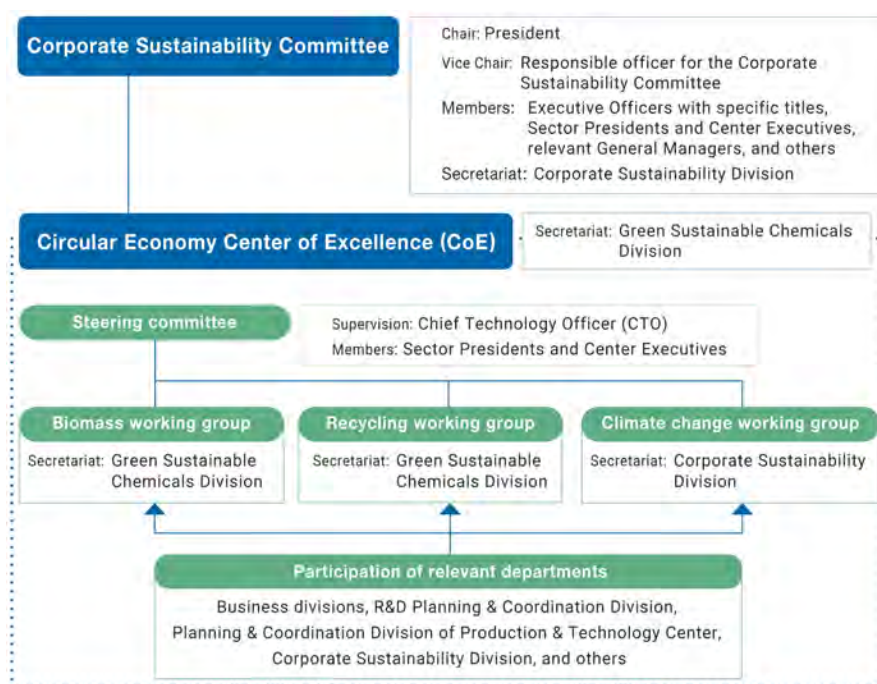




We have appointed the officer in charge of [the Corporate Sustainability Committee](#) to take charge of addressing climate change and plastic waste problems as ESG-related problems mentioned in the SDGs. The committee reviews Group-wide policies, strategies, and plans. The deliberation results are then reported to the Management Committee. The agendas are then, as necessary, discussed by the Group-wide Strategy Committee meetings and deliberated by the Management Committee. The Board of Directors then finalizes the agendas and monitors them.

In FY2022, we have established a new system called Circular Economy Center of Excellence (CoE) to further strengthen our endeavor to create a circular economy. The Circular Economy CoE system consists of biomass, recycling, and climate change working groups, which are overseen by the steering committee where the CTO serves as the supervisor and the Green Chemicals Business Promotion Office as the secretariat. Through participation in each working group by related departments and information sharing and discussion, it is working to efficiently promote both projects run individually by departments and cross-organizational projects. In addition, policies discussed at the steering committee are fed back to working groups, thus ensuring consistency with companywide strategy.

### Sustainability Management > System and Responsible Officers



The Mitsui Chemicals Group is committed to addressing “climate change” and “circular economy” as our material topics. We quantitatively evaluate and analyze the business impacts of climate change and the circular economy in terms of both opportunities and risks, reflecting them in our medium and long-term business strategies.

We identify risks and opportunities on a company-wide basis under our [risk management system](#). As for climate change measures, each division includes its short-, medium-, and long-term challenges, goals, and measures in its annual budget, and also adds measures for circular economy starting in 2022.

As one of the measures to accelerate the promotion of each strategy for realizing a circular economy, we updated our ICP from 3,000 yen/t-CO<sub>2</sub>e to 15,000 yen/t-CO<sub>2</sub>e in April 2022. By adding IRR (c-IRR), which takes ICP into account, as a factor in decision-making for large-scale investments, we have a system that discusses the necessity of investments not only from an economic standpoint, but also from the perspective of reducing environmental impact.

## GHG emissions reduction rate

KPI	Scope	FY2021	FY2022	FY2030 (Medium to Long-term)
		Results	Goals	Goals
<b>GHG emissions reduction rate (Scopes 1 and 2)</b> * compared to FY2013	<b>Mitsui Chemicals Group</b>	21%	21%	40%

## Sales revenue ratio of Blue Value™ and Rose Value™ products

KPI	Scope	FY2021	FY2022	FY2030 (Medium to Long-term)
		Results	Goals	Goals
<b>Sales revenue ratio of Blue Value™ products</b>	<b>Mitsui Chemicals Group</b>	18%	22%	40%
<b>Sales revenue ratio of Rose Value™ products</b>	<b>Mitsui Chemicals Group</b>	20%	25%	40%

# Endeavor to create a circular economy

Management System

Climate Change Policy

Carbon neutral strategy

Biomass strategy and Recycling strategy

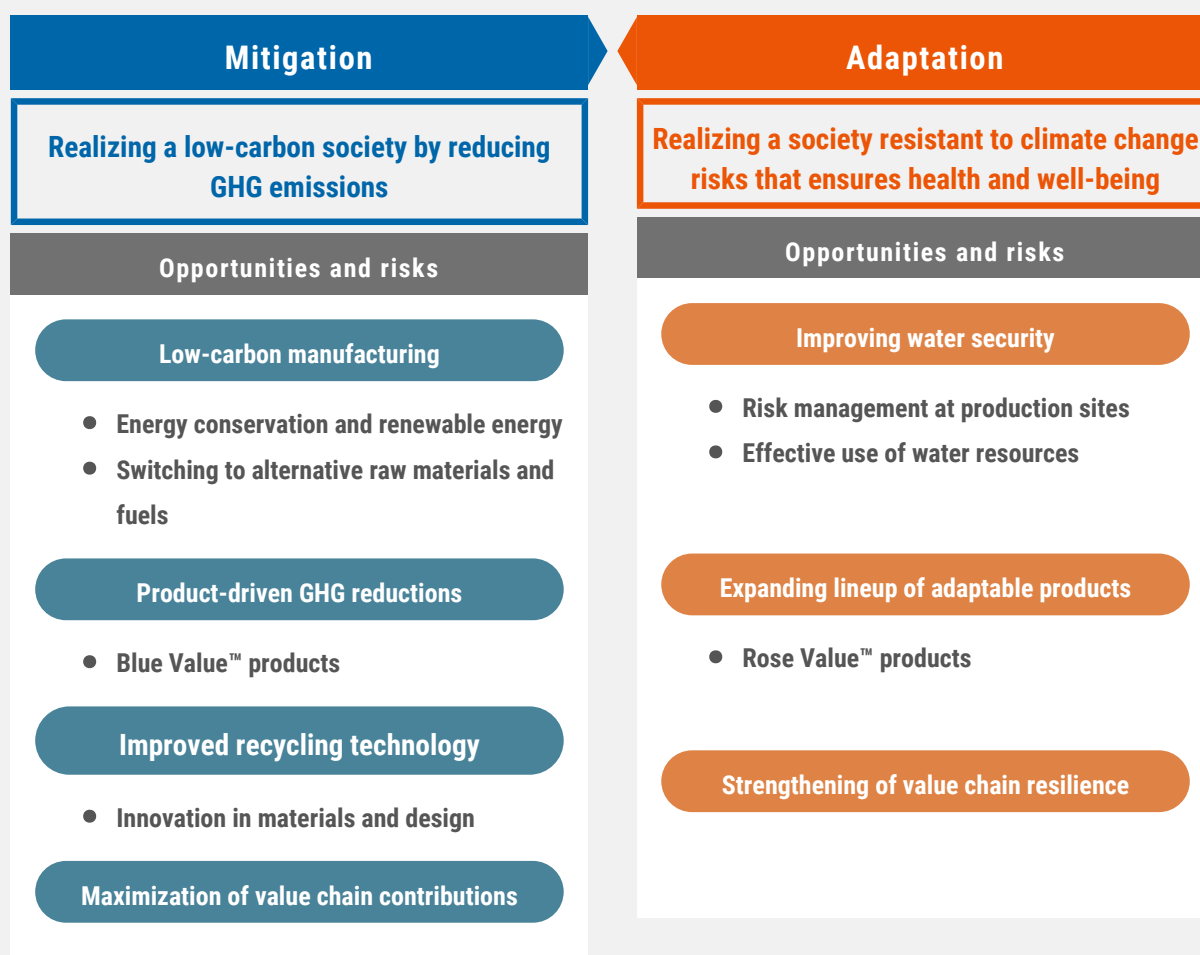
Implementing the recommendations of the TCFD

## Climate Change Policy

The target of the Paris Agreement is to maintain the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels, and it requires the society as a whole to achieve carbon neutrality. While working towards this target, there is a strong expectation for us to not only accelerate the transition to a low-carbon society (mitigation), but also build a resilient society (adaptation) that can cope with the challenges around us posed by climate change, such as intensifying natural disasters and the spread of infectious diseases. The Mitsui Chemicals Group considers climate change to be a top priority issue and has formulated and published a climate change policy in 2019.

### Mitsui Chemicals Group Climate Change Policy

Taking climate change as a top priority issue, the Mitsui Chemicals Group will undertake initiatives for collaboration and co-creation in the global value chain.



## Climate change

### Mitigation Measures: Realizing a low-carbon society by reducing GHG emissions

The Mitsui Chemicals Group focuses on reducing GHG emissions as one means of mitigating climate change. We are vigorously reducing GHG emissions throughout the value chain by improving production processes, products, and recycling technologies, with the aim of building a low-carbon society. GHG emissions reduction is incorporated in our [Carbon Neutral Strategy](#), which was established in FY2020, and we are now moving forward with concrete measures.

#### Low-carbon manufacturing

Chemical products use fossil-derived raw materials. They also convert fossil-derived fuels into steam and electricity in their manufacturing process. For these reasons, the chemical industry emits far more GHGs than other industries. We believe that we contribute greatly to reducing GHG emissions in the manufacturing of our chemical products by implementing various measures, including saving energy in the manufacturing process by mainly using high-performance catalysts and installing energy-efficient equipment, actively utilizing renewable energy, and switching to low-carbon raw materials and fuels.

#### Product-driven GHG reduction

Chemical products are used in a broad range of end products and can help reduce GHG emissions at each stage of the product lifecycle. The Group certifies products with environmental contribution value as [Blue Value™](#) products. One of the contribution criteria used in our certification assessment is CO<sub>2</sub> reduction, so we evaluate how much GHG emissions were reduced at each stage of the product lifecycle. By expanding Blue Value™ products, we will contribute to reducing GHG emissions in the society as a whole.

#### Improving recycling technologies

Resource recycling not only helps reduce the use of fossil materials and fuels by efficiently utilizing such resources, but it also decreases waste plastic and GHG emissions throughout the value chain. Under its recycling strategy, the Mitsui Chemicals Group is refining its technologies for plastic waste chemical and mechanical recycling, as well as mono-material production of packaging, with the aim of commercializing such technologies.

## Climate change

### Adaptation Measures: Realizing a society resistant to climate change risks that ensures health and well-being

As a measure to adapt to environmental changes caused by climate change, the Mitsui Chemicals Group is working to build resilient businesses and society by strengthening the resilience of the entire value chain, including by properly assessing risks and expanding lineup of adaptable products.

#### Improving water security

Damage from wind, floods, and drought are expected to increase as unrelenting global warming causes major changes in climate phenomena. Population increase and economic development are also expected to trigger large-scale water shortages. Owing to the fact that a lot of water is required in the manufacturing of chemical products—for example, for heating/cooling and product purification—changes in the available water supply or its quality could have a negative impact on our business activities. Given that the Mitsui Chemicals Group maintains production sites in multiple regions around the world, we evaluate risks according to the region and take measures to minimize physical and human risks.

### Expanding lineup of adaptable products

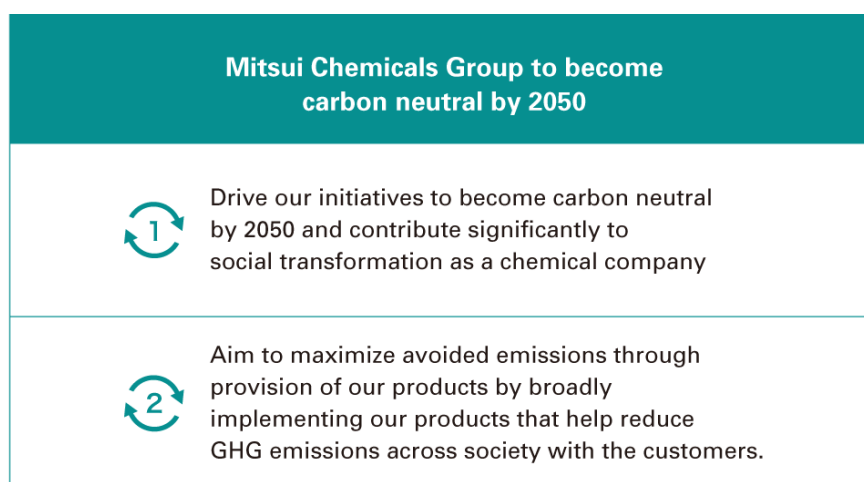
Global warming is having a profound impact on people's health and lives, as well as on agriculture and the ecosystem. The Mitsui Chemicals Group certifies products that help improve QOL, such as those that "enrich life and society," "extend healthy life-span," and "protect food," as **Rose Value™** products. By expanding Rose Value™ products that can help prevent and address infectious diseases, and prevent and mitigate disasters, we aim to realize a healthy and safe society that is resilient to climate change risks and can adapt to environmental changes.

## Carbon neutral strategy

### Carbon neutrality declaration

The Mitsui Chemicals Group believes that as a chemicals company we have an important role to play in helping to build a sustainable society that can limit the average global temperature rise to 1.5 degrees Celsius. Therefore, in November 2020, we declared our commitment to become carbon neutral by 2050. In addition to reducing the Group's GHG emissions (Scopes 1 and 2), we also aim to maximize GHG emissions avoided throughout the lifecycle of our products, thereby contributing significantly to the social transformation that allows the entire society to become carbon neutral.

We are considering investing an amount to the scale of 140 billion yen in carbon neutrality by 2030, and we will flexibly invest funds across the entire company.



### The Mitsui Chemicals Group's carbon neutrality strategy



#### Strategy 1. Reducing GHG emissions (Scopes 1 and 2) of the Mitsui Chemicals Group

The chemical industry uses fossil-derived raw materials and converts fossil-derived fuels into steam and electricity in its manufacturing process, so the chemical industry emits far more GHGs than other industries. We believe that we contribute greatly to reducing GHG emissions in the manufacturing of our chemical products by implementing various measures, including saving energy in the manufacturing process by mainly using high-performance catalysts and installing energy-efficient equipment, actively utilizing renewable energy, and switching to low-carbon raw materials and fuels.

First, we have set targets for reducing GHG emissions for Scopes 1 and 2 to accurately identify the Group's GHG emissions and proactively work to reduce them.

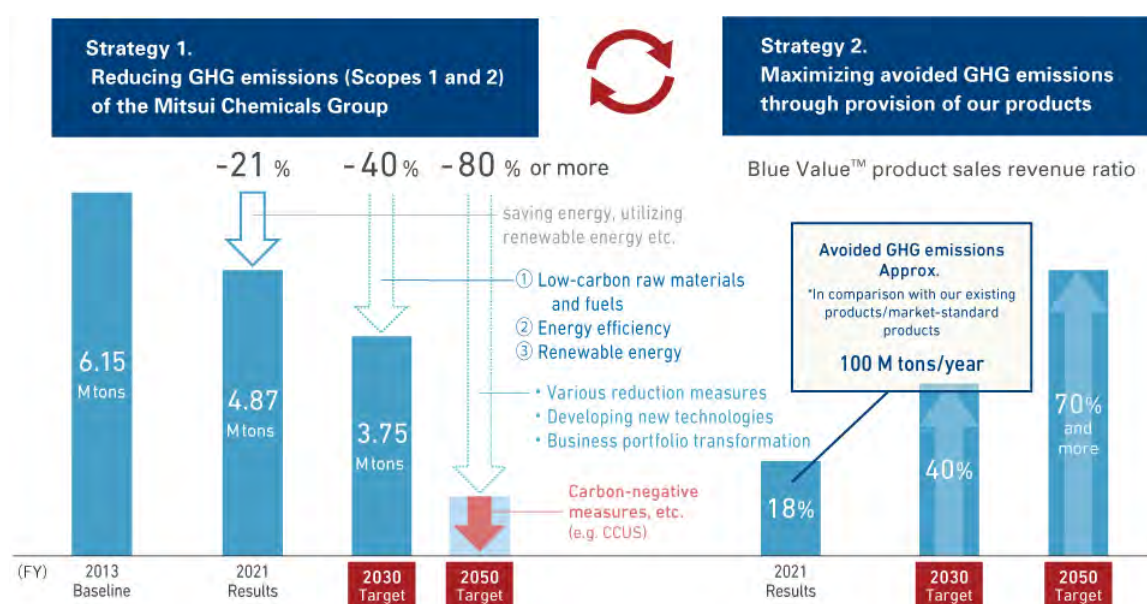


Specifically, we will take various reduction measures to reduce the GHG emissions by 40% by FY2030, compared to FY2013. We have set this as one of our non-financial targets in VISION 2030. In order to reach carbon neutrality by 2050, in addition to the aforementioned measures, we intend to achieve 80% or more of these reductions mainly through development of new technologies and the transition of our business portfolio—though this presupposes external factors concerning markets and customers falling into place or changing. We also plan to pursue policies which include the development and implementation of carbon-negative technologies, such as carbon capture, utilization, and storage (CCUS), to handle the remaining 20%.

We plan to focus our efforts to reduce GHG emissions (Scopes 1 and 2) on production sites with greater emissions volumes. We will work to efficiently maximize the impact by rolling out technologies and systems across the Group.

## Strategy 2. Maximizing avoided GHG emissions through provision of our products

Chemical products are used in a broad range of end products and can help reduce GHG emissions at each stage of the product lifecycle. Through our supply of Blue Value™ products that make significant contributions to the environment, we aim to maximize avoided emissions over the entire product life cycle. In this way, we intend to help all of society achieve carbon neutrality. The amount of avoided emissions is evaluated by comparing with our existing products/market-standard products from the perspective of life cycle assessment, which is also a criterion for Blue Value™ certification. Based on the sales of Blue Value™ products and services in FY2021, we estimate that these products contribute to approximately 1 million tons/year in avoided emissions. For VISION 2030, we have set a non-financial target of achieving a revenue share of 40% or higher for Blue Value™ products with the aim to become carbon neutral by 2050.



### Case 1: Low-carbon raw fuels:

#### Fuel conversion - Utilizing ammonia -

While naphtha crackers are key for a chemicals company, they also emit a large amount of GHGs. By switching from the conventional methane-based fuel to one in which ammonia is the principal component in naphtha crackers, the Mitsui Chemicals Group hopes to bring the amount of CO<sub>2</sub> generated in combustion as close to zero as possible and contribute to reduction of GHG emissions across the entire petrochemicals industry.

Ammonia, which does not contain carbon, has well-established transport and storage technologies, and it is said to be easier to handle as a heat source than hydrogen. With Mitsui Chemicals, which has both naphtha cracker and ammonia businesses, acting as the leading company, we are proceeding with demonstration tests in collaboration with Maruzen Petrochemical Co., Ltd., Toyo Engineering Corporation, and Sojitz Machinery Corporation, which have knowledge and technical expertise in ethylene plants. The demonstration period is envisaged to be the 10 years from fiscal 2021 to fiscal 2030, with a goal of developing ammonia burners and test furnaces by 2026 and social implementation of entirely ammonia-fired crackers by 2030.

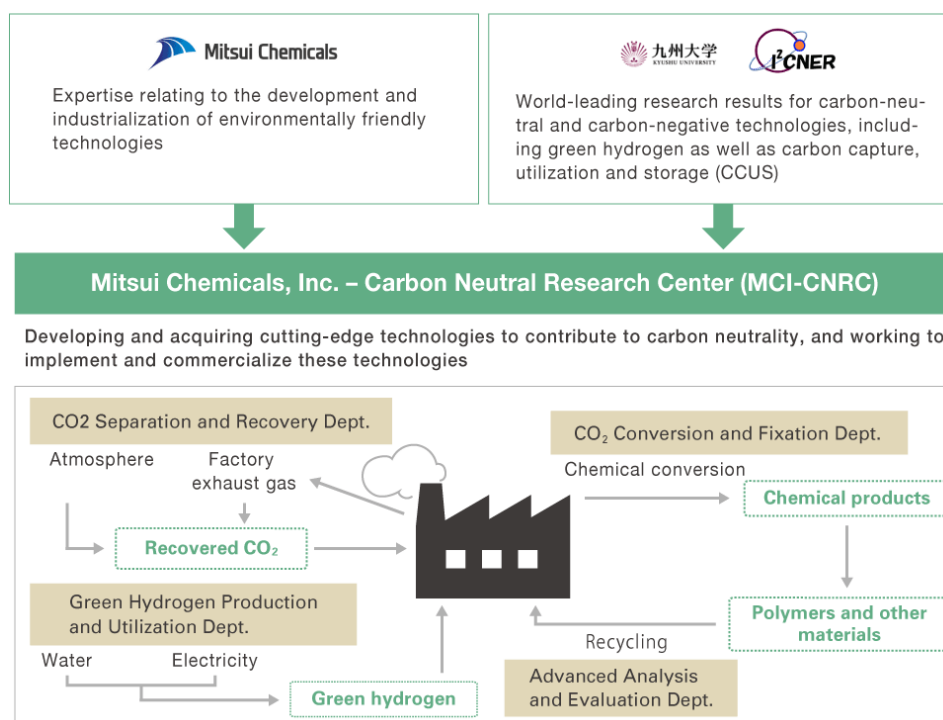
This project has been selected as a demonstration test for “development of advanced technologies for naphtha crackers” by the Green Innovation Funding Program publicly solicited by the New Energy and Industrial Technology Development Organization (NEDO).

## Case 2: Developing new technologies



### - Establishing Mitsui Chemicals Carbon Neutral Research Center -

In October 2021, we established the Mitsui Chemicals Carbon Neutral Research Center within the International Institute for Carbon-Neutral Energy Research (I<sup>2</sup>CNER) of Kyushu University to develop and commercialize cutting-edge environmental infrastructure technologies that help achieve carbon neutrality. I<sup>2</sup>CNER is renowned as the world’s first research institution to bear the word “carbon-neutral” in its name. In 2010, I<sup>2</sup>CNER was adopted as the Ministry of Education, Culture, Sports, Science and Technology (MEXT)’s World Premier International Research Center Program (WPI) and was designated as the location for WPI Academy in 2020. I<sup>2</sup>CNER is the world’s state-of-the-art research center for carbon neutral technologies. We will continue with our collaborative research based on our expertise in the development and industrialization of low environmental impact technologies and I<sup>2</sup>CNER’s world-leading knowledge of green hydrogen, of how to capture, store and convert CO<sub>2</sub>, and of other carbon-neutral and carbon-negative technologies. In addition, we will accelerate our efforts to deploy these technologies across society by conducting intensive and efficient research on the elemental technologies necessary for achieving carbon neutrality.



## Case 3: Reducing GHG emissions throughout the life cycle



### - Visualization of environmental impact through calculation of product carbon footprint (PCF) -

As part of product stewardship, The Mitsui Chemicals Group has been building a life cycle assessment (LCA) system, which also touches upon product carbon footprint (PCF), for over 10 years. By assessing the environmental impact of the Group’s products and services through a simplified LCA (Blue Value™ Index), products that have environmental contribution value are certified as Blue Value™ products and are broadly shared with society. Recent years have seen growing demand in society for visualization of the environmental impact of the product life cycle as a whole, and the Group is further strengthening its PCF/LCA information provision system.

We have already completed Gate to Gate<sup>\*1</sup> PCF calculations for products manufactured at three Mitsui Chemicals’ works (Ichihara,

Osaka, and Iwakuni-Ohtake). Moving forward, we plan to expand the range of calculation to Cradle to Gate<sup>\*2</sup> and make calculations for products, excluding those for which data on raw materials and other factors cannot be used, at all Mitsui Chemicals' works during the first half of fiscal 2022. In addition, we are pushing forward with calculations based on calculation methods that encompass international transport with regard to GHG emissions in transport from product shipping to customer delivery<sup>\*3</sup> (conforming to the Global Logistics Emissions Council [GLEC]) framework.

Going forward, we will continue to work with stakeholders in the supply chain to further strengthen our system in order to provide highly accurate and timely PCF/LCA information.

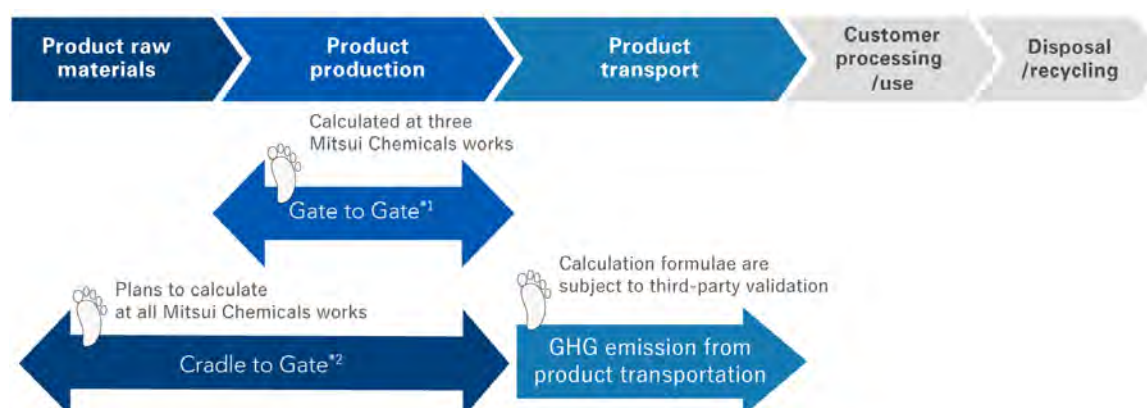
**\*1 Gate to Gate:**

From gate to gate. This refers to the period from the time when product materials are delivered to the manufacturing plant to the time when the product is shipped from there.

**\*2 Cradle to Gate:**

From cradle to gate. This refers to the process from the extraction of product materials to their shipment from the manufacturing plant.

**\*3** Only applies to transportation arranged by the Mitsui Chemicals Logistics Division. See [here](#) for details.



# Endeavor to create a circular economy

Management System

Climate Change Policy

Carbon neutral strategy

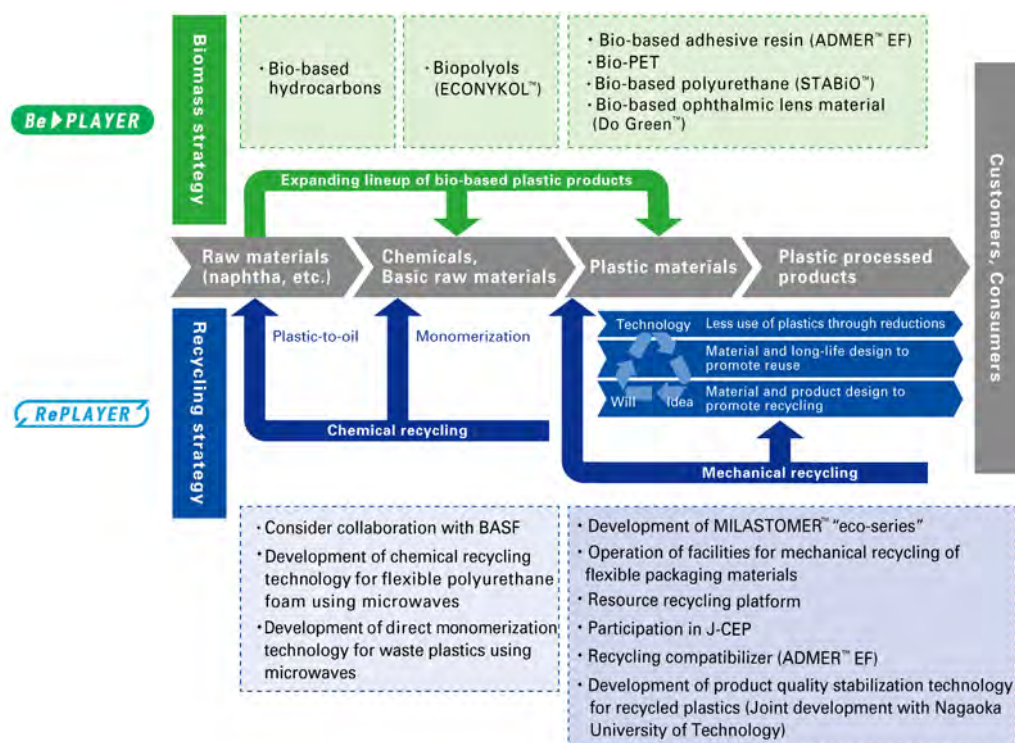
Biomass strategy and Recycling strategy

Implementing the recommendations of the TCFD

## Biomass strategy and Recycling strategy



On the issue of plastics—which are mainstay products of the Mitsui Chemicals Group—we are focusing on the following two strategies that cover the entire supply chain. By implementing these strategies and addressing the problem of marine plastic waste, we will continue to promote resource recycling and endeavor to create a circular economy.



### Biomass strategy: Expanding lineup of bio-based plastic products

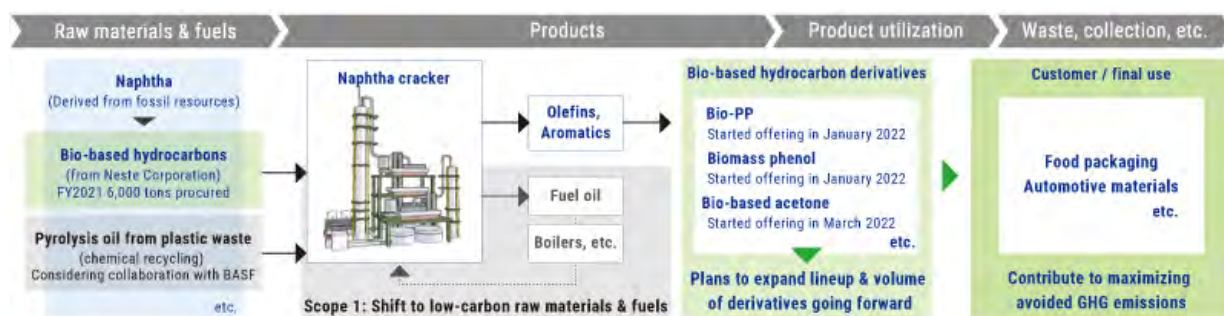
Bio-based plastics made from plants—which grow by absorbing carbon dioxide—are attracting much attention as a possible substitute for conventional petroleum-derived plastics. As we believe that a shift to biomass feedstock encourages the recycling of resources, curbs the use of new fossil fuels, and therefore helps mitigate climate change, we aim to expand our lineup of bio-based plastic products.

#### Case: Starting production and sales of Japan's first bio-based chemicals and plastics from bio-based hydrocarbons

The Mitsui Chemicals Group has introduced bio-based hydrocarbons produced by Neste Corporation (in Finland) from renewable raw materials, such as bio-based waste and residue oils, as feedstock for our naphtha crackers at our Osaka Works. At the same time, we have started producing and marketing renewable chemicals (such as phenol and acetone) and bio-polypropylene (PP) under the mass balance approach, which allows for the allocation of bio-based content to specific products. In order to expand the lineup of bio-based hydrocarbon derivatives that we can offer, we are currently in the process of obtaining ISCC PLUS certification for a variety of our products.

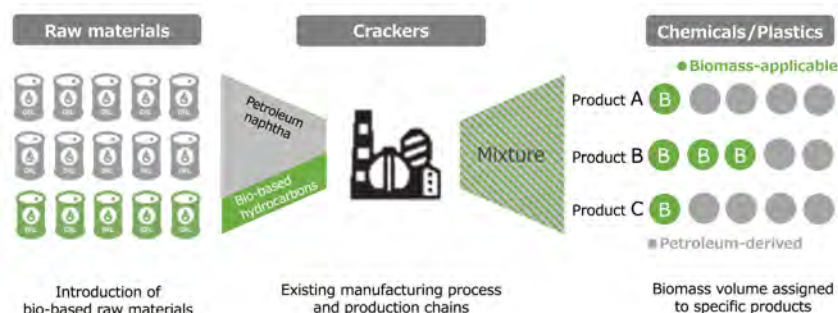


Furthermore, in fiscal 2021 we procured a total of 6,000 tons of bio-based hydrocarbons. Moving forward, we will increase the amount procured in order to meet demand, and contribute to the popularization of renewable chemicals and bio-based chemicals and plastics.



## Mass balance method

Mitsui Chemicals produces bio-based chemicals and plastics by mixing fossil-derived naphtha with bio-based hydrocarbons in the manufacturing process. These products are made of mixtures of fossil-derived and bio-based raw materials, but we allocate the share of bio-based raw materials used during production only to specific products and provide them to customers. This method is called the mass balance method. In this method, products allocated with the share of bio-based raw materials can be considered to be "100% bio-based," enabling the companies to meet diverse biomass product needs of their customers. The mass balance method has already been widely applied in the paper, palm oil, and other industries, and is expected to become more common in the chemical industry in the future. We have acquired a third-party certification (ISCC PLUS certification) to prove that we properly manage and run the mass balance method in a reliable way. The Group believes that this method will play an important role not only for biomass products, but also as a scheme to help expand the portfolio of recycled chemical products in the future.

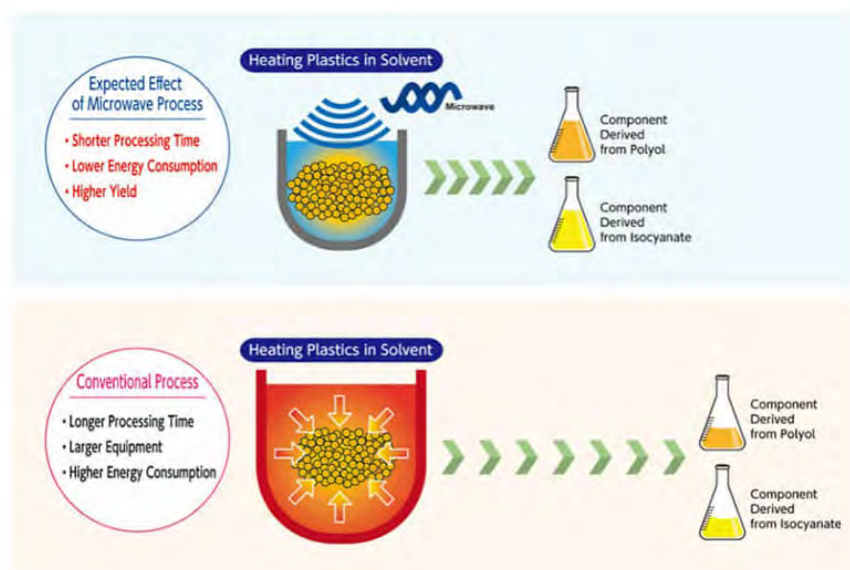


## Recycling strategy: Promoting plastic recycling

As social issues related to waste management, such as resource depletion and the problem of marine plastic waste, become more serious, the Group considers waste plastics and other materials as resources, and is promoting initiatives to effectively utilize them. Promoting resource circulation through recycling can contribute to not only effective utilization of resources such as reduction of fossil raw materials and fuels, but also reduction of waste through recycling of waste plastics and reduction of GHG emissions throughout the value chain. Through the development of new materials, recycling systems, and value chains, we will make the circle of the circular economy bigger and broader, such as through chemical and mechanical recycling of waste plastic, development of mono-material packaging, and support for startup businesses.

Chemicals borne out of chemical recycling can be used in the production of new materials such as plastics, without compromising on quality in even the most sensitive applications. This fact makes it a promising complementary solution for recycling waste plastic that is not suitable for mechanical recycling. Based on a strategic alliance with Microwave Chemical Co., Ltd., we are working on the joint development of chemical recycling technology using microwaves.

Microwaves are electromagnetic waves used in household microwave oven and in the field of telecommunications. Being able to transfer energy to materials directly and selectively, microwaves have the potential to make conventional chemical processes significantly more energy-efficient. Furthermore, microwaves can be made from electricity, making them an environmentally harmonious technology that could contribute to the reduction of CO<sub>2</sub> through the utilization of renewable energy. We are working on the chemical recycling of conventionally difficult-to-recycle, like automobile shredder dust (ASR), a polypropylene-based mixed plastic, thermosetting seat molding compound (SMC), which is used in items such as bathtubs and automobile parts, and flexible polyurethane foam, which is used in items such as mattresses. All of them have achieved good results in the initial study. In the future, we plan to start demonstration testing as soon as possible after conducting verification testing at a bench facility.



Microwave-driven chemical recycling of polyurethane

## Case: Verification experiment on the commercialization of mechanical recycling - Recycled eco-benches produced through the Japan Circular Economy Partnership (J-CEP)

Mitsui Chemicals has joined J-CEP, a new business partnership of industry, government and academia engaged in promoting the circular economy, as a joint managing company. J-CEP participated as a partner organization in the initiative to establish a “collection station dedicated to plastic resources,” which is led by Kobe City, Hyogo Prefecture, and Amita Holdings Co., Ltd., and conducted a demonstration experiment to set up a resource collection station with a community space at Futaba Gakusha in Nagata-ku, Kobe City for about three months from November 2021. In general, it is said that recycling plastic waste from households is difficult because it is often poorly sorted. Futaba Gakusha identified the collected plastics (containers, etc.) and asked residents to clean and bring them in with the aim of facilitating the subsequent recycling process.

In addition, we intentionally mixed several different types of plastics such as PP (polypropylene), PE (polyethylene), PET (polyethylene terephthalate), and PS (polystyrene) and added our adhesive polyolefin “Admer™” to create a recycled eco-bench with our trademark “Recycled Inside” to indicate that it contains recycled materials inside even though they are not visible from outside. Admer™ contributes greatly to the promotion of plastic recycling not only by compatibilizing different plastics, but also as a recycling agent that reduces the loss of strength and impact resistance.



## Trialing commercialization for material recycling



### A key “PLAYER” creating the future: Toward value co-creation and social implementation through the value chain

A significant social transformation is necessary to realize carbon neutrality and a circular economy society. As a materials manufacturer that supports life infrastructure of the population, the Mitsui Chemicals Group has the potential to change people’s lifestyles from the ground up. Recognizing this strength and role, we have the responsibility to broadly provide cross-Group solutions to society. In order to fulfil this responsibility, it is important to continue proactive communications and gain societal recognition as a comprehensive solutions company in the field of carbon neutrality and circular economy. To this end, the Group has launched two brands with the key messages of “we explore the materials of materials” and “we’re reshaping the world from a material level”—BePLAYER™, which achieves carbon neutrality with biomass, and RePLAYER™, which creates a circular economy through recycling. By promoting both of these solution brands, which aim to utilize renewable resources and manage stock resources, we aim to resolve multi-faceted and complex social challenges, and take sustainability a step further and provide regenerative lifestyles from the material level.

Looking back, the history of Mitsui Chemicals is also a history of switching to alternative raw materials. Starting with the production of chemical fertilizers from the byproduct gas of coal coke in 1912, we have expanded our business while switching raw materials and shifting to the chemical business using gas and petroleum naphtha as raw materials. Now is the time for a shift to the chemical business using biomass and recycled resources as raw materials. With the two brands at the center of communications with society, we aim to contribute to the realization of carbon neutrality and a circular economy society and achieve further growth by once again switching to alternative raw materials.



### Problem of marine plastic waste

The problem of marine plastic waste owes to plastics that have escaped from the process for recycling resources and ended up in marine environments due to inappropriate waste management. Preventing plastic waste from leaking into rivers and the sea is of utmost importance, and requires a united effort by companies in the entire plastics supply chain.

We are tackling this problem by participating in global alliances such as the Alliance to End Plastic Waste (AEPW) as well as the Japan Clean Ocean Material Alliance (CLOMA) and the Japan Initiative for Marine Environment (JaIME).

## Alliance to End Plastic Waste (AEPW)

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Established in 2019. Signatories to the AEPW include global companies involved in the plastic value chain, such as chemical and plastic manufacturers, retailers, and waste management companies across the world. The Alliance is committed to the goal of investing \$1.5 billion until 2024 to help end plastic waste and contribute to a sustainable society by driving progress in four key areas: infrastructure development to manage waste, innovation, education & engagement activities and clean-up activities. (As of June 2022, the AEPW has 70 corporations actively participating.)



## Mitsui Chemicals Joins New Global Alliance Formed to Take on Plastic Waste in the Environment

## Clean Ocean Material Alliance (CLOMA)

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The Alliance was established in January, 2019 as a platform for strengthening coordination among a broad range of interested parties across various industries. To date, the organization has engaged in technical information sharing among members and organized partner matching opportunities. In May 2020, the CLOMA Action Plan was released with the aim of achieving a package recycling rate of 60% by 2030 and a plastic product recycling rate of 100% by 2050. The activities it specifies include studying concrete measures and plans for demonstration tests. (As of June 2022, 468 corporations are participating.)



## Japan Initiative for the Marine Environment (JaIME)

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In September 2018, the Initiative is established by Japanese five chemical industry associations such as the Japan Chemical Industry Association. With the participation of Japanese corporations and organizations in the chemical industry, it communicates the findings on lifecycle assessments (LCA) of the environmental impacts of various recycling and energy recovery methods. In February 2020, the activities it organized to support developing Asian countries in upgrading their plastic waste management capabilities included a training seminar that presented the knowledge and experience of the Japanese participants.



# Endeavor to create a circular economy

Management System

Climate Change Policy

Carbon neutral strategy

Biomass strategy and Recycling strategy

Implementing the recommendations of the TCFD



In January 2019, the Mitsui Chemicals Group announced its endorsement of the TCFD\* recommendations. As a chemical company, we take climate change seriously and will continue our efforts to better understand opportunities and risks that impact our businesses and disclose relevant initiatives.

From fiscal 2019 to fiscal 2021, we made the following efforts and disclosures as an initial support for the recommendations. Based on this foundation, from fiscal 2022 onwards we will proceed with proactive disclosure in line with the TCFD disclosure items (governance, strategy, risk management, metrics and targets), including support for the updated recommendations in October 2021.

\* TCFD:

The TCFD was set up by the Financial Stability Board. In June 2017 it announced recommendations calling for financial institutions, corporations, and governments to disclose the business impacts of climate change in their financial reports.

## Initial support for recommendations of the TCFD (until FY2021)



### 1. Assessing materiality of climate-related risks



Among the Group's major businesses, we selected business areas that are vulnerable to climate change, and identified transition and physical risks and opportunities. We identified the most important risks and opportunities based on their likelihood, business impacts (human losses, financial impact, etc.), trends in international discussions, regions where we operate, examples of other companies, and other factors.

Assessment results (▲ denotes risks; ● denotes opportunities)

Assessment items	Group-wide	Specific business areas
	Assessment scope	(1) Mobility, (2) Petrochemical feedstocks, (3) Agriculture, (4) Health Care, (5) Electricals and electronics, (6) Packaging, (7) Energy solutions

Physical risks/ opportunities	Acute	<ul style="list-style-type: none"> <li>Heightened risk of wind or rain damage (floods/storms)</li> </ul>	
	Chronic	<ul style="list-style-type: none"> <li>Heightened risk of rising sea levels (high tides)</li> <li>Heightened risk of freshwater scarcity</li> </ul>	<ul style="list-style-type: none"> <li>Changes in arable land and development of new agricultural technology (3)</li> <li>Wider distribution of pests, weeds, and bacteria (3)</li> <li>Wider prevalence of infectious diseases caused by climate change (4)</li> </ul>
Risks/opportunities related to transition to low- carbon economy	Policy and legal	<ul style="list-style-type: none"> <li>Risks from introduction of, and increases in, carbon pricing</li> <li>Increase in litigation risks</li> </ul>	<ul style="list-style-type: none"> <li>Impacts on business from shift to EVs (1)(5)</li> <li>Restrictions on use of synthetic chemical fertilizers (3)</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Uptake of renewable energies</li> <li>Accelerated development of CCU technology and advanced recycling technology</li> </ul>	<ul style="list-style-type: none"> <li>Uptake of biomass plastics (1)(2)(6)</li> <li>Faster transition to low-GHG emissions technology (2)(5)(6)</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Spread of circular economy</li> <li>Transition to renewable raw materials</li> <li>Calls for manufacturers to use renewable energy</li> <li>Higher prices for scarce resources due to shift to EVs and transition to a hydrogen-fueled low-carbon society</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in auto manufacturing and sales volume owing mainly to increase in ridesharing and carsharing (1)</li> <li>Shortage of naphtha due to decline in oil production output (2)</li> <li>Increased demand for renewable energy (7)</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>Increased investor approaches</li> </ul>	

\* External data used include IPCC RCP2.6, RCP8.5, IEA B2DS, and SDS.

## 2. Identifying and defining range of scenarios



### Selected scenario: "3-4°C world" scenario and a "1.5-2°C world" scenario

#### Business areas

All business areas (priority on the following areas due to significant impact on finances and GHG emissions)

#### Mobility business

- ✓ Mobility business sales revenue ratio
- ✓ Mobility business operating income before special items ratio

**Sales revenue ratio**  
(Mobility business, FY2020)



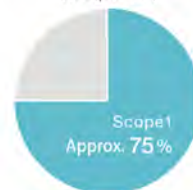
**Operating income before special items ratio**  
(Mobility business, FY2020)



#### Petrochemical feedstocks business

- ✓ Related to fossil fuel and energy (electric power) which is essential for manufacturing products
- ✓ In-house energy production and product manufacturing account for approximately 75% of our GHG emissions

**GHG emissions ratio**  
(Scope1, 2)



#### Time horizon

Present day to 2050 (references data through 2100 on physical risks and opportunities)

\* External data used

Data on transition to low-carbon economy: IEA SDS, 2DS, B2DS, NZE2050, The Future of Petrochemicals

Data on physical aspects: IPCC RCP2.6, RCP8.5

## Potential worlds

3–4°C world	1.5–2°C world
<p><b>Negative on decarbonization due to prioritizing of economic activity</b></p> <ul style="list-style-type: none"> <li>◆ Implementation of current climate change policies only <ul style="list-style-type: none"> <li>● Introduction of carbon tax</li> </ul> </li> <li>◆ Catastrophic worsening of natural disasters caused by abnormal weather</li> <li>◆ Expansion in demand for fossil energy and raw materials <ul style="list-style-type: none"> <li>● Rise in prices of coal, gas, and oil</li> <li>● Rise in the price of fossil-fuel generated electric power</li> </ul> </li> <li>◆ GHG emissions to rise around 1.3 times (2050)</li> </ul>	<p><b>Realization of carbon-free society being the top priority</b></p> <ul style="list-style-type: none"> <li>◆ Implementation of ambitious climate change policies <ul style="list-style-type: none"> <li>● Large increase in carbon tax</li> <li>● ICE sales suspended, switch to EVs</li> </ul> </li> <li>◆ Gradual worsening of natural disasters</li> <li>◆ Shift to carbon-free energy and raw materials <ul style="list-style-type: none"> <li>● Renewable energies become mainstream</li> <li>● Cut backs on chemical usage due to recycling</li> <li>● Production of chemicals from bio-based and CO<sub>2</sub> raw materials</li> </ul> </li> <li>◆ Carbon neutrality achieved (2050)</li> </ul>

## 3. Quantifying business impacts



We assessed the impact of events related to risks and opportunities in possible scenarios and identified the most relevant business impacts for the Group.

### Identified business impacts (qualitative)

Scenarios	Events	Business impacts (● denotes risks; ● denotes opportunities)
3–4°C world	Catastrophic worsening of natural disasters	● Increased damage to production sites due to flooding along coasts and rivers (property damage, decreased operating rate, supply chain disruptions)
	Increased demand for products to adapt to global warming	● Increased sales revenue of Rose Value™ products (contribute to disaster prevention/mitigation measures and prevention of infectious disease)
	Strengthened regulations to stimulate transition to a carbon-free society	● Increased manufacturing costs and deteriorating profits due to taxes placed on fossil fuels by the introduction of a carbon tax
		● Avoiding deterioration in earnings by taking steps to prepare for a possible carbon tax and other regulations, and increasing sales revenue of products that comply with regulations

1.5–2°C world	Market changes brought about by decarbonization	<ul style="list-style-type: none"> <li>Increased raw materials costs due to decreased naphtha production volume driven by decreased consumption of fossil fuels</li> </ul>
		<ul style="list-style-type: none"> <li>Increased sales revenue of Blue Value™ products, which contribute to GHG emissions reduction across the value chain, arising from the use of biomass materials, non-fossil fuels, and renewable energy</li> </ul>
	Accelerating growth of the circular economy	<ul style="list-style-type: none"> <li>Creation of new business opportunities by introducing the recycling (mechanical and chemical recycling) and CCUS technology that stakeholders are calling for</li> </ul>
	Responding to demands from stakeholders	<ul style="list-style-type: none"> <li>Declining valuation and reduced opportunities to secure investment due to insufficient response to demands by customers and investors to reduce GHG emissions</li> </ul>
		<ul style="list-style-type: none"> <li>Increasing corporate value and growing opportunities to secure investment due to proactive disclosure of information about how we are addressing climate change (strategy/progress)</li> </ul>

## 4. Identifying potential responses



Based on the results of the business impact assessment for the possible scenarios, we incorporated the carbon neutral strategy into VISION 2030.

### Disclosure item for TCFD

#### 1. Governance

The responsible officer for the Corporate Sustainability Committee is responsible for addressing climate change. Policy, strategy, and planning to address climate change are discussed at the Corporate Sustainability Committee. Results of discussion are reported to the Management Committee. Particularly important matters are decided and supervised by the Board of Directors upon discussion at the Company-wide Strategy Committee and deliberation by the Management Committee. Furthermore, we newly established the Circular Economy CoE under the Corporate Sustainability Committee in April 2022. The Circular Economy CoE comprises the steering committee and three working groups (biomass, recycling, and climate change). It conducts detailed discussion on climate change and it is structured so that matters that should be discussed at the management level are raised to the Corporate Sustainability Committee.

#### Agenda items related to climate change at the Board of Directors (FY2021)

- Setting VISION 2030 (May 2021)
- Carbon neutrality roadmap (May 2021)
- Setting non-financial metrics in VISION 2030 (February 2022)

## 2. Risk management

The Mitsui Chemicals Group has established a company-wide risk management system. Each department assesses risks based on risk models and written procedures, and reports risk information to the Company-wide Strategy Committee, the Corporate Sustainability Committee, and other committees, depending on the type and severity of the risk. Each meeting body discusses how to respond to risks and notifies or advises each division of policy. The Management Committee receives risk information from across the company as input for making management decisions, and discusses and decides on action plans. Climate-related risks are also managed within this system. Regarding climate-related risks in particular, as part of risk management under VISION 2030 and the carbon neutral strategy, all divisions are obligated to identify short-, medium-, and long-term challenges (risks and opportunities) and to budget for the consideration and implementation of countermeasures, which are managed centrally throughout the company. Key climate-related risks that are identified are discussed in the Circular Economy CoE and are put on the agenda of the Corporate Sustainability Committee where necessary. These risks are incorporated into the risk management structure of the whole company.

[Management System > System and Responsible Officers](#)

[Management System > Risk management & business strategies](#)

## 3. Strategy

The Mitsui Chemicals Group believes that VISION 2030 and carbon neutral strategy are relevant to the transition plan to a low-carbon economy. Regarding the business impact identified by fiscal 2021, we have quantitatively estimated the impact that is expected to occur in the context of implementing measures toward VISION 2030, including the carbon neutral strategy.

### ▲ Risk



#### 3-4°C world

Risk classification	Events	Impact calculation target	Calculation approach	Impact	
				Mid-term (2030)	Long-term (2050)
Physical risks	Catastrophic worsening of natural disasters	Increase in damage at production sites due to river and coastal flooding	Calculated asset damage at production sites due to flooding, taking into account the probability of occurrence. * FY2020 baseline. * Does not include operational impact. We plan to consider this in future. * Reference scenario: IPCC RCP8.5	¥5bn	¥40bn



## 1.5-2°C world

Risk classification	Events	Impact calculation target	Calculation approach	Impact	
				Mid-term (2030)	Long-term (2050)
Transition risks	Strengthened laws and regulations	Increased costs due to introduction of carbon tax	<b>Carbon tax calculated based on predicted carbon price.</b> * FY2020 baseline for GHG emissions. * Reference scenario: IEA WEO	¥80bn	¥160bn
	Market changes	Increased cost of fuel and electricity	<b>Cost of fuel and electricity calculated based on inflation rate.</b> * FY2018 baseline for fuel and electricity costs. * Reference scenario: IEA WEO, EIA, and Agency for Natural Resources and Energy forecasts	¥60bn	¥70bn * FY2040

### Minimizing risks

As for physical risks, while the mid-term asset damage from catastrophic worsening of natural disasters is not that great, we will assess its impact, including the impact on operations, and where necessary incorporate it into the Basic Strategy of VISION 2030, “Management and business transformation,” in order to respond.

As for transition risks, the business impact of increased costs due to introduction of carbon tax and increased cost of fuel and electricity will become large over the mid- to long-term. As part of carbon neutral strategy measures, we will promote low-carbon raw materials and fuels and energy efficiency by fiscal 2030, and push forward with introducing renewable energy. Furthermore, we will progress with steady reductions of GHG emissions through further considerations.

### ● Opportunities



## 3-4°C world

Opportunity classification	Events	Impact calculation target	Calculation approach	Impact	
				Mid-term (2030)	Long-term (2050)
Transition opportunities	Increased demand for products to adapt to global warming	Increased sales revenue of Rose Value™ products, which contribute to disaster prevention/mitigation measures and prevention of infectious disease	<b>Set as a non-financial metric.</b> * FY2021 Rose Value™ product results: sales revenue ¥330 billion, sales revenue ratio 20% * Reference scenario: the Group's VISION 2030	<b>Rose Value™ products sales revenue ratio 40%</b>	—

## 1.5-2°C world

Opportunity classification	Events	Impact calculation target	Calculation approach	Impact	
				Mid-term (2030)	Long-term (2050)
Transition opportunities	Increased demand for low carbon products and services	Increased products sales revenue ratio of Blue Value™ product, which contributes to reduction of GHG emissions	<b>Set as a non-financial metric.</b> * FY2021 Blue Value™ product results: sales revenue ¥290 billion, sales revenue ratio 18% * Reference scenario: the Group's VISION 2030	Blue Value™ products sales revenue ratio 40%	Blue Value™ products sales revenue ratio 70%
	Preemptive response to carbon tax	Expense avoided by reducing GHG emissions	<b>Reduced carbon tax calculated from reduction in GHG emissions and predicted carbon prices.</b> * FY2013 baseline for GHG emissions (Scope 1 and 2: 6.15 million tons). * Reference scenario: the Mitsui Chemical Group VISION 2030, carbon neutral strategy, IEA WEO	¥40bn	¥160bn

### Toward maximizing opportunities

Progress will be made on increasing the sales revenue ratio of Blue Value™ and Rose Value™ products and services under the VISION 2030 Basic Strategies of “Pursuing business portfolio transformation,” “Building solutions-based business models,” and “Bolstering circular economy initiatives.” Increase contribution to building a sustainable society through products and services by expanding the social issue perspective, including addressing climate change, to all of our businesses, thereby creating opportunities for the Group. In addition, reductions in GHG emissions are deeply related to expanding the revenue of the Group, and it is therefore necessary to not only execute the announced carbon neutral strategy measures, but continually implement further considerations.

As acquiring the three opportunities listed in the above table links into the growth of the Group, we set them as VISION 2030 business targets (non-financial metric) and manage their progress.

[Management System > Risk management & business strategies](#)

[Climate Change Policy](#)

[Carbon neutral strategy](#)

[Biomass strategy and Recycling strategy](#)

Based on the results of the impact assessment, we recognize the need to reflect the risk and opportunity perspectives listed here in the company-wide strategy. Moving forward, we will continue to roll out VISION 2030 and carbon neutral strategy, and aim to minimize risks and reverse risks to maximize opportunities in companywide strategy, including business strategy and site strategy. In doing so, we plan to improve the resilience of the Group.

#### 4. Metrics and targets

The Group sets metrics and targets for use in managing climate-related risks and opportunities. We have positioned these as non-financial metrics and business targets for VISION 2030 and are managing their progress.

Classification		Metric	Target	FY2021 results
Mitigation	Reduction of Scope 1 and 2 GHG emissions	GHG emissions reduction rate (vs. FY2013)	40% (FY2030) 100% (FY2050)	21%
	Maximizing avoided GHG emissions	Blue Value™ products sales revenue ratio	40% (FY2030) 70% (FY2050)	18%
Adaptation	Contribute to disaster prevention/mitigation measures and prevention of infectious disease	Rose Value™ products sales revenue ratio	40% (FY2030)	20%

#### Management System > Goals and Results

In addition, information in accordance with the climate-related metrics categories is as follows

(1) GHG emissions	<ul style="list-style-type: none"> <li>Scope 1: 3.81 million tCO<sub>2</sub>e (FY2021)</li> <li>Scope 2: 1.06 million tCO<sub>2</sub>e (FY2021)</li> <li>Scope 3: 9.33 million tCO<sub>2</sub>e (FY2020) * Mitsui Chemicals non-consolidated, per unit of sales revenue for Scope 1 and 2: 302tCO<sub>2</sub>e/million yen (FY2021)</li> </ul> <a href="#">GHG and Energy</a>
(2) Transition risks	Outlined in "Disclosure item for TCFD: 3. Strategy"
(3) Physical risks	Outlined in "Disclosure item for TCFD: 3. Strategy"
(4) Climate-related opportunities	Outlined in "Disclosure item for TCFD: 3. Strategy"
(5) Capital deployment	<ul style="list-style-type: none"> <li>Carbon neutrality-related investments up to 2030 are expected to be on the scale of 140 billion yen.</li> </ul> <a href="#">Carbon Neutral Strategy</a> <ul style="list-style-type: none"> <li>Of large-scale investment projects* in FY2022, investments related to Blue Value™ and Rose Value™ products account for 53%, or approximately 255.5 billion yen.</li> </ul> <p>* Not including alliances, M&amp;A, financial assistance, etc. For FY2022-2024.</p>

	<a href="#">Sustainability Management &gt; Management System</a>
(6) Internal carbon pricing (ICP)	<p>Set as 15,000 yen/tCO<sub>2</sub>e and IRR (c-IRR), which takes ICP into account used as decision-making material, in large-scale investments.</p> <p><a href="#">Endeavor to create a circular economy &gt; Management System</a></p>
(7) Executive compensation	<ul style="list-style-type: none"> <li>● The performance evaluation of the responsible officer in charge is linked to the state of progress of the GHG emissions reduction rate and Blue Value™ and Rose Value™ products sales revenue ratio.</li> </ul> <p><a href="#">Non-financial metrics (environmental and social targets)</a></p> <ul style="list-style-type: none"> <li>● Blue Value™ and Rose Value™ products sales revenue ratio targets are set for each business sector in accordance with companywide targets, and the performance evaluation of each responsible officer in charge is linked to these targets.</li> </ul> <p><a href="#">Sustainability Management &gt; Management System</a></p>

## Visualizing Contributions to the Environment and Society

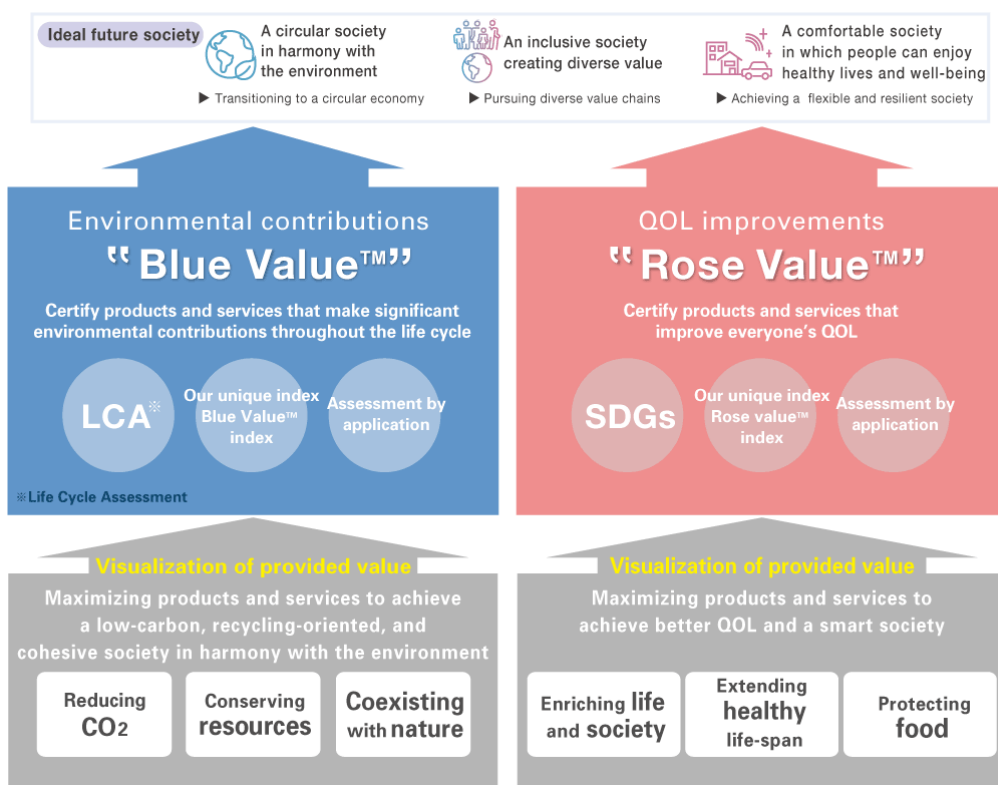


Our Blue Value™ and Rose Value™ help visualize the contributions our products and services make to the environment and society and enable us to share those values with stakeholders.

We have established Blue Value™ and Rose Value™ to respectively represent environmental contributions and quality-of-life (QOL) improvements of our products and services. We evaluate and review products using our unique Blue Value™ and Rose Value™ Indices, and certify those that make significant contributions as Blue Value™ and Rose Value™ products, respectively.

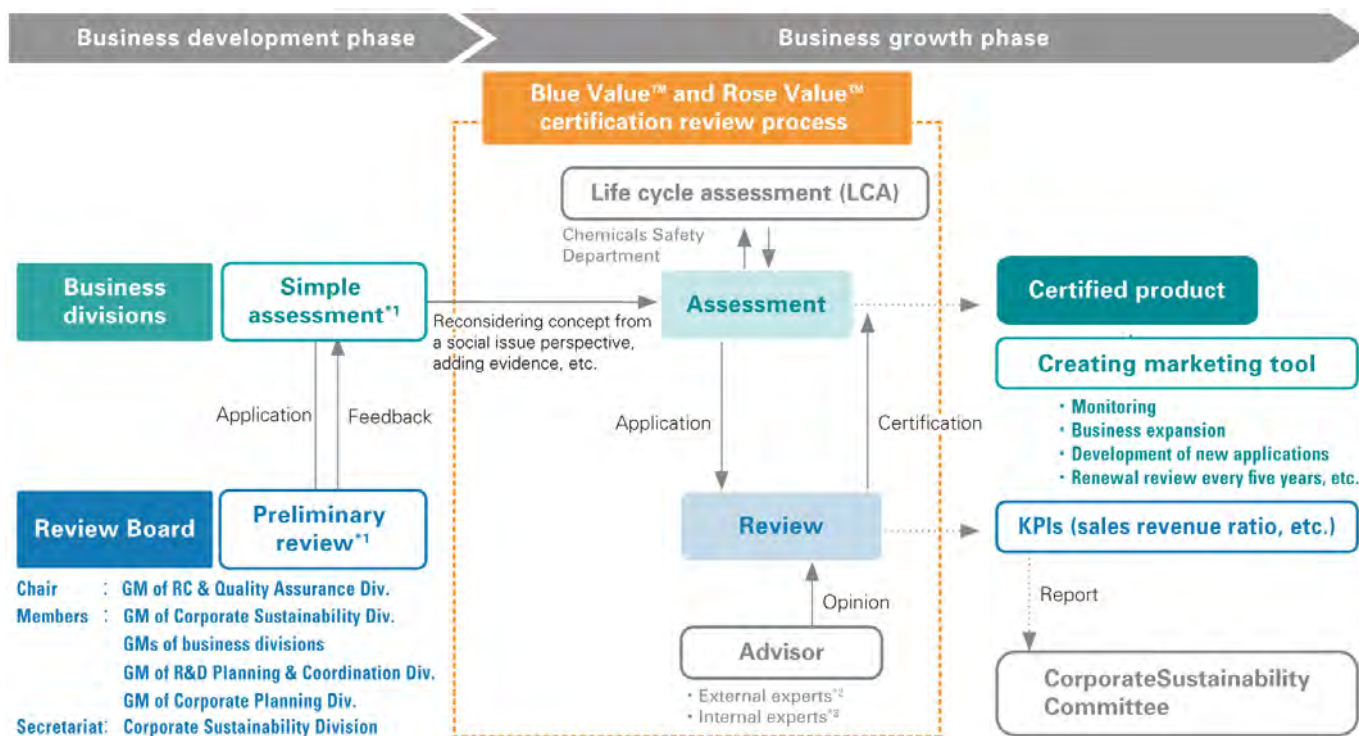
We also believe Blue Value™ and Rose Value™ inform our efforts toward addressing the following material topics of our Group, which were set in order to realize our ideal future society: climate change, a circular economy, health and livelihood, highly livable communities, food security, and product design based on full life-cycle considerations.

By maximizing our contributions throughout the entire product life cycle through expanding and providing Blue Value™ and Rose Value™ products and services, we hope to realize corporate growth for the Group and our ideal future society.



## Blue Value™ and Rose Value™ Evaluation, Reviewing, and Certification Process

Evaluation and review are conducted following the process shown below.



\*1 Simple assessment / Preliminary review:

Optional assessment/ review; it is also possible to apply for review only

\*2 External experts:

Dr. ITSUBO Norihiro, Professor, Faculty of Environmental Studies

Dean, Graduate School of Environmental and Information Studies, Tokyo City University (Blue Value™ advisor)

Mr. ADACHI Eiichiro, Senior Counselor, Japan Research Institute, Limited (Rose Value™ advisor)

\*3 Internal experts:

GMs of Planning & Coordination Division of Production & Technology Center, Chemicals Safety Department, and Intellectual Property Division

Business divisions evaluate the contributions their own products and services make to the environment and improved QOL based on the respective Blue Value™ and Rose Value™ assessment indices, and submit an application to the review board. Assessment and application is conducted according to the envisaged use of the product or service. This is because the same product or service could have a different impact on the environment or quality of life throughout the entire life cycle based on its envisaged use.

When submitting an application, applicants also provide evidence of contribution impact and whether there are any negative impacts or other factors throughout the entire life cycle.

The review board will confirm and deliberate on factors such as the rationale behind the assessment of the contributions, whether the concept and selling points of the submitted products and services are consistent with the contribution categories of Blue Value™ or Rose Value™, and whether the level of contribution is sufficient. Those that meet the criteria are certified as Blue Value™ and Rose Value™ products. In order to ensure objectivity and legitimacy of the certification, we also obtain opinions from external experts. The certification criteria are updated as appropriate to reflect changes in material topics, business strategy, and the external environment, with advice from external experts.

In addition, certified products and services are re-assessed every five years to assess whether they still make significant contributions and to determine whether their certification can be continued.

Starting in fiscal 2020, we began preliminary review of pre-launch R&D products and services. We use this preliminary review to discover candidates of Blue Value™ and Rose Value™ products and services.

### Preliminary review

Unlike the main review after product market introduction where certification of Blue Value™ and Rose Value™ products and services is determined, preliminary review is a process for sharing how the “performance and value requirements for contributing to the environment and society” expected from Blue Value™ and Rose Value™ perspectives are reflected in the concepts and possible business models for products and services under research and development, before they go to market. Through conversations with Review Board members, extended application ideas are born and value is unearthed from new perspectives that were not considered by the R&D divisions, and this has been helpful for marketing. Additionally, since it also checks for insufficient data and goes over the verification process in preparation for the main review, it is utilized as a chance to check the direction of R&D and correct course for market launch. Furthermore, we will continue to incorporate the ideas of Blue Value™ and Rose Value™ into additional R&D processes, such as addition of related assessment items for investment implementation.

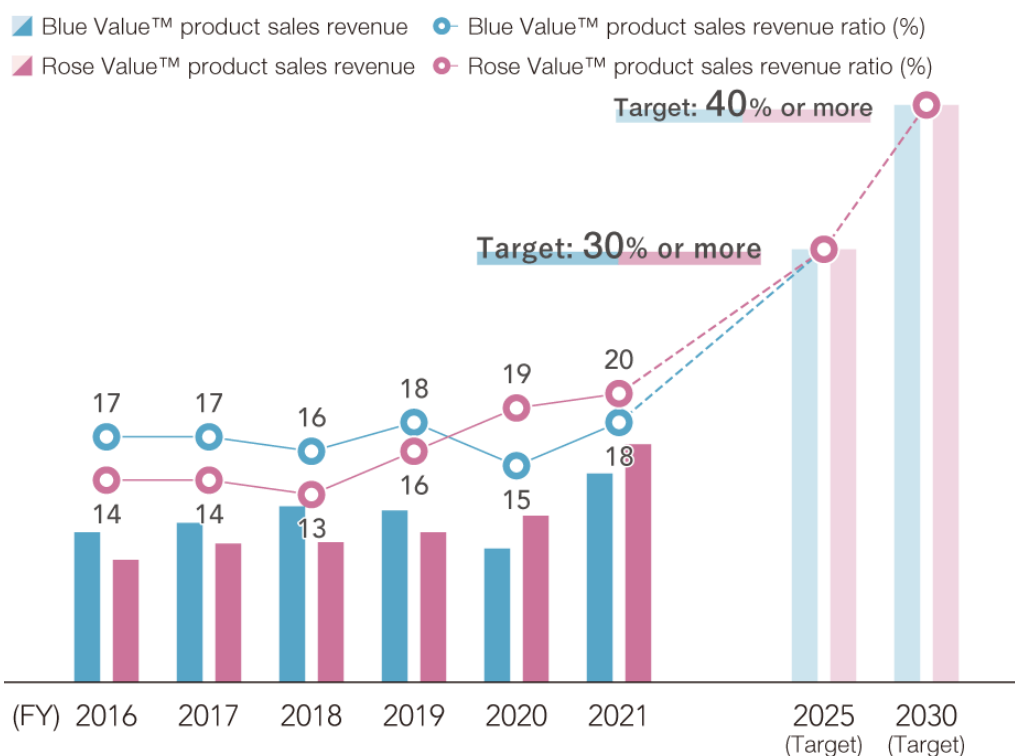
## Incorporating Blue Value™ and Rose Value™ into Business Management Strategies

Transforming business portfolios based on ideal future society and promoting business engagement from a social issue perspective lead to nothing short of corporate growth and increased social contribution through products. In VISION 2030, we set the sales revenue ratios of Blue Value™ and Rose Value™ products as non-financial metrics, with their targets both set at 40% or more. In order to encourage proactive investment that will lead to the growth of sales of Blue Value™ and Rose Value™ products and services, we have created a mechanism for reflecting ESG elements in investment decisions. Since fiscal 2019 we have mandated that the application format for large-scale investments include description of the opportunities and risks the project entails from social issue perspectives, such as by indicating the project’s Blue Value™ and Rose Value™ contributions. Since fiscal 2020, we have set annual targets for the expansion measures and sales revenue of certified products in each business division, and worked to incorporate them into their business strategies. In FY2021, we expanded the sales of certified products and



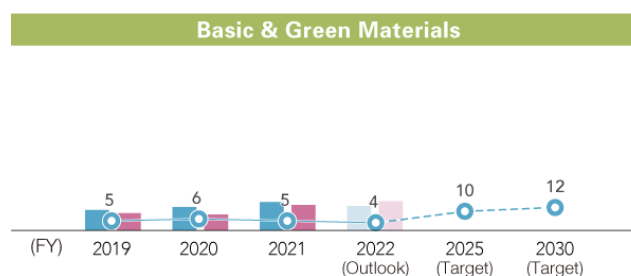
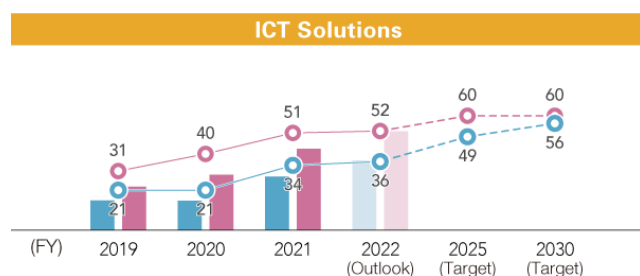
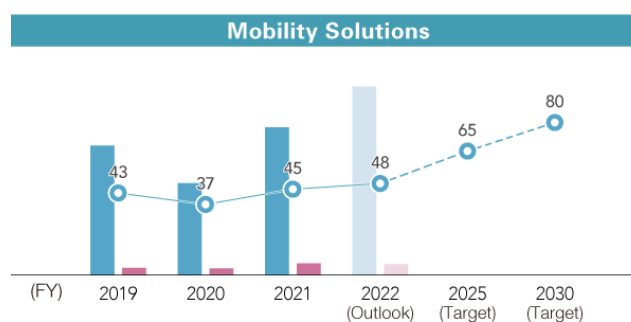
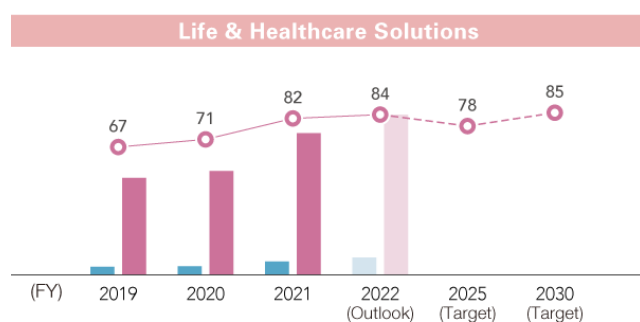
identified candidate products from uncertified products. Going forward, we will expand to affiliates and ensure business development is conscious of Blue Value™ and Rose Value™.

### Blue Value™ and Rose Value™ products sales revenue ratio



### Sales revenue and sales revenue ratios of Blue Value™ and Rose Value™ products in each business

■ Blue Value™ product sales revenue    ● Blue Value™ product sales revenue ratio (%)  
 ■ Rose Value™ product sales revenue    ● Rose Value™ product sales revenue ratio (%)



Visualizing Contributions to the Environment and  
Society

Blue Value™ – Environmental Contributions

Rose Value™ – QOL Improvement Contributions

Blue Value™ / Rose Value™ Products

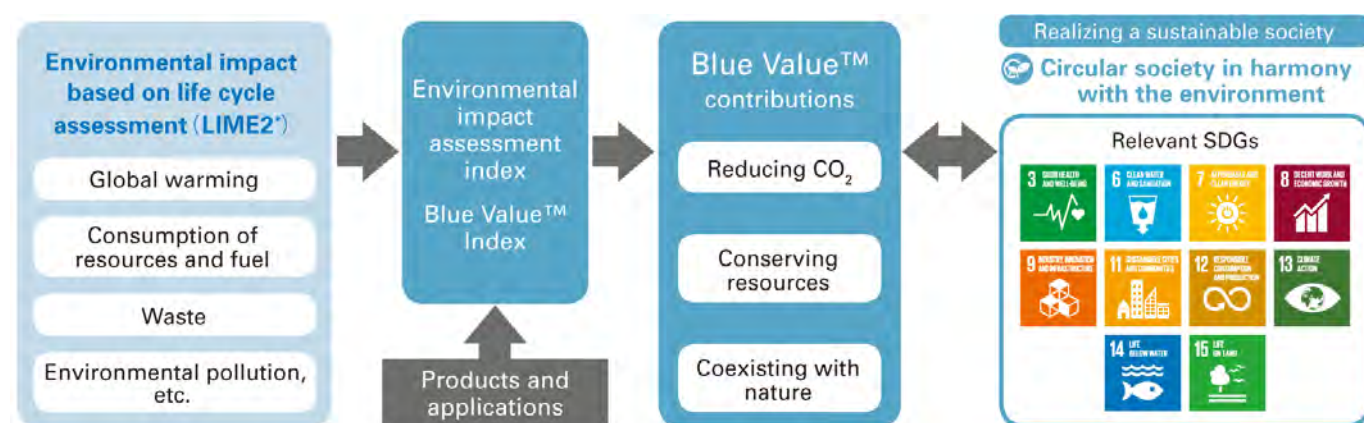
## Blue Value™ – Environmental Contributions



Instead of green, which is associated with nature and ecology, blue represents something much bigger—the earth. It is also our corporate color and signifies harmony with the global environment and our contributions to society.

### The Goal of Blue Value™

The Mitsui Chemicals Group, whose Corporate Mission is “harmony with the global environment,” lists “a circular society in harmony with the environment” as one of its ideal future society and aims to realize this through its business activities. The Group belongs to the upstream industry, providing products and services broadly to a variety of industries, and the environmental impact of the products and services on the society is complex and wide-ranging. That is why, in order to truly contribute to the global environment through business activities, the Group believes it is important to share with its various stakeholders, including direct and indirect customers, the impact and contributions of its products and services throughout their life cycles. Based on this idea, Blue Value™ was designed to evaluate the environmental impact throughout the life cycle, and to visualize the value.



\*1 Life cycle assessment (LCA):

A technique to quantitatively assess environmental impacts associated with all the stages of a product’s life, from raw materials, to manufacturing, processing, use, and disposal.

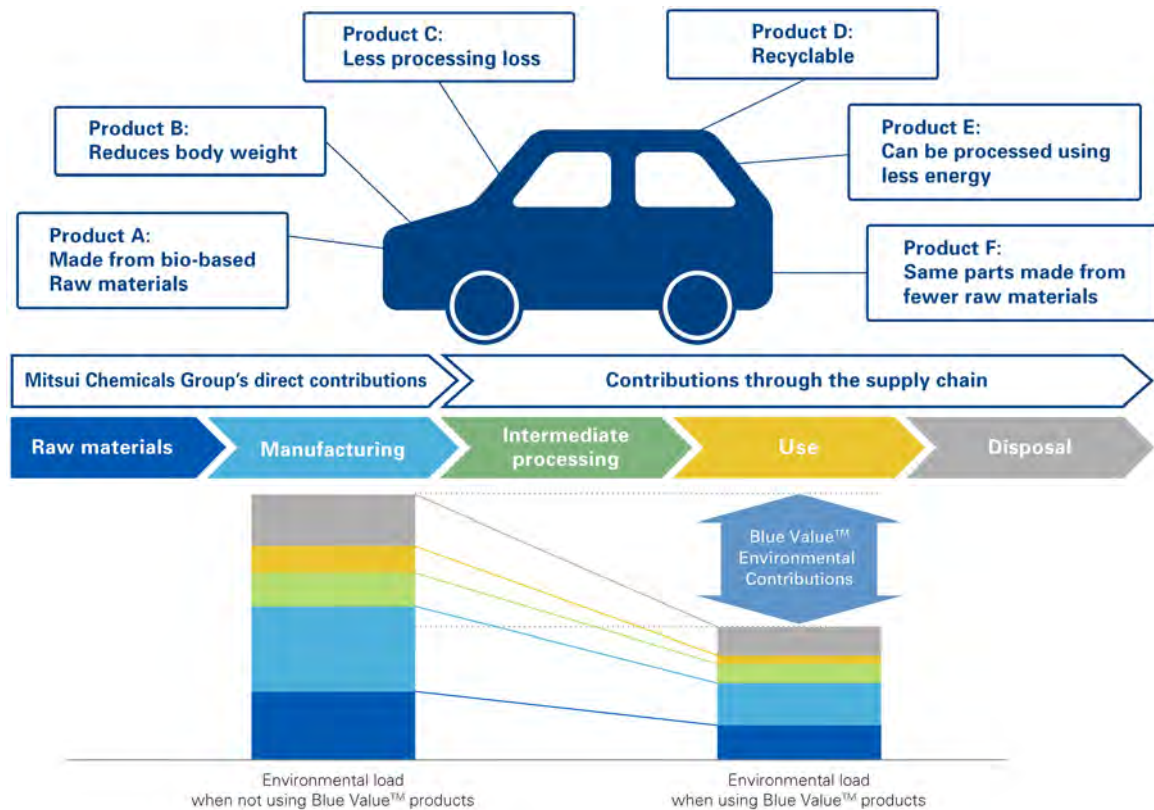
\*2 LIME2 (Life-cycle Impact assessment Method based on Endpoint modeling):

Damage assessment-type lifecycle environmental impact assessment method based on environmental conditions in Japan.

With Blue Value™, the environmental contributions the products and services provide throughout the life cycle can be visualized. For example, Blue Value™ certified products related to the automobile industry reduce environmental impact not only in processes the Mitsui Chemicals Group is directly involved in such as raw materials procurement and manufacturing, but also in various life stages including intermediate processing where it is indirectly involved as well as the use and disposal of the end products.

### Maximization of environmental contributions throughout the Life Cycle

#### - Hypothetical Case: Products Used in Automobiles -



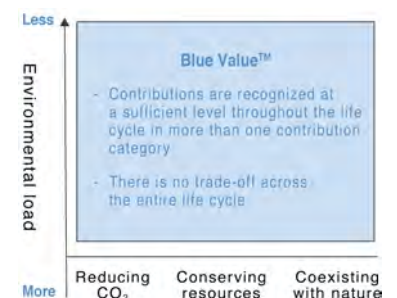
\* The image is a hypothetical case and may differ from information on actual products of our Group.




The Group aims to maximize the environmental contributions generated from implementation of Blue Value™ products and services in the society, by sharing this value or "Blue Value™" with various stakeholders throughout the life cycle.

### Blue Value™ Assessment Index and Certification Criteria

Blue Value™ is assessed based on three contribution categories: (1) reducing CO<sub>2</sub>; (2) conserving resources; and (3) coexisting with nature. For each contribution category, Blue Value™ Index, which is the Mitsui Chemicals Group's unique assessment index simplifying LIME2, is set to evaluate the environmental impact throughout the life cycle in comparison with general products in the market and our existing product lineup. Blue Value™ products and services are certified through discussions by the review board based on criteria that in addition to the environmental contributions being recognized at a sufficient level throughout the life cycle in more than one of the three contribution categories, no negative impact occurs in any of the contribution categories.

Evaluation using the Blue Value™ Index is qualitative or semi-quantitative, but there is a system for collaborating with the department responsible for LCA to conduct a stricter and quantitative assessment whenever required.



Contributions	Blue Value™ Index	
	Assessment index	Related assessment items
<p><b>Reducing CO<sub>2</sub></b></p> 	<ul style="list-style-type: none"> <li>● <b>Reduction of GHG emissions</b> Reduce GHG emissions at the raw materials acquisition, manufacturing/processing, and end products use/disposal stages.</li> <li>● <b>Saving of energy, electricity, fuel</b> Reduce energy such as electricity and fuel at the raw materials acquisition, manufacturing/processing, and end products use/disposal stages. Use of end products in the energy conservation field.</li> </ul>	
<p><b>Conserving resources</b></p> 	<ul style="list-style-type: none"> <li>● <b>3Rs, ease of sorting, conservation of resources</b> Use reusable/recyclable materials at the manufacturing/processing stages for products, processed items, and end products as well as reduce material usage. Products, processed items, and end products based on reuse/recycling. Possible separation at the time of disposal.</li> </ul>	<ul style="list-style-type: none"> <li>● Weight and volume reduction</li> <li>● Long service life</li> </ul>
<p><b>Coexisting with nature</b></p> 	<ul style="list-style-type: none"> <li>● <b>Ecosystem conservation (human health)</b> Reduce the impact on human health from chemical substances across product lifecycles; specifically, reduce the addition of chemical substances harmful to human health, curb their formation, use chemical substances that are less toxic, and use end products in the health &amp; safety fields.</li> <li>● <b>Ecosystem conservation (environmental organisms)</b> Reduce the impact on ecosystems from chemical substances across product lifecycles; specifically, reduce the addition of chemical substances harmful to ecosystems, curb their formation, use chemical substances that are less toxic.</li> <li>● <b>Prevention of environmental contamination</b> Reduce the impact on the global environment excluding people/living organisms from environmental pollutants across product lifecycles; specifically, reduce the addition of environment pollutants harmful to ecosystems, curb their formation, and use substances that do not pollute the environment.</li> </ul>	<ul style="list-style-type: none"> <li>● Natural energy sources</li> <li>● Non-fossil raw materials</li> <li>● Environmental cleanup</li> </ul>

- \* Related assessment criteria are evaluated on contributions to any one of the assessment index.
- \* GHG emission-related global warming substances, chemical substances harmful to ecosystems, and environmental pollutants are all substances for which characterization factors have been calculated in LIME2.

## Example of Blue Value™ Evaluation, Review, and Certification

**Target Product: AdBlue™\*1**

**Application: NOx reducing additive**

**Comparison: Vehicle equipped with urea SCR system vs Vehicle not equipped with urea SCR system**

Contribution category	Evaluation based on Blue Value™ Index					Review criteria			Certification decision
	Raw materials	Manufacturing	Intermediate processing	Use	Disposal				
Coexisting with nature			Reduced NOx emissions			Throughout the life cycle	Reduced emission of environmental pollutants	The product can achieve these	○
	Confirmed that emission of NOx (substance for which characterization factors have been calculated in LIME2) and the like can be reduced by equipping with urea SCR system								
Reducing CO <sub>2</sub>	(1) Increased GHG from manufacturing AdBlue™, etc.			(2) Improved fuel efficiency Secondary effect*2			Reduced GHG emissions		○
	Confirmed that the GHG reduction effect from improved fuel efficiency while driving exceeds the increase in GHG emissions from manufacturing the urea SCR system and AdBlue™ ((1) < (2))								

\*1 AdBlue™:

“High-grade aqueous urea” used in diesel engine cars equipped with urea SCR system which reduces nitrogen oxides (NOx) contained in exhaust gas. Under strict quality control, we manufacture and supply the highest quality AdBlue™ made from 100% pure domestic urea and deionized water. The raw material urea is manufactured in our Osaka Works, with a firm supply system that is not easily impacted by external factors.

\* AdBlue™ is a registered trademark of the VDA (Verband der Automobilindustrie)

\*2 Secondary effect:

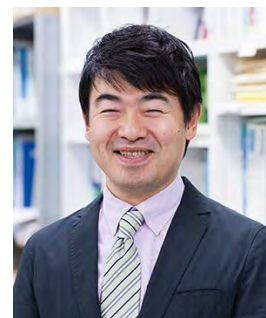
Internal combustion engine used in combination with the urea SCR system is designed as a high-temperature combustion, which improves fuel efficiency compared to conventional internal combustion engines and reduces GHG emissions.

The product concept of AdBlue™ is the reduction of NOx in exhaust gas when used in diesel engine cars equipped with urea SCR system. Results from evaluation based on the Blue Value™ Index show that environmental impact (urban air pollution and acidification) improved by about five folds, which led to its certification as a Blue Value™ product for its environmental contributions in “Coexisting with nature.” Additionally, vehicles equipped with urea SCR system using AdBlue™ have improved fuel efficiency compared to vehicles not equipped with the system. Therefore, AdBlue™ is also certified for its environmental contributions in “Reducing CO<sub>2</sub>,” as it contributes to GHG emission reduction. Thus, by evaluating throughout the life cycle using Blue Value™, the content and effects of the environmental contributions are shared with customers and stakeholders.

Decarbonization and a circular economy are central to solving the world's problems, as well as to corporate growth strategies, and businesses need to promote cross-industry eco-innovation.

Blue Value™ helps visualize the reduction in environmental impact of products from a product life cycle perspective. This is extremely important information for quickly achieving a carbon neutral and recycling-oriented society.

Mitsui Chemicals has adopted the sales revenue ratio of Blue Value™ products as a key performance indicator for its long-term business plan targets, which contributes to the rapid spread of eco-products. So, I strongly support its activities.



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**Dr. ITSUBO Norihiro**

**Professor, Faculty of Environmental Studies**


**Dean, Graduate School of Environmental and Information Studies**

**Tokyo City University**

\* Each affiliation is from the time when the article was created.



Rose Value™ – QOL Improvement Contributions

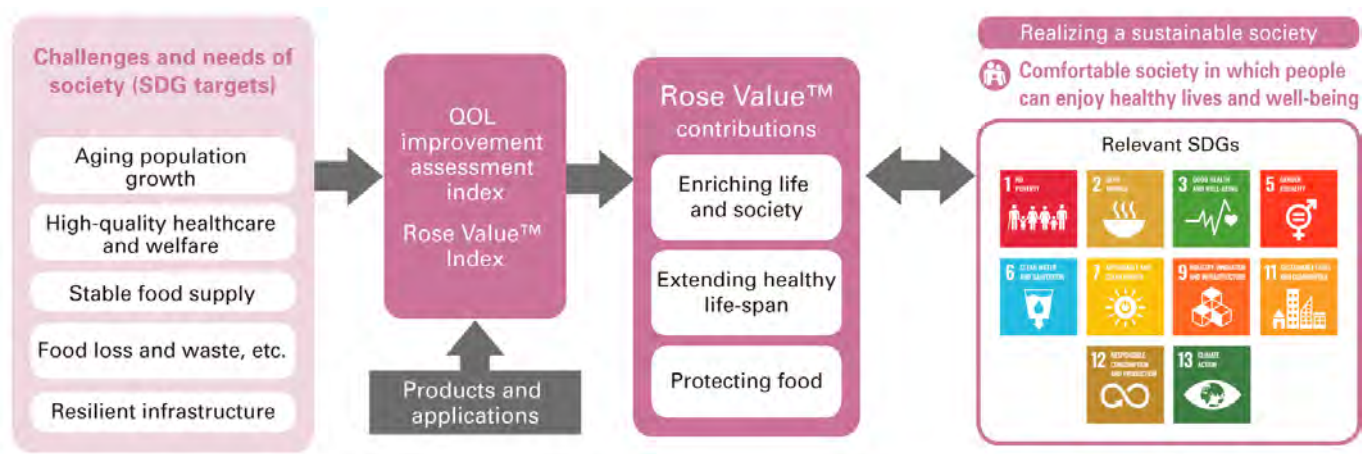
 La Vie en rose

Days brimming with happiness and hope for people from all walks of life.

La Vie en rose

The Goal of Rose Value™

The Mitsui Chemicals Group, whose five social contribution areas in its Corporate Mission include “Promoting human well-being,” lists “a comfortable society in which people can enjoy healthy lives and well-being” as one of its ideal future societies and aims to realize this through its business activities. The Group belongs to the upstream industry, providing products and services broadly to a variety of industries, which makes it difficult to know what roles features and characteristics of the products and services play in their end use. That is why, in order to truly realize “a comfortable society in which people can enjoy healthy lives and well-being” through business activities, the Group believes it is important to share with its various stakeholders, including direct and indirect customers, how its products and services contribute to society throughout their life cycles. Based on this idea, Rose Value™ was designed to evaluate contributions focusing mainly on those associated with QOL improvement, and to visualize their values.



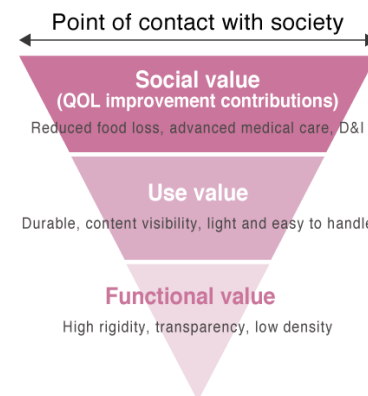
Sharing QOL improvement contributions through Rose Value™



Features and characteristics of the products and services of the Mitsui Chemicals Group are often described physically using expressions such as “high rigidity,” “transparency,” and “low density.” With Rose Value™, how such features and characteristics contribute to solving social challenges, or the QOL improvement contributions provided throughout the life cycle, can be visualized.

Social values and the features and characteristics of the Group’s products and services are linked, for example: “high rigidity increases the sturdiness of food packages, reducing damage during transportation of food, leading to reduced food loss,” “transparency makes it easier to check contents, enables hygienic storage and use in medical settings, etc., which improves medical services,” and “low density makes it light and easy to handle, allowing children and the elderly with less strength to use with ease, leading to the development of an inclusive society.” The Group believes such visualization can further expand the point of contact between the Group and society.

The Group aims to maximize the QOL improvement contributions generated from implementation of Rose Value™ products and services in the society, by sharing this value or “Rose Value™” with various stakeholders throughout the life cycle.



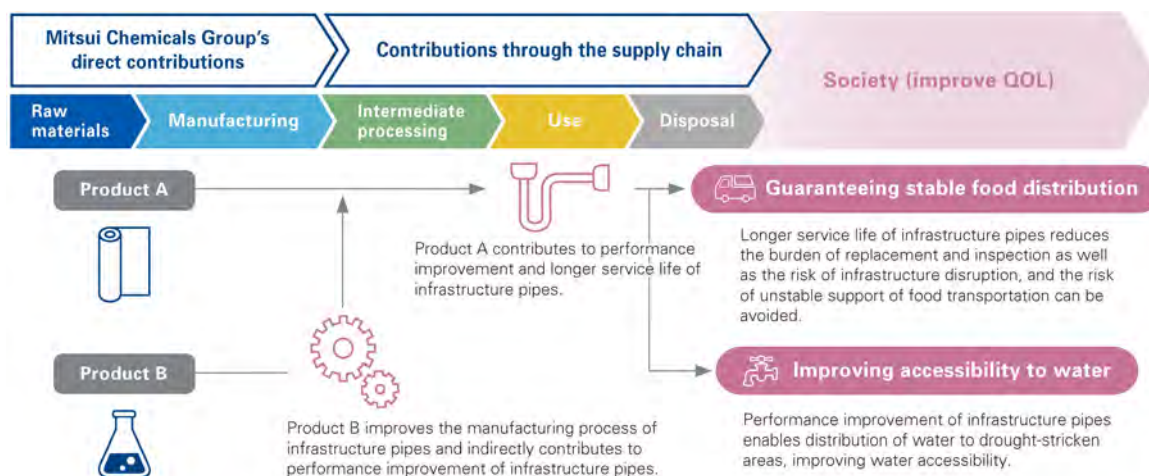
## Rose Value™ Assessment Index and Certification Criteria

Rose Value™ is assessed based on three contribution categories: (1) enriching life and society; (2) extending healthy life-span; and (3) protecting food. Based on the needs of society such as the targets of the Sustainable Development Goals (SDG Targets), we set our unique assessment index, the Rose Value™ Index, from social issue perspectives such as universal design and amenity, resilient and smart city, universal health coverage, and food security, and evaluate and review for certification based on these indices how the value our Group’s products and services provide contribute to QOL improvement. The assessment index is reviewed accordingly. In response to the changing challenges and needs of society, in FY2019 we made an amendment to add a category to the assessment index for contribution to sustainable communities, including disaster prevention/mitigation and longer infrastructure life.

For evaluation and review, we not only evaluate the contributions of the end products, but evaluate extensively the contributions of the intermediate processing stage as well as the contributions this brings to the supply chain. This is because we believe evaluating the contributions extensively throughout the life cycle maximizes the QOL improvement contributions of the society as a whole.

## Maximization of QOL Improvement Contributions throughout the Life Cycle

### - Hypothetical Case: Product Used as Infrastructure Pipes -



\* The image is a hypothetical case and may differ from information on actual products of our Group.

Contributions	Rose Value™ Index evaluation categories
<p><b>Enriching life and society</b></p> 	<ul style="list-style-type: none"> <li>Improving comfort in people's lives Provide products, buildings and spaces that take into consideration the needs of a variety of people.</li> </ul>
	<ul style="list-style-type: none"> <li>Enhancing nursing care Specialized nursing and caregiving is a component of “improving comfort in people's lives”.</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring the sustainability of communities Promote disaster prevention/mitigation measures, longer service life of the infrastructure, shift to ICT in communities.</li> </ul>
<p><b>Extending healthy life-span</b></p> 	<ul style="list-style-type: none"> <li>Supporting physical well-being Assist, improve, and heighten functions throughout the body, either directly or indirectly.</li> </ul>
	<ul style="list-style-type: none"> <li>Advancing medical care and pharmaceuticals Raise the level of medical technology and service in every phase of health, from pre-symptomatic disease to illness. Or improve aspects of medicine functionality, quality, and production.</li> </ul>
	<ul style="list-style-type: none"> <li>Preventing and taking action against infectious diseases Prevent or take action against infectious diseases.</li> </ul>
<p><b>Protecting food</b></p> 	<ul style="list-style-type: none"> <li>Improving food productivity Raise food yields as well as work efficiency; improve related equipment capabilities.</li> </ul>
	<ul style="list-style-type: none"> <li>Guaranteeing safe and stable food distribution Secure and raise the level of safety and stability in food distribution.</li> </ul>
	<ul style="list-style-type: none"> <li>Reducing food loss and food waste Reduce waste from the perspectives of maintaining food freshness, extending “best-before date,” packaging for contents separation and compartmentalization, loss when shipping, and other factors.</li> </ul>

### Example of Rose Value™ Evaluation, Review, and Certification

Target Product: MR™

Application: Ophthalmic lens material

Functional value of product: High Abbe number, lightweight, high impact resistance, high refractive index

Our MR™ series products are used as ophthalmic lens materials due to their optical properties. Their high refractive index and strength can support the way people who wish to improve their vision see, so the products can be described as contributing to “supporting physical well-being.” They also contribute to “improving comfort in people’s lives,” as they enable thinner and lighter glasses and improve the comfort of glasses, which may allow them to be worn for longer hours. For these reasons, the MR™ series is certified as Rose Value™ product under two contribution categories; “extending healthy life-span” and “enriching life and society.”

“Improving comfort in people’s lives” is an element for realizing the social contribution “enriching life and society,” which is the broader concept, and simply “becoming more convenient/comfortable” is not considered applicable. For example, ophthalmic lens material products with medium or lower refractive indices are certified as Rose Value™ under “supporting physical well-being,” but not certified as Rose Value™ from an “improving comfort in people’s lives” perspective due to the size of the impact of contributions being insufficient. The focus is on whether they help solve social challenges, and we seek advice and views from external experts regarding the validity of certification in terms of size of the impact of social contribution.

#### Expectations from external expert (Rose Value™ advisor)

Since fiscal 2019, "Ensuring the sustainability of communities" has been added as a new evaluation category in the Rose Value™ Index. It includes perspectives such as disaster prevention/mitigation measures, longer service life of infrastructure, and shift to ICT in communities. This agrees with the Mitsui Chemicals Group's pledge under VISION 2030 to roll out a social issue perspective across all of its companies and businesses, and to move away from its historical business focus on materials supply to those based on a social issue perspective. It has also set a Rose Value™ products sales revenue ratio of 40% or more as a key performance indicator in its long-term business plan targets. This is an era in which employees having excellent sensitivity to the needs and challenges of society deliver a competitive edge to a business. I believe that the Rose Value™ Index is a potent opportunity to gain such a perspective.



**Mr. ADACHI Eiichiro**


**Senior Counselor, Japan Research Institute, Limited**

\* Each affiliation is from the time when the article was created.

Blue Value™ / Rose Value™ Products

Blue Value™ / Rose Value™ Products


Some of our Blue Value™ and Rose Value™ products are shown below.

 Blue Value™

Reduces CO<sub>2</sub>

Conserves resources







Coexists with nature

 Rose Value™

Enriches life and society

Extends healthy life-span

Protects food

<div></div> <div><div>Reduces CO<sub>2</sub></div><div>Conserves resources</div></div> <div><p>Bumper and instrument panel materials</p><p>PP compounds</p><p>Reduce GHG emissions by roughly 13% by not requiring painting process.</p></div>	<div></div> <div><div>Reduces CO<sub>2</sub></div></div> <div><p>Adhesive polyolefin for plastic fuel tanks</p><p>ADMER™</p><p>Lightens fuel tanks by 10-30% with the use of plastics instead of metal.</p></div>
<div><div><div>Reduces CO<sub>2</sub></div><div>Coexists with nature</div></div><div></div><div><p>Exhaust gas reduction agent</p><p>AdBlue™</p><p>Reduces NOx emissions.</p><p>Contributes to fuel efficiency.</p></div></div> <div><div><div>Reduces CO<sub>2</sub></div><div>Conserves resources</div></div><div></div><div><p>Seat cushion material</p><p>ECONYKOL™</p><p>Reduces fossil resource consumption with use of bio-based raw materials.</p></div></div>	
<div></div> <div><div>Reduces CO<sub>2</sub></div><div>Conserves resources</div></div> <div><p>Milky-white food packaging film</p></div>	<div></div> <div><div>Reduces CO<sub>2</sub></div><div>Conserves resources</div><div>Protects food</div></div> <div><p>Sealant film</p></div>

\* AdBlue is a trademark of the VDA (Verband der Automobilindustrie).

## ECONEIGE™

Delivers a white finish by diffusing light on layers of air created inside films.

Reduces the amount of resin used by 20-30% without the need for white printing.

## T.U.X™

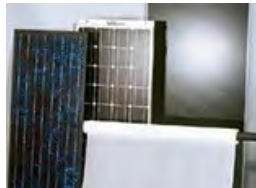
Saves energy by using a lower heat seal temperature, while its improved film strength means less resin is used. Its excellent sealing performance and impact resistance reduces the amount of food wasted in food production and distribution.

Reduces CO<sub>2</sub>

Encapsulant sheets for solar cells

### SOLAR ASCE™

Reduces power generation loss by improving ability to withstand high humidity and insulation durability.



Reduces CO<sub>2</sub>

Diagnostics and Consulting Services for Solar Power Generation Plants

Reduce GHG emissions, which in turn assists clients in preventing yield reduction of solar power generation plants.



Extends healthy life-span

Ophthalmic lens materials

### MR™

Contributes to vision correction, eye health, and comfort.



Enriches life and society

Nonwoven fabric for disposable diapers

### SYNTEX™

Pursues the basics of being leakproof, breathable, and unlikely to cause diaper rash, as well as a higher level of functionality, such as comfort and a snug fit.

Reduces CO<sub>2</sub>

Conserves resources

Enriches life and society

Nonwoven fabric for disposable diapers

### AIRYFA™

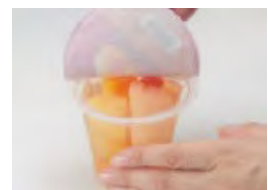


Enriches life and society

Food packaging materials

### CMPS™

Easy-open film that even children and the elderly can manage.



Reduces amount of waste by using a fiber structure that offers both softness and strength. Disposable diapers support comfortable living for babies and their carers.



Protects food

Insecticide

**TREBON™**

Contributes to stable crop production and helps boost food production.



Protects food

Hybrid rice

**Mitsuhikari**

F1 hybrid rice cultivar with superior high yield and taste. Mitsuhikari's delayed harvesting has the advantage of dispersing the concentration of harvesting resources, and results in the improvement of food productivity.

Extends healthy life-span

Insecticide

**VECTRON™**

Controls mosquitos, a carrier of infectious diseases like malaria. Contributes to the eradication of malaria.



Protect food

Reduce CO<sub>2</sub>

Keep-fresh film

**SPASH™, PALFRESH™**

Suppress wilting and discoloration of fruits and vegetables and contribute to a reduction in food loss. Reduce GHG emissions by reducing the amount of food wastes.



Reduces CO<sub>2</sub>

Conserves resources

Extends healthy life-span

Ophthalmic lens materials

**Do Green™ MR-174™**

Reduces fossil resource consumption with use of bio-based raw materials.



Extends healthy life-span

Pre-filled Syringe

**APEL™**

Minimum drug alteration thanks to lower elution compared to glass. Chip-proof structure ensures safe use. Contributes to advancement of medical care and pharmaceuticals.



Extends healthy life-span

## Medical packaging material

### APEL™

Low moisture permeability protects soluble medicines and maintains medicinal quality.

Contributes to advancement of pharmaceuticals.



Extends healthy life-span

## Artificial limb material

### HI-ZEX MILLION™

High impact resistance and flexible shaping enable creation of exceptionally well-fitting artificial limbs suitable to different body parts. Contributes to support physical well-being.



Enriches life and society

## Cooking equipment

### TPX™

Highly non-stick surface keeps dirt away and ensures easy cleaning. Contributes to improve enhancing comfort in people's lives.



Enriches life and society

## Heat-resistant food container

### TPX™

Material provides transparency equivalent to glass and heat resistance as high as to be microwavable. Contributes to improve enhancing comfort in people's lives.

Enriches life and society

## Various Handle Parts

### MILASTOMER™

Good plasticity and nonslip surface enables good hold with minimum effort.

Contributes to improve enhancing comfort in people's lives.



Reduces CO<sub>2</sub>

Coexists with nature

Enriches life and society

Extends healthy life-span

## Seat cushion materials

### Nextyol™

Improved automotive fuel economy delivered from lighter weight and drastic reduction in VOCs and odor contribute to mitigating climate change and to creating a comfortable living environment.







Extends healthy life-span

**Synthetic pulp for water purifier filter**

**SWP™**

Capture and removal of heavy metals and other impurities makes water safe to drink.



Enriches life and society

**Synthetic pulp used in fiber cement construction materials**

**SWP™**

Results in fiber cement construction materials that are resistant to brittleness and cracks, extending the life of infrastructure and contributing to sustainable urban development.

Protects food

**Synthetic pulp for teabags**

**SWP™**

Enables teabags to be heat-sealable, eliminating the need for metal staples.

Contributes to food safety in production and in consumption, as well as the safety of the product itself.



Enriches life and society

**Concrete surface reinforcement agent**

**Toughness Coat™**

Resin film formed on the surface of concrete structures gives greater durability and impact resistance, extending the life of infrastructural systems and preventing and reducing the effects of disasters.



Enriches life and society

**Mitsui Gas Pipe System**

Pliable polyethylene pipes bend as needed to prevent gas leaks even after ground deformation. Helps prevent and reduce the effect of disasters.



Enriches life and society

**Rainwater storage tank permeation layer**

**Geopool**

Installed under parking areas, etc., it controls surface water flow by storing rainwater temporarily and gives a slow release, preventing flooding after rainstorms, etc.

Enriches life and society

## Foundation reinforcement injection materials

### Ground Ace™

Foundation of structures can be reinforced without removing the structure, even for liquefied soil. Contributes to swift restoration after a disaster.

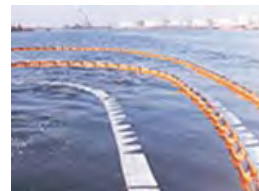


Enriches life and society

## Hazardous substance adsorbent materials

### Tufnel™, Oil Blotter™

Adsorbs oil without absorbing water and without sinking in the water. Prevents oil dispersion in oceans or rivers after an oil tanker grounding resulting in leakage.



Enriches life and society

## Sanitation wipe

### FASTAID™Virus Sweeper Towel

Towel soaked in sodium hypochlorite solution can be produced easily. Easy to store and useful in emergencies or during evacuation to a shelter.

# Risk and Compliance



## Risk and Compliance Management

- Management System
- Risk Prevention Measures
- Compliance Training

## Bribery Prevention

## Tax

## Information Management

- Management System
- Initiatives

## Management System

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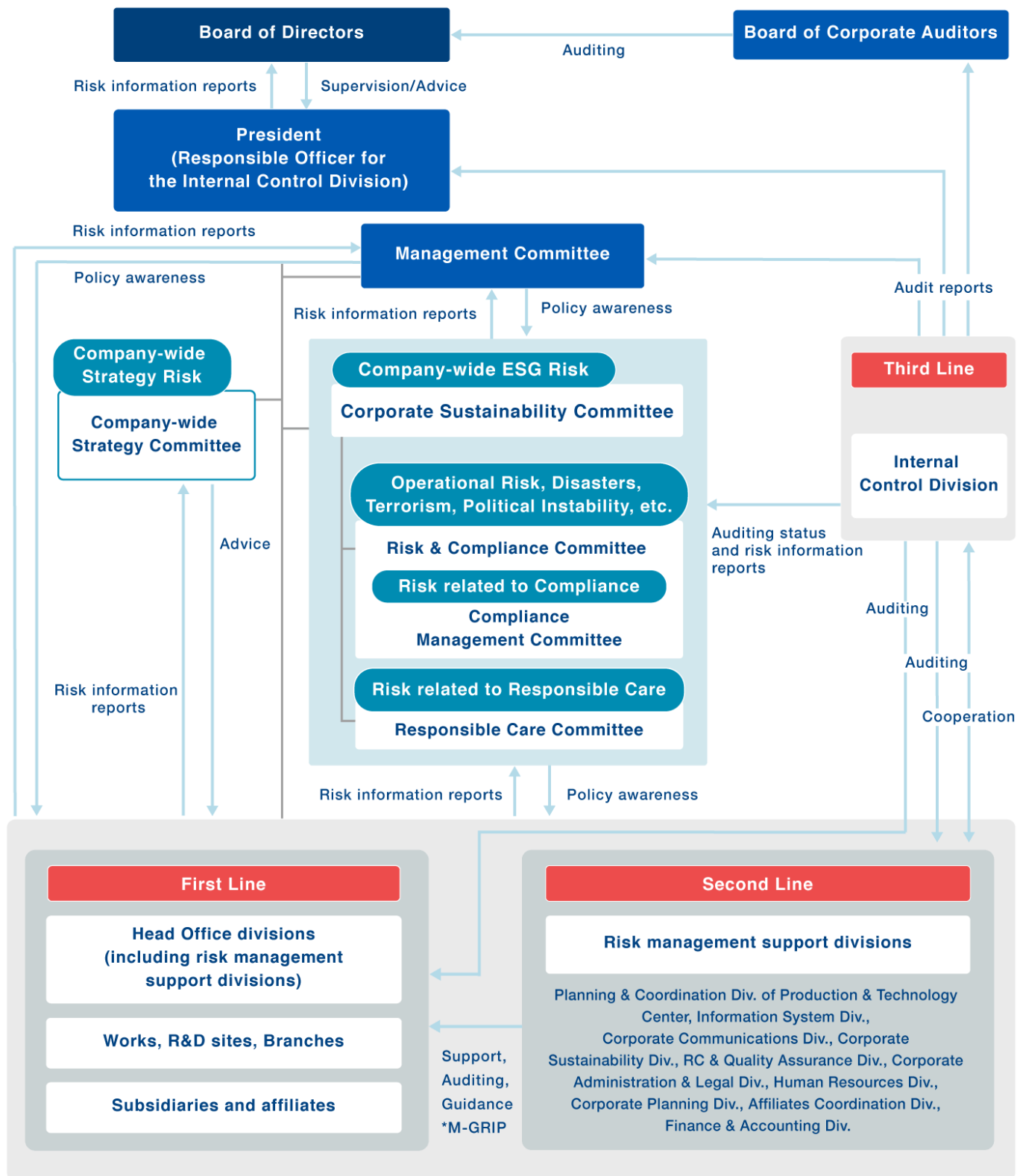
### Policy and Basic Approach

To continue to conduct corporate activities and fulfill our corporate social responsibilities while earning the trust of our shareholders, customers, the local community, and all other stakeholders, it is crucial to effectively establish and operate a risk management and compliance promotion structure.

In February 2006, the Mitsui Chemicals Group formulated its [Action Guidelines](#), which provide the basis for the actions of all its personnel, and introduced the two maxims, “always act in good faith” and “have a high regard for people and society.” Acting in accordance with these action guidelines and risk management rules (Company Rules), we will retain the trust of our stakeholders and fulfill our corporate social responsibility. As part of our risk management, we will endeavor to uncover risks in all events that may threaten business activities, including new risks that arise as a result of the transformation of our business portfolio and the global expansion of business in which the Group is engaging amidst recent changes in the international social and economic circumstances, and also prevent those risks from materializing.

For compliance, we have established the Compliance Management Committee in fiscal 2022 to further strengthen compliance management in light of the heightened social demand for companies. The Committee will play a central part to implement compliance measures across the Group globally.

### System and Responsible Officers



The Board of Directors is responsible for risk management across the entire Mitsui Chemicals Group.

\* M-GRIP:

The abbreviation of "Mitsui Chemicals - Global Risk Management & Business Support Improvement Platform".

## First Line and Second Line

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All our divisions (Head Office, Works, laboratories, branch offices and affiliates) conduct risk assessments in accordance with the [risk model](#) and [procedures](#) within the annual budget. Having identified the risks, they design and implement a management system to address the risks within the organization. The responsible officer for each business division is responsible for identifying and managing the risks. (First Line)

To ensure that risk management is fully implemented in each division, the risk management support divisions with specialized knowledge provide support to each division and may conduct audits or give guidance when necessary. (Second Line)

Each division reports information according to the type and severity of the risks to [the Company-wide Strategy Committee](#), [Corporate Sustainability Committee](#), Risk & Compliance Committee, Compliance Management Committee, and [Responsible Care Committee](#). Each of these committees deliberates on how to address the risks and either issues their decision as the policy of the division or provides advice. [The Management Committee](#) collects information on the risks identified in the whole of the Mitsui Chemicals Group and uses it as material for management decision-making and decides on what action to take.

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### M-GRIP, a platform for globally strengthening governance of affiliates and sharing best practices

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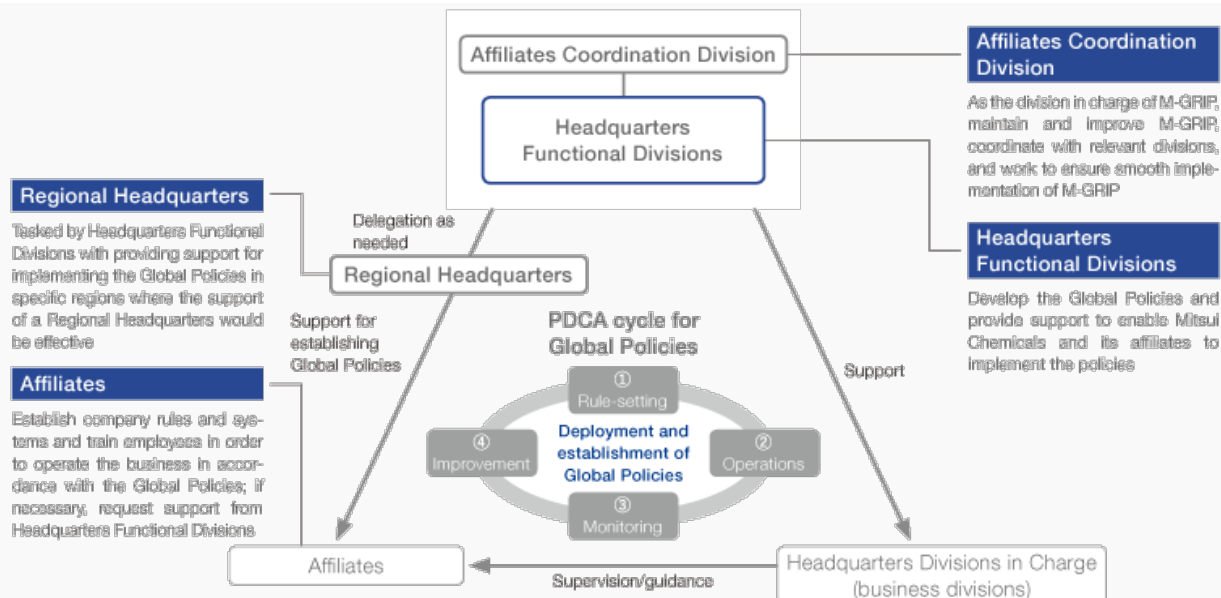
With the goals of reducing the risks that have grown as globalization accelerates and of further transforming and expanding the business of the Mitsui Chemicals Group, in fiscal 2020 we began deploying the Mitsui Chemicals Global Policy Platform (M-GRIP), which is a shared indirect operations platform for the Group. M-GRIP is the mechanism that lays out Global Policies (G/Ps) comprising measures that are common to the entire Group regarding indirect operations such as human resources, accounting, and logistics. By ensuring that each company within the Group implements those measures, it allows the execution of proper business operations and ongoing improvements. It is also intended to support the activities of affiliates through the effective use of the Group's economies of scale. In fiscal 2021, amid the ongoing COVID-19 pandemic, we explained the details of this mechanism to all Group companies via individual online meetings. Through dialogue, we sought to promote understanding of M-GRIP and firmly establish it within the Group. In addition, five new G/Ps, including the protection of personal information, have been established and have begun to be implemented on a global basis. Over the next several years, we plan to develop and roll out the necessary G/Ps. By fostering a common awareness throughout the Group and promoting sustainability management and thorough crisis management, which helps improve corporate value, we are working to reduce and avoid risk and improve business efficiency, thereby supporting the realization of a corporate group that enjoys sustainable growth.

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### M-GRIP Deployment Chart

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The headquarters functional divisions, the regional headquarters, the affiliates, and the Affiliates Coordination Division are working together, each playing its respective role.



## Message from an overseas affiliate

We often hear the rule of law mentioned by leaders of countries. It is a governing principle. Merriam- Webster defines rule of law as: “a situation in which the laws of a country are obeyed by everyone.” The Mitsui Chemicals Group too has a set of governance and compliance rules, namely M-GRIP, which was officially launched two years ago. It is significant that the Global Policies (G/Ps) were used to standardize the risk response standards that had been independently established by each Group company. G/Ps help employees to keep their actions within those standards. Such G/Ps are indispensable in holding employees accountable for any conduct that is unreasonable. In addition, G/Ps help to identify non-compliance and ultimately help an organization to build a stronger culture by creating “One Team”! The launching of M-GRIP by the Affiliates Coordination Division was very well organized, especially with effective communication prior to the implementation. The challenge now is how to ensure each entity’s compliance with the G/Ps.



**MITSUMI CHEMICALS ASIA  
PACIFIC, LTD.**  
General Manager, Corporate  
Planning Office & Purchasing  
Div.  
Fred Yau

## Third Line

The Internal Control Division independently audits operations in both the first and second lines and provides assurance to top management and the Board of Directors. The Internal Control Division conducts business audits and responsible care audits to maintain and strengthen the level of internal control in the Mitsui Chemicals Group and works to keep existing business risks at an acceptable level. At the same time, the Division conducts continual inspections and assessments of the design and operation of internal controls relating to financial reporting for the entire Mitsui Chemicals Group, as required under the Financial Instruments and Exchange Act, as the J-SOX assessment as a part of the statutory audit and directs its efforts to ensuring the correct and efficient execution of operations. The audit results are regularly reported directly to the Board of Directors and the Board of Corporate Auditors.



The business audit includes an internal audit process based on self-assessment of internal controls utilizing the compliance checklist. The compliance checklist includes items related to compliance with the competition law, prevention of bribery and corruption, insider trading and harassment, compliance with the securities export control regulations, appropriate handling of corporate and personal information, human rights, information systems security, risk management, credit management, fair accounting and tax administration, and organization and operation of appropriate internal controls. The checklist is revised every year. As process owners for each of the above items, the risk management support divisions are audited on the state of their operations. Additionally, audits are conducted based on a theme selected each fiscal year from the risk status both in and outside the organization.

From among the responsible care audits (environment & safety audit, occupational health audit, quality audit, and chemical safety audit), the Internal Control Division is responsible for executing the environment & safety audit and the occupational health audit. The Internal Control Division also audits quality audit and chemical safety audit conducted by the risk management support divisions have been executed appropriately. In addition to on-site audits, we have established a remote audit system that can be conducted even when it is difficult to visit our sites because of the COVID-19 pandemic.

## Role of the Risk & Compliance Committee

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The Risk & Compliance Committee has been created to develop and execute specific policies, strategies and plans to address concerns related to risk management and compliance.

Note that in 2022, the President was appointed as the chair of the Risk & Compliance Committee to make it clear that the President bears the ultimate responsibility for risk management and compliance.

External risks such as natural disasters, terrorism, riots and political insecurity, and in the category of internal risks, operational risks represented by violation of laws and rules, loss of credibility of financial reports, environmental pollution, plant accidents, major occupational incidents, product liability litigation, loss of supplier credibility, mental health issues, deterioration of labor management relations, information leaks and destruction of information communication systems, etc. are covered by the Committee's activities. The committee implements measures including information gathering and evaluation, issuing instructions to relevant divisions, development of the group-wide risk management policy, and reviewing countermeasures to specific risks. It also manages the whistleblowing (Risk Hotline) system. Policies, strategies, plans, and measures developed by the Committee and other important matters are approved by the Management Committee.

## Composition of the Risk & Compliance Committee

<b>Chair</b>	<b>President</b>
<b>Members</b>	Responsible officer for the Risk & Compliance Committee, Responsible officer for the Corporate Sustainability Committee, Responsible officer for the Corporate Administration & Legal Division, General Manager of the Internal Control Division, General Managers of the Planning & Coordination Divisions in each business sector, General Manager of the Planning & Coordination Division, General Manager of the Corporate Communications Division, General Manager of the Corporate Sustainability Division, General Manager of the RC & Quality Assurance Division, General Manager of the Corporate Administration & Legal Division, General Manager of the Human Resources Division, General Manager of the Finance and Accounting Division, General Manager of the Corporate Planning Division, General Manager of the Affiliates Coordination Division, General Manager of the Information System Division, and other members appointed by the Chairperson
<b>Observer</b>	<b>Corporate Auditor</b>
<b>Secretariat</b>	<b>Corporate Administration &amp; Legal Division, Human Resources Division, Finance and Accounting Division</b>

Should there be an emergency\* that seriously impacts or is likely to impact our Group or society at large and conducted action becomes necessary, The responsible officer for the Risk & Compliance Committee coordinates action with the relevant directors and they jointly assess conditions. Based on the findings, a report is submitted to the President, who decides whether action should be taken by the company or whether a headquarters for corrective action should be formed. When a headquarters for corrective action is formed by a decision of the President, it will issue guidance and advice on the corrective action needed to resolve the situation.

\* Examples of emergencies:

- Accidents or incidents in the Mitsui Chemicals Group that cause damage to the lives, health, property and living conditions of people or that are likely to have an impact on the environment in the surrounding area.
- An event causing grave losses of human and tangible assets or damage to the credibility of the Group and resulting in a significant decline in business performance or in serious claims for damages.

## Role of the Compliance Management Committee

In order to implement compliance measures systematically and in a planned manner across the Group on a global basis, we have established the Mitsui Chemicals Group's Compliance Management Rules and created the Compliance Management Committee under the Risk & Compliance Committee in fiscal 2022.

Dividing compliance management into four stages of prevention, detection, initial response, and permanent response, the Committee will implement measures for each stage across the entire Group, under the responsibility and authority of the chair of the Compliance Management Committee, and continue to implement the PDCA cycle for compliance management, including raising awareness of compliance.

### Composition of the Compliance Management Committee

Chair	Responsible officer for the Risk & Compliance Committee
Members	General Manager of the Corporate Administration & Legal Division, General Manager of the Human Resources Division, General Manager of the Finance and Accounting Division, Relevant General Managers at Mitsui Chemicals, and other members appointed by the Chairperson
Observer	General Manager of the Internal Control Division
Secretariat	Corporate Administration & Legal Division

## Goals and Results

KPI	Scope	FY2021			FY2022	FY2030(Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Incidence of major legal and regulatory violations	Mitsui Chemicals Group	0	1	x	0	0

Having decided on the KPIs for VISION 2030, we state the incidence of major legal and regulatory violations, such as those that affect the Group's social standing, business operations, earnings, and other key parameters. In fiscal 2021, there was one incidence of major legal and regulatory violation in our domestic subsidiaries. We are treating this incident very seriously. We will endeavor to thoroughly strengthen group-wide compliance, review internal control, and prevent any further incidents of this sort from recurring in Mitsui Chemicals Group.

## Risk models (examples of possible risks)

Categories	Risk examples
Business	<ul style="list-style-type: none"> <li>• Collapse of share in the materials market through entrance of competitors</li> <li>• Shortfall in meeting operating profit target due to rise in material prices and/or fluctuations in exchange rates</li> <li>• Poor spread and revenue declining due to slow recovery of the market</li> <li>• Sales decrease and decline in the market due to increase of imports, and increase of stock caused by falling sales</li> <li>• Significant deterioration in business due to reduced demand caused by changes in social climate</li> <li>• Influence on the business continuity by infectious diseases, etc.</li> </ul>
Sales	<ul style="list-style-type: none"> <li>• Violations of antitrust regulations</li> </ul>
Product safety	<ul style="list-style-type: none"> <li>• Inappropriate management of products to be exported</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>• Contract-related problems and complaints</li> <li>• Non-compliance with intellectual property regulations</li> <li>• Violation of laws</li> <li>• Violation of tax laws regarding accounting procedures, or inadequate procedures</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>• Occurrence of serious accidents</li> <li>• Occurrence of serious occupational accidents</li> <li>• Non-compliance with laws related to the environment and occupational health and safety</li> <li>• Loss of social credibility through accidents or problems</li> </ul>
Quality	<ul style="list-style-type: none"> <li>• Inadequate management of high risk goods</li> <li>• Occurrence and increase in complaints</li> <li>• Occurrence of serious quality problems</li> <li>• Loss of social credibility through quality falsification</li> </ul>
Production and facilities	<ul style="list-style-type: none"> <li>• Production volume reduction due to problems in plants etc.</li> <li>• Production problems accompanying increase in operating efficiency</li> <li>• Occurrence of serious problems in using external facilities</li> </ul>
Capital	<ul style="list-style-type: none"> <li>• Occurrence of uncollectible debts</li> </ul>
Human resources	<ul style="list-style-type: none"> <li>• Increase in mental health problems</li> <li>• Occurrence and unsettled harassment issues</li> </ul>
Information management	<ul style="list-style-type: none"> <li>• Inadequate management of M&amp;A-related internal information</li> <li>• Leakage of confidential information and/or private information</li> <li>• Leakage of customer information</li> <li>• Unaddressed information system security risks</li> <li>• Leakage of insider information</li> </ul>

## Examples of ESG risks in the supply chain

### Environmental risks

Supply chain	
Issue	Risk example
Upstream-Downstream Environmental laws and regulations	<ul style="list-style-type: none"> <li>• Cessation of plants that are not compliant with environmental laws and regulations</li> <li>• Cessation of material procurement and loss of customers accompanied by tightening of environmental laws and regulations</li> <li>• Increase in subcontract expenses to comply with environmental laws and regulations</li> </ul>
Upstream-Downstream Climate change	<ul style="list-style-type: none"> <li>• Cessation of plant operation caused by natural disasters (heavy rain, flooding, powerful typhoons, etc.)</li> <li>• General price rise due to energy shift as an anti-climate change measure and cost increase due to tax reforms in the subcontractors' countries</li> </ul>
Upstream Destruction of nature	<ul style="list-style-type: none"> <li>• Severe criticism from NGOs etc. due to participation in deforestation for oil palm plantations through palm oil usage</li> <li>• Backlash from communities due to inadequate control over air, water, and soil pollution, as well as waste emissions (possibly including violation of laws), which may lead to inability to continue plant operations</li> </ul>
Upstream-Downstream Natural disasters	<ul style="list-style-type: none"> <li>• Cessation of plant operation caused by natural disasters (earthquakes, tsunamis, etc.)</li> </ul>
Upstream Material and energy procurement	<ul style="list-style-type: none"> <li>• Purchase of high-priced materials as a result of environmental procurement based on customers' policies</li> <li>• Inability to procure materials due to decrease in by-product materials through suppliers shift to green production</li> <li>• Cessation of plant operations due to outages of electricity, water, etc. through physical or political reasons</li> </ul>
Downstream Development of recycling	<ul style="list-style-type: none"> <li>• Market shrinkage due to rapid increase in product recycling</li> <li>• Pressure on profits through requests from customers to share recycling costs</li> <li>• Difficulty in continuing business due to disuse of additives unsuitable for recycling</li> </ul>

## Social risks

Supply chain Issue	Risk examples
Upstream-Downstream Human rights violations	<ul style="list-style-type: none"> <li>• Boycott of customers' products due to forced and/or child labor problems in subcontractors, followed by associated compensation</li> <li>• Boycott of products due to racial discrimination and/or human rights issues concerning workers in partner companies</li> <li>• Labor-management disputes and/or severe criticism from NGOs etc. due to unclear and/or discriminatory employment conditions for foreign workers</li> <li>• Severe criticism from NGOs etc. due to being regarded playing a role in local subcontractors' invasion of residential area for the indigenous population</li> <li>• Strikes or plant operation cessation following labor union formation and/or refusal of collective bargaining in local country</li> </ul>
Upstream-Downstream Poor working conditions	<ul style="list-style-type: none"> <li>• Health damage from worsened labor conditions in production sites etc.</li> <li>• Accidents or death from overworking of employees in subcontractors due to excessive long-hour working</li> <li>• Labor disputes and/or severe criticism from NGOs etc. due to failure to pay minimum wage or living wage</li> </ul>
Upstream Conflict minerals	<ul style="list-style-type: none"> <li>• Severe criticism from NGOs etc. for taking a part in inhuman acts through purchasing conflict minerals</li> </ul>
Upstream-Downstream Severe criticism	<ul style="list-style-type: none"> <li>• Severe criticism from NGOs etc. of a specific material or chemicals and plastics in general</li> <li>• Influence on business from tightening or changes to laws and regulations in response to rise in critical public opinion</li> <li>• Customers pulling out from business due to rise in critical public opinion and/or severe criticism</li> </ul>

## Governance risks

Supply chain Issue	Risk example
Upstream-Downstream Regional and geopolitical issues	<ul style="list-style-type: none"> <li>• Plant operation cessation due to territorial disputes or terrorism</li> <li>• Stagnation or uncertainty of Mexican economy due to lack of progress in NAFTA negotiations</li> <li>• Steep rise in raw oil prices or procurement difficulties due to worsened Middle East situation</li> <li>• Difficulty in business continuation through withdrawal of investment due to trading with sanctioned countries</li> </ul>
Upstream Bribery and corruption	<ul style="list-style-type: none"> <li>• Loss of social credibility through bribery of local civil servant by local consultant</li> </ul>

End

## 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 Prevention Measures

### Risk Hotline

Our Risk Hotline enables any Group employee who has obtained information related to risks, including acts in violation of a law or regulation that have been or about to be committed within the Company, to directly report the matter to and seek advice from our 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 Group's business activities, including the families of directors, corporate auditors, employees, retired employees, contractors at our works or other sites, and suppliers. Any and all information related to risks received through the hotline is immediately and periodically reported to the Company's corporate auditors, and important information is reported to the Company's Board of Directors if necessary.

Apart from the Risk Hotline, we are operating a system by which a harassment consultant contact office is located at each of our business sites' human resource division.

### Reporting and Consultation Desk

#### [ Report and Consultation to the Company's Risk & Compliance Committee ]

For the attention of:

The Secretariat, Risk & Compliance Committee

Corporate Administration & Legal Division

Mitsui Chemicals, Inc.,

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

E-mail : [Risk@mitsuichemicals.com](mailto:Risk@mitsuichemicals.com)

#### [ Report and consultation to external contact [attorney] ]

For the attention of:

Mitsui Chemicals, Inc. Hotline

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

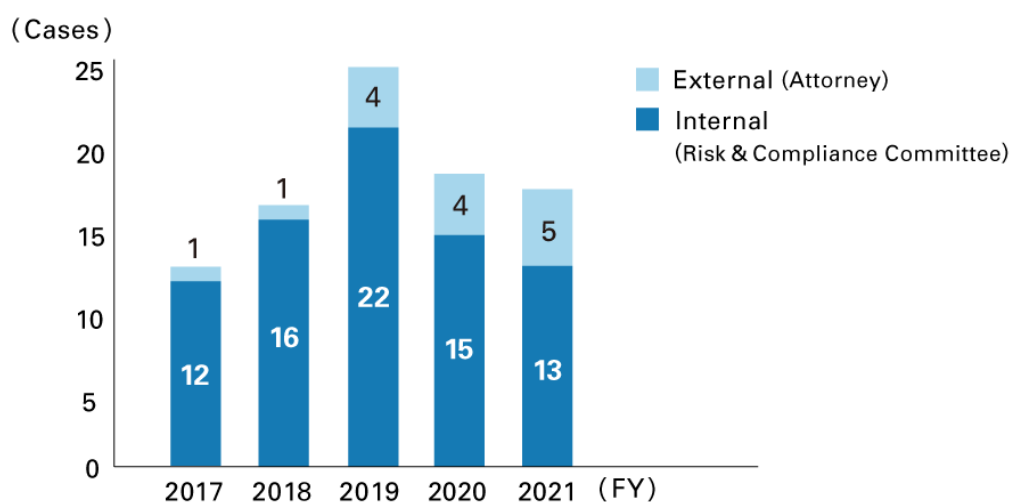
E-mail : [risk-MCI@daiichifuyo.gr.jp](mailto:risk-MCI@daiichifuyo.gr.jp)

- Corruption   ■ Bribery   ■ Human Rights   ■ Employment Environment   ■ Environmental Contamination
- Compliance with Laws and Regulations   ■ Procedures Relating to Business Law   ■ Others

### Operation of the risk hotlines

- 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's Risk & Compliance Committee or an external contact, it may not be possible to fully understand the situation and take steps, such as conducting an appropriate investigation or implementing measures.
- The Group restricts the people who are able to view the e-mails and letters received by the Risk & Compliance Committee or the external point of contact to some members of the Secretariat of the Committee. Furthermore, those who are able to view the correspondence strictly observe confidentiality with regard to the name or position of the person making the report or seeking advice or with regard to the content of their report (including acts that would make it easy to ascertain the name or position of the person making the report or seeking advice, or the content of their report), which is not disclosed to anyone other than the minimum number of officers, employees, or attorneys required for the investigation. Internally stipulated regulations safeguard the information against further disclosure or leakage.
- The Group will keep confidential any information related to people who are cooperating in the investigation or information gained through the investigation from anyone who is not involved. However, information on reported and consulted cases may be notified to the Group's directors, corporate auditors, and employees in a way that will not identify the person who reported or sought advice in order to educate the others and prevent recurrence.
- Any person who has reported, sought advice, or cooperated in an investigation is not subject to penalty as a result of making the report, seeing advice, or cooperating in the investigation. However, this does not apply to cases where the person who used the hotline to report or seek advice did so for the purpose of deceiving others, for example by deliberately conveying false information, or cases in which a report was made for the purpose of violating a law, regulation, etc., such as coercion or blackmail.
- A prompt and careful investigation will be conducted for all reports and consultations. If a legal or regulatory violation or a situation that may lead to such a violation is discovered, necessary corrective action, etc., will be taken properly. In addition, such corrective action, etc., is shared across the Group to ensure that a similar problem will not happen again within the Group.

### Risk Hotline Operating Performance



## **Business Continuity Plans (BCPs)**

Due to the ever-present risks, such as large-scale disasters, an outbreak of a critical infectious diseases and large-scale accident at a production site, the Company prepares for crises that may have serious consequences for the Group, has established a system to promptly and appropriately respond to each function, such as Head Office, production site or supply chain, and formulated a Business Continuity Plan (BCP) to fulfill its supply responsibility to customers.

For the BCP to be executed 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. Additionally 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 a critical infectious diseases and for a large-scale accident at a production site.

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.

For COVID-19 pandemic, which is still sweeping the world, we have created a BCP per division assuming all possible situations in order to ensure employee safety and our swift action for business continuity while implementing appropriate prevention measures against COVID-19.

## Compliance Training

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 [the Action Guidelines](#) formulated in February 2006. In addition to putting in place a compliance management framework that includes the Compliance Management Committee and Risk Hotline, Mitsui Chemicals is acutely aware of the critical need to have its employees, who are the driving force of the framework, strictly adhere to all laws and regulations. With this in mind, the Company has undertaken four initiatives in an effort to ensure compliance. In addition to preparing the Compliance Guidebook, we conduct workplace discussions covering case studies of violations of laws and regulations as well as compliance awareness training in order to strengthen the understanding of employees. From a skills and knowledge perspective, we also conduct legal and regulatory compliance training.

### Compliance Guidebook

The Compliance Guidebook (issued in 2006) sets out the President's ideas about the need to comply with all laws and regulations at the beginning and summarizes basic points that Group directors, corporate auditors, and employees should consider when carrying out their duties. Specifically, as circumstances dictate, steps are taken to revise the content of the Compliance Guidebook to gradually add and expand examples of violations of the laws and regulations of each country, instances of bribery or the falsification of product data, issues that are attracting widespread media interest in Japan, as well as points to note with regard to company and personal information when using social media. The content of the Compliance Guidebook also states that it is prohibited to have any relationship with anti-social forces and commit acts that cause a conflict of interest, including receiving any personal benefit that may cause a loss in the profit of the company, to increase awareness throughout the Group. We have compiled a guidebook on the theme of antitrust laws and corruption laws for the Asia-Pacific region and added a Chinese version containing information on Chinese laws and regulations and risks to the Japanese and English versions.

[Compliance Guidebook \(Excerpt\)](#) (PDF : 66KB)

### Example-based Workplace Discussions on Legal and Regulatory Violations

Mitsui Chemicals and its domestic subsidiaries and affiliates have 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 between staff and their managers. 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 their departments. In addition, we review examples to be discussed and added LGBT-related harassment examples in cooperation with the Human Resources Division in fiscal 2020. In fiscal 2021, we conducted discussions at 59 company departments and 22 subsidiaries and affiliates.

## Examples of Topics of Workplace Discussions on Legal and Regulatory Violations

- Failure to submit notifications required by the regulatory laws
- Product performance falsification
- Price cartel
- Violation of the Subcontracting Law
- Insider trading
- Concealment of misconduct
- Power harassment
- Sexual harassment
- Leakage of company information
- Excessive entertainment, etc.

## 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. In fiscal 2021, compliance awareness education and training was conducted as part of the new employee training, midcareer employee training, and line manager training programs to foster awareness of compliance with laws and regulations.

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.

### Key Achievements of Stratified Training

## Legal and Regulatory Compliance Training

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 rules 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.

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.

### e-Learning and Group Training Themes

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

## Overseas compliance training

A guidebook on the theme of competition law and anti-bribery has been published and distributed throughout the Mitsui Chemicals Group. The Group's regional headquarters for China and the Asia-Pacific region have published their own handbooks on competition law, anti-Bribery and Corruption that are generally regarded as high risks and has distributed copies to affiliated companies in their respective regions. In addition, training on competition law, anti-Bribery and Corruption, personal information management and company information management and others by lawyers is regularly held in each region.

## Policy

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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.

Including the Mitsui Chemicals Group Policy on Bribery Prevention and other content on bribery, [the Compliance Guidebook](#) increases awareness throughout the Group. With regard to high-risk areas, we prepare and distribute manuals to employees and are focusing on initiatives, such as group training sessions, to prevent bribery. [Audits](#) conducted by the Internal Control Division also include content on bribery.

### Compliance training

#### The Mitsui Chemicals Group Policy on Bribery Prevention

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##### 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:

- (i) A person engaged in public duties for the national or local governments of his or her own or a foreign country ("Governments");
- (ii) 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;
- (iii) A member of staff of any of the following public companies or entities ("companies, etc.") granted special privilege by a Government:
  - (a) A company, etc. in which a Government directly or indirectly holds a majority of the voting shares or paid-in capital;
  - (b) A company, etc. the majority of whose officers are appointed or nominated by a Government;
  - (c) A company, etc. otherwise substantively controlled by a Government;
- (iv) A political party or a staff member thereof;
- (v) A candidate for public office;
- (vi) A person engaged in public duties for a public body;
- (vii) A person engaged in the affairs of Government or public body as authorized thereby; or
- (viii) 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.

Established in December 2016



## Policy and Basic Approach

The tax regulations of countries and regions across the globe affect the business activities carried out by the Mitsui Chemicals Group in various ways, and complying with such regulations is one of the important responsibilities companies must fulfill. To adequately fulfill this responsibility, our Group will formulate a tax policy in order to achieve [our Corporate Mission](#) and as a result we will avoid not only tax litigation, additional taxes and penalties, but also prevent our Group and its various stakeholders from facing the negative repercussions which arise from such events.

### The Mitsui Chemicals Group Tax Policy

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#### 1. Background and purpose of establishment

The Mitsui Chemicals Group (our Group) is constantly engaged in business activities to realize our Corporate Vision, which comprises our Corporate Mission and Corporate Target. Our Group recognizes that efforts to achieve effective corporate governance as part of the process will allow us to achieve sustainable growth and increased corporate value over the medium to long term.

#### 2. Compliance

Our Group will comply with the tax laws and regulations of each relevant country and region, utilize in an appropriate manner the benefits available under the preferential tax regimes provided in their tax regulations, and file tax returns and make appropriate tax payments (i.e. using values neither excessive nor insufficient).

Furthermore, to ensure accurate tax processing, our Group will apply proper accounting procedures in accordance with the relevant laws and regulations.

#### 3. Structure for taxation business

The CFO of Mitsui Chemicals Inc. has responsibility for building our Group's tax governance structure.

To ensure that the foregoing structure functions properly, our Finance and Accounting Division carries out the following practical tasks and operational management in cooperation with the Finance and Accounting Divisions of each company of our Group.

- Concerning matters that need to be dealt with on a global basis, such as tax audits and transfer pricing regulations, we continuously strive to improve group-level management in cooperation with the Finance and Accounting Divisions of each company of our Group.
- Concerning matters that can be handled to a certain degree within the Finance and Accounting Divisions of each company of our Group, we provide the assistance to each company as necessary to handle tax matters appropriately.

Our Finance and Accounting Division uses the information received from each company of our Group to monitor the tax governance of each group company and each tax item from a group perspective, and implements corrective measures when necessary and reports the status of management to our CFO as needed.

#### 4. Tax planning

Our Group manages tax planning in a fair and appropriate manner commensurate with our business activities. Furthermore, we comply with international tax rules and the laws and regulations of each country in which we conduct business activities, and make an effort to minimize tax risks.

Our Group does not arrange tax avoidance through the use of tax-free or low-tax countries or regions (so-called tax havens) and does not conduct tax planning in a manner not commensurate with our actual business conditions.

#### 5. Initiatives to minimize tax risks

Although our Group strives to deal with taxes in accordance with the tax regulations of each relevant country, there is a certain degree of probability that the tax implications our Group has determined to be appropriate may not be agreed by the tax authorities of the respective country.

Our Group will seek tax advice from third-party tax professionals as necessary researching, evaluating and considering enough multiple options, and make appropriate decisions. We believe that this minimizes the risk of tax litigation, additional taxes and penalties.

#### 6. International taxation

##### (1) Transfer pricing

Our Group believes that tax payment will be made appropriately in each respective country and region by allocating income internationally to each group company in accordance with their degree of contribution. Based on this understanding, our Group complies with international regulations such as the OECD Transfer Pricing Guidelines, applies transfer pricing methods based on the results of function and risk analyses and determines prices for transactions conducted with foreign related parties.

In order to reduce tax risk pertaining to transfer prices, our Group receives advice from third-party professionals and utilizes the advance pricing agreement (APA) program and other systems offered by tax authorities.

##### (2) Elimination of double taxation

If double taxation occurs whereby taxes are levied by multiple countries and regions on the same economic benefits, our Group will strive to eliminate double taxation by taking advantage of the tax treaties and mutual agreement procedures provided by the relevant countries.

#### 7. Relations with tax authorities

Our Group will respond as necessary to inquiries or requests to provide information from tax authorities and maintain good relations with tax authorities.

In order to reduce uncertainty surrounding tax operations and to ensure tax transparency, our Group will apply tax implications in a manner for which rational explanations can be provided and will strive to immediately resolve matters of opinion between our company and tax authorities.

Furthermore, with regard to guidance received from tax authorities, we will take measures to prevent its recurrence.

## System and Responsible Officers

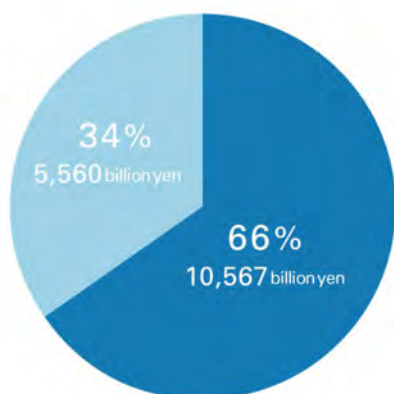
The CFO of Mitsui Chemicals Inc. has responsibility for building a tax governance structure. Our Finance and Accounting Division continuously strives to improve group-level management in dealing with tax audits, transfer pricing regulations, and other matters so that the relevant structure will function properly in cooperation with the Finance and Accounting Divisions of each company of our Group. Concerning matters that can be handled to a certain degree within the Finance and Accounting Divisions of each company of our Group, we provide the assistance to each company as necessary to handle tax matters appropriately.

Our Finance and Accounting Division uses the information received from each company of our Group to monitor the tax governance of each group company and each tax item from a group perspective, and implements corrective measures when necessary and reports the status of management to our CFO as needed.

## TAX Data (As of the end of FY2021)

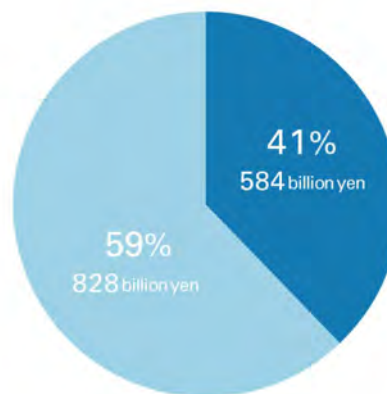
Domestic (Japan) Overseas

Sales Revenue ratio\*



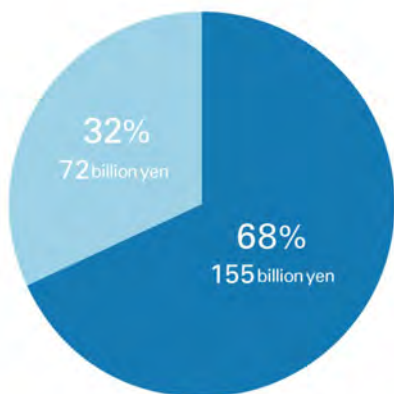
Total: 16,127 billion yen

Income before income taxes ratio



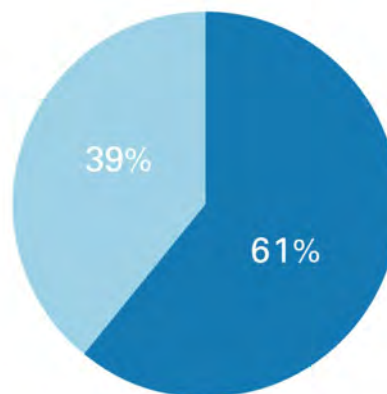
Total: 1,413 billion yen

Income tax expense ratio



Total: 227 billion yen

Ratio of employee



Total: 18,780 employees

\* Since the sales revenue ratio disclosed in the tax data is aggregated based on the country of origin, the numerical value may differ from other data shown on this site.

## Management System

### Policy and Basic Approach

In its business activities, the Mitsui Chemicals Group complies with laws and regulations on company and customer information and shares with its employees the importance of and responsibilities involved in information management so that information related operations are carried out properly. In particular, organizational reinforcement of information systems security is recognized as an important issue in protecting the information assets of the Group against all threats, to avoid any loss of trust or disruption to our business operations that would result from information leaks or data falsification.

### System and Responsible Officers

We are comprehensively controlling information risks through our [risk and compliance management](#) system. The Information System Division is responsible for information system security with the responsible officer for information systems as the responsible party, while the Corporate Administration & Legal Division is responsible for compliance with information management laws, including unauthorized information leaks and protection of personal information, with the responsible officer in charge of the division as the responsible party. The two divisions coordinate their actions and combine their expertise to ensure comprehensive control.

In 2020, we established a global policy on information system security. By requiring Mitsui Chemicals Head Office and all its subsidiaries to ensure information security through (1) strict management of information system usage authority, (2) prohibition of access to systems that are unnecessary for business or to company information, (3) acquisition and storage of the access log to company information and personal information, (4) establishment of company rules that prescribe reporting obligation in the event of a security incident, etc., we have been working to strengthen our group-wide information management framework globally.

### Personal Information Protection

The Mitsui Chemicals Group recognized that it is an important social responsibility to handle and protect personal information appropriately. We stipulate the Privacy Policy and Personal Information Protection and Management Regulations, and at the same time we provide corporate training programs to employees and undertake regular audits.

### [Privacy Policy](#)

## Initiatives

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The Group is constantly implementing measures to ensure information system security.

We will reinforce our efforts to address the important issue of managing the growing risk from cyberattacks.

### Initiatives based on technology and systems

- Prevention of unauthorized access to confidential information in our business systems through controlled access.
- Building a system to prevent information leakage.
- Building a security operation center (SOC) that is responsible for detecting attacks and implementing countermeasures.
- Systematization of company rules and other rules on information system security. (Rules for Administration of Company Information, Risk Management Rules, Personal Information Protection and Management Rules, Information System Management Rules, Detailed Rules for Information System Security, Information System Security Procedures for Users, etc.)

### Initiatives based on training

- Training and education on security risks for Group employees and monitoring the level of their information security literacy. (with mandatory e-learning on information security for all employees once a year)
- Targeted email attack response training for Mitsui Chemicals and domestic affiliated companies and follow-up training for specific persons.

# Responsible Care



## Responsible Care Management

- Management System
- Roll Out Globally

## Safety and Prevention

- Management System
- Initiatives to Prevent Major Accidents
- Accidents and Occupational Injuries
- Safety Education
- Plant Operation Technology Training Center

## Environmental Protection

- Management System
- GHG and Energy
- Industrial Waste
- Environmentally Hazardous Substances
- Water
- Biodiversity
- Environmental Accounting/Compliance

## Product Stewardship

- Management System
- Regulatory Compliance and Providing the Safety Use Information
- Providing Safe Products
- Training

## Quality of Products and Services

- Management System
- Initiatives

## Logistics

- Management System
- Safety and Quality in Logistics
- Stable Transportation (Sustainable Logistics)

## **Occupational Health**

- **Management System**
- **Health-focused Management**
- **Preventing Exposure to Harmful Substances**



## Management System

### Policy and Basic Approach

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.



The Mitsui Chemicals Group formulated the Responsible Care Policy as the Group's approach to ensuring safety, based on the philosophy of [the Responsible Care® Global Charter](#) drawn up by the International Council of Chemical Associations (ICCA).

Guided by this Policy, we engage in various Responsible Care activities in areas such as [safety and prevention](#), [environmental protection](#), [occupational health](#), [product stewardship](#), [quality of products and services](#), and [logistics](#). Through its Responsible Care activities, we 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.

### [The Responsible Care® Global Charter: Company Signatories](#)

#### 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.

Effective October 1, 1997  
Revised 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 throughout the Group as a whole. In fiscal 2021, we reviewed the guidelines and specified that the reduction of environmental impact shall be considered throughout the product lifecycle, including the business planning stage, with stakeholders involved in each stage (suppliers in the material procurement stage; production sites, contractors, and product and service users in the manufacturing stage; logistics companies in the transport stage; waste management operators in the waste disposal stage, etc.).

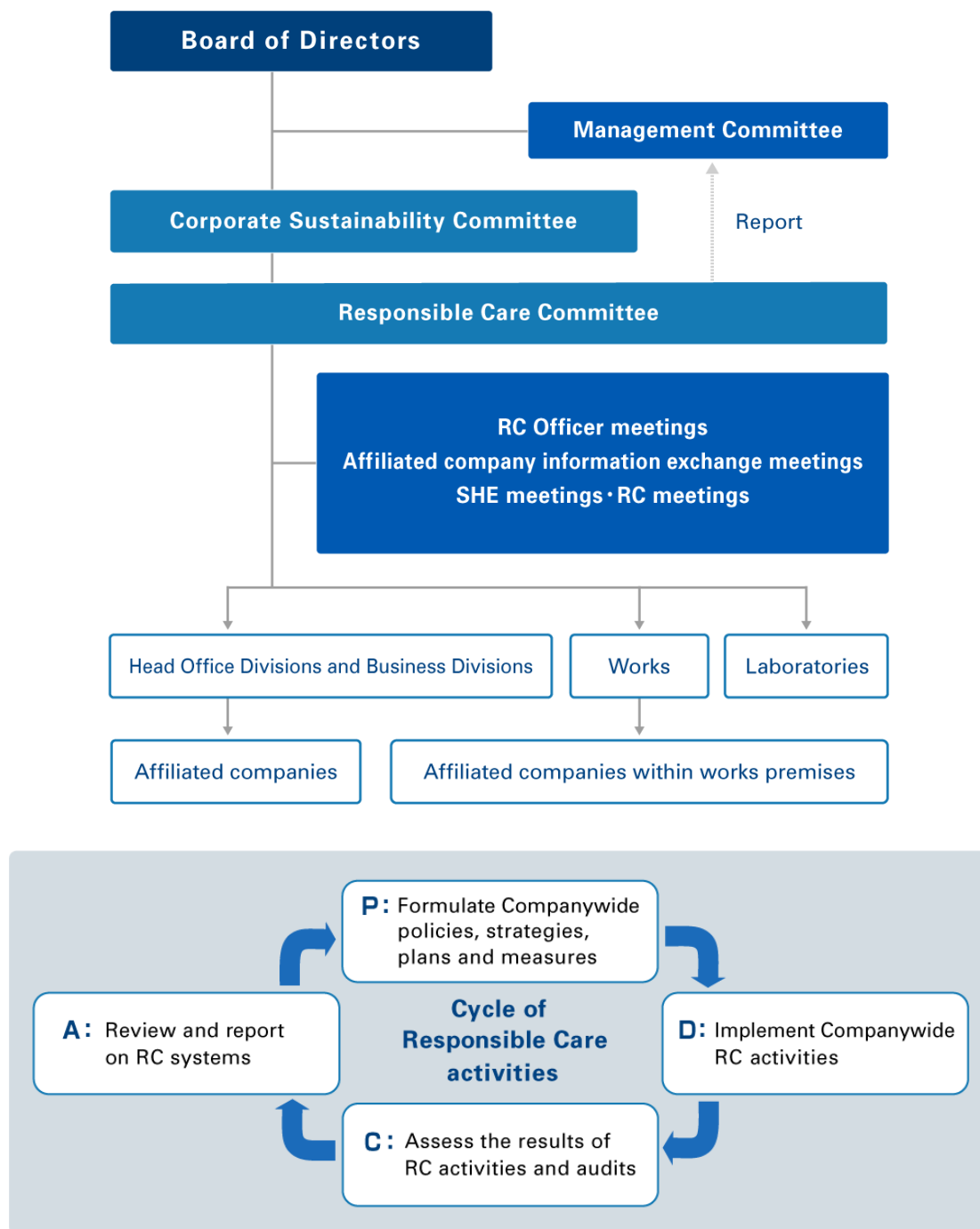
In addition, to further expand Responsible Care activities at subsidiaries and affiliates, Mitsui Chemicals drew up (in Japanese, English, and Chinese editions) [the Shiodome Manifesto](#). Based on the articles of the Responsible Care® Global Charter, the Manifesto serves as a declaration that promotes the Group's Responsible Care policy and frameworks for subsidiaries and affiliates. The presidents of Group subsidiaries and affiliates that manufacture and market chemical substances, (excluding subsidiaries and affiliated companies situated within the premises of the works sites of Mitsui Chemicals, Inc.) signed off in acknowledgement of their commitment.

## System and Responsible Officers

The person in charge is the responsible officer for the Responsible Care Committee.

Chaired by the responsible officer for the Responsible Care Committee, the Responsible Care Committee convenes three times a year, formulates policies, strategies and plans with regard to Responsible Care activities, conducts performance evaluations and reviews Responsible Care related systems. The general managers of each division (the general managers from the RC & 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 Responsible Care activities in their respective jurisdictions at Responsible Care Committee meetings. The responsible officer for the Responsible Care Committee also bears the responsibility for the deliberations and discussions held at the Committee. Outlines of their content are reported to the Management Committee, and policies, strategies, plans, and measures developed by the Responsible Care Committee and other important matters are approved by the Management Committee, thereby ensuring a senior management-level commitment to Responsible Care.

## Responsible Care Management System



### Role of the Responsible Care Committee

- Formulated Responsible Care -related policies, strategies, plans and measures on a companywide basis
- Assess the results of Companywide Responsible Care activities on a yearly and quarterly basis
- Publicize and raise awareness of Responsible Care within the Company
- Assess the results of Responsible Care audits
- Review Responsible Care systems and examine other important issues

### Composition of the Responsible Care Committee

Chair	Responsible Officer for the Responsible Care Committee
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Permanent members	Center Executive of the Production & Technology Center, General Manager of the Planning & Coordination Division of Each Business Sector, General Manager of R&D Planning & Coordination Division, Planning & Coordination Division of the Production & Technology Center, Safety & Environment Technology Division, the RC & Quality Assurance Division, Purchasing Division, Logistics Division, Human Resources Division, Corporate Planning Division, Affiliates Coordination Division, Corporate Sustainability Division, and Internal Control Division, other members appointed by the Chairperson
Observers	Corporate Auditor, President of the Mitsui Chemicals Labor Union, other members appointed by the Chairperson
Secretariat	RC & Quality Assurance Division
Description of activities (FY2021)	In fiscal 2021, the Responsible Care Committee mainly discussed the development of the fiscal 2022 budget that reflected VISION 2030, while at the same time verifying whether the fiscal 2021 budget for the entire Group was actually effective. In addition, the Committee exchanged a wide range of opinions regarding carbon neutrality, circular economy, strategies of sites that consider the entire supply chain, and other matters.

We hold regular meetings by the representatives from each department on a monthly basis and constantly exchange information between divisions in charge of Responsible Care and engage in Responsible Care activities that involve the Company as a whole. We also appoint a member of staff to be in charge of Responsible Care (RC Officer) at each business division and in each department and roll out Responsible Care -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 Responsible Care activities are carried out by individual departments, including each works and business division.

The Mitsui Chemicals Group as a whole also promotes Responsible Care, 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 Responsible Care activities as well as activity results. Turning to overseas subsidiaries and affiliates, SHE (Safety, Health, and Environment) meetings are held by region. In addition to sharing policies and strategies relating to Responsible Care, every effort is being made to promote Responsible Care throughout the Group as a whole.

## Internal Audits

Mitsui Chemicals Group conducts audits on environment and safety ([environmental protection](#) and [safety and prevention](#)), [occupational health](#), [quality](#), and [chemicals management](#), in order to objectively evaluate the effective implementation of Responsible Care activities. The Internal Control Division is responsible for environment & safety audits and occupational health audits. Quality audits and chemical safety audits are managed by RC & Quality Assurance Division, in order to verify the practice from a more professional perspective, And the suitability of these audits is itself inspected by the Internal Control Division. The audit results are then reported to the Management Committee and the Responsible Care Committee.

## Risk Management System

## External Certification

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The Mitsui Chemicals Group obtains external certification on our environment management system, occupational health and safety management system, and quality management system in each site.

### Status of External Certification

## Participating in Chemical Industry Associations in Each Country and Region

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The Mitsui Chemicals Group reports the results of our Responsible Care activities to each association and are working to maintain the transparency of the chemical industry in the eyes of society.

Report recipients: The Japan Chemical Industry Association (JCIA), the Association of International Chemical Manufacturers (AICM, China), the Taiwan Responsible Care Association (TRCA), the Singapore Chemical Industry Council (SCIC), the Federation of Thai Industries (FTI), the American Chemistry Council (ACC), and the European Chemical Industry Council (CEFIC).

Topics that are likely to become management issues are gathered from information obtained in the course of the activities at these associations and reported to top management.

### Support Initiatives

## 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, namely “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 the officers and personnel of the Mitsui Chemicals Group are important in cultivating the trust and confidence of our stakeholders and of society. To realize the 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 the unique activities of the chemical industry to ensure ongoing improvements in safety, health, and environmental platforms. Although originating in the chemical industry, these principles are universal to all industries. Responsible care at the Mitsui Chemicals Group covers all aspects of the product lifecycle, from the planning stages of a business to its development, manufacturing, logistics, use, recycling, final consumption, and disposal. It is self-implemented management, so to speak, setting goals and make improvements while repeating the PDCA cycle, and continuous improvement of measures related to safety, health, the environment, and quality.

To carry out the above activities, we will not only engage our company employees but also our business partners who are involved in various stages of the product lifecycle, including suppliers, contractors, and subcontractors such as in distribution.

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 also by 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 to convey its activities and principles through better communication with stakeholders while expanding its business focus and activities. The Mitsui Chemicals Group holds this approach as its Basic Policy and Principle for Ensuring Safety.

- ◆ 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 in 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 cultivate a safety culture and become a corporate group with the highest level of safety.

Additionally, the Mitsui Chemicals Group aims to ensure safe and stable operations and secure the trust of society by strengthening its safety foundations. By doing so, we will be ready to respond to the intensifying natural disasters in recent years, including earthquakes, tsunamis, and typhoons, and diversifying risks, such as cyberattacks.

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

The Mitsui Chemicals Group assesses the risk of chemical substances to humans and the environment by taking into consideration the entire product lifecycle, from the planning stages of a business to its development, manufacturing, logistics, use, recycling, final consumption, and disposal. The assessment results are used to provide safety information so that appropriate management may be carried out at each stage. In this way, we work to ensure human health and reduce the environmental load. Additionally, we also promote product designs and the management of chemical substances contained in products that lead to the improved recycling of resources. Through such efforts, we are engaged in building a circular economy business model across the supply chain.

- ◆ 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 realize an inclusive society creating diverse value, a circular society in harmony with the environment, and a comfortable society in which people can enjoy healthy lives and well-being by



contributing to social and environmental issues. To this end, we are actively developing technology and products that contribute to improving the 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.

The Mitsui Chemicals Group strives to understand the needs of its customers and society and carries out the necessary quality management across all processes. We will respond to the trust placed in us by our customers and society by offering high-quality products and services that satisfy them.

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

“Employee well-being leads to the happiness of employees and their families, which in turn forms the foundation of the company, and furthermore contributes to society.” With this principle 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 an important issue; mental health is important too. 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  
Revised April 1, 2022

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: \_\_\_\_\_

## Status of External Certification (As of June 2022)

## Japan

Company	Business Sites	Certification		
		Environment	Occupational Health & Safety	Quality
Mitsui Chemicals, Inc.	Ichihara Works	ISO14001	ISO45001	ISO9001
	Mobara Branch Factory	ISO14001	ISO45001	ISO9001
	Nagoya Works	ISO14001		ISO9001 IATF16949 (electrolyte solution business)
	Osaka Works	ISO14001	ISO45001	ISO9001
	Iwakuni-Ohtake Works	ISO14001	ISO45001	ISO9001
	Tokuyama Branch Factory	ISO14001		ISO9001
	Omuta Works	ISO14001		ISO9001
Saxin Corporation	Factory	ISO14001		ISO9001
Sun Medical Co., Ltd.	Factory			ISO9001 ISO13485
Sunrex Industry Co., Ltd.	Factory	ISO14001		ISO9001
Shimonoseki Mitsui Chemicals, Inc.	Factory	ISO14001		ISO9001
Japan Composite Co., Ltd.	Factory	ISO14001		ISO9001
Toyo Beauty Supply Corporation	Factory			ISO9001
NIPPON ALUMINUM ALKYLs, LTD.	Factory	*	*	ISO9001
Prime Polymer Co., Ltd.	Ichihara Works	*	*	*
	Anesaki Works			ISO9001
	Osaka Works	*	*	ISO9001
Hokkaido Mitsui Chemicals, Inc.	Factory			ISO9001
Utsunomiya Chemical Industry Co., Ltd.	Utsunomiya Factory			ISO9001
	Funaoka			ISO9001

	Factory			
	Shinshiro Factory			ISO9001
	Tosu Factory			ISO9001
Mitsui Chemicals MC Co., Ltd.	Head Office, Shimizu Factory	ISO14001	ISO45001	ISO9001
	Kaibara Factory	ISO14001	ISO45001	ISO9001
MITSUI CHEMICALS SUN ALLOYS CO., LTD.	Business Sites			ISO9001
Mitsui Chemicals Industrial Products, Ltd.	Saitama Factory	ISO14001		ISO9001
	Ohtake Factory	*	*	ISO9001
Mitsui Chemicals Tohcello, Inc.	Head Office			ISO9001
	Katsuta Works			ISO9001
	Ibaraki Works	ISO14001		ISO9001
	Hamamatsu Works	ISO14001		ISO9001
	Anjo Works			ISO9001
Shikoku Tohcello Co., Ltd.	Factory	ISO14001		ISO9001
Yamamoto Chemicals, Inc.	Yao Plant	ISO14001		ISO9001
	Omuta Plant	ISO14001		ISO9001
EVOLUE JAPAN CO., LTD. (Ichihara Works)	Factory	*	*	ISO9001
OSAKA PETROCHEMICAL INDUSTRIES, LTD. (Senboku Works)	Factory	*	*	ISO9001
MITSUI CHEMICAL ANALYSIS & CONSULTING SERVICE, INC. (Analysis & Support Department (Ichihara, Nagoya, Osaka, Iwakuni, Omuta) and Laboratory)	Business Sites	*	*	*
	Analysis Research Laboratory			ISO17025
	Polymer Testing Laboratory			ISO9001

\* Included in the certification of the factory/business site where it is located.

## China

Company	Business Sites	Certification		
		Environment	Occupational Health & Safety	Quality
Tianjin Cosmo Polyurethane Co., Ltd.	Tianjin Plant	ISO14001		ISO9001
	Suzhou Plant	ISO14001		ISO9001
Mitsui Chemicals Functional Composites (Shanghai) Co., Ltd.	Factory	ISO14001		ISO9001 IATF16949
Mitsui Advanced Composites (Zhongshan) Co., Ltd.	Plant	ISO14001		ISO9001 IATF16949
Zhang Jia Gang Free Trade Zone Mitsui Link-upon Advanced Material, Inc.	Factory	ISO14001		ISO9001 QC080000
Foshan Mitsui Chemicals Polyurethanes Co., Ltd.	Plant	ISO14001		ISO9001
Shanghai Sinopec Mitsui Chemical Co., Ltd.	Factory	ISO14001		ISO9001

## South Korea

Company	Business Sites	Certification		
		Environment	Occupational Health & Safety	Quality
ML Tech Co., Ltd.	Factory			ISO9001
Kumho Mitsui Chemicals, Inc.	Factory	ISO14001	ISO45001	ISO9001
Yongsan Mitsui Chemicals, Inc.	Factory			ISO9001

## Southeast Asia

Company	Business Sites	Certification		
		Environment	Occupational Health & Safety	Quality
Mitsui Elastomers Singapore Pte. Ltd.	Factory	ISO14001	ISO45001	ISO9001
Mitsui Phenols Singapore Pte. Ltd.	Factory	ISO14001	ISO45001	ISO9001
Prime Evolve Singapore Pte. Ltd.	Factory	ISO14001	ISO45001	ISO45001
SDC Technologies	Factory			ISO9001

Asia Pacific, Pte. Ltd.				
Grand Siam Composites Co., Ltd.	Works	ISO14001	ISO45001	ISO9001 IATF16949
Mitsui Hygiene Materials (Thailand) Co., Ltd.	Factory	ISO14001	ISO45001	ISO9001
Siam Tohcello Co., Ltd.	Works	ISO14001	ISO45001	ISO9001
Thai Mitsui Specialty Chemicals Co., Ltd.	Works	ISO14001	ISO45001	ISO9001
P.T. PETnesia Resindo	Works	ISO14001	ISO45001	ISO9001 ISO22001
Mitsui Chemicals Scientex Sdn. Bhd.	Works	ISO14001	ISO45001	ISO9001
Mitsui Chemicals Polyurethanes Malaysia Sdn Bhd	Works	ISO14001		ISO9001
PT. Mitsui Chemicals Polyurethanes Indonesia	Works	ISO14001	ISO45001 SMK3	ISO9001
Mitsui Prime Advanced Composites India, Pvt. Ltd.	Factory	ISO14001		ISO9001
Mitsui Chemicals India, Pvt. Ltd.				ISO9001

## USA

Company	Business Sites	Certification		
		Environment	Occupational Health & Safety	Quality
Advanced Composites, Inc.	Ohio Plant	ISO14001	ISO45001	ISO9001 IATF16949
	Tennessee Plant	ISO14001	ISO45001	ISO9001 IATF16949
Advanced Composites Mexicana, S.A. de C.V.	Factory	ISO14001 Clean Industry		ISO9001 IATF16949
Anderson Development Company	Factory	ISO14001 RC14001		ISO9001
SDC Technologies, Inc.	Factory	ISO14001		ISO9001
Mitsui Prime Advanced Composites do Brasil Indústria e Comércio de Compostos Plásticos S.A.	Factory	ISO14001		ISO9001

## Europe

Company	Business Sites	Certification		
		Environment	Occupational Health & Safety	Quality
Acomon S.R.L.		ISO14001		ISO9001
Mitsui Prime Advanced Composites Europe B.V.	Factory	ISO14001		ISO9001
Kulzer Group	Kulzer GmbH; Wehrheim Plant	ISO14001		ISO9001
	Kulzer GmbH; Wasserburg Plant			ISO9001
	Kulzer GmbH; South Bend Plant			ISO9001 ISO13485
	Kulzer Dental Ltd.; Shanghai	ISO14001		ISO9001

	Plant			
	Scientific Glass; Usingen Plant			ISO13485
	Cavex Holland BV; Haarlem Plant	ISO14001		ISO9001
	Kulzer S.R.L.; Sacalaz Plant	ISO14001		ISO9001

\* 58 out of 79 sites (73%) acquired the ISO 14001 certification.

\* 26 out of 79 sites (33%) also acquired the ISO 45001 certification.



## Roll Out Globally

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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

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 RC meetings that gather together the staff in charge of Responsible Care of various subsidiaries and affiliates. The meetings are opportunities for subsidiaries and affiliates to mutually learn about accidents and occupational injuries through analyses of examples, as well as to learn about best practices. In fiscal 2021, while reviewing explosion accidents that occurred in the past, all participants learned about analyzing hazard and operability studies (HAZOP), risk assessment techniques, etc., which was a good opportunity to look deeper at the causes and measures for disasters. We would usually hold this meeting onsite, but this year we held it online again due to the COVID-19 pandemic. One advantage of holding the meeting online is that multiple members from each company could easily attend, so we could share the information with more people. We also provided an assignment for attendees before the meeting to encourage discussions during the meeting.

### China

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The Safety, Health, and Environment (SHE) meeting for Chinese affiliates for fiscal 2021 was held in July and attended by 10 companies in the China region. Although it was held online last year, companies in the region gathered in person (connected online with Japan) this year. In addition to sharing information related to Responsible Care with Mitsui Chemicals, participant companies interacted and exchanged information with one another on the main topic related to the treatment of volatile organic compound (VOC), for which regulations are becoming stricter year by year. They also shared information and toured local factories in China.

### Americas

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In fiscal 2021, Americas RC Meeting was held online in December. A total of seven companies, including those from Europe this year and companies in the Americas, shared their respective RC initiatives. This year, they discussed the main topic of initiatives for Responsible Care in relation to our VISION 2030 formulated in fiscal 2021, and the participants engaged in a lively exchange of opinions.

In fiscal 2021, an Asia-Pacific RC Meeting was held online twice in October and November, with 19 companies (a total of 128 participants) participating this year. Quality control education was provided with the main topic of quality management. Various subsidiaries and affiliates presented various issues on quality control and inventive ideas as solutions. Mitsui Chemicals introduced a new e-learning program about Responsible Care launched in fiscal 2021 and reported the details of the Responsible Care Committee, which became beneficial information sharing among participants from each region.

## Evaluation of the Responsible Care Activities of the Mitsui Chemicals Group

The Mitsui Chemicals Group's Responsible Care activities are highly esteemed by external parties.

Our Iwakuni-Ohtake Works received the 2021 Responsible Care Grand Prix Award organized by the Japan Chemical Industry Association. This award was presented in appreciation of the Works for reviewing the operating conditions of a plant using digital technology based on the factor analysis of past data, which then led to reduced environmental impact and other benefits. We also received the RC Chairman's Award from the Association of International Chemical Manufacturers (AICM). This award was presented in appreciation of our group companies in China for making efforts to support the sustainable development of the Chinese chemical industry and for their social contribution, such as having production procedures that consider safety and the environment, and continuously providing reports on safety and environmental data.

### Mitsui Chemicals Group's Responsible Care-related Awards

Countries	FY2021 awards	Awardees
Japan	2021 Responsible Care Award (Outstanding Award) / Japan Chemical Industry Association	Mitsui Chemicals Iwakuni-Ohtake Works
China	RC Chairman's Award / Association of International Chemical Manufacturers	Mitsui Chemicals
Thailand	National Awards for outstanding in workplace safety, occupational health and environment management / Ministry of Labor Thailand	GRAND SIAM COMPOSITES CO., LTD.
	National Safety Performance Award / Department of Labor Protection and Welfare Zero Accident Award / Thailand Institute of Occupational Safety and Health	MITSUIHYGIENE MATERIALS (THAILAND) CO., LTD.
Singapore	SCIC Responsible Care Awards Occupational Safety & Health Code: Excellence Environmental Protection Code: Gold Safety & Prevention Code: Achievement / Singapore Chemical Industry Council (SCIC)	MITSUI PHENOLS SINGAPORE PTE. LTD.
	SCIC Responsible Care Awards Safety & Prevention Code: Gold Occupational Safety & Health Code: Achievement / Singapore Chemical Industry Council (SCIC)	MITSUI ELASTOMERS SINGAPORE PTE. LTD.

### Management System



#### Policy and Basic Approach

Safety is the foundation of society's trust, and at the same time, ensuring safety increases our manufacturing quality, leading to improvement of corporate value from the financial viewpoint.

With this approach, the Mitsui Chemicals Group established a management policy that states "Safety is our top priority." Its [Responsible Care Policy](#), which is upheld in the "Philosophy and Policy Relating to Ensuring Safety" of the Group, declares the following: "We pledge that safety is our top priority and we will focus on achieving zero accidents and occupational injuries." The Group's [Action Guidelines](#) also call for safety first, and top management repeats this policy as the President's message, etc., to all Group employees on many occasions, such as in opening addresses, plants visits, Safety Day messages, and in Company newsletters, portal site, etc. The Group's material topics include "safety" under the category of "prerequisites for business continuity," and its VISION 2030 defines the "ideal state of safety" in the future as "reinforcing safety as a top priority to implement safety culture and maintain a high level of safety across the Group regardless of the diversification of employees, facilities, and technologies." In line with this vision, all employees of the Mitsui Chemicals Group, including contractors, reaffirm their heartfelt commitment to the pledge that "safety is essential and for the benefit of not only ourselves, but also our families, colleagues, and society as a whole," and the Group strives to provide education and training to employees to be able to put fundamental safety initiatives into practice, globally promote safety culture, and introduce and disseminate new safety technologies.

## System and Responsible Officers

The chief responsible officer is the president. The responsible officer for the Production & Technology Center is appointed as the person directly responsible. The Safety & Environment Technology Division formulates, disseminates, and promotes the safety and prevention strategy. **The Responsible Care Committee** creates an annual plan and a medium to long-term plan, based on the strategy progress reports and any challenges identified during the strategy review and environmental analyses obtained within and outside the Group.

We hold regular meetings with each site, such as monthly meetings of all GMs of Works and semiannual affiliate liaison meetings, to ensure safety and accident prevention in cooperation with business divisions, production sites, and affiliates.

The Safety and Environment Technology Division regularly monitors the achievement of the priority issue targets relating to safety and accident prevention at domestic sites and ascertains the progress made. The Division also collects, consolidates, and analyzes information on the occurrence of any serious accidents and occupational injuries across the entire Group and shares this information throughout the Group.

Management and labor union members in the Head Office hold regular meetings to deliberate issues relating to occupational health and safety. Such meetings are also conducted in each site as Health and Safety Committee meetings, in which attendees report on and deliberate issues related to occupational health and safety, including occupational injuries, to continue to make improvements.

### Internal Audit

The Internal Control Division conducts environmental & safety audits (for environmental protection, safety and prevention) at Works and laboratories of the Mitsui Chemicals Group.

Environmental & Safety Audit (safety and prevention)	Confirms that the policy of "safety is our top priority" is being comprehensively implemented, that activities are being organized to eliminate accidents and occupational injuries and that there is compliance with the relevant laws and regulations. Indicates nonconformities that require revision or improvement.
	Scope: Works and laboratories of Mitsui Chemicals Inc. and its subsidiaries and affiliates
	Frequency*: Once every one to three years (depending on size, business type and management level of the audited organization)

\* A remote audit is conducted if an On-site audit is difficult due to COVID-19 restrictions.

## Goals and Results

### Accidents

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals

Incidence of major accidents <sup>*1</sup>	Mitsui Chemicals Group	0	0	○	0	0 ongoing
Incidence of abnormal conditions/accidents <sup>*2</sup>	Mitsui Chemicals Group	7 or less	16	×	8 or less	—

**\*1 major Accidents:**

Accidents and abnormal conditions with a severity level of 18 points or more, as specified by the Japan Petrochemical Industry Association (JPCA) under the Center for Chemical Process Safety (CCPS) evaluation procedures, or events that involve death.

**\*2 abnormal conditions/accidents:**

Events that were legally handled as an abnormal condition or accident among the reported explosions, fires, leakages, bursts, breakages, or abnormal reactions. However, such abnormal conditions or accidents exclude leakage of CFCs and small amount leakages.

## Occupational injury

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Incidence of Serious Occupational Injuries <sup>*1</sup>	Mitsui Chemicals Group	0	0	○	0	0 ongoing
Work-related Significant Occupational Injuries <sup>*2</sup> frequency	Mitsui Chemicals Group	0.15 or less	0.23	×	0.15 or less	0.15 or less
	Mitsui Chemicals, Inc. <sup>*3</sup>	0.15 or less	0.10	○	0.15 or less	0.15 or less
	Domestic Subsidiaries & Affiliates	0.15 or less	0.45	×	0.15 or less	0.15 or less
	Overseas Subsidiaries & Affiliates	0.15 or less	0.00	○	0.15 or less	0.15 or less
	Construction subcontractors	0.29 or less	0.58	×	0.28 or less	0.30 or less

**\*1 Serious Occupational Injuries:**

Occupational injuries that fall under disability grades 1 to 7, causing death, injury or illness.

**\*2 Work-related Significant Occupational Injuries:**

“Work-related Significant Occupational Injuries (WSOIs)” refer to occupational injuries that resulted in absence from work or death. WSOIs also include lighter occupational injuries that may lead to absence from work or death due to the potential danger in the cause of the injury. WSOIs do not include injuries that are not directly related to operations.

**\*3 Includes contractors operating on site.**

## Initiatives to Prevent Major Accidents

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. Nevertheless, the explosion and fire occurred at the resorcinol production facility inside our Iwakuni-Ohtake Works in 2012. We take this latest incident very seriously and will strive to prevent any future recurrence. Reflecting on that incident, we have been implementing a series of initiatives to prevent major accidents such as fundamental safety measures to ensure that nothing like that ever happens again.

### Top Management's Strong Commitment to Safety and Prevention

On Safety Day and during National Safety Week, etc., the President of Mitsui Chemicals repeatedly conveys to all Group employees that they follow the management policy of "making safety their top priority in everything they do." In addition, we are working to ensure active involvement in activities to nurture our safety culture at worksites by having executives, including the Vice President, Senior Managing Executive Officers, and the Executive of the Production & Technology Center, visit Mitsui Chemicals works and each production sites of domestic and overseas affiliates. The fiscal 2021 results are as follows.

- Instructions to make safety the top priority provided directly to employees at Head Office during the opening address (simultaneously broadcast to all domestic sites)
- Broadcasting the President's safety day moral discourse across the Group as a whole, and pledge to make safety the top priority published in Company newsletter (in Japanese and English)
- Communicated safety instructions directly to employees at Head Office on Safety Day (broadcast pre-recorded video to all domestic sites)
- Broadcasting the President's National Safety Week message across the Group as a whole (in Japanese, English and Chinese)
- Direct safety instructions provided to employees at Works (held online to prevent the spread of COVID-19)
- The Company newsletter featured the president safety interview

### Safety Day

This year marks the tenth year after the resorcinol production facility explosion and fire at our Works. To keep alive the memory of the accident, Mitsui Chemicals has designated April 22 as Safety Day, a day on which a safety pledge ceremony and presentations take place each year. Similar to fiscal 2021, the events in fiscal 2022 took place at each site with COVID-19 prevention measures implemented and by utilizing web conferencing systems.

In the safety pledge ceremony, the President's lecture on safety matters given at Iwakuni-Ohtake Works was relayed to the Head Office and all employees reaffirmed their commitment to making safety their top priority in everything they do. Each site reaffirmed safety-first awareness by organizing lecture meetings on safety and communicating messages from the President and the general managers of Works.



Head Office safety pledge ceremony (April 2022)



Safety pledge ceremony at Iwakuni-Ohtake Works (April 2022)

## Fundamental Safety Measures

Mitsui Chemicals takes the explosion and fire at the resorcinol production facility at its Iwakuni-Ohtake Works on April 22, 2012, extremely seriously. For these past nine years, we have been introducing a series of fundamental safety measures to thoroughly review and improve safety and prevention throughout the company. A number of measures that have been developed after exhaustive discussions are now incorporated into our daily activities, and continuous safety improvements are being made by repeating the PDCA cycle in our daily tasks. Since fiscal 2022, which marks the tenth year after the resorcinol production facility explosion and fire at our Works, we will consider the future ideal state of safety while keeping VISION 2030 in mind and work on new issues and measures.

While carefully weighing the priorities against each other in implementing these fundamental safety measures to raise safety levels, we will continue to introduce more initiatives in the years ahead.

### Overview of Efforts Aimed at Advancing Fundamental Safety Measures

From the beginning of 2013, we built up the fundamental safety measures shown in overview in the chart below and conducted them on company-wide basis.

#### Key Points of the Fundamental Safety Measures

- The steering committee<sup>\*1</sup>, which reports directly to the president, deliberates company-wide issues and sets the direction for activities
- Management spearheads the participation in safety initiatives through active dialogue owing to greater opportunities for Head Office personnel to visit plants
- Issues pointed out by external experts and other third parties are reflected in plant operations
- General managers of Works give safety talks, while cross-sectional safety inspections are performed by safety advisors<sup>\*2</sup>
- Meetings among foremen organized by managers help to enhance communication



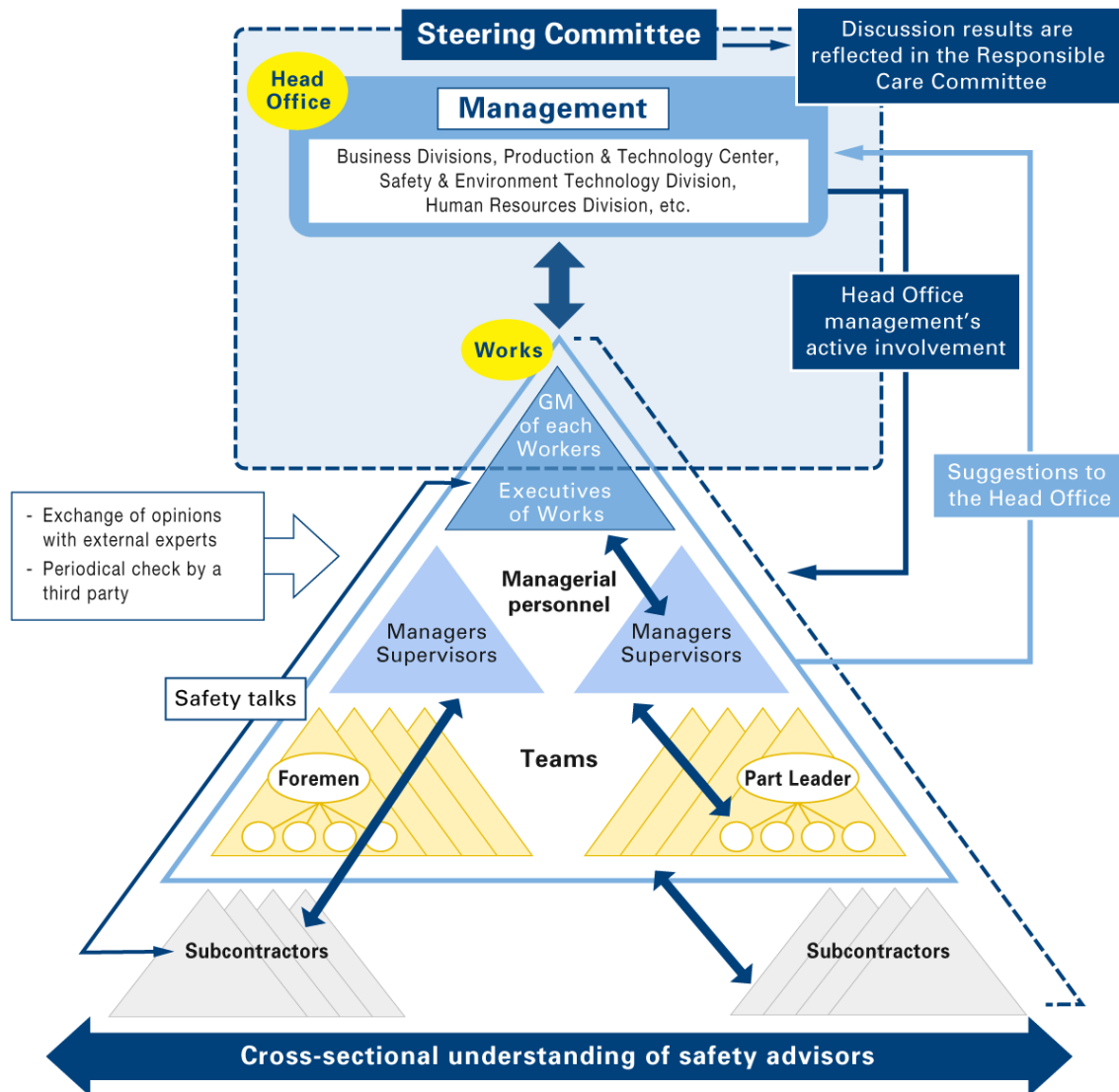
- Enhance involvement of subcontractors' safety management

**\*1 Steering committee:**

To make swift progress of fundamental safety measures, the members shown in the diagram meet to discuss Group-wide issues and set the direction of activities.

**\*2 Safety advisors:**

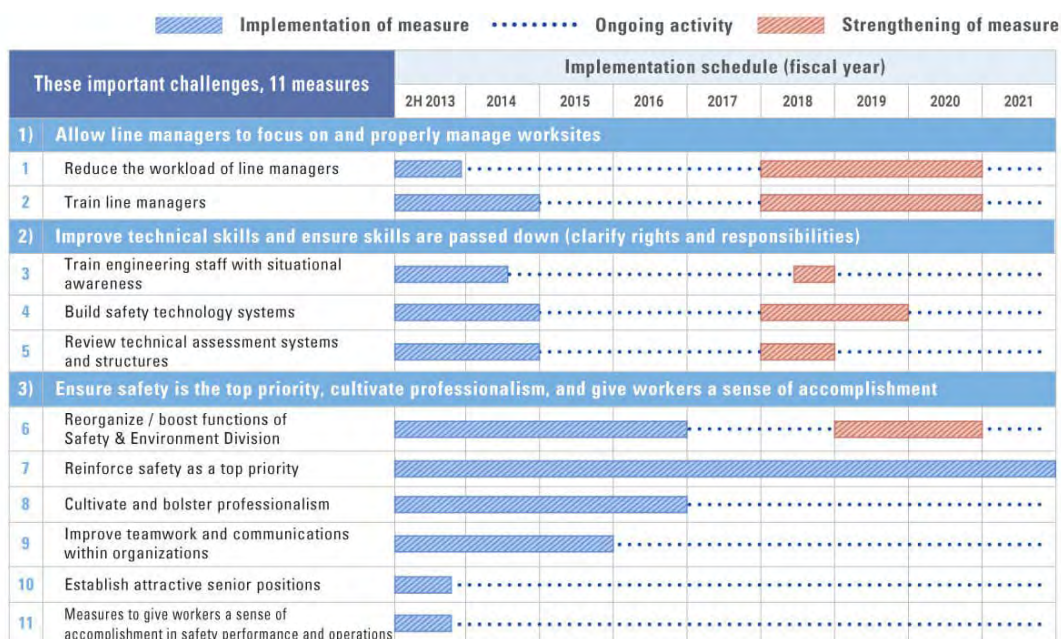
Veteran employees involved in daily activities and improving the overall level of safety at plants by exchanging opinions with workers.



## Progress with Fundamental Safety Measures

The fundamental safety measures are deployed as 11 measures that address three important challenges. Through these measures, we have been building a system that can incorporate developments in safety technologies, improving technical assessment systems, and reinforcing safety management, including for work subcontractors, as well as providing thorough training to the line managers of these activities. In fiscal 2021, in addition to the ongoing activities that have been improved, we continue implementing measures, such as providing a space for dialogues between Works and the Head Office directors and corporate auditors, which were reinforced between fiscal 2019 and 2020; strengthening construction management and internal audit; and enhancing line manager training programs. Moreover, we considered new fundamental safety measures by summarizing the previous fundamental safety measures and considering the future ideal state of safety. Based on the results, we will work on new issues and measures in fiscal 2022.





## Thorough Risk Assessments

Mitsui Chemicals applies HAZOP<sup>\*1</sup> to assess safety in the construction, expansion, and refurbishment of facilities and to identify dangers in plants as a means of eliminating the possibility of accidents. We learned from the resorcinol production facility explosion and fire at the Iwakuni-Ohtake Works and expanded to include non-routine operations at Works. In addition, the Company has been conducting non-routine risk assessments on a continuous and constructive basis.

For the first time, we introduced the HAZOP/LOPA<sup>\*2</sup> procedure to Osaka Works as a quantitative risk assessment method in fiscal 2020, with the aim of conducting more thorough appraisals. The procedure was deployed to other Works in fiscal 2021.

We will further reinforce our voluntarily accident prevention by thorough risk assessments.

### \*1 HAZOP:

Hazard and Operability Studies. A method to formulate safety measures by seeking any possible deviation from normal operations, and analyzing the cause of such deviation and its possible impact.

### \*2 HAZOP/LOPA:

Hazard and Operability Studies/Layer of Protection Analysis. Taking a risk mitigation measure available for a risk identified by HAZOP as an independent protection layer, estimate the probability of failure on demand for this protection layer. Then combine the frequency of an initiating event with the said probability to determine the mitigated consequence (e.g. fire, explosion, etc.) frequency (per year) for the given initiating event. This helps to determine any necessary additional independent protection layers required.

## Fostering HAZOP Leaders

The role of the HAZOP leader, who is the leader of the analysis, is an important one. To foster HAZOP leaders at the Company, 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 will plan to periodically hold these training sessions to foster HAZOP leaders and to improve the level of HAZOP.

## Measures to Non-routine Risk Assessment

We emphasize non-routine risk assessments, such as emergency shutdowns or startups, as they impose a high probability of an accident. We assessed risks related to emergency shutdowns in fiscal 2013, and those related to startups in fiscal 2015 in model plants. This assessment was then carried out in all Works. We also assessed the risks related to normal shutdown procedures using a methodology that combined What-if<sup>\*</sup> and batch HAZOP.

\* What-if:

A method to formulate safety measures by repeating "What if..." questions to explore possible incidents and their impact.

## Safety Culture Assessment

The Mitsui Chemicals Group is collaborating with Niigata University to undertake safety culture assessment, which enables the visualization of a workplace's strengths and weaknesses. By repeated in-house discussions on all rank-specific gaps, the assessment can also be used as a tool to improve workplace communications.

By the end of fiscal 2019, all of our five Works had completed their second Safety Culture Assessments. Mutual communications is one of the eight core elements\* that form a robust safety culture, and some Works showed a low score in this area in their first Safety Culture Assessment. These Works improved their scores significantly in their second assessment thanks to various efforts, such as getting general managers of Works to give safety-related talks and making department managers improve their communication methods. Each of the Works has achieved results by taking improvement measures for its weakness visualized by the previous assessment, such as active participation in safety education and small-group activities, reduction of work load, and inheritance of skills. We understand that this assessment is effective in raising awareness of safety culture and the assessment results improve various practices in the workplace.

\* Eight core elements of safety culture:

Motivation, Governance, Proactive Commitment, Mutual Communications, Resource Management, Work Management, Learning, and Awareness of Danger. Answering 110 questions built around the above eight elements visualizes the safety culture in a factory or workplace, as well as clarifying the strengths and weaknesses of the workplace compared with industry benchmarks.



## Implementation Status of Safety Culture Assessment (up to fiscal 2021)

Mitsui Chemicals Works*	All five Works received their second assessments. A branch factory of one of these Works has received its third assessment.
Domestic Subsidiaries & Affiliates	Ten companies (14 factories) received their first assessments. Of these, six companies (10 factories) received their second assessments.
Overseas Subsidiaries & Affiliates	Five companies (5 factories) received their first assessments. Of these, one company (1 factory) received its second assessment.

\* Including subsidiaries and affiliates within our Works, and the Works general manager bears the responsibility for implementing Responsible Care.

### Receipt of Third-party Assessments of Process Safety Capability

On an ongoing basis, the Mitsui Chemicals Group receives process safety capability assessments from the Japan Safety Competency Center. Aimed primarily at manufacturing industries dealing with petroleum and petrochemical products, the assessments cover security from the viewpoint of safety infrastructure and safety culture and enable the visualization of strengths and weaknesses with regard to safety capability by means of numerical values. Through its process safety capability assessments, the Japan Safety Competency Center is aiming to raise the safety level of the Japanese chemical industry, a purpose with which the Company is in full agreement.

By the end of fiscal 2018, Osaka Works, Ichihara Works, and Iwakuni-Ohtake Works underwent safety capability evaluations by the Japan Safety Competency Center after each had conducted self-assessments. Ichihara Works received a second evaluation in fiscal 2021. The assessment results showed that our safety infrastructure and safety culture were generally “fair”; however, we are now keen to address the issues identified in the assessment. We are particularly focusing on risk assessments related to safety and accident prevention as we believe further precautions are necessary. The Head Office is also leading the implementation of measures for issues that should be addressed on a company-wide basis. We continue to receive assessments by the Japan Safety Competency Center as a reputable third-party opinion to ensure our safety and accident prevention activities are effective.



Safety capability evaluation in Ichihara Works

## Safety and Accident Prevention Utilizing Advanced Technologies

By effectively adopting advanced technologies, the Mitsui Chemicals Group aims to build next generation works that function in a highly efficient, safe, and stable manner.

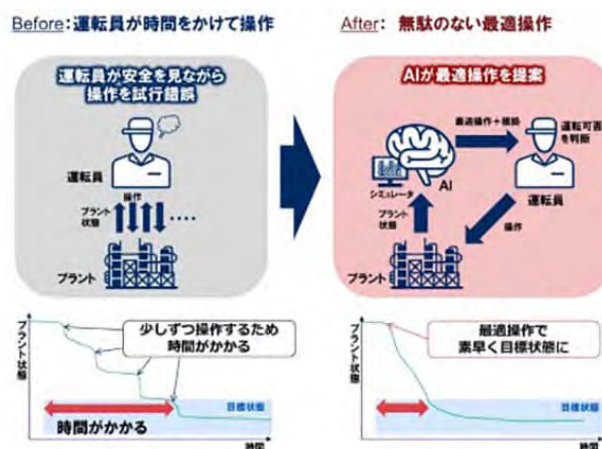
In fiscal 2021, we started the full-scale operation of Occupational Accident Hazard Source Extraction AI, an AI-based search system for past occupational injuries, problem reports, and “near-misses,” and online safety education for overseas affiliates using simultaneous translation AI. We have also been developing an operation support system based on AI and online simulator, and product abnormality detection and plant monitoring systems using image system AI, and introducing wearable devices that support onsite work and wireless sensors and drones that strengthen equipment management.

We continue to strengthen our production technology by reforming factory operations and safety management with advanced technologies to achieve safer and more stable production.

### Examples



Occupational Accident Hazard Source Extraction AI



Operation support system based on AI and online simulator

## High-Pressure Gas Handling Accreditation

In March 2021, Mitsui Chemicals Osaka Works became the first in the Group to be accredited under the Super Accredited Businesses System\* operated by the Ministry of Economy, Trade and Industry (METI). This system requires businesses to ensure a higher level of safety, taking measures covering adoption of the latest technologies and risk assessment, and employee training, compared with conventional accreditation systems. Maintaining these practices to retain accreditation increases the level of voluntary safety management.

Osaka Works was honored with accreditation in recognition of its efforts to implement a more robust risk assessment utilizing HAZOP/LOPA and to actively use advanced technologies. In 2022, following Osaka Works, Ichihara Works also obtained the super accreditation. We will continue to work to strengthen and improve the level of voluntary safety management for the entire Group by disseminating know-how across the Group.

\* Super Accredited Businesses System:

An accreditation system started by METI in April 2017 to recognize a business that adopts measures to ensure a particularly high level of safety as a Super Accredited Business. The accredited businesses are given more freedom in selecting methods for in-house facility safety inspections and their scheduling. This also helps increase international competitiveness.

## Accidents and Occupational Injuries

The Mitsui Chemicals Group positions as KPIs and monitors major accidents, the number of abnormal conditions/accidents as well as the occupational injury frequency.

### Major Accidents and Abnormal Conditions/Accidents

In fiscal 2021, the Mitsui Chemicals Group reported zero major accidents<sup>\*1</sup>, meeting its target of zero. However, the number of abnormal conditions/accidents<sup>\*2</sup> is on the rise, totaling 16 against the target of 7 or less. Since 11 of these events were leakage and 8 of these were equipment-related, implementing recurrence prevention measures has become a major issue. To prevent recurrence, we are working on (1) developing appropriate maintenance plans, (2) reinforcing change management (risk assessment), and (3) improving the quality of construction.

Out of 16 abnormal conditions/accidents, 1 concerned fire and 4 were small fire, all of which were extinguished at an early stage and put out without spreading to the surrounding equipment. We will thoroughly investigate the causes of the fire and small fire and work to prevent such accidents by taking appropriate measures.

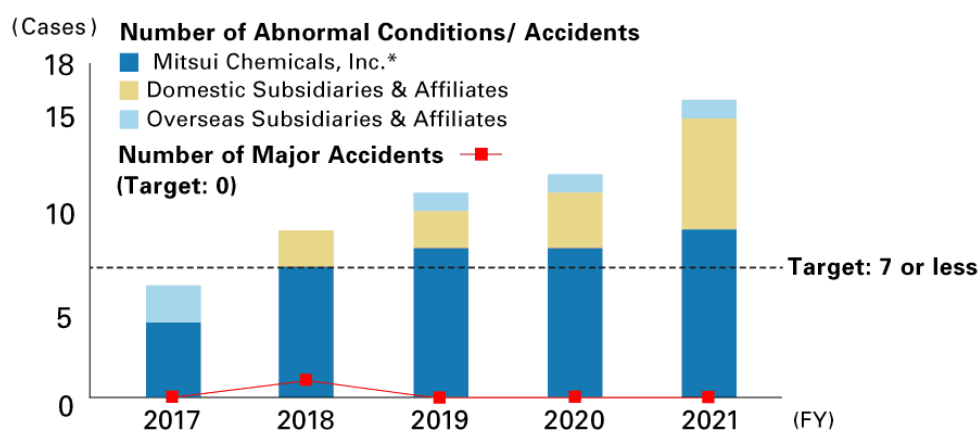
**\*1 Major Accidents:**

Accidents and abnormal conditions with a severity level of 18 points or more, as specified by the Japan Petrochemical Industry Association (JPCA) under the Center for Chemical Process Safety (CCPS) evaluation procedures, or events that involve death.

**\*2 Abnormal conditions/accidents:**

Events that were legally handled as an abnormal condition or accident among the reported explosions, fires, leakages, bursts, breakages, or abnormal reactions. However, such abnormal conditions or accidents exclude leakage of CFCs and small amount leakages.

### Number of Major Accidents and Abnormal Conditions/Accidents



\* Including subsidiaries and affiliates within our Works, and the Works general manager bears the responsibility for Responsible Care implementation.



## Occupational Injuries

In fiscal 2021, the Mitsui Chemicals Group reported zero serious occupational injuries<sup>\*1</sup> that must not be occurred, meeting its target of zero. Compared with the Japanese overall industry average and the Japanese chemical industry average, we maintain a high level in terms of Days Away from Work Cases (DAFWCs) and, in aiming to achieve the world's highest standards for safety, targets a frequency of 0.15 or below with regard to Work-related Significant Occupational Injuries<sup>\*2</sup>. The Work-related Significant Occupational Injuries frequency for Mitsui Chemicals and overseas subsidiaries and affiliates achieved the permitted target value of 0.15 or less. We believe that this comes as a result of our painstaking efforts to maximize safety procedures, which we have continued over the years. However, the target was not met by our domestic subsidiaries and affiliates and construction subcontractors. We will continue to work to ensure that our safety culture is shared by the entire group and to cultivate human resources who have excellent sensitivity to danger, with a particular focus on incidents that could easily result in severe occupational injuries, such as "being caught or entangled in machinery." For construction subcontractors, in fiscal 2022, we will add contents to the VR safety training programs at our [Plant Operation Technology Training Center](#) that are intended for them, such as allowing them to experience hazard when using a forklift and performing grinding, for the purpose of cultivating human resources who have excellent sensitivity to danger. Through these efforts, we will also enhance education for the reduction of occupational injuries among construction subcontractors.

**\*1 Serious Occupational Injuries:**

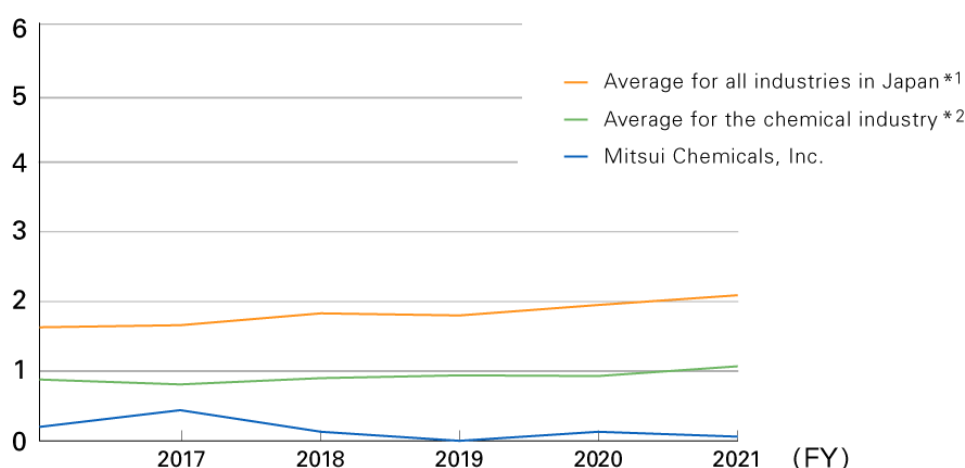
Occupational injuries that fall under disability grades 1 to 7, causing death, injury or illness.

**\*2 Work-related Significant Occupational Injuries:**

"Work-related Significant Occupational Injuries (WSOIs)" refer to occupational injuries that resulted in absence from work or death. WSOIs also include lighter occupational injuries that may lead to absence from work or death due to the potential danger in the cause of the injury. WSOIs do not include injuries that are not directly related to operations. In its definition of WSOIs, the Group not only includes occupational injuries that result in absence from work, but also lighter occupational injuries that may not result in absence from work but have serious causes of injuries. The Group monitors the WSOIs frequency as a KPI as well.

Please refer [here](#) for Lost-Time Injury Frequency Rate (LTIFR).

### Comparison of Occupational Injury Frequency between Mitsui Chemicals, the All Industries in Japan and the Japanese Chemical Industry



\* Occupational injury frequency = Number of individuals killed or injured by occupational accidents x 1 million hours / Total working hours for all employees.

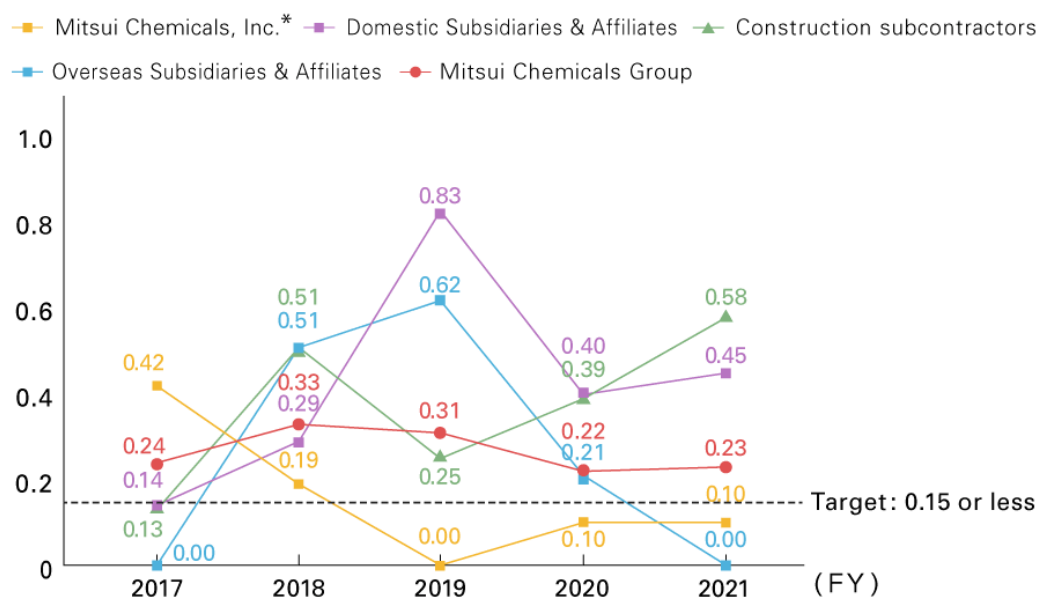
The figures for the all industries in Japan and for the Japanese chemical industry indicate the Days Away From Work Case (DAFWC) frequency.

**Sources:**

\*1 Ministry of Health, Labour and Welfare White Paper Survey on Industrial Accidents Occupational Injuries

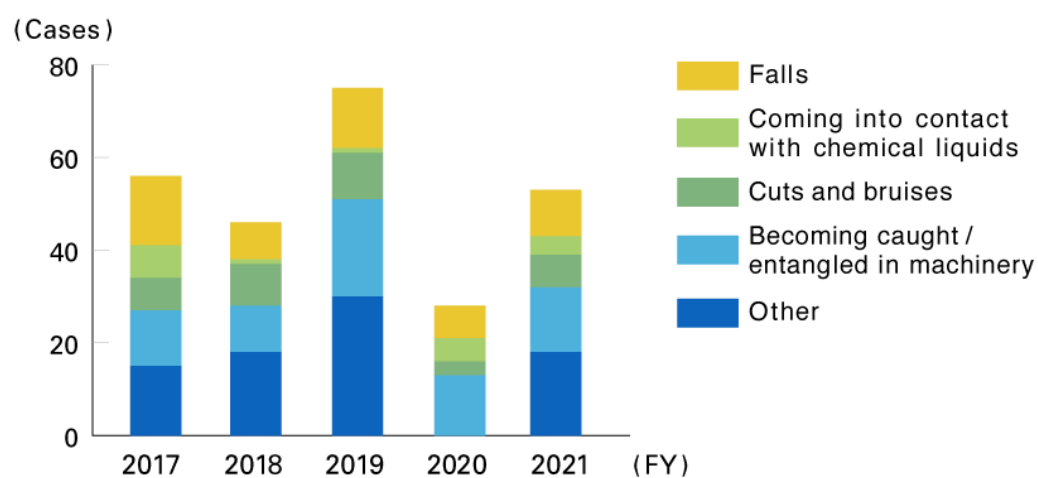
\*2 Japan Industrial Safety & Health Association "General Guidebook on Industrial Safety" Significant Occupational Injury Frequency

## Work-related Significant Occupational Injuries Frequency



\* Includes contractors operating on site.

## Number of Occupational Injuries Resulting in Zero or More Lost Work Days by Type (Mitsui Chemicals Group)



## Safety Education

The Mitsui Chemicals Group is implementing various initiatives, including training and drills, toward nurturing human resources with a high awareness of dangerous situations and the ingraining of a safety culture throughout the Group.

### Emergency Drills

The Mitsui Chemicals Group systematically conducts emergency drills in Works to prepare for accidents, earthquakes, and tsunamis.

Envisioning emergency situations, such as a fire or leakage of hazardous substances, our Works regularly conduct comprehensive disaster prevention drills jointly with municipal fire and police departments. Such drills test the emergency response procedures, help make improvements when a deficiency is found, and enhance our defense capabilities through collaborations with the local authorities. Those Works located within petrochemical complexes also conduct joint disaster prevention drills with neighboring corporations and fire departments as a mutual support scheme. Affiliates in Japan and overseas conduct drills suited to their laws and work environments in preparation for their differing emergency situations. We also conduct emergency shutdown drills and evacuation drills in preparation for natural disasters, by taking into account recent large earthquakes and tsunamis.



Emergency drill for leakage of hazardous substances and ignition due to an earthquake (Ichihara Works)



Emergency drill for leakage of hazardous substances and ignition from a reactor (Osaka Works)





## Skill Improvement for Volunteer Firefighting Units

Mitsui Chemicals' Ichihara Works, Osaka Works, Iwakuni-Ohtake Works, and Omuta Works are equipped with volunteer firefighting units. The unit members are regularly trained in preparation for an emergency.

In recognition of their daily efforts, the Osaka Works received a Fire and Disaster Management Agency Director's award (Encouragement Award) in the 2021 Skill Contest of Self-Defense Disaster Management Groups at Petroleum Complexes held by the Fire and Disaster Management Agency, Ministry of Internal Affairs and Communications. This skills contest has been held since fiscal 2014 to inspire volunteer firefighters, as well as motivating them to continue to improve their skills. The participants complete safety, reliability, and promptness of their performance by conducting a procedure of releasing foam water from a height onto a simulated fire at a hazardous facilities. This is our eighth consecutive year to receive an award since the beginning of the contest, and the first year that we received the best performance award. We continue improving our firefighting skills through determined training to contribute to the safe and stable operations of our Works.



Osaka Works volunteer firefighting unit at the award ceremony and in skills contest

## Hazard Prediction (Kiken Yochi, or "KY") as well as Pointing-and-Calling

In order to eliminate accidents and occupational injuries at the Mitsui Chemicals Group, we undertake initiatives at the Works and at domestic and overseas affiliates to entrench and energize hazard prediction (Kiken Yochi, or "KY") and Pointing-and-Calling.

At each Works of Mitsui Chemicals, planning, implementing, evaluating and improving each Works leads to a raised level of operations. During the course of these initiatives, as it is important to develop human resources who are able to recognize dangerous things as being dangerous and take safe action to prevent danger, KY education is implemented on an ongoing basis at each Works. KY trainers are chosen at each Works to perform as drivers of these KY initiatives, and Companywide meetings held once a year. At these meetings, KY trainers report on the status of KY initiatives at their Works, and exchange opinion on troubles or questions about KY initiatives. KY trainers utilize the information with regard to KY activities at their own Works.

With regard to KY and Pointing-and-Calling training for domestic and overseas affiliates, the Safety & Environment Technology Division have provided training support on an ongoing basis. Through this support, we are working to ensure that all of our affiliates understand the significance and necessity of KY activities and Pointing-and-Calling so that they can use and entrench them in their actual work situations. The training is also held online and incorporates exercises, presentations, and team discussions that are appropriate to actual work situations. It looks back on their daily tasks and raises awareness so that safer actions can be taken. Key men are of necessity to entrench KY and Pointing-and-Calling, and the Company is encouraging their development through training.

	Number of Attendees (Total Training Time)		
	FY2019	FY2020	FY2021
Mitsui Chemicals, Inc.	1,010 (2,424hr)	1,220 (2,440hr)	1,591 (2,227hr)
Domestic Subsidiaries & Affiliates	259 (725.2hr)	31 (93hr)	58 (116hr)
Overseas Subsidiaries & Affiliates	37 (222hr)	47 (141hr)	18 (36hr)
Total	1,306 (3,371.2hr)	1,298 (2,674hr)	1,667 (2,379hr)

## Near-miss Activities

At each Mitsui Chemicals Group production site, information on workers' narrowly avoided major accidents or disasters, or "near-misses," that occur as a result of operations, is identified, and the 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.

### Near-miss Activities—Iwakuni-Ohtake Works

Referring to the accidents and occupational injuries that occurred in other workplaces and Works, all members of the Ohtake Manufacturing Section shared the task of identifying locations and operations with risks typical to a chemical plant that could cause a near-miss case. Such risks include (1) concerns for corrosion and collapses of stairs and floor (2) Machinery for open inspections etc. under a nitrogen atmosphere; and (3) Fires caused by alkyl aluminum. Among these identified near-miss cases, the Health and Safety Committee members in each workplace select locations and operations with associated high risks and notify job group members on a monthly basis to prevent possible accidents. They also suggest improvement ideas for a better safety work environment.

## Small-group Activities

Our Works conducts small-group activities that undertake activities in group units of small numbers of people to deal with issues or matters causing concern, such as, in view of the characteristics of a Works, enhancing production workplace capabilities, refining mindsets and human resources development, workplace revitalization and business improvements.

We share the results of the small-group activities throughout a Works by means of presentations, and the honoring of best practices leads to heightened motivation.

We held a company-wide small-group activity presentation in October of fiscal 2021. Connecting the Head Office, Mitsui Chemicals Works, and domestic affiliates online, each site actively asked questions and commented on presentations from Mitsui Chemicals, Inc. Works. We share the contents within the Group and promote the revitalization and improvement of workplaces and Works as a whole.



Company-wide Small-group Activity Presentation (Head Office)

## The Best Plants Awards

The purpose of the Best Plant Award is to revitalize Works by honoring the excellent production sections for their activities related to safety, environment, quality and production technologies. Having started this system in fiscal 2004, since fiscal 2013 Mitsui Chemicals has focused outside the field of safety achievements and the like but also on safety processes and recognized through these awards the successes and hardships of production sections.

In fiscal 2021, 12 applications were submitted from domestic and overseas production sites, one of which was selected for the President's Awards and six for Production & Technology Center Executive's Awards. The Company's global expansion is advancing due not only to the Mitsui Chemicals but also to award-winning domestic and overseas affiliates. It should be noted that along with the aforementioned awards, we simultaneously awarded the General Manager of Works' Award and General Managers of Headquarters Award.

### The Best Plants Awards FY2021

#### President's Award for Best Plant

ICROS Sections 1 and 2, Manufacturing Dept. 2, Nagoya Works, Mitsui Chemicals Tohcello, Inc.

Theme: "Human resource development" and "Building a system to boost production"

#### Production & Technology Center Executive's Award

Tank Yard and Environment Section, Manufacturing Dept. 1, Ichihara Works

Polypropylene Section, Ichihara Works, Production and Technology Dept., Prime Polymer Co., Ltd.

Polypropylene Section, Osaka Works, Production and Technology Dept., Prime Polymer Co., Ltd.

Production Section, Senboku Works, Osaka Petrochemical Industries, Ltd.

Utility Section, Polyurethane Manufacturing Dept., Omuta Works

Zhang Jia Gang Free Trade Zone Mitsui Link-upon Advanced Material, Inc. (MLZ)



President's Award for Best Plant Ceremony(ICROS Sections 1 and 2, Manufacturing Dept. 2, Nagoya Works, Mitsui Chemicals Tohcello, Inc.)

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, we have held this event with the aim of enabling employees to gain awareness that is difficult to obtain in their own 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.

The fiscal 2021 exchange meeting took place online to share information and exchange opinions with the plant\* that won the President's Award for Best Plant 2020, because the meetings for these organizations were postponed due to the COVID-19 pandemic. We aim to hold the exchange meeting in fiscal 2022 as planned for the winner of the President's Award for Best Plant 2021. Details of the excellent activities of the winning plant are published on the intra-company network as good practice across the global Mitsui Chemicals Group. This enables those practices to be used by each workplace of Mitsui Chemicals and affiliates. The collection of good practice is published in English and Chinese as well as Japanese.

\* Plant that won the FY2020 President's Award for Best Plant: Zhang Jia Gang Free Trade Zone Mitsui Link-upon Advanced Material, Inc. (MLZ)



## Plant Operation Technology Training Center

### Mitsui Chemicals' Plant Operation Technology Training Center

The Mitsui Chemicals Group established its first Plant Operation Technology Training Center in Mobara in 2006, and then in Nagoya in 2007, to train plant operation personnel. Chemical plant operators are trained in Mobara, and the Nagoya center provides training programs for operators of fabricated products plant. These training programs are targeted not only at employees in Mitsui Chemicals Inc.'s Works, but also staff in R&D centers and indirect departments, as well as in affiliate companies under the global Mitsui Chemicals Group. Our hands-on and experience-based training programs cultivate safety-minded and skilled operators with substantial equipment knowledge.

In addition to conducting face-to-face training by taking various COVID-19 infection prevention measures, the Group also provides web training programs and other programs using digital transformation technology, such as simulations of physical training programs based on virtual reality (VR) technology.



Mitsui Chemicals' Plant Operation Technology Training Center (Mobara and Nagoya)



COVID-19 prevention measures (Reduced attendees)



Web training



VR experience system

**Mitsui Chemicals' Plant Operation Technology Training Center (Mobara and Nagoya) Training Sessions for Mitsui Chemicals Group Employees**

For Mitsui Chemicals employees				
		Number of Attendees (Total Training Time)		
		FY2019	FY2020	FY2021
For Plant Operators	When joined Company	90 (765hr)	5 (43hr)	16 (136hr)
	Follow-up training (six months after joining Company)	134 (3,752hr)	90 (2,520hr)	123 (3,444hr)
	Promoted staff (3-4 years after joining Company)	95 (2,660hr)	55 (1,540hr)	77 (2,156hr)
	Workplace managers (8 years or more after joining Company)	42 (588hr)	18 (252hr)	5 (70hr)
For Engineers	When joined Company	32 (336hr)	0 (0hr)	0 (0hr)
	3-5 years after joining Company	28 (588hr)	7 (147hr)	23 (483hr)
For Researchers		60 (630hr)	25 (263hr)	81 (851hr)
Others		92 (414hr)	119 (1,592hr)	102 (459hr)
For employees of affiliates				
		Number of Attendees (Total Training Time)		
		FY2019	FY2020	FY2021
Domestic Subsidiaries & Affiliates		353 (2,824hr)	199 (1,592hr)	326 (2,608hr)
Overseas Subsidiaries & Affiliates		45 (630hr)	0 (0hr)	0 (0hr)
Total				
		Number of Attendees (Total Training Time)		

	FY2019	FY2020	FY2021
	971 (13,187hr)	518 (6,893hr)	753 (10,207hr)

## Web Training

The Plant Operation Technology Training Center was quick to start developing web training programs and provides simulated training programs as substitutes of physical training programs to the Company's plants and the Group's domestic and overseas affiliated companies.

The programs were all tailored to order. We designed the curriculums to meet the needs of individual companies by taking into account the skill level of trainees and the likely risks they may encounter. We also provide training in local languages, including English, Chinese, Malay, Indonesian, Spanish, and Dutch, using AI-based simultaneous translation. Attendees have reported that the web training programs are easy to understand and provide a good insight into the work, even though they cannot physically experience it. Although we recognize that such web training programs cannot replace real physical training programs, we continue utilizing it as a sustainable training style that is suitable for the digital society, with benefits such as not requiring lecturers and trainees to travel.

### Web Training Overview

Concept	Hybrid (lectures, demonstration images, and pre-recorded videos) and interactive (questions and group discussions) simulations of physical training programs.	
Program contents	Programs made to date	In addition to contents on safe operations, such as pointing and calling, static electricity and dust explosions, oxygen deficiency and poisoning, burns and chemical injury, falling and dropping, and pinching and rolling, we also provide equipment-related contents, such as the basics and problems found in machines, instrumentation, and electricity.
	Future plans	All the experience-based programs currently available will be converted to web training, except those for plant operations and non-routine work. A virtual tour of the Training Center is planned.
Operation	<ul style="list-style-type: none"> <li>- Curriculums designed to meet the needs of individual domestic and overseas affiliated companies are provided.</li> <li>- Started providing training programs in local languages using AI-based simultaneous translation intended for overseas affiliated companies.</li> <li>- In addition to training programs on safety, training related to equipment problems has also started.</li> </ul>	

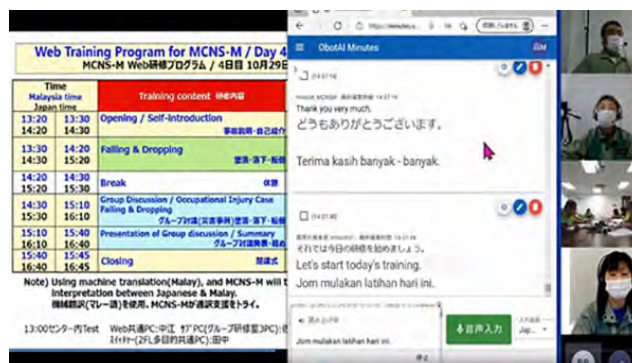
### Domestic and Overseas Web Training

	Number of Attendees (Total Training Time)		
	FY2019	FY2020	FY2021
Mitsui Chemicals, Inc. and Domestic Subsidiaries & Affiliates	—	143 (40hr)	748 (2,992hr)

Overseas Subsidiaries & Affiliates	—	10 (3hr)	174 (696hr)
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Web training: Questions from the trainer



Encourage attendees' thinking and discovery  
(Training textbook, translation software, and monitors showing participants)

## On-site Training (VR Training)

Since the COVID-19 pandemic made it impossible for training center staff to visit Works to provide training, we improved the operation of VR training in fiscal 2020 and established a new training system of loaning equipment to the Company's Works. The number of participants significantly increased in fiscal 2021, with approximately 1,300 participants from the Company's five Works, which is four times the number of participants in 2020. The programs are particularly effective in preventing occupational injury and raising safety awareness among new employees. We will further increase the number of participants by continuing to add equipment and contents.

### VR Safety Training

Training Method	VR tools are dispatched to the Works. Remotely train the Work's lecturer in advance on usage of the tools and the program contents. Also, provide remote support for the lecturer during the actual training session.	
VR tools	Mobara Training Center	2 sets (an extra set will be added in FY2022)
	Nagoya Training Center	1 set
Program contents	We provide contents on forward falling and dropping, being caught in the belt conveyor, falling from stairs, rolling into the roller device, falling (customized version), fire bursting from the ejector due to vent blockage, dust explosion, residual pressure bursting during pipe maintenance, and electric shock from the power panel. We plan to add contents for subcontractors in fiscal 2022.	

### On-site Training (VR Training)

For Our Group employees			
	Number of Attendees (Total Training Time)		
	FY2019	FY2020	FY2021
On-site Training (VR Training)	1,255 (10,040hr)	283 (2,264hr)	1,287 (5,148hr)



## Globalization of Training Centers

Since fiscal 2018, we have been proactively focusing on developing human resources that will serve as the foundation to support the global business of the Group. We offer educational programs and training support not only for Mitsui Chemicals but also for domestic and overseas subsidiaries and affiliates, customizing them to the specific needs of each company.

For affiliates in the Southeast Asia region, the Operation Excellence Training Center (OETC) of the Siam Group in Thailand has been giving training courses in Thai and English. The Siam Group is capable of providing the same level of training as in Japan, utilizing the training system and knowhow licensed from us. The 2021 face-to-face training at the OETC was provided only to affiliates in Thailand to minimize the risk of COVID-19 infection. We provided web training programs to affiliates in other countries, such as training programs for safety lecturers for a South Korea affiliate, and web training programs tailored for the local needs of each overseas affiliate. Conventional face-to-face training was limited to full-time staff and engineers due to the language and training schedule being limited. However, web training programs have allowed us to train shift work operators directly because it is easy to adjust the schedule and the training can be provided in the desired language using AI-based simultaneous translation.

## Training Centers Available to Other Companies

Our training centers have been open to other companies since fiscal 2015 so that they can train their employees to handle hazardous materials. The demand for human resource development and training for production site safety is extremely high, and many companies from different industries utilize our Centers. Our programs are highly rated by attendees with comments such as: "I learned many things that I can utilize in my company," and "It was easy to understand through experienced-based training through case studies of past accidents and injuries." Although the numbers of external participants and visitors remain low in fiscal 2021 due to COVID-19 pandemic restrictions, we received numerous requests for the continuation of the courses. In response, we provided courses that adopted thorough infection prevention measures.

### External Training Sessions (Mobara) / Responses to Center Tour Requests (Mobara and Nagoya)

	FY2019	FY2020	FY2021
Number of Training Attendees	274	109	106
Number of Center Visitors	456	35	51

We promote activities at our training centers externally through magazines and lectures, aiming to contribute to building a society with zero industrial accidents and injuries.

In fiscal 2021, our special feature articles were published in the "Safety Staff" magazine from Rodo Shimbun and the "Factory Management" magazine from Nikkan Kogyo Shimbun. We also presented an award lecture for the Responsible Care Grand Prize from the Japan Chemical Industry Association, attended an exchange meeting hosted by the Association, and presented a lecture in a user meeting organized by Omega Simulation. We are also in charge of creating training contents for Keiyo Human Resource Development Association, which was jointly established by Keiyo Industrial Complex companies.

# Environmental Protection

Management System	GHG and Energy	Industrial Waste
Environmentally Hazardous Substances	Water	Biodiversity
Environmental Accounting/Compliance		

## Management System

### Policy and Basic Approach

The Mitsui Chemicals group's business activities may affect the global environment, such as GHG emissions from the consumption of energy, including electricity and heat; water resource consumption in product heating, cooling, and cleaning processes; and emissions of chemical substances to the atmosphere, water, and soil etc. We also believe it is important to identify and minimize our own impact on the global environment. To live out our philosophy of "living in harmony with the global environment," the Mitsui Chemicals Group aims to minimize the negative impact on the global environment throughout the life cycle of our products, starting from the planning stage for our business operations, while striving to reduce the environmental impact associated with our business activities and properly manage chemicals to preserve the environment.

**Our Responsible Care Policy** states that the Group makes 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. In addition, as described in the Responsible Care: Basic Policies guidance, we aim to realize "an inclusive society creating diverse value," "a circular society in harmony with the environment," and "a comfortable society in which people can enjoy healthy lives and well-being" by helping to solve environmental and social issues and to this end, we are committed to actively developing technologies and products that help improve the quality of life and preserve the global environment. In accordance with these policies, we promote environmental preservation by stipulating relevant basic provisions in our company rules on environmental safety management.

- \* Please visit [here](#) for information about our climate change policy.
- \* Please visit [here](#) for information about our initiatives for reducing environmental impact through our products and services.
- \* Please visit [here](#) for information about product stewardship.

### System and Responsible Officers

The responsible officer for the Production & Technology Center is the person directly responsible for our environmental protection system. The Production and Technology Planning Division and the Safety and Environment Technology Division formulate, develop, and promote strategies for environmental preservation, while the Responsible Care Committee regularly evaluates and improves the practice of environmental and safety management.

The Production and Technology Planning Division and the Safety and Environment Technology Division regularly check and identify the progress for key environmental preservation targets and promote environmental preservation in cooperation with each business unit, production site, and affiliate.

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.

Each general manager of business divisions reviews and implements environmental and safety measures when reviewing business plans and executing business activities, and makes sure that plants and other divisions are implementing environmental and safety measures. In addition, the general managers provide advice, guidance, and other support concerning environment and safety as needed to affiliates they are in charge of based on discussion with relevant parties.

To ensure environmental safety, each production site works to raise employee awareness, maintain proper operations, keep equipment in sound condition, and maintain the work environments. In addition, we have launched a committee to hear employees' opinions on matters concerning the environment and safety.

The committee evaluates important environmental and safety issues and discusses countermeasures when planning and designing new or updating facilities.

When outsourcing all or part of our operations in production, logistics, maintenance, etc., to external third parties, we make sure to select those that meet the environmental and safety requirements.

## Internal Audit

The Internal Control Division conducts environmental & safety audits (for environmental protection, safety and prevention) at Works and laboratories of the Mitsui Chemicals Group.

Environmental & Safety Audit (environment protection)	Confirms the status of environment protection and that there is compliance with the relevant laws and regulations. Indicates nonconformities that require revision or improvement.
	Scope: Works and laboratories of Mitsui Chemicals Inc. and its subsidiaries and affiliates
	Frequency*: Once every one to three years (depending on size, business type and management level of the audited organization)

\* A remote audit is conducted if an onsite audit is difficult due to COVID-19 restrictions.

## Goals and Results

### GHG / Energy

KPI	Scope	FY2021			FY2022	Medium to Long-term
		Goals	Results	Level Achieved	Goals	Goals
GHG emissions reduction rate (Scopes 1 and 2) * compared to FY2013	Mitsui Chemicals Groupe	—	21%	—	21%	40% (FY2030)
Reduction in GHG emissions* <sup>1</sup> achieved by saving energy (vs. previous FY)	Japan	20 thousand tons or more	29 thousand tons	○	20 thousand tons or more	—

Five-year annual energy intensity reduction rate	Mitsui Chemicals, Inc.	1% or more <sup>*2</sup>	0.2%	×	1% or more	1% or more
Energy intensity index (FY2009=100)	Mitsui Chemicals, Inc.	89.5 or less <sup>*2</sup>	92.7	×	—	—

\*1 Emission and reduction volume at full capacity, which is different than what is shown in the graph on the “GHG and Energy” page.

\*2 Goal is to achieve either target

### Substances Subject to the PRTR Act

KPI	Scope	FY2021			FY2022	Medium to Long-term
		Goals	Results	Level Achieved	Goals	Goals
Emission of substances subject to the PRTR Act	Mitsui Chemicals, Inc.	Formulate initiatives toward 450 ton/year	As planned	○	Systematic promotion to reduce emissions of substances subject to the PRTR Act	Continuous promotion to reduce emissions of substances subject to the PRTR Act

### Industrial Waste

KPI	Scope	FY2021			FY2022	Medium to Long-term
		Goals	Results	Level Achieved	Goals	Goals
Landfill rate for industrial waste	Mitsui Chemicals Group	1% or less	0.4%	○	1% or less	1% or less

### Air

KPI	Scope	FY2021			FY2022	Medium to Long-term
		Goals	Results	Level Achieved	Goals	Goals
Volatile Organic Compound (VOC) emissions	Mitsui Chemicals, Inc.	3,000 ton or less	1,597 ton	○	3,000 ton or less	Make plans for further reductions

**General measures to preserve the environment notwithstanding the above**

KPI	Scope	FY2021			FY2022	Medium to Long-term
		Goals	Results	Level Achieved	Goals	Goals
Number of environment-related accidents	Mitsui Chemicals Group	0	0	○	0	0
Number of violations to environmental laws and regulations	Mitsui Chemicals Group	0	0	○	0	0

Management System	GHG and Energy	Industrial Waste
Environmentally Hazardous Substances	Water	Biodiversity
Environmental Accounting/Compliance		

## GHG and Energy

The Mitsui Chemicals Group is striving to reduce the GHG emissions and energy consumption by adopting a low-carbon manufacturing approach under its [climate change policy](#).

\* Please refer [here](#) for other information concerning climate change.

[Climate Change-Related Information \(CDP\)](#) (PDF : 882KB)

[Climate Change-Related Verification Statement \(PDF: 699KB\)](#)

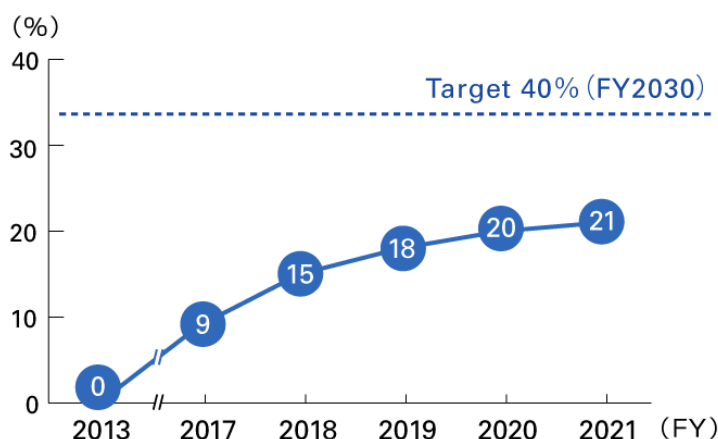
### GHG Emissions and Energy Consumption

In response to increasingly serious environmental problems and growing demands for global decarbonization, the Mitsui Chemicals Group announced 2050 Carbon Neutrality Declaration in November 2020, and set a Group target in June 2021 to reduce the Group's global GHG emissions by 40% (compared to FY2013) by FY2030. To achieve these targets, we will actively engage ourselves in increasing adoption of low-carbon raw materials and fuel, promotion of energy efficiency, conversion to renewable energy, and creation of process innovation technologies to build a low-carbon society.

In addition, for FY2021, Mitsui Chemicals has set a target of reducing GHG emissions by at least 20,000 tons by saving energy (on a full-operation basis, compared to FY2020) and outperformed the target with a reduction of 29,000 tons through energy-saving initiatives at plants, such as gradually enhancing heat recovery capabilities and streamlining the refining process.

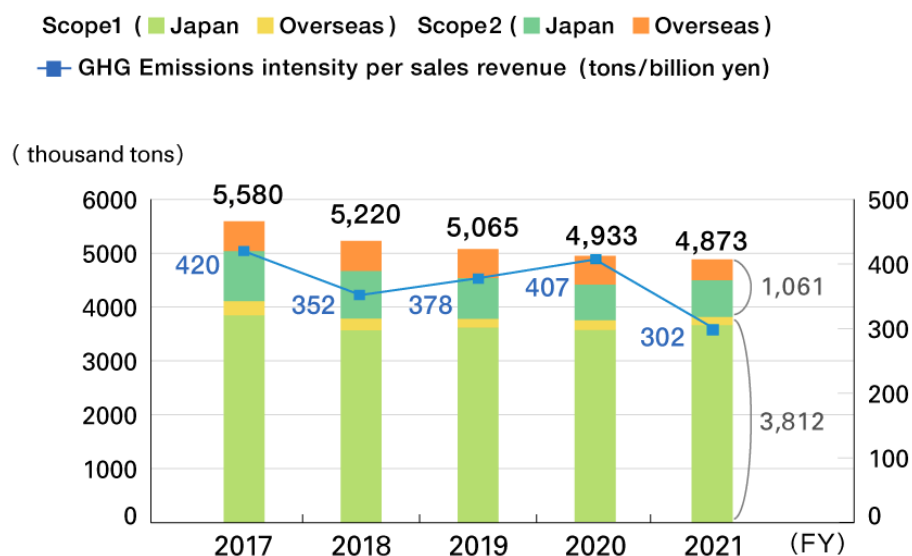
#### GHG Emissions reduction rate (Scopes 1 and 2)

\* compared to FY2013

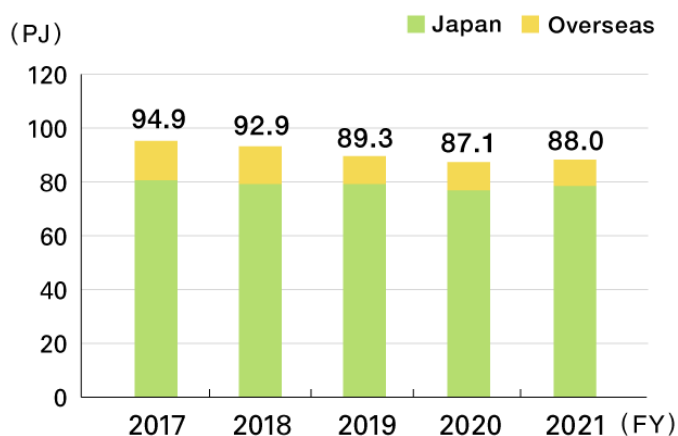


Mitsui Chemicals Group's GHG emissions for FY2021 (Scopes 1 and 2) have slightly decreased compared to FY2020, partly due to the scheduled inspection and maintenance at overseas plants. Regarding energy consumption, our target is to achieve at least 1% reduction in energy intensity on a five-year average basis, but the reduction rate was only 0.2% for FY2021, because we implemented energy-saving measures and operated in increased capacity. Going forward, we will continue to aim for a five-year annual energy intensity reduction rate of at least 1%, which is a non-binding target under the Act on Rationalizing Energy Use. In addition, we calculate GHG emissions regarding Scope 1 and 2 emissions generated from in-house operations and production activities as well as Scope 3 for indirect emissions in order to identify GHG emissions throughout the entire supply chain, extending from purchasing raw materials to customer use and disposal.

#### GHG Emissions (Scopes 1 and 2)



#### Energy Consumption



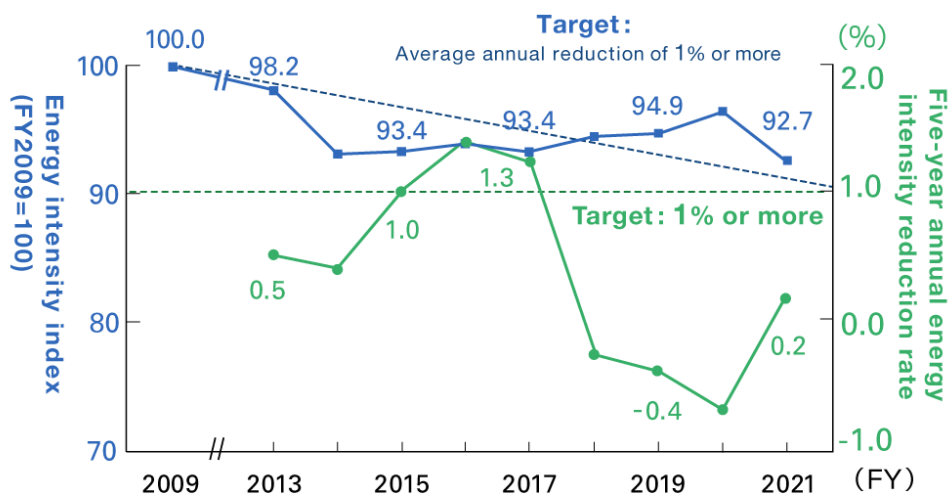
\* Scope of Japan and overseas affiliates: Consolidated subsidiaries

\* 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.

\* The gases used to calculate GHG emissions are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, SF<sub>6</sub>, NF<sub>3</sub>.

#### Energy Intensity (Mitsui Chemicals, Inc.)



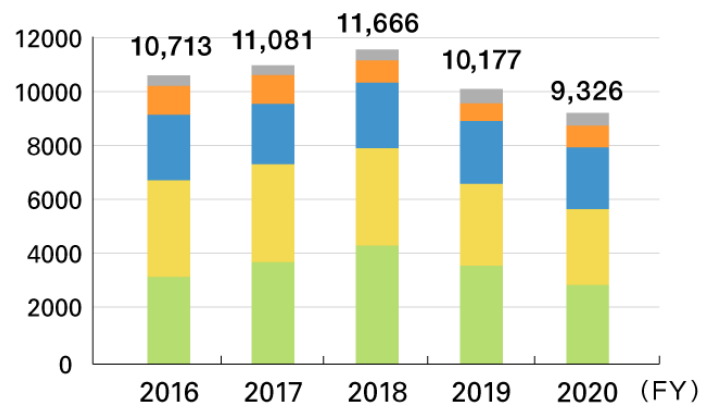


\* Energy intensity denominator is ethylene conversion production volume.

#### GHG Emissions (Scope 3) (Mitsui Chemicals, Inc.)

- 01: Purchased goods and services
- 11: Sold product specifications
- 12: Sold product disposals
- 15: Investment
- Others

(Thousand tons CO<sub>2</sub>eq)



#### Breakdown of GHG Emissions (Scope 3) (Mitsui Chemicals, Inc. Fiscal 2020)

Category	Emissions (Thousands of tons CO <sub>2</sub> eq / year)
01: Purchased goods and services	2,945
02: Capital goods	128
03: Fuel- and energy-related activities (not included in Scope 1 and 2)	249
04: Transportation/distribution (upstream)	50
05: Waste generated from operations	37
06: Business travel	1
07: Employee commuting	5

08: Leased assets (upstream)	1
11: Sold product specifications	2,810
12: Sold product disposals	2,287
15: Investment	812
<b>Total</b>	<b>9,326</b>

#### [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. 2.4) 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.

### Highly Efficient Gas Turbine Power Generation System for Self-Sufficiency

Mitsui Chemicals installed a highly efficient gas turbine power generation system in its Osaka Works and commenced operation in December 2020. This was a joint project with Daigas Energy Co., Ltd. under a grant from the 2018 Subsidy for Promoting Investment in Energy Saving provided by the Ministry of Economy, Trade and Industry.

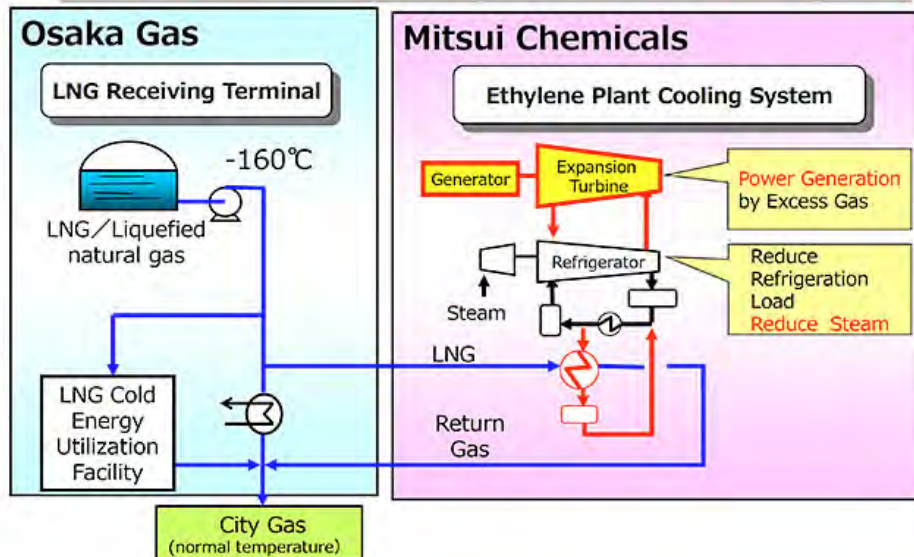
The system increases the Works' self-sufficiency in power. It also reduces fuel usage by the naphtha cracking furnaces in the ethylene plant by taking the high-temperature exhaust gas generated by the power generation facilities for use as the combustion air in the furnaces. This is reducing CO<sub>2</sub> emissions from Osaka Works by 70,000 tons per year (compared with fiscal 2016).

### Energy-Saving Process Using LNG Cold Energy

Together with Osaka Gas Co., Ltd., Mitsui Chemicals and its group company, Osaka Petrochemical Industries, Ltd. have adopted energy-saving process by using liquefied natural gas (LNG)-generated cold energy in the ethylene plant. This world-first energy saving process using LNG-generated cold energy on a large-scale at our ethylene plant commenced in October 2010.

To transport and store natural gas, it is liquefied by cooling it to -160°C. Liquefied gas is a good source of cold energy. During its liquefied state, LNG emits boil off gas which has auto-refrigeration properties. When returning LNG to its gas state, it continues to retain superior cooling abilities. At Mitsui Chemicals' Osaka Works OPC ethylene plant, after thermal decomposition of naphtha (crude gasoline) at high temperatures, base materials such as ethylene and propylene are separated and purified by cooling the cracked gas. By efficient use of LNG cold energy from the adjacent OPC ethylene plant of Osaka Gas Senboku Works, a significant reduction in CO<sub>2</sub> emissions was possible.

**Large-scale energy saving process by integrating ethylene plant with cold of LNG plant to used cold energy**



## CCU (Carbon Capture Usage) Technologies

Mitsui Chemicals took part in the CCU Project ( $\text{CO}_2 + \text{H}_2 \Rightarrow \text{CH}_3\text{OH} + \text{H}_2\text{O}$ ) lead by the Research Institute of Innovative Technology for the Earth (RITE) (commissioned by NEDO), and developed a high activity catalyst. Refinement of this highly active catalyst eventually was tested by the pilot plant of CCU technology in Mitsui Chemicals Osaka Works in 2009. This was a verification test, producing 100 tons of methanol per year from hydrogen and  $\text{CO}_2$  which was contained in the exhaust gases. We have confirmed the conversion ratio from  $\text{CO}_2$  to methanol and the catalyst life and obtained necessary data items for creating a technological package. However, due to several issues that remained to be addressed concerning costs and availability of hydrogen source, this technology has not yet been commercialized. Nevertheless, we believe that this promising technology should greatly contribute to the realization of low-carbon society which is currently sought by the world.

Management System	GHG and Energy	Industrial Waste
Environmentally Hazardous Substances	Water	Biodiversity
Environmental Accounting/Compliance		

## Industrial Waste

The Mitsui Chemicals Group aims at minimizing the landfill rate for industrial waste to 1% or less. We promote the reduction of industrial waste emitted outside our plants by promoting the recycling of industrial waste and reduction through incineration with energy recovery while striving to reduce the landfill volume. We have continuously succeeded in minimizing the industrial waste volume, hitting another landfill rate target for industrial waste in fiscal 2021.

\* Please refer [here](#) for scope of data.

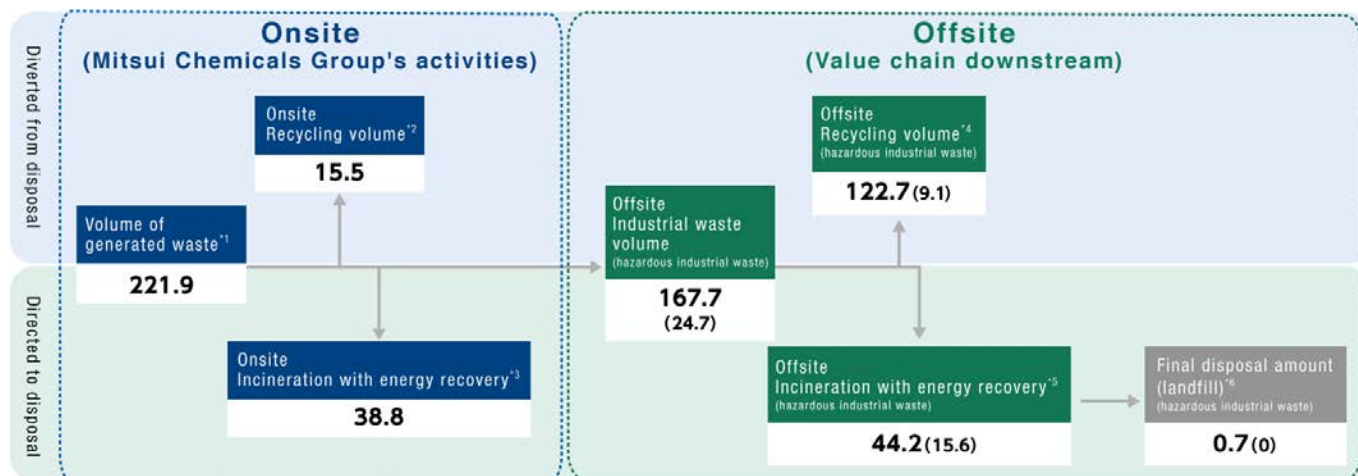
The Waste Management and Public Cleansing Law was revised partially to tighten controls over inappropriate disposal of waste. Due to this revision, business operators who discharge 50 tons or more of specially controlled industrial waste must use an electronic manifest from fiscal 2020. We implement the operation of the electronic manifest.

### Industrial Waste Treatment Process

In order to minimize industrial waste, the Mitsui Chemicals Group is working to understand and reduce the negative impact of generated waste on the environment and society by improving manufacturing processes and monitoring the waste disposal status at outsourcing companies. Specifically, we are working to improve the processes by recycling low-polymer and other waste materials generated in the manufacturing process that are not suitable for products back into the ethylene cracker, and implementing other initiatives. In addition, when we outsource the disposal of industrial waste, we check the disposal status. The industrial waste generated by the Group is used as solid fuel, and dust from waste combustion is recycled to make concrete, pave roads, and so on.

Among waste materials, the recycling ratio of waste plastic discharged outside the plant exceeds 90%, and we are maintaining this ratio.

### Industrial Waste Treatment Process (FY2021)



\* Unit: Thousand tons

\* Any minor discrepancies in percentages are due to rounding.

\* The calculation is based on the volume of hazardous industrial waste generated by Mitsui Chemicals, Inc. and Domestic subsidiaries & affiliates.

\*1 Volume of generated waste:

Calculated based on the type of industrial waste as defined in the Waste Disposal and Public Cleaning Law, including sludge (after dewatering), waste plastic, soot, and dust.

\*2 On-site recycling volume:

In-process recycling of waste plastic, etc. Does not include thermal recycling (heat recovery).

\*3 On-site incineration with energy recovery:

Reduction of waste emitted outside the plant achieved by incineration, including using waste as fuel and thermal recycling (heat recovery), and neutralization of waste acid. Incinerated ash is not disposed of in the plant's landfill, but is included in the total volume of offsite industrial waste volume.

\*4 Off-site recycling volume:

Includes solid fuel materials and incinerated materials reused to make cement or roadbed. Does not include thermal recycling (heat recovery).

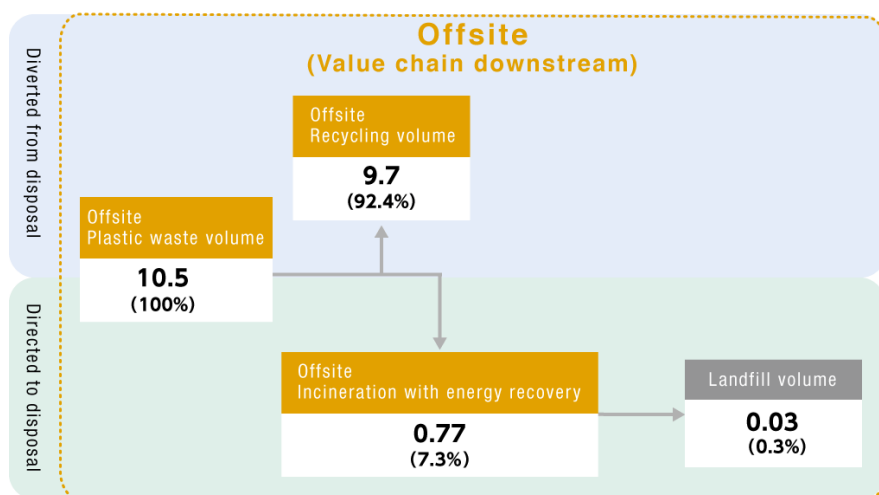
\*5 Off-site volume of waste incinerated with energy recovery:

Includes oil waste used as fuel and thermal recycled (heat recovery). The figures assume total loss and incinerated ash is counted as landfill waste.

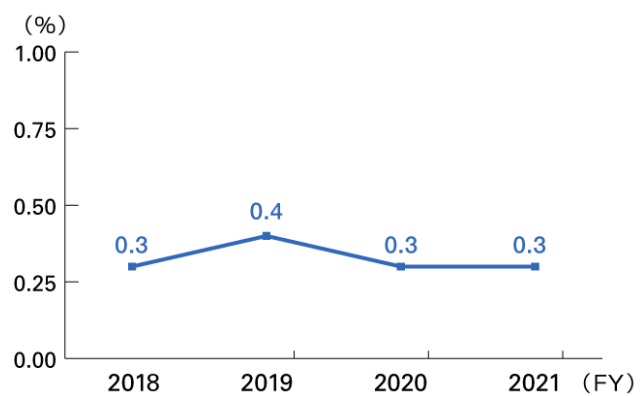
\*6 Landfill volume:

Includes the landfill volume of incinerated ash.

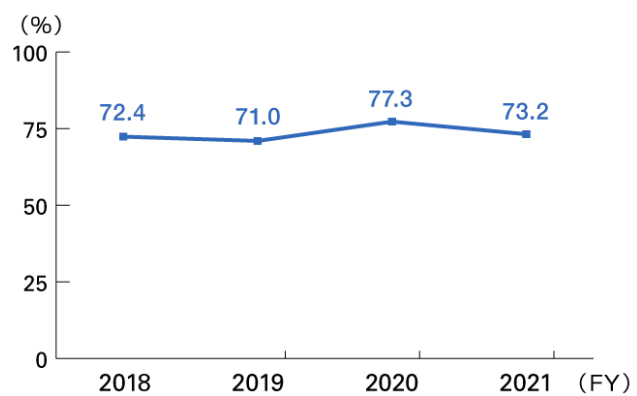
#### Processing of plastic industrial waste (Mitsui Chemicals, Inc.: FY2021)



\* Unit: Thousand tons



\* Landfill rate for industrial waste = Landfill volume/Volume of generated industrial waste



\* Recycling ratio = Offsite recycling volume/Offsite industrial waste volume (generated outside the factory premises)

Management System	GHG and Energy	Industrial Waste
Environmentally Hazardous Substances	Water	Biodiversity
Environmental Accounting/Compliance		

Environmentally Hazardous Substances

The Mitsui Chemicals Group is monitoring emissions of volatile organic compound (VOC), NOx, Sox, soot and dust, hazardous air pollutants, and substances subject to the PRTR Act, and working to reduce environmental impact.

\* Please refer [here](#) for scope of data.

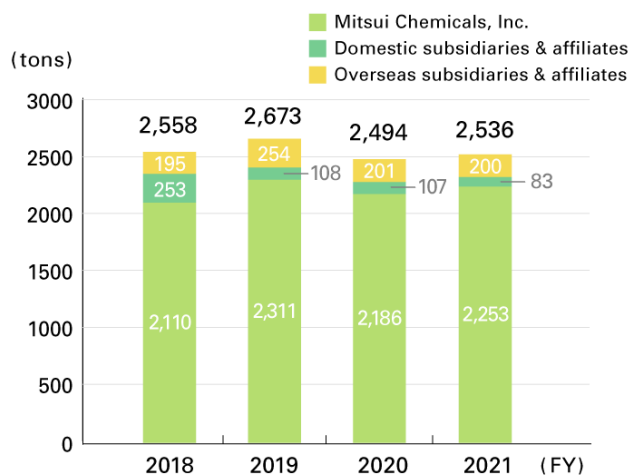
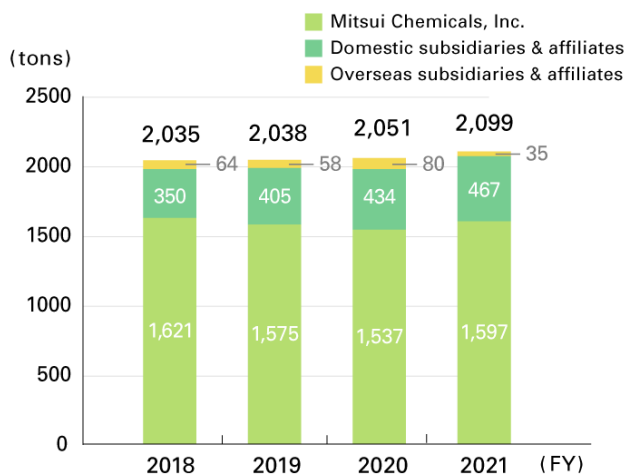
Air

Among the hazardous air pollutants specified in the Air Pollution Control Act, we monitor emissions of priority substances that are believed to pose a high risk to human health and strive to reduce the emissions.

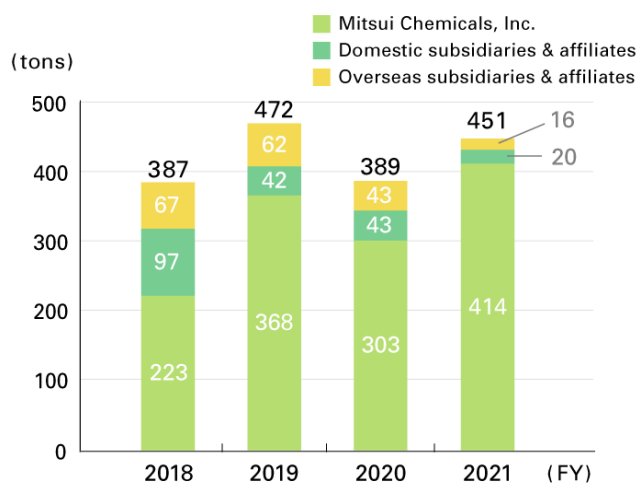
The Japanese government set a target of reducing fixed-source volatile organic compound (VOC) emissions in fiscal 2010 by 30% compared with fiscal 2000. VOC emissions at Mitsui Chemicals reached 8,523t in fiscal 2000, so our goal is 5,966 tons/year. However, we intensified the goal to 3,000 tons/year or less and succeeded in making drastic reductions by fiscal 2010. We have continued maintaining emissions at this level.

Because the Mitsui Chemicals Group produces various chemical products, a wide range of VOCs are emitted. We use various methods to reduce VOC emissions into the air, including absorption by activated carbon and other filters, neutralization by acid or alkaline water, combustive decomposition, and Pressure Swing Adsorption (PSA). Further, burning fuel in chemical product manufacturing processes generates SOx, NOx, and soot and dust. We therefore implement a variety of measures to reduce release of these items into the atmosphere by removing them using catalysts, installing dust collectors and washing towers, and using fuels free from nitrogen and sulfur.

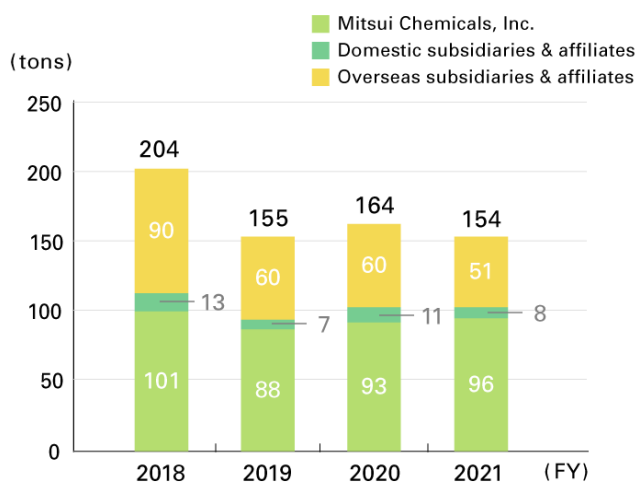
Volatile Organic Compound (VOC) Emissions                      NOx Emissions



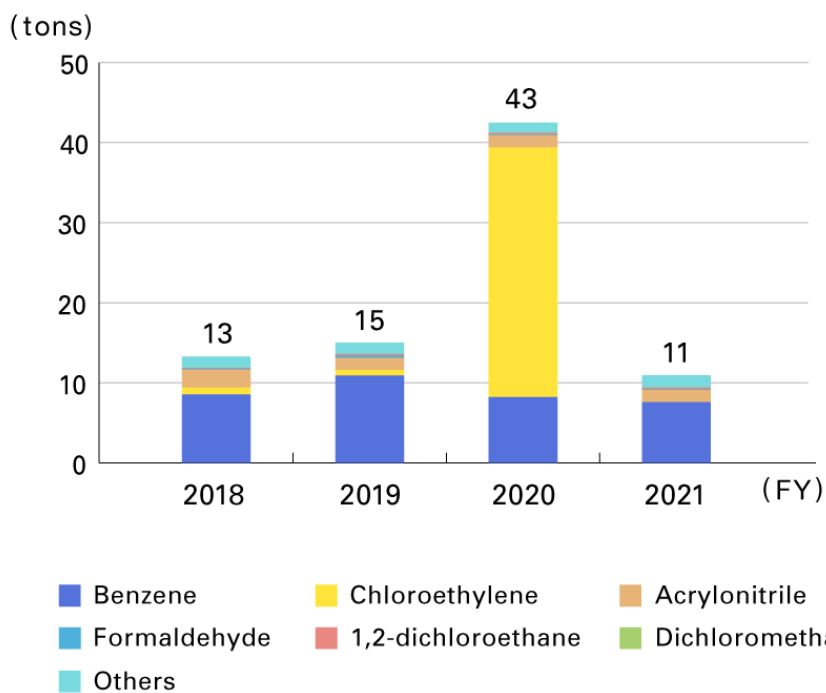
## SOx Emissions



## Soot and Dust Emissions



## Emissions of Hazardous Air Pollutants (Mitsui Chemicals, Inc.)



\* Previous emission figures:

771 tons (FY1995), 445 tons (FY2000), 110 tons (FY2005)



## Substances Subject to the PRTR Act

In accordance with the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management (PRTR\* 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.

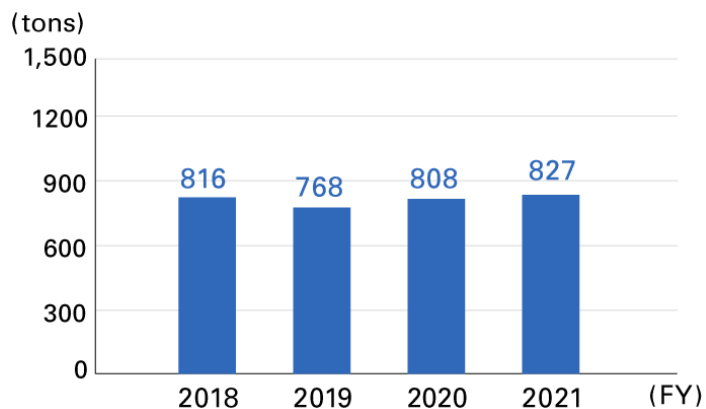
We are further reinforcing our management while also seeking other ways to reduce annual emissions 450 tons or less.

In order to reduce the annual PRTR emissions to 450 tons or less by the end of fiscal 2025, we are currently developing an investment and loan plan to renovate our facilities to achieve this target. Specifically, we plan to review and improve the process of recovering and treating exhaust gases, which mainly include hexane and toluene.

\* PRTR:  
Pollutant Release and Transfer Register.

[PRTR Data for Individual Sites](#) (PDF: 608KB)

### Substances Subject to the PRTR Act Emissions (Mitsui Chemicals, Inc.)



\* Scope of Mitsui Chemicals, Inc.: Parent company production sites and the Sodegaura Center.

# PRTR Data for Individual Sites (FY2021)

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)

## Ichihara Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
N-Hexane	392	170.38	0.00	0.00	170.38	0.00	23.72
Toluene	300	18.13	0.01	0.00	18.14	0.00	6.02
Cumene	83	7.02	0.01	0.00	7.02	0.00	0.00
Xylene	80	6.28	0.01	0.00	6.29	0.00	0.97
Ethylbenzene	53	4.24	0.00	0.00	4.24	0.00	2.90
Epichlorohydrin	65	2.80	0.00	0.00	2.80	0.00	0.00
Benzene	400	1.38	0.01	0.00	1.38	0.00	7.20
Styrene	240	0.55	0.00	0.00	0.55	0.00	0.22
HCFC-123	164	0.33	0.00	0.00	0.33	0.00	0.00
Zinc compounds(water-soluble)	1	0.00	1.15	0.00	1.15	0.00	0.00

## Mobara Branch Factory

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Styrene	240	0.18	0.00	0.00	0.18	0.00	0.00
Methyl methacrylate	420	0.11	0.00	0.00	0.11	0.00	0.00
N-Butyl acrylate	7	0.04	0.00	0.00	0.04	0.00	0.00
Acrylic acid	4	0.02	0.00	0.00	0.02	0.00	0.00
N-Butyl methacrylate	419	0.02	0.00	0.00	0.02	0.00	0.00
Xylene	80	0.01	0.00	0.00	0.01	0.00	0.00

## Nagoya Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Toluene	300	1.53	0.00	0.00	1.53	0.00	56.83
1,2-Epoxypropane	68	1.18	0.00	0.00	1.18	1.55	0.20
Xylene	80	0.32	0.00	0.00	0.32	0.00	6.22
Ethylbenzene	53	0.32	0.00	0.00	0.32	0.00	6.22
Styrene	240	0.29	0.00	0.00	0.29	3.17	8.15
Ethylene oxide	56	0.14	0.00	0.00	0.14	0.12	0.04
Acrylonitrile	9	0.01	0.00	0.00	0.01	38.36	135.76
N,N-Dimethylformamide	232	0.00	0.00	0.00	0.00	0.00	1.59
Phenol	349	0.00	0.00	0.00	0.00	0.00	101.28

## Osaka Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Cumene	83	17.06	0.00	0.00	17.06	0.00	0.00
Dicyclopentadiene	190	7.62	0.00	0.00	7.62	0.00	0.98
Benzene	400	3.19	0.01	0.00	3.20	0.00	2.98
Toluene	300	2.50	0.01	0.00	2.51	0.00	4.01
$\alpha$ -methylstyrene	436	1.95	0.00	0.00	1.95	0.00	0.03
Styrene	240	1.74	0.00	0.00	1.74	0.00	2.99
Methyl methacrylate	420	1.63	0.00	0.00	1.63	0.00	14.16
Acrylonitrile	9	1.51	0.00	0.00	1.51	0.00	1.24
1,4-Dioxane	150	1.05	0.04	0.00	1.09	0.00	0.00
Zinc compounds(water-soluble)	1	0.00	3.63	0.00	3.63	0.00	0.15
Dioxins	243	0.00	0.03	0.00	0.03	0.00	0.00

## Iwakuni-Ohtake Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
N-Hexane	392	178.07	0.00	0.00	178.07	0.00	0.00
Toluene	300	25.74	0.06	0.00	25.79	0.00	0.00
Xylene	80	19.37	0.00	0.00	19.37	0.00	0.00
1,4-Dioxane	150	0.00	5.45	0.00	5.45	0.00	0.00
Bromomethane	386	4.94	0.00	0.00	4.94	0.00	0.00
Benzene	400	2.76	0.00	0.00	2.76	0.00	0.00
Acetaldehyde	12	0.90	0.00	0.00	0.90	0.00	0.00
Cumene	83	0.49	0.00	0.00	0.49	0.00	0.00
Ethylbenzene	53	0.01	0.39	0.00	0.40	0.00	0.00
Phenol	349	0.22	0.00	0.00	0.22	0.00	0.00
Dioxins	243	0.18	4.26	0.00	4.45	0.00	91.85

## Tokuyama Branch Factory

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
1,2-Epoxypropane	68	6.20	0.00	0.00	6.20	0.00	0.00
Ethylene oxide	56	0.13	0.00	0.00	0.13	0.00	0.00
Methylnaphthalene	438	0.01	0.00	0.00	0.01	0.00	0.00
Ethylenediamine	59	0.01	0.00	0.00	0.01	0.00	0.00
Acrylonitrile	9	0.01	0.00	0.00	0.01	0.00	7.40
Styrene	240	0.00	0.00	0.00	0.00	0.00	10.00
1,4-Dioxane	150	0.00	0.00	0.00	0.00	0.00	1.20
Phthalic anhydride	413	0.00	0.00	0.00	0.00	0.00	0.08
Poly(oxyethylene) nonylphenyl ether	410	0.00	0.00	0.00	0.00	0.00	0.06
2,2'-azobisisobutyronitrile	16	0.00	0.00	0.00	0.00	0.00	0.01

## Omuta Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Toluene	300	259.73	0.25	0.00	259.97	0.00	807.95
Dichlorobenzene	181	35.02	0.42	0.00	35.44	0.00	27.92
Toluene	300	18.70	0.00	0.00	18.70	0.00	0.00
Dicyclopentadiene	190	11.71	0.00	0.00	11.71	0.00	5.94
Formaldehyde	411	6.55	0.00	0.00	6.55	0.00	0.00
Epichlorohydrin	65	0.00	5.53	0.00	5.53	0.00	0.68
N,N-Dimethylformamide	232	1.74	0.00	0.00	1.74	0.00	0.86
Phenol	349	0.00	0.45	0.00	0.45	0.00	0.00
Acetonitrile	13	0.00	0.31	0.00	0.31	0.00	0.00
Cresol	86	0.34	0.00	0.00	0.34	0.00	0.00
Dioxins	243	0.00	1.13	0.00	1.13	0.00	0.00

## Sodegaura Center

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
N-Hexane	392	0.19	0.00	0.00	0.19	0.00	1.33
Dichlorobenzene	181	0.12	0.00	0.00	0.12	0.00	1.30
Dichloromethane	186	0.37	0.00	0.00	0.37	0.00	1.31
Tolylene Diisocyanate	298	0.00	0.00	0.00	0.00	0.00	1.44
methylenebis(4,1-phenylene) diisocyanate	448	0.00	0.00	0.00	0.00	0.00	2.69

Management System	GHG and Energy	Industrial Waste
Environmentally Hazardous Substances	Water	Biodiversity
Environmental Accounting/Compliance		

Water

Water is an indispensable component of the Mitsui Chemicals Group’s various chemical product manufacturing processes. For example, water is used in manufacturing processes that include heating, cooling, and washing as well as for equipment that removes harmful chemical substances produced during these processes and discharges effluent. Formulating its basic philosophy on water resources, the Mitsui Chemicals Group works to manage efficient water usage and water preservation. In addition, we ask suppliers to carry out activities that include waste water management and efficient utilization of water in [the Sustainable Procurement Guidelines](#).

\* Please refer [here](#) for scope of data.

Climate Change Policy

[Water-related Information \(CDP\)](#) (PDF : 638KB)

Basic Philosophy on Water Resources

- 1. We recognize that water is a finite and precious resource, and regard water conservation 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.

Reduction in water quality contaminants

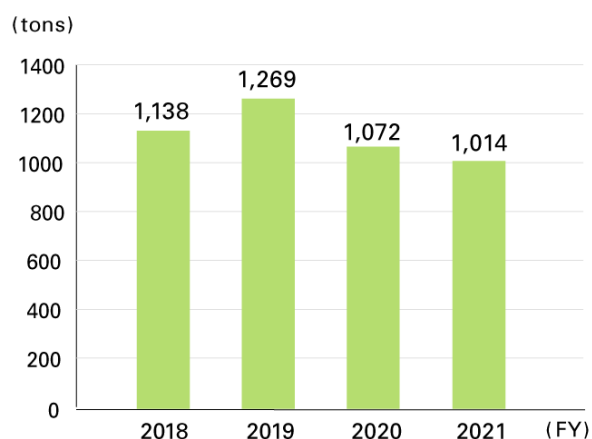
The Mitsui Chemicals Group has adopted benchmarks on water quality contaminants designated by laws and regulations and monitors the emissions of these substances such as chemical oxygen demand (COD), nitrogen and phosphorus, to preserve the water environment. The emission levels for each of these chemicals are maintained far below the target levels required by laws or other regulations.

In domestic production sites with high water usage, the wastewater from different plants is collected together before it is treated by neutralization, oil separation, and removal of solids. We also pass the wastewater through an activated sludge process to remove organic substances using microorganisms. However, some of the water cannot be treated by the activated sludge process as it contains substances that inhibit microorganisms from organic decomposition or the organic substances contained in the water are persistent. Such wastewater is treated in a normal manner after treated with ozone, combustion, or anammox.\*

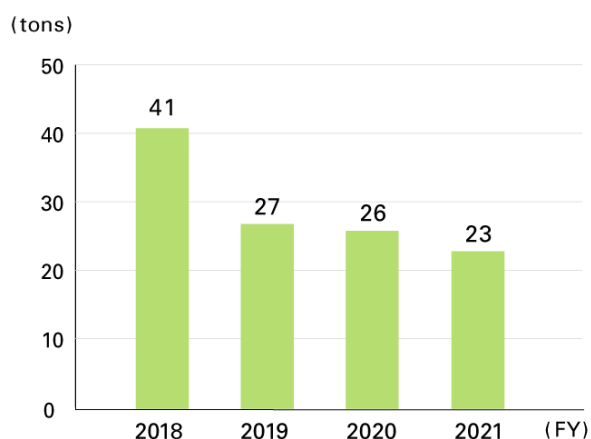
\* Anammox:

Anaerobic ammonium oxidation. A process to remove nitrites from ammonium-rich wastewater using ammonia-oxidizing bacteria.

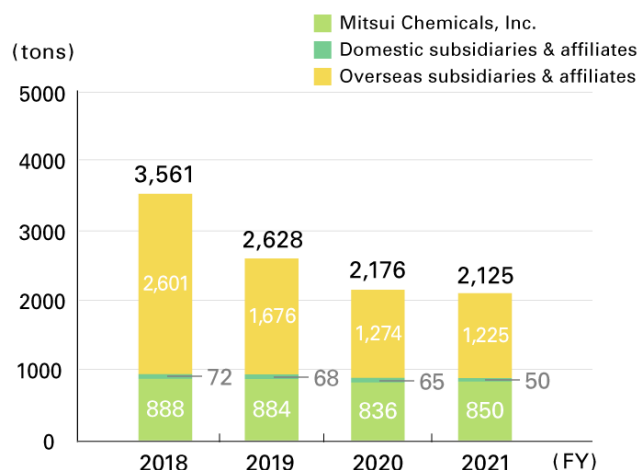
Total Nitrogen Emissions (Mitsui Chemicals, Inc.)



Total Phosphorous Emissions (Mitsui Chemicals, Inc.)



COD, BOD Emissions

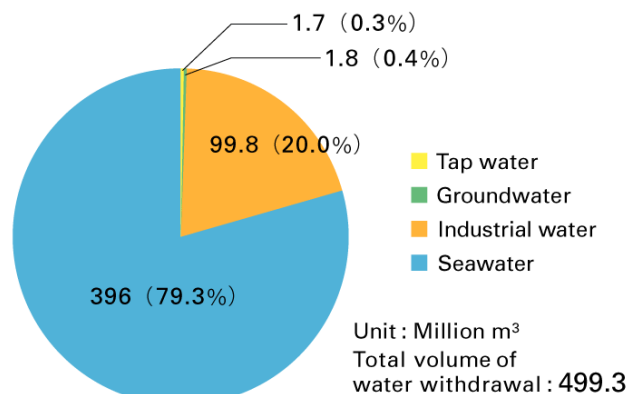
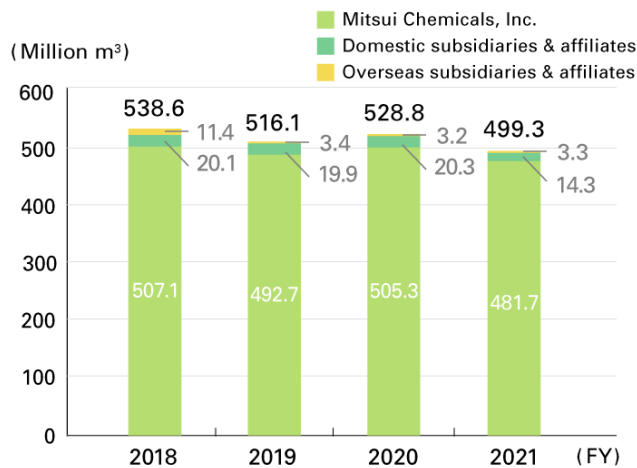


## Efficient Use of Water

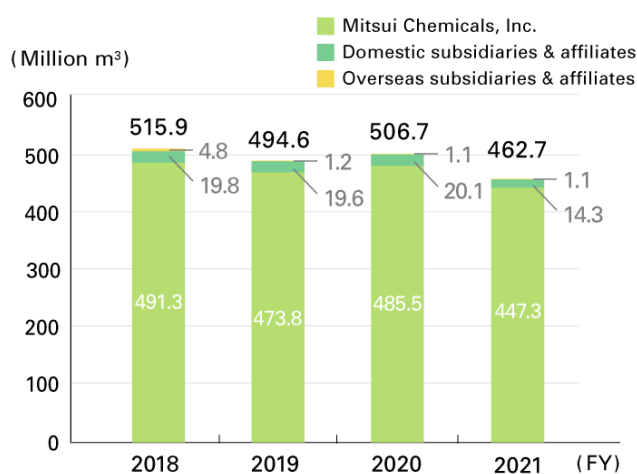
The Mitsui Chemicals Group monitors the volumes of water withdrawal, discharge, consumption, and recycling in an effort to use water efficiently. The Group proactively engages in water recycling such as circulating cooling water systems, particularly at production facilities that use large amounts of water.

Volume of Water Withdrawal (tap water, groundwater, industrial water, and seawater)

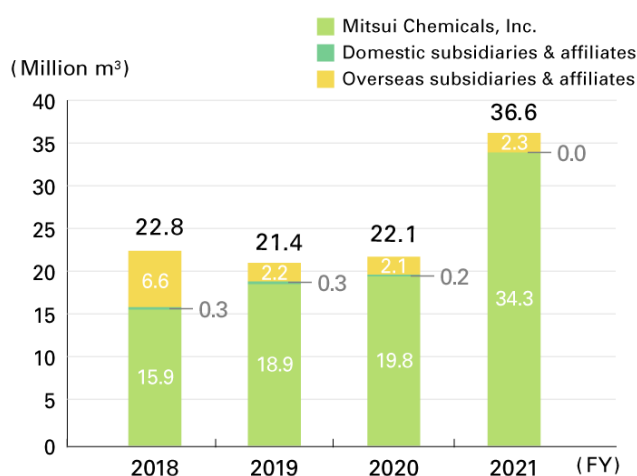
Breakdown of Volume of Water Withdrawal (Mitsui Chemicals, Inc.: FY2021)



### Discharge Water Volume

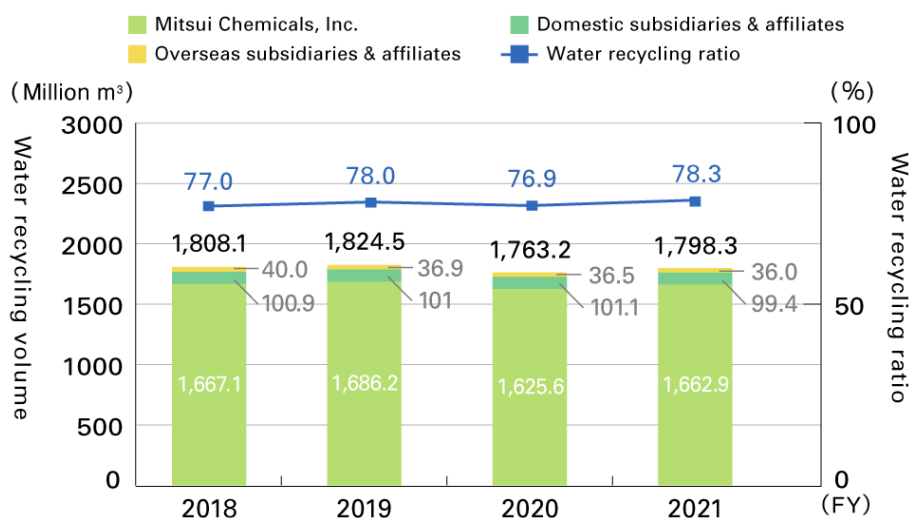


### Water Consumption\*



\* Water consumption = water withdrawal - discharge water volume

### Water Recycling Volume and Ratio\*



\* Water recycling ratio = water recycling volume / (volume of water withdrawal + water recycling volume)

The Mitsui Chemicals Group conducts water risk assessments for its production sites from the present up to the year 2040. To do this, we use the AQUEDUCT Water Risk Atlas of World Resources International (WRI). The Water Risk Filter of the World Wildlife Fund (WWF) has also been added as an evaluation tool from fiscal 2018. Assessment tools have been used to identify regions where water stress is high. Detailed assessments of the unit water levels at production sites, water usage volumes and local data have also been conducted to verify that the water risk at each site is at an acceptable level. In addition, similar surveys are conducted at new plants when operations are commenced.

Including **biodiversity risk** as a part of water risks, we use IBAT to gather data and investigate biodiversity risk based on the following evaluation items: Protected areas, priority protected areas, endangered species and endangered freshwater species surrounding our production sites.

In support of the **TCFD recommendations**, we are conducting assessments on the physical risks to our production sites (floods, drought & temperature changes), based on IPCC RCP 2.6 and RCP 8.5. In the future, we will conduct environmental impact assessments to include items with high materiality in the scenario analysis. In identifying sites to be assessed, 47 sites in eight areas that rank high in importance (Japan, China, Southeast Asia, India, United States, Europe, Brazil and Mexico) have been selected for analysis and assessment for the risk of floods, drought and temperature changes. The risk of water-related natural disasters tend to be high for Japan, China, Southeast Asia and India and the number of disasters is expected to increase in many areas. Water supplies tend to be strained in India and Mexico, with a similar trend anticipated for Singapore and Thailand. Also, we conducted impact assessments for our 13 production sites in Japan and overseas. Utilizing a particular assessment model, we estimated the value of asset losses from river flooding or high tides from 2020 to 2070. The assessment results suggested that in 2030 and onward, the assets in four of our domestic production sites will be subjected to a greater risk impact from river flooding and five sites in Japan and overseas from high tides. We plan to expand the scope of production sites subject to impact assessment, and determine the necessary countermeasures. Based on the assessment results, the approved countermeasures will then be reflected in our business strategies.

Management System	GHG and Energy	Industrial Waste
Environmentally Hazardous Substances	Water	Biodiversity
Environmental Accounting/Compliance		

## Biodiversity

The Mitsui Chemicals Group aims to minimize the negative impact on the global environment and ecosystems from the products it manufactures and sells throughout their lifecycles.

The manufacture of chemical products has the potential for impacting biodiversity in the air, water, and soil through GHG emissions when using energy (electricity and thermal), the consumption of water resources in heating, cooling, and cleaning processes, and water-polluting effluent. In addition, the release and decomposition of harmful chemical substances at the manufacture, use, and disposal stages of chemical product lifecycles can reduce the number of species living in those environments.

To prevent any loss of biodiversity, the Mitsui Chemicals Group is working on the following initiatives aimed at [mitigating climate change](#), [recycling of resources](#), [managing chemical substances](#) and [reducing environmentally harmful substances](#) to contribute to realizing a cohesive society in harmony with the global environment.

### Basic Approach to Biodiversity Conservation

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 biodiversity conservation through the supply of environmentally friendly materials, products, and services.
3. We will comply with international biodiversity agreements.
4. We strive to conserve 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 conserve biodiversity, we will promote employee social contribution activities that have our stakeholders trust.

### Biodiversity Risk Assessment

Believing that reducing environmental burdens throughout the Mitsui Chemicals Group's production and business activities helps preserve biodiversity, we undertake initiatives that include managing chemical substances, reducing GHG emissions, and managing water resources. In fiscal 2017, we conducted surveys of ecosystems surrounding production sites of our Group companies. Using IBAT,\* these surveys confirmed the absence of nature protected areas (i.e. world heritage sites, IUCN Category I, II, III, Ramsar Sites) within a 3km radius around these production sites.

- \* **IBAT:**  
Integrated Biodiversity Assessment Tool. Developed jointly by BirdLife International, Conservation International, International Union for Conservation of Nature (IUCN), United Nations Environment Programme (UNEP), and UN Environment World Conservation Monitoring Centre, IBAT facilitates access to basic data and the latest information on natural preservation.

## Contributions through Products and Services

The Mitsui Chemicals Group is developing products and services that help reduce environmental burdens. Formulating Blue Value™ as a means for displaying environmental contribution value, products that help reduce CO<sub>2</sub>, protect resources, and harmonize with nature are designated as Blue Value™ products. Setting Blue Value™ products sales revenue ratio as a KPI in VISION 2030, we aim to expand product groups that help conserve biodiversity.

In addition, the Group, which has been vigorously promoting a shift to business with a social challenge perspective, also focuses its attention on biodiversity related social challenges and aims to provide products and services that contribute to solving such challenges.

### TOPICS: Product development aimed at marine life conservation

Mitsui Chemicals has developed NAGORI™\*, a product that contains up to 75% of mineral components found in seawater. This product was born from an employee's idea. Focusing on the fact that the desalination technology—a solution for the social challenge of water shortages—is a trade-off with another new challenge, coral extinction caused by concentrated brine produced as a by-product in seawater desalination, the employee came up with an idea of developing products using rich minerals in the concentrated brine as the main raw material.

NAGORI™ received high praise from members of the judging committee for its innovative chemical technology utilized to tackle the environmental challenge, earning selection into the Good Design Best 100 as one of the top 100 winners of the 2018 award.

### NAGORI™ Wins Good Design Award 2018, Makes Good Design Best 100

- \* **NAGORI™:**  
An innovative material created from seawater minerals. Mitsui Chemicals has used its state-of-the-art compounding technology to grant material thermal conductivity similar to that of ceramics along with a weighty feel and ease of mass production.  
In the future, Mitsui Chemicals intends to take the concentrated brine produced as a by-product in seawater desalination and use the raw materials from this for NAGORI™. As a chemical company, we are looking at how to create tangible solutions in pursuit of environmental friendliness, Sustainable Development Goals (SDGs) and how as a society we should approach true sustainability.



Beer tumbler made from NAGORI™



## Contributions through the Supply Chain

In procuring our raw materials, we are making efforts to select materials and suppliers that will result in a lower environmental impact in line with [our Purchasing Policy](#). As we include “preservation of biodiversity” to [the Sustainable Procurement Guidelines](#), we request our suppliers to support the preservation of biodiversity. In [logistics](#), we work to reduce environmental impact mainly by undertaking modal shifts and shared logistics. We [provide product safety information](#) in an effort to help customers handle products appropriately and minimize environmental impacts.

## Participation in Initiatives

We support the aims of the Taskforce on Nature-related Financial Disclosures (TNFD), an international initiative launched in June 2021, and participate in the TNFD Forum.

We also support [the Declaration of Biodiversity by the Japan Business Federation \(Keidanren\)](#) and participate in the Japan Business and Biodiversity Partnership. The policy and initiatives of Mitsui Chemicals in this area has been introduced in [Initiative on the Declaration of Biodiversity by Keidanren](#).

### Support Initiatives

## Social initiatives that support the conservation of biodiversity

The Mitsui Chemicals Group undertakes environmental creation initiatives to conserve biodiversity at its business sites.

\* Major activities are shown [here](#).

### 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.

#### Rare wildlife found in survey (example)

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



### Donations to Environmental Conservation Organizations

Mitsui Chemicals employees have been annually donating to [the Japan Environmental Action Network \(JEAN\)](#) – an NGO that engages in ocean and river environmental preservation activities—through [the One-Coin Club](#) since fiscal 2015.

Management System	GHG and Energy	Industrial Waste
Environmentally Hazardous Substances	Water	Biodiversity
Environmental Accounting/Compliance		

## Environmental Accounting/Compliance

### Environmental Compliance

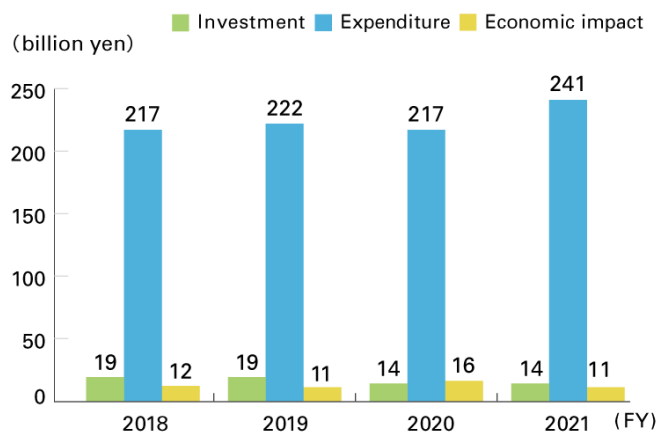
The Mitsui Chemicals Group believes that compliance with the environmental laws and regulations of the nations and regions in which it operates and addressing the opinions and complaints of local residents are an important part of environmental compliance.

Through training our employees about environmental laws and regulations and conducting audits at each of our operating sites, we aim for zero violations of environmental laws and regulations. Moreover, management at each of our locations conducts [regular meetings with members of local communities](#) so as to exchange opinions and broaden understanding in regard to the operation of the facility. Each business site fields complaints and comments from local residents. Moreover, Mitsui Chemicals opens [our Risk Hotline](#) that allows members of the local community to express their opinions. Thanks in part to these efforts, there were no violations of environmental laws or regulations in fiscal 2021. We will continue our efforts in environmental compliance in order to earn and maintain the trust of society in general.

### 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.

#### Environmental Accounts (Mitsui Chemicals, Inc.)



## Environmental Accounts

### Breakdown of Investment and Expenditure (FY2021 Mitsui Chemicals, Inc.)

Unit: million yen

Category	Main initiatives	Investment	Expenditure
1. Business area costs (Cost of reducing the environmental impact of production and service activities within our business area)		1,449	16,008
1-1 Pollution prevention cost	Measures to prevent VOC air pollution, odors, reduce wastewater, etc.	(913)	(12,402)
1-2 Global environmental conservation cost	Energy saving equipment	(250)	(768)
1-3 Resource circulation cost	Recycling waste plastics, etc.	(286)	(2,838)
2. Upstream/downstream costs (Cost of reducing the environmental impact of production and service activities in upstream or downstream areas)		0	0
3. Administration cost (Cost of environmental management activities)	Maintaining environmental management systems, training employees, etc.	0	621
4. R&D costs (Cost of environmental research and development activities)	Developing products and processes to protect the environment, reduce environmental impact, etc.	0	6,614
5. Social activity costs (Cost of environmental social activities)	Increasing greenery, funding measures to combat pollution, etc.	0	148
6. Environmental remediation cost (Cost of remediating environmental damage)	Remediating pollution, etc.	0	757
Total		1,449	24,139

## Environmental Accounts

### Breakdown of Economic Impact (FY2021 Mitsui Chemicals, Inc.)

Unit: million yen

Category	Main benefits	Economic impact
1. Income from recycling	Recycling waste into resources	325
2. Income from saving energy	Saving energy	456
3. Income from saving resources	Improving our raw material intensity index	331
Total		1,112

\* Scope of Mitsui Chemicals, Inc.: Parent company production sites and the Sodegaura Center

Management System

Regulatory Compliance and Providing the  
Safety Use Information

Providing Safe Products

Training

## Management System

### Policy and Basic Approach

The Mitsui Chemicals Group's Responsible Care Policy states "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 also stipulate Mitsui Chemicals Group's Principles for Chemicals Management to unify our basic group-wide approach.

As a member of the supply chain, the chemical industry is responsible for chemicals management from product development to disposal (product stewardship). The Mitsui Chemicals Group promotes voluntary chemical management in addition to compliance with the regulatory requirements of each country.

Cooperation with business partners is indispensable to minimize the risks to people and the environment throughout our products' lifecycles. The Mitsui Chemicals Group continues to collect chemical information from suppliers, assess the risks concerning our products, and maintains mutual communications with customers on any hazards in our products and how to handle them safely.

#### Mitsui Chemicals Group's Principles for Chemicals Management

Mitsui Chemicals Group will contribute to the development of a safe and sustainable society by managing chemicals in accordance with the following principles in order to ensure the health and safety of all persons and reduce environmental impact.

1. We establish Chemicals management policies and rules, and take actions in accordance with them.
2. We manage our chemicals management system appropriately.
3. We promote the safe handling of chemical products throughout the value chain through risk communication with our business partners.
4. We understand the needs of our stakeholders and provide appropriate product information.

We determine medium- to long-term goals based on the above Policy and Principles, while taking into account global chemical management trends and the Group's business direction. We implement initiatives while creating an action plan every year.

In fiscal 2021, we set up the Chemicals Management Long-Term Goals (Our Ideal Vision for 2030) from the viewpoint of material and chemical recycling, with the aim of continuing to offer safe and sustainable products and promoting various initiatives for the creation of a circular economy.

We aim to incorporate technologies that minimize risks to people and the environment into the added value of final products and services by linking chemicals management and quality management. We will also work towards medium- to long-term reform with a focus on improving and strengthening the foundation for the management system, including developing human resources and reviewing the existing business architecture using digital transformation.

Going forward, we will implement chemicals management in a planned manner based on the following basic strategy for long-term targets.

#### Long-Term Goals (Our Ideal Vision for 2030)

By ensuring a high level of quality awareness among all employees and having an information infrastructure that can be used across the Group globally, we have turned the management system into one that overlooks the entire supply chain, from development to disposal, and generated and provided information. Our product and service quality are our strength that offers value to customers. Based on a high level of quality awareness among all employees and an information infrastructure that can be used by the Group globally, transform our management structure into one that can encompass the entire supply chain, from development to disposal, accomplish an active mechanism of providing information, and deliver a greater value to our customers with our high quality products and services.

#### Basic Strategy for Long-Term Goals

1. Transition to a management system (process assurance) that overlooks the entire supply chain.

Transforming our management structure into one that can encompass the entire supply chain, from development to disposal (process assurance)

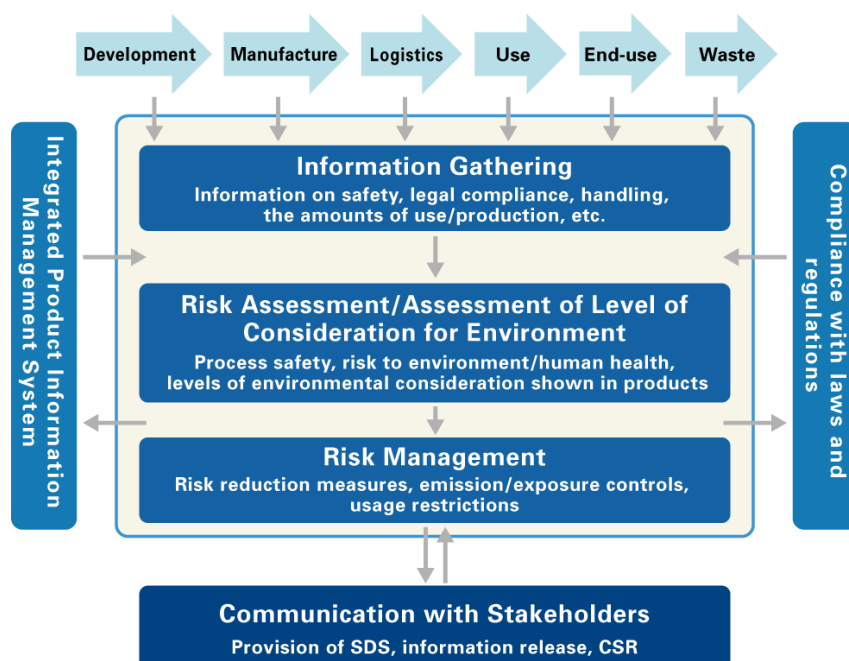
2. Development of a management system supporting the circular economy and conversion to operations that generate and transmit information.

Building a management structure responding to the circular economy and accomplishing an active mechanism of providing information

3. Securing, development, and assignment of Quality Human Resources

4. Streamlining of operations utilizing digital technology

#### The Mitsui Chemicals Group's Chemicals Management



## System and Responsible Officers

Our relevant divisions closely collaborate with each other as product stewardship is important across the entire product lifecycle.

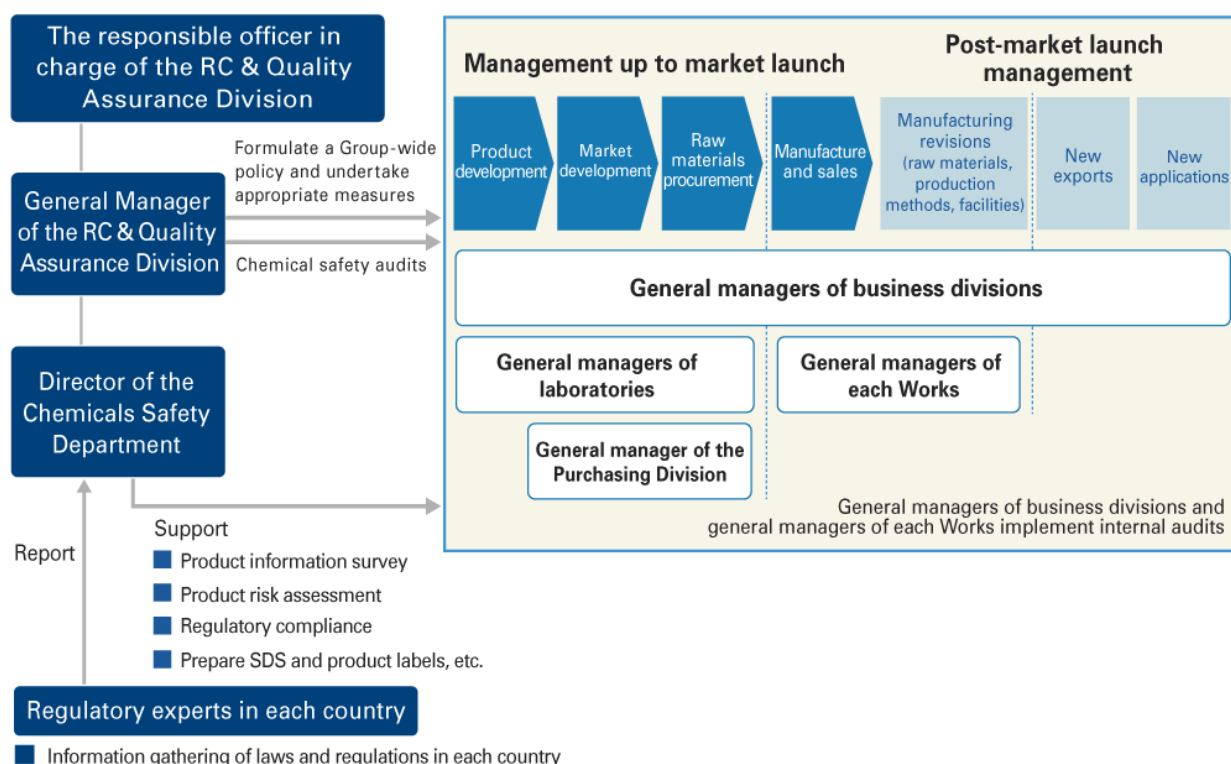
The responsible Officer in charge of the RC & Quality Assurance Division reviews and establishes the group-wide chemicals management policy, and ensures that the policy is understood and put into practice in all companies. The officer also provides advice, instructions, and guidance to the Business Sector Presidents. The General Manager of the RC & Quality Assurance Division combines the latest movements among chemical safety policies and laws from different countries with information gathered from regulatory experts to create concrete measures for compliance, and promotes the implementation of such measures across the Group. Under the initiative of the General Manager of the RC & Quality Assurance Division, Director of the Chemicals Safety Department supports for concrete action, including product information surveys, product risk assessments, compliance with chemical regulations and standards, and creation of SDSs and product labels.

General Managers of laboratories ensure that the design of new products takes safety to people and the environment fully into account.

Chemicals management in our works is undertaken by the General Managers of the works, and when procuring materials, chemicals management is undertaken by the General Manager of the Purchasing Division.

Responsibility for product chemical safety is taken by the General Manager of the business division that owns the product and the Business Sector President responsible for that division.

### Product Stewardship System (Mitsui Chemicals, Inc.)



## Internal Audit

The RC & Quality Assurance Division conducts chemicals management audits of each division and affiliated companies of the Mitsui Chemicals Group. The fairness of such audits is independently assessed by the Internal Control Division.

Audit on chemicals management	The management system for chemicals management, its operational status, and the status of compliance regarding the manufacture, import, and sales of chemicals are checked.
	Scope: Business divisions of Mitsui Chemicals Head Office, branch offices, laboratories, and domestic and overseas affiliated companies (selected every year)
	Frequency: In principle, once every three years

## Goals and Results

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Number of legal and regulatory violations	Mitsui Chemicals, Inc.	0	0	○	0 (The scope will have been expanded to the entire Group.)	0
Product risk assessment implementation rate	Mitsui Chemicals, Inc.	- Assessment implementation rate: 99% or more - formulate new assessment indicators	- 99% or more - Set new long-term targets	○	—*2	—*2
Provision ratio of the latest safety information for all products*1	Mitsui Chemicals, Inc.	100%	100%	○	—*2	—*2

\*1 Most recent SDS submission rate.

\*2 As a result of reviewing the Long-Term Goals (Our Ideal State in 2030), we have decided to remove “Product risk assessment implementation rate” and “Provision ratio of the latest safety information for all products” from the management goals after fiscal 2021 because we have continued to achieve 100% for these targets. We have also decided to consider setting new management goals for fiscal 2022 and thereafter. Specifically, we plan to establish management goals concerning control standards for substances contained in products from the viewpoint of a circular economy.

Management System

Regulatory Compliance and Providing the  
Safety Use Information

Providing Safe Products

Training

## Regulatory Compliance and Providing the Safety Use Information

In order to achieve the SDGs, many countries in the world are now enacting new laws or renewing regulations related to chemicals management. Compliance with these laws is the foundation of sustainable business and Mitsui Chemicals implements various measures to ensure our legal compliance. Also, providing information throughout the supply chain is indispensable for product stewardship. We are making extra efforts to provide information about the safe handling of our products—even beyond attaching the legally-specified Safety Data Sheets (SDSs) and labels.

### Compliance with New or Revised Regulations Related to Chemical Substances

Following the EU REACH regulations that systematically changed the chemicals management system, many countries are also strengthening their local regulations. A number of revisions to laws and regulations will also take place. We have formed a cross-organizational team, in which all business and corporate divisions participate, to formulate response measures for newly enforced or revised laws and regulations in each country. Working together with raw materials manufacturers, our internal supply chain, and suppliers, we remain fully compliant with laws and implement risk management measures systematically.

Compliance in a planned manner is needed for the Act on Registration and Evaluation of Chemical Substances in Korea, and Kimyasalların Kaydı, Değerlendirilmesi, İzni ve Kısıtlanması (KKDİK) in Turkey, and the UK REACH in the U.K., which are similar to the REACH regulation in Europe, and we will register the pre-notified chemicals by the deadlines specified according to the amount of production or imports.

### Contribution to the Industry

Mitsui Chemicals contributes to product stewardship in the chemical industry.

We are striving to resolve issues surrounding chemicals with other chemical corporations through the activities of the Japan Chemical Industry Association (JCIA) in Japan and the International Council of Chemical Associations (ICCA) worldwide.

#### International Council of Chemical Associations (ICCA) and Chemical Industry Associations in Each Country

### Global Network

We need the latest information from each country to maintain our compliance with local laws and regulations. We appoint Regulatory Experts in our affiliates in the US, Germany, China, Taiwan, and Thailand to gather information on local legislation and the policies of chemical industry organizations. In fiscal 2021, the Regulatory Experts in different countries and Mitsui Chemicals also exchanged information in the Regulatory Experts Meetings.



## Centralized Chemicals Information and Providing the Safety Information

Thorough data management is important for chemicals management. Mitsui Chemicals uses the Mitsui Chemicals Safety Information System (MiCSIS) to centrally manage data concerning chemicals in products and raw materials we handle. The range of functions provided by MiCSIS enable us to conduct the following tasks in a prompt and reliable manner: confirming legal compliance with domestic and foreign regulations; managing production/import quantities; linking to chemSHERPA<sup>\*</sup>; and creating SDSs and product labels compliant with laws and standards in Japan, the US, Europe, East Asian countries, and Thailand. We continue to reinforce data management across the Group through MiCSIS, use of which was extended to domestic affiliates in fiscal 2019.

In addition, we endeavor to obtain information on chemical substances contained in raw materials by requesting raw material suppliers to submit the latest SDSs, chemSHERPA, and Regulatory Survey Report.

The legally-demanded registration of chemical substances and chemical products in each country is only a beginning. Chemicals management does not end even after the products are introduced to the market. The Mitsui Chemicals Group continues adapting to changes around our products on sale and keeps our customers informed of the latest information.

\* chemSHERPA:

Chemical information Sharing and Exchange under Reporting Partnership in supply chain.

A scheme for conveying information about chemical substances contained in products. The Ministry of Economy, Trade and Industry is developing and promoting this scheme in aims of having the scheme utilized globally.

## AI Solutions for Chemical Compliance Surveys

The Mitsui Chemicals Group utilizes an AI solution to support surveys on information related to chemical compliance. By teaching AI (IBM Watson) to parse various countries' legal documents relating to regulatory compliance—as well as information on synonymous chemical substance names, high-level concepts, technical terms and more—this solution makes it possible to simply input a question, get that question translated into various languages and then quickly find the necessary information. The system has been in use since January 2020, and we plan to extend the scope of its usage by increasing the learning contents and implementing the system in affiliated companies.

Management System

Regulatory Compliance and Providing the  
Safety Use Information

Providing Safe Products

Training

## Providing Safe Products

For human health and environmental protection as well as for sustainable development, the Sound Chemicals and Waste Management scheme for chemical substances and hazardous waste, which 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 engaging in business and product development that incorporates those perspectives, as a member of the supply chain that aims at sustainable development.

### Product Risk Assessment

Mitsui Chemicals assess the potential risks of all new products for workers who handle its products and for general consumers who are assumed to be the final users.

We also re-assess risks concerning existing products when (1) materials or manufacturing methods are changed, (2) their applications are extended, (3) related laws and standards are revised, and (4) new scientific findings are announced. Going forward, we will also assess risks that support recycling in light of the circular economy.

For risk assessment for workers, we conduct qualitative assessment using the Control Banding Method<sup>\*1</sup>. If there is a concern about the risk, we also conduct quantitative assessment using tools such as ECETOC TRA<sup>\*2</sup>, which is used for risk assessments in accordance with the EU REACH regulations. For products that may pose a high risk depending on the handling conditions, we undertake risk communications with customers to ensure appropriate risk management as well as consider risk reduction through improving the compositions or development of alternative products, or both.

<sup>\*1</sup> Control Banding Method:

A chemical substance management method created by the International Labour Organization (ILO) with the aim of protecting workers from chemical substances.

<sup>\*2</sup> ECETOC TRA:

A targeted risk assessment (TRA) tool developed by the European Centre for Ecotoxicology and Toxicology of Chemicals (ECETOC).

<sup>\*</sup> For risk assessment and management in works and distribution, see the following sections: [Occupational Health](#); [Safety and Prevention](#); [Environmental Protection](#); and [Logistics](#).

### Risk Assessment for New Products

The risk assessment of a new product and a new brand is divided into five stages. A certain set of risk assessments is designated for each stage and the assessment task is shared among the R&D Laboratory, business divisions, Works, the RC & Quality Assurance Division, and the Safety & Environment Technology Division. The same applies to catalysts and additives used for materials or in the manufacturing process, and byproducts generated during manufacturing.

## Product Development Guidelines

Stage	Role	Response Measures
I	Tentative product concept setting	Gathering of safety-related information, conducting of collection and verification of information of chemicals in products
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	Implement product risk assessment ↓ Hold product safety conference* <sup>1</sup> → Change* <sup>2</sup> / cease development ↓ Implementation of risk management measures* <sup>3</sup> Submission of application for approval
V	Commercialization, release to market	Implement Change Control Implement risk assessment of existing products

\*1 The internal standards are followed when it cannot be confirmed that the risk is sufficiently low, etc.

\*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.

### Risk Assessment and Blue Value™

Mitsui Chemicals has designed the Blue Value™ Index to visualize how a product contributes to reducing the environmental impact in each stage of its life cycle from the viewpoint of product stewardship. The Blue Value™ Index is a simplified quantitative life cycle assessment (LCA) method for screening assessments called LIME2 (life-cycle impact assessment method based on endpoint modeling). It enables life cycle assessment to be performed throughout the different stages, from raw materials to disposal. The evaluation categories of the Blue Value™ Index include "Reduction of GHG emissions," "Saving of energy, electricity, fuel," "3Rs, ease of sorting, and conservation of resources," "Ecosystem conservation (human health)," "Ecosystem conservation (environmental organisms)," and "Prevention of environmental contamination." The impact areas covered include "Global warming," "Ozone depletion," "Mineral resource consumption," "Fossil fuel consumption," "Harmful chemical substances," "Ecotoxicity," and "Acidification." We have assessed 87% of existing products using the Blue Value™ Index.

Since fiscal 2020, we have been conducting detailed assessments using the Blue Value™ Index in stage III of the Product Development Guidelines, in which market development starts, to discover Blue Value™ candidate products and accelerate their development, with the goal of accelerating and promoting product innovation development that incorporates environmental contribution.

## Voluntary Control of Chemicals

Chemical substances may be harmful to human health and the environment. Mitsui Chemicals is systematically reducing its use of chemicals of concern.

We specify chemicals subject to the following list (1) to (7), below, as Prohibited Substances, and we do not use, produce, or sell these substances. For substances the use of which is restricted or that require specific information disclosure, handling in each stage of purchasing, R&D, and manufacturing is strictly controlled. The use of substances categorized as (8) to (16) in the list are specifically determined according to product purposes.

1. Industrial Safety and Health Act: Substances subject to Prohibition on Manufacturing and Other Activities.
2. Industrial Safety and Health Act: Substances categorized as Group-1 Substances in the Ordinance on Prevention of Dangers Due to Specified Chemical Substances.
3. Act on the Regulation of Manufacture and Evaluation of Chemical Substances: Class I Specified Chemical Substances.
4. Poisonous and Deleterious Substances Control Act: Specified Poisonous Substances.
5. Act on the Protection of the Ozone Layer Through the Control of Specified Substances and Other Measures: Substances listed in Annexes A and B.
6. Act on the Prohibition of Chemical Weapons and the Regulation of Specific Chemicals: Specified substances (Schedule 1 Chemicals under the Chemical Weapons Convention).
7. Stockholm Convention on Persistent Organic Pollutants (POPs): Substances listed in Annexes A, B, and C.
8. (US) Toxic Substance Control Act (TSCA): Prohibited or restricted substances in Section 6.
9. (EU) ELV Directive.
10. (EU) RoHS Directive Annex II.
11. (EU) POPs Regulation Annex I.
12. (EU) REACH: Substances listed in the Substances of Very High Concern (SVHC) Candidate List and Annex XIV (Authorization List).
13. (EU) REACH Annex XVII (Restricted substances).
14. (EU) Medical Device Regulation (MDR): Substances listed in Annex I, 10.4.
15. Global Automotive Declarable Substance List (GADSL).
16. IEC 62474 DB Declarable substance groups and declarable substances.

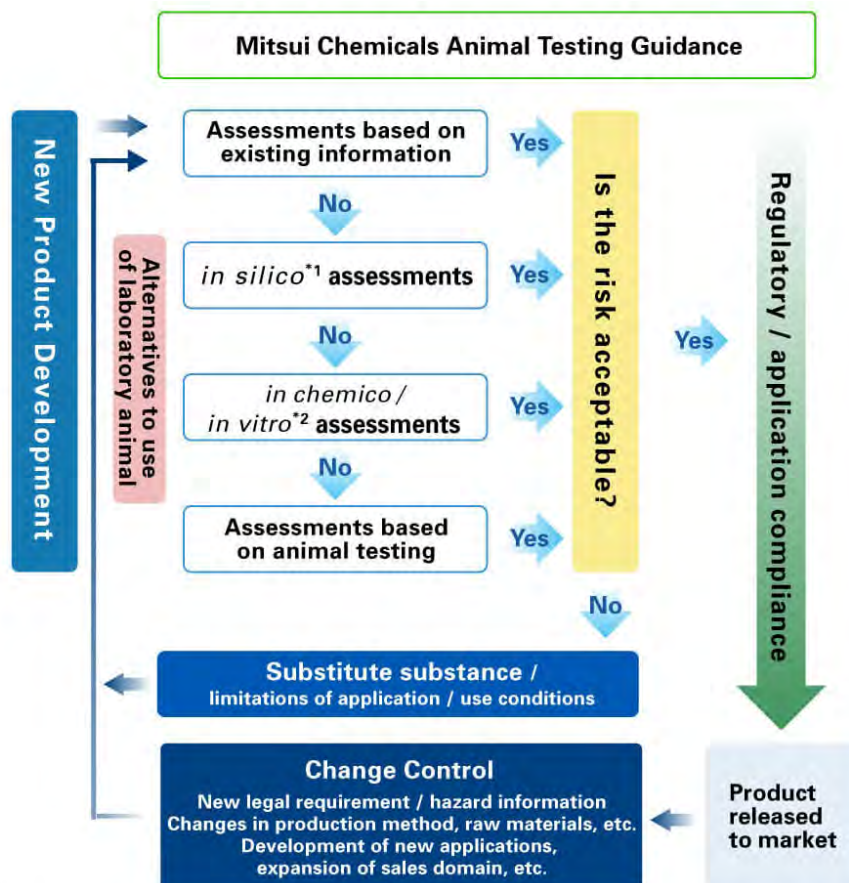
## Safety Assessment and Animal Testing System

The development of chemical products and chemicals management requires legally-specified safety tests. There are also cases in which animal test may be necessary. Mitsui Chemicals established “the Institutional Animal Care and Use Committee”, and specifies internal regulations compliant with “the Act on Welfare and Management of Animals”, “Standards Relating to the Care and Keeping and Reducing Pain of Laboratory Animals”, “Basic Guidelines for Animal Testing in Institutes Under the Jurisdiction of the Ministry of Health, Labour and Welfare (MHLW)”, and “Guidelines for Proper Conduct of Animal Experiments”, etc. “The Institutional Animal Care and Use Committee” ensures appropriate animal testing by examining all the animal experiments conducted directly by Mitsui Chemicals or commissioned to external institutes from the viewpoints of animal welfare—including

the 3R principles (Replacement: utilization of alternative methods; Reduction: reducing the number of animal testing used; and Refinement: alleviation of suffering), animal ethics, and scientific necessity. These initiatives are subject to self-checks every year to ensure compliance with the latest laws and standards. We received certification\* by the Japan Health Sciences Foundation in March 2020 confirming that our animal testing was compliant with the MHLW's basic guidelines.

\* The certification program was transferred to the Japan Pharmaceutical Information Center in April 2021 due to the dissolution of the Japan Health Sciences Foundation.

## 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 chemical / biological reactions.

## Acquisition of New Assessment Technologies

The Integrated Approaches to Testing and Assessment (IATA) is becoming widespread as a global trend of risk assessment. IATA is an approach that integrates existing data, and testing data *in silico* (techniques that predict harmfulness from a chemical substance's structure) and *in vitro* (alternative testing without using animals) to make animal testing a last resort. IATA has been adopted under the OECD testing guidelines as well as in regulations in different countries. Mitsui Chemicals is actively employing such advanced methods. ADRA\*1, which was developed in a project in which we participated, was adopted in the OECD Guidelines for the Testing of Chemicals in 2019. We continued to attend the subsequent validation. We also participated in activities led by JaCVAM\*2 and contributed to the dissemination of alternative methods to animal testing through the evaluation of testing methods.

\*1 ADRA:

Amino Acid Derivative Reactivity Assay. *In chemico* alternative method for skin sensitization.

\*2 JaCVAM:

Japanese Center for the Validation of Alternative Methods.

## Training

It is indispensable to raise the awareness of our individual employees for product stewardship. We provide them with training programs to acquire knowledge to comply with regulations and handle products correctly, and spread the knowledge across the supply chain in order to establish a corporate culture that protects human health and the environment.

The chemicals management training program of Mitsui Chemicals comprises e-learning, a basic course, and an advanced course. In fiscal 2021, we held the program as a combination of online education, which allows participants to join the program from any business site amidst the ongoing COVID-19 pandemic, and face-to-face education, which makes communication easier.

E-Learning	We provide employees with a basic knowledge of chemicals management to ensure the safety of our products and legal compliance. Educational records are managed by an internal system.
	<div>Scope</div> All employees in business and laboratories and all line managers of works and indirect departments
	<div>Education contents</div> <ol style="list-style-type: none"> <li>I. Basics of laws and regulations on chemicals management</li> <li>II. Basics of chemicals management in Mitsui Chemicals <ul style="list-style-type: none"> <li>● Mitsui Chemicals Responsible Care Policy</li> <li>● Basic knowledge specified by corporate rules on chemicals management</li> </ul> </li> </ol>
	Introductory education for new employees
	Understanding of the background and overall picture of chemicals management work.
	<div>Target</div> New employees assigned to laboratories
	<div>Education contents</div> <ul style="list-style-type: none"> <li>● What is chemicals management? Laws and responsible care (RC)</li> <li>● Risk assessment and risk management for chemical substances, and basic knowledge on "safer product development"</li> </ul>

Basic course	Basic seminar	
	We provide employees with knowledge of specific procedures for chemicals management in our companies to secure the safety and compliance of our products.	
	Scope	Employees responsible for practical handling in the business division, laboratories, etc.
	<div>Education contents</div> <p>Part 1: Chemicals management in Mitsui Chemicals</p> <ul style="list-style-type: none"> <li>● Identification of chemical substances contained in products, and investigation and collection of safety information</li> <li>● Product risk assessment in Mitsui Chemicals</li> <li>● Providing safety information (SDS, labels, etc.)</li> <li>● Compliance before product market introduction, and chemicals management after product market introduction</li> </ul> <p>Part 2: Domestic and overseas legal trends</p>	
Advanced course	Learning about chemicals specific to a certain product or application, such as food packaging materials.	
	Target	People involved in specific products and applications, and people responsible for practical chemicals management
	<div>Education contents</div> <p>Events held in FY2021 (example)</p> <ul style="list-style-type: none"> <li>● Explanatory meeting on Chemical Substances Control Law</li> <li>● Explanatory meeting on the positive list (PL) system for utensils, containers, and packages for food</li> <li>● Basic seminar on Mitsui Chemicals Safety Information System (MiCSIS)</li> </ul>	

## Management System

### Policy and Basic Approach

In its Corporate Mission, the Mitsui Chemicals Group establishes increased customer satisfaction as one of its social contribution areas. Our Responsible Care Policy states that 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. To retain our customers' trust by offering products and services that fully satisfy their needs, we are taking a two-pronged approach to quality management through quality control and quality assurance to improve our management levels more than ever across the supply chain. We have identified specific principles for global quality management in order to ensure a uniform awareness of the basic acceptable level of quality. We are now working 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" <sup>\*1</sup>) and quality assurance ("activities that win over customers' trust" <sup>\*2</sup>). 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



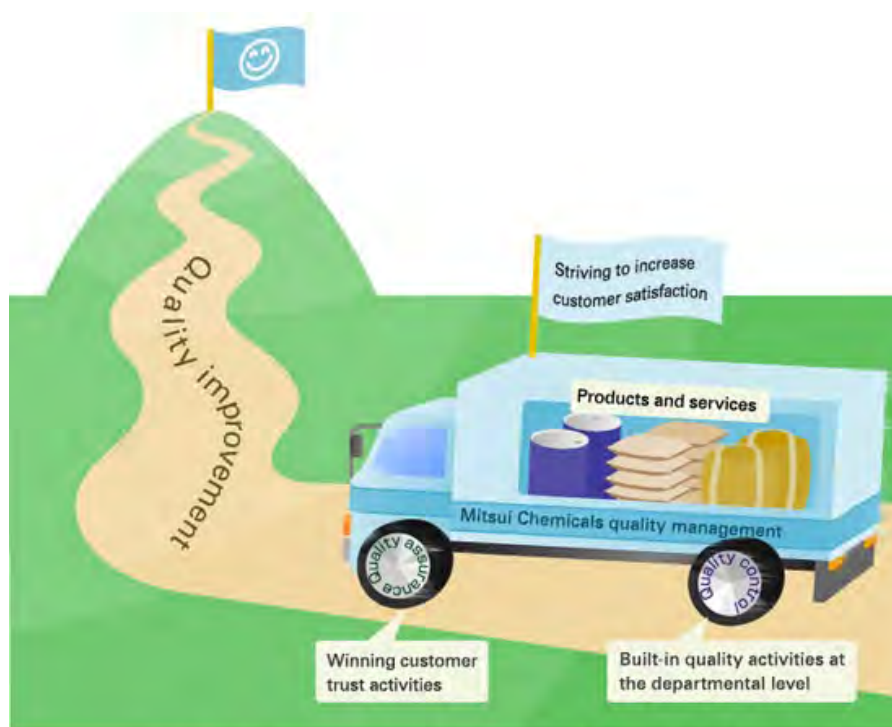
**\*1 Built-in quality activities:**

Our built-in quality activities aim to minimize discrepancies at every stage of the process, including purchasing, design and development, logistics, sales, and manufacturing, to enable every department to provide the same quality of products and services.

**\*2 Activities that win over customers' trust:**

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



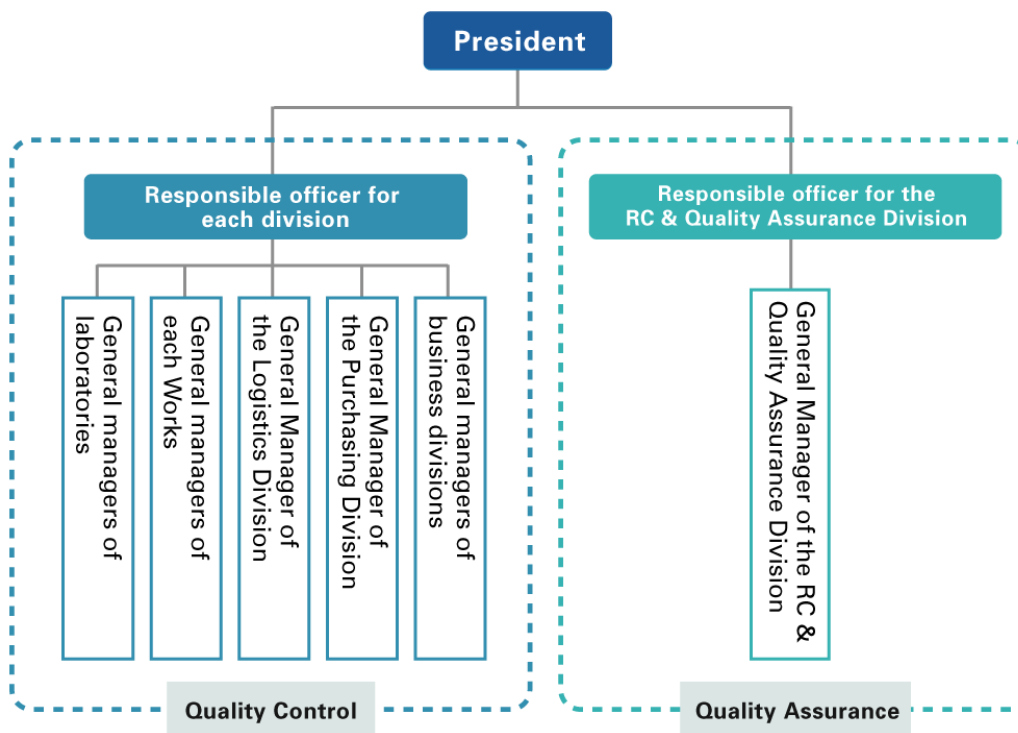
Reference: ISO9000 (Quality management systems - Fundamentals and vocabulary)  
Quality assurance: Part of quality management, focused on providing confidence that quality requirements will be fulfilled  
Quality control: Part of quality management, focused on fulfilling quality requirements

## System and Responsible Officers

The President bears the ultimate responsibility for quality management. Our business divisions, 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 are responsible for quality management. The RC & Quality Assurance Division controls quality management for the entire Mitsui Chemicals Group in Japan and overseas.

In the [Mitsui Chemicals Responsible Care Policy](#), we established details of our quality system and other key issues such as the organization and procedures for the PDCA cycle in the internal regulation as the basis of our quality management. In fiscal 2020, we established a Global Policy on quality management for the development of an advanced quality management system for the Mitsui Chemicals Group as a whole, including increased support for subsidiaries and affiliates in Japan and overseas.

### Quality Management System



## Internal Audits

The RC & Quality Assurance Division conducts quality audits of each division of the Mitsui Chemicals Group. The suitability of these audits is then independently audited by the Internal Control Division.

Quality audits	<p>Confirms using the actual records, forms, etc., used at the worksite that:</p> <ul style="list-style-type: none"> <li>- quality compliance is observed, and</li> <li>- a quality management system that assures customers of the quality is established and operated.</li> </ul> <p>Creates the audit program for the following year based on a review of the current year's audit findings and risks inside and outside the Company.</p> <p>Continuing from fiscal 2020, the integrity of product inspections was also checked during audits in fiscal 2021. Remote audits were also used.</p>
	<p>Scope: Works of Mitsui Chemicals, Inc., business divisions, logistics and purchasing divisions, and domestic and overseas affiliates of consolidated subsidiaries that have a manufacturing division (including production contractors). May include other affiliates, as necessary.</p>
	<p>Frequency: Once every one to three years (depending on size, business type, and management level of the audited organization).</p>

## Goals and Results

Again in fiscal 2021, we did not experience any product liability incidents or major quality-related legal or regulatory violations. By solemnly implementing activities focused on frontline inspections and risk reductions at manufacturing sites and in the logistics division, as well as in other business divisions, we succeeded in achieving our target for the number of complaints received.

## PL Accidents, Major Legal and Regulatory Violations, and Complaints

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Incidence of PL accidents & serious product quality incidents*	Mitsui Chemicals	—	—	—	0	Zero over the course of VISION 2030
Number of PL accidents	Mitsui Chemicals Group	0	0	○	—	—
Number of major quality-related legal and regulatory violations	Mitsui Chemicals Group	0	0	○	—	—
Number of complaints for which the Company is responsible	Mitsui Chemicals, Inc.	Reduce by at least 10% (over previous year)	Reduce by 26% (over previous year)	○	—	—
Number of high risk complaints	Mitsui Chemicals, Inc.	Less than 10% of the total	6% of the total	○	—	—

\* Incidence of PL accidents & serious product quality incidents:

Since they represent risks that directly concern business sustainability, we set our management goal for these incidents to "zero throughout the long-term business plan" from fiscal 2022.

## Initiatives

### Improving the Standard of Quality Management

We conduct highly effective **quality audits** and enhance the human resource development programs to improve quality management levels.

### Quality Training

As part of our human resources development program, we started quality training plans for each organizational level, from new employees to top management. In fiscal 2021, we newly enhanced quality training for mid-level management positions. In addition, we implemented measures to recognize the importance of observing quality compliance and introduced a range of quality training programs on human error and quality control methods. There are 20 e-learning courses on quality that are available not only for domestic companies but also for overseas affiliates in multiple languages. Moreover, we have been implementing frontline measures to prevent quality issues on the shop floor (QRG activities) with the aim of identifying and eliminating risks that could lead to quality issues. We are implementing these measures in our subsidiaries and affiliates.

Examples of e-learning courses	FY2021 participants/hours (Mitsui Chemicals, Inc.)
Compliance of quality with laws and rules	5,857 (2,440h)
Basic Training for quality management	904 (527h)
Basic training for quality control methods	836 (418h)

### Award for Quality Management Activities in the Mitsui Chemicals Group

We run the Award for Quality Management Activity in the Mitsui Chemicals Group scheme each November, which is an industry-designated quality promotion month. We award efforts to revitalize Responsible Care (RC) activities to improve our chemical substances management level and quality management at Mitsui Chemicals and its domestic and overseas affiliates. We give awards to those who have achieved outstanding results across our workplaces to support and stimulate RC activities.

### Award for Quality Management Activity in Mitsui Chemicals Group in fiscal 2021

General Manager's Prize of the RC & Quality Assurance Division	Description of activities
Osaka Works, Phenols Division, and Industrial Chemicals Division, Mitsui Chemicals (Japan), Hokkaido Mitsui Chemicals, Inc., Shimonoseki Mitsui Chemicals, Inc.	Elimination of odor sensory test of organic solvents

Excellence Prize	Description of activities
Prime Polymer Co., Ltd. (Japan)	Reforming awareness of concluding delivery specifications and building related systems
Omuta Works, Mitsui Chemicals (Japan)	Strengthening of quality control through collaboration between QK and Quality Assurance Group
Mitsui Chemicals Europe GmbH.	Introduction of a fully automated Substance-Volume-Tracking, based on ERP-Data and compositional information
Yamamoto Chemicals, Inc. (Japan)	Cross organizational quality control for reducing foreign substances in functional dye products
Honshu Chemical Industry Co., Ltd. (Japan)	Strengthening of chemical safety management
Special award	Description of activities
Coatings & Engineering Materials Division, Mobara Branch Factory, Synthetic Chemical Laboratory, Mitsui Chemicals (Japan)	Development of a high-quality system for Struct Bond for foldable organic EL displays



General Manager's Prize of the RC & Quality Assurance Division (Workplace of Osaka Works)

## Responding to the voices of our customers

We collect customer complaints about Mitsui Chemicals products and services in the internal workflow system so that we can monitor the type of complaint, the cause and the customer's response. The data is analyzed each month to review the situation for that year and KPIs are identified for our quality management targets for the following fiscal year.

Whenever we receive a complaint about our products or services from one of our customers, the Business, Manufacturing and Logistics Divisions work together with the Quality Assurance Division to identify the cause of the complaint and to take corrective action. In this way, every effort is made to implement preventive measures across the organization as a whole. In one such

initiative, all members of the Quality Assurance Division reassess the root cause of each complaint, consider appropriate countermeasures and monitor progress every week. At the same time, we endeavor to extract important case studies, particularly where there is a substantial risk of inconveniencing our customers, or where the potential exists for similar cases to arise. These case studies are then shared across the relevant departments in the monthly quality management report.

In the face of the demand for a higher level of chemical management (for chemical substances in products), we support [product stewardship](#) and implement chemical substance management throughout the entire supply chain. We respond swiftly and accurately to enquiries from customers about chemical substances in our products by organizing the information in a database and designating a department to manage it.

## Response to the New Business

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. 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.

In addition, we have established and are working on a project to establish a quality management system for new businesses.

## Management System

### Policy and Basic Approach

The [Mitsui Chemicals Group Responsible Care Policy](#) states that it implements activities designed to ensure safety, health, and quality, as well as protect the environment throughout the entire life cycle of its chemical products, including logistics. Logistics are becoming increasingly difficult, with a greater risk of supply chain interruption caused by extreme weather conditions due to climate change and by natural disasters such as earthquakes, and there are serious labor shortages in the logistics environment. However, even in the face of harsh changes in the social environment, we are aware that we have to take an important and fundamental social responsibility to maintain an uninterrupted flow of our products. Upon formulating VISION 2030, we discussed our Ideal Vision of logistics for 2030 and set a goal that we aim to fulfill our social responsibility through ensuring safety, reducing environmental impact and improving work environment. Simultaneously we pursue to contribute to our development and transformation by stable and competitive logistics. The Group is working in collaboration with the supply chain to build a resilient logistics system that can respond flexibly to all environmental changes, mainly focusing on responsible care in logistics (Logistics RC) activities aimed at maintaining and improving the logistics environment, safety, and quality.

### System and Responsible Officers

The responsible officer for the Logistics Division manages our logistic system. As a result of the company-wide reorganization for fiscal 2022, the Logistics Division now belongs to the Digital Transformation (DX) Sector. This change is aimed at achieving more stable and competitive logistics by using DX technology for imminent changes in the logistics environment. In addition to promoting automation and streamlining by using DX technology, we will also strengthen activities in the environmental and safety aspects, which serve as the foundation for Logistics RC activities.

The Logistics Division sets goals for the fiscal year based on results up to the previous year (number of accidents, complaints, etc.), and establishes the annual Logistics RC plan. Based on the state of progress during the previous fiscal year and issues resulting though the analyses of internal and external company environment, various measures (audit of logistics contractors, training, on-site discussion, campaigns, etc.) are incorporated into the annual plan and implemented in the 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 officer for the Logistics Division.

To ensure that Logistics RC is instilled in every part of the organization, Mitsui Chemicals has appointed leaders who promote Logistics RC at the logistics division at the Head Office and our works. Logistics RC leaders hold monthly meetings to monitor the progress made in our annual Logistics RC plan. Mitsui Chemicals is outsourcing its entire logistics operation to logistics contractors. To realize logistics that ensures safety, environmental friendliness and quality under these partnerships, we believe it is important to communicate and disseminate our thoughts on Logistics RC for each and every person in our logistics operations. For this reason, we also provide Logistics RC education and training to logistics contractors in order to improve Logistics RC in the entire logistics supply chain.

Since fiscal 2017, managers of the logistics divisions of overseas subsidiaries and affiliates have assembled for regular global logistics meetings to share information on logistics issues and countermeasures at our operating sites and to foster a clearer understanding of our Group-wide policy of maintaining a sustainable logistics supply chain. To prevent accidents during the transport and storage of hazardous goods and to assure transparency and prevent violations in logistics management operations, we are working to disseminate the knowledge and expertise we have accumulated in logistics in our global organization. We established a Global Policy for logistics in fiscal 2020 and we are working to widen awareness of the policy globally across the Group and ensure that it is implemented in our logistics practices.



Logistics managers representing India, Singapore, the U.S. and Germany attending a global logistics meeting

## Internal Audit

The Logistics Division conducts Logistics RC audits, etc., in the Mitsui Chemicals Group's various business sites and logistics contractors.

Logistics RC audit	Logistics RC, including the correct and proper delivery of products to customers, is maintained and improved by confirming and providing instructions on the management status of the logistics environment, safety, and quality based on onsite audit or document audit.
	Scope: Groups of Mitsui Chemicals Logistics Division and logistics contractors
	Frequency*: Once every one to three years

\* A remote audit is conducted if an onsite audit is difficult due to COVID-19 restrictions, etc.

## Goals and Results

### Safety

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Number of serious occupational injuries in logistics <sup>*1</sup>	Mitsui Chemicals, Inc.	0	0	○	0	0



Number of major accidents in logistics <sup>*2</sup>	Mitsui Chemicals Group	0	0	○	0	0
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**\*1 Serious occupational injuries in logistics:**

Occupational injuries that fall under disability grades 1 to 7 and cause death, injury, or illness during a logistics activity in our premises. (This includes contractors.)

**\*2 Major accident in logistics:**

Major accident that occurred during logistics activities undertaken by the Mitsui Chemicals Group including across the supply chain. Included decision standard considering impact on the environment.

## Environment

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
GHG emissions reduction rate in logistics in Japan	Mitsui Chemicals, Inc.	—	—	—	GHG emissions reduction rate: 1% per year	-10% (compared to FY2020)
Data acquisition rate on GHG emissions from marine container transportation* in international logistics	Mitsui Chemicals, Inc.	—	—	—	Establish a method to calculate the GHG emissions from marine container transportation.	100% (FY2025)

**\* Marine container transportation:**

Transportation projects arranged by the Mitsui Chemicals Logistics Division

## Quality

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals <sup>*4</sup>	Goals
Number of quality issues <sup>*3</sup>	Mitsui Chemicals Group	20 or less	13	○	15 or less	11 or less
Incidence of quality issues <sup>*3</sup>	Mitsui Chemicals Group	49ppm or less	30ppm	○	35ppm or less	—

**\*3 Quality issues:**

Troubles with a significant impact on society and customers (complaints, accidents, etc.).

**\*4 Goal:**

Goal for the fiscal year set at 90% or less of the average results for the past three years

## Safety and Quality in Logistics

### Education on safety and quality for logistics work

Mitsui Chemicals conducts various initiatives to strengthen safety and quality in logistics. In particular, due to chronic labor shortages in the world, the lack of experienced personnel in the field of safety and quality, which are the foundations of logistics, and the lack of skill transfer have come to be seen as problems recently. The Company is focused on joint education to improve safety and quality with logistics contractors.

Mitsui Chemicals has appointed leaders who promote Logistics RC at the logistics division at the Head Office and our works, and training programs are organized to improve the abilities of Logistics RC leaders, who cross-check each other's work. In the procedure of cross-checking by leaders from other works, from a third-party perspective, they check the work environment and the status of maintenance and management of equipment and facilities. By sharing not only the points to be improved or concerns, but also good practices, we aim to standardize and raise logistics safety and quality.

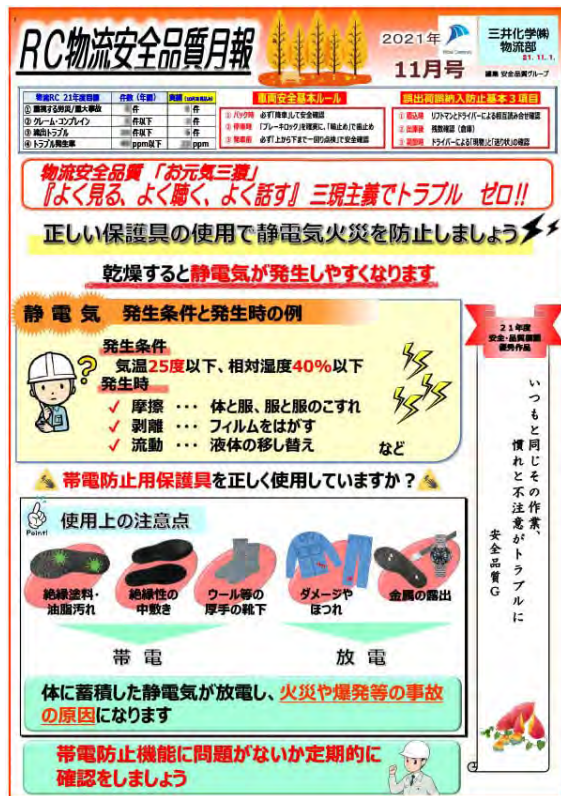
In addition, the logistics division at each of our works holds a logistics meeting once a month with their logistics contractors to share information concerning logistics issues and details of Hiyari-Hatto (near miss incidents), conduct on-site patrols of the works or a mutual patrol in multiple works, and hold problem prevention training utilizing past cases.

In addition to these measures, we publish regular monthly reports on safety and quality for Logistics RC and RC news that give clear explanations of logistics issues, the importance of protective gear and important notifications for each season (such as measures to prevent heat stroke) for logistics contractors to increase awareness of safety and quality in logistics. Responsible Care audits of logistics contractors and safety dialogs (interviews) with on-site operators are held each year to monitor the implementation of the various measures at each logistics site and to re-examine our safety measures and quality control systems using the opinions and ideas from the on-site operators. Due to restrictions on site access that were imposed to prevent the spread of COVID-19 as was the case last year, cross-checks, hands-on training, and audits were conducted both on-site and remotely in fiscal 2021. We were able to take advantage of the fact that there are no restrictions on traveling, number of people, etc., in remote audits to have more participants, including the Quality Assurance Division that could not participate until now, and we were able to gain valuable awareness and opinions.

Third-party logistics (3PL)\* companies take the lead in managing 3PL products. The aforementioned activities are also undertaken with Logistics division at each of our works playing a supporting role.

\* Third-party Logistics (3PL):

A form of logistics operation where other companies undertakes all or a portion of logistical tasks.



Monthly report on safety and quality for Logistics RC:  
Call for safety measures including the use of the appropriate protective gear



RC news:  
Closer communication with logistics contractors on Responsible Care



Cross-checking patrol

## Safety Measures for Product Transportation

### Providing product information

The Mitsui Chemicals Group products include hazardous substances specified by the United Nations Recommendations on the Transport of Dangerous Goods<sup>\*1</sup> and Japan's Fire Service Act and other domestic laws. In logistics operations, most of our logistics operations such as product cargo handlings and transportations are outsourced, so we provide our logistics contractors a Safety Data Sheet (SDS) detailing chemical handling and storage regardless of their hazard or danger level in an effort to ensure the safe handling and transport of products. We also submit a Yellow Card<sup>\*2</sup>, which specifies the emergency response procedure and contact details in case of an accident, and mandate the logistics contractors to carry the card during transportation. In fiscal 2021, we developed and installed a function that automatically outputs the information needed for a Yellow Card from our proprietary SDS system (Yellow Card semi-automatic output system). The actual use of the card will commence in fiscal 2022, and the addition of this function will lead to the standardization of Yellow Card creation work and to a significant reduction of the workload. We also expect information related to safety to be communicated more speedily and accurately across the entire logistics supply chain, leading to the strengthening of safety management.



We have also developed a system to manage the distribution status of provided SDSs and Yellow Cards in a management ledger and to swiftly provide the latest information when it is renewed.

Moreover, we provide group education on material hazard and handling to logistics contractors to ensure thorough safety management, as well as give instructions to logistics contractors to perform the same management when they further outsource the work and check if they have followed the instructions.

\*1 United Nations Recommendations on the Transport of Dangerous Goods: A recommendation developed by the United Nations Economic and Social Council's Committee of Experts on the Transport of Dangerous Goods in order to ensure the safety of international transportation of such goods, updated every two years. Depending on the danger and hazard level, dangerous goods are classified as follows: 1 explosives; 2 gases; 3 flammable liquids; 4 flammable solids; 5 oxidizing agents and organic peroxides; 6 toxic and infectious substances; 7 radioactive substances; 8 corrosive substances; and 9 miscellaneous.

\*2 Yellow card:

An emergency contact card on which are written the actions to be taken by 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. Promoted by the Japan Chemical Industry Association.



Yellow card

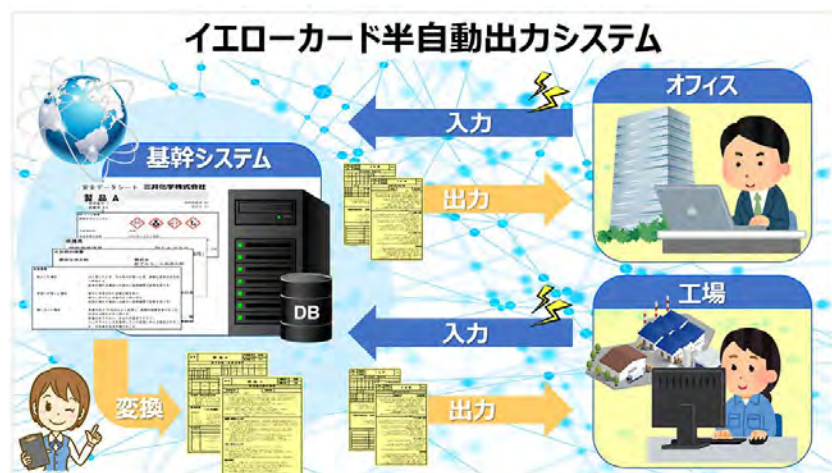


Image of the Yellow Card semi-automatic output system

## Collaboration with other companies in the same industry

The Mitsui Chemicals Group is keen to maintain safe and secure goods distribution by preparing for emergency situations in addition to thorough compliance with relevant laws. As for High risk goods\*, we are working together with other companies in the same industry to reinforce safety measures, such as organizing a mutual emergency support system, including stocking emergency response equipment and materials. In fiscal 2021, information exchanges on problems with transporting hazardous goods and other issues took place remotely.

We are also considering a third-party review of the safety assessment of High risk goods transportation.

\* High risk goods:

Products that may have a significant social impact if a transportation accident occurs, determined according to its danger level, hazard level, transportation volume, etc.

## Emergency response

We convene the Mitsui Chemicals Group Logistics Emergency Network (MENET) in the event of a logistics accident, enabling us to act promptly and proactively as the shipment owner. The network is divided into six areas covering different parts of Japan, and the major works in each area is appointed as the emergency support provider that can be mobilized 24 hours a day. These

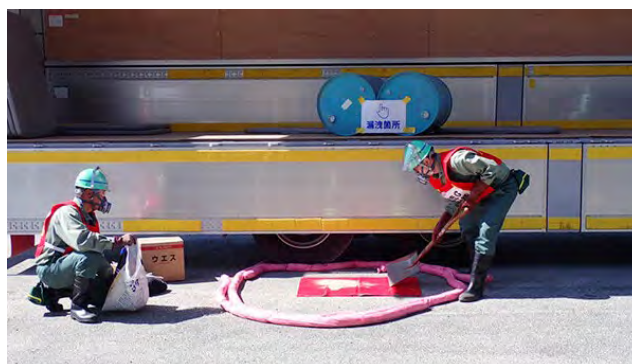
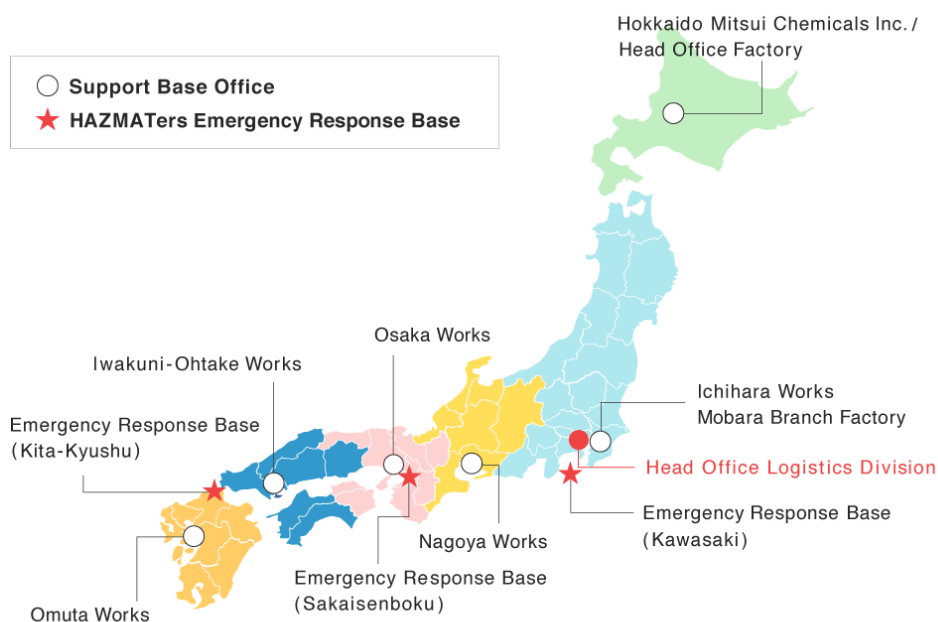
designated works continue to improve their emergency response capabilities through annual emergency contact and mobilization drills.

Mitsui Chemicals also organizes safety and disaster prevention drills at its works to prepare for emergencies and natural disasters. In fiscal 2020, as part of its **emergency response drill**, a simulated drill was organized at the Omuta Works on how to respond in the event of a leakage of hazardous substances during transportation.

In 2017, we concluded the Hazardous Material Emergency Response Service (HAZMATers) contract with the Maritime Disaster Prevention Center to cover a wider scope of expertise and emergency response equipment and materials. Also, in fiscal 2019, we introduced an emergency response helpline provided by the National Chemical Emergency Centre established by the UK government. This will enable us to quickly respond to overseas logistics incidents and inquiries concerning our group products, enhancing our responsible care management for our global logistics.

In preparation for cases where product transportation is disrupted due to a vehicle accident or for other reasons, we have been developing equipment to safely extract products from such a vehicle, etc. As part of this effort, in fiscal 2021, we have deployed a portable abatement system that is needed to extract high-pressure liquefied gas at Osaka Works. Upon deployment of the system, we provided group education to logistics contractors to explain how to use it and provided thorough safety education.

#### MENET Support Providers and HAZMATers Emergency Response Bases



Omuta Works: Monthly emergency response drill (simulating leakage of hazardous substances during transportation)



Portable abatement system installed at Osaka Works



Group education on safety for logistics contractors

## Improvement of logistics quality using digital technology

For greater efficiency in inventory control and shipment management, we have introduced the use of portable terminals. The system involves printing QR codes on labels attached to each packaging type and reading the codes with portable terminals at acceptance and shipment for inventory and shipment control. This has led to a reduction in the workload and paperless processing compared with inventory control based on manual entry and spreadsheet input. Also, the risk of reading errors caused by visible checking of brand names and lot numbers has been removed by the system, preventing erroneous shipments. Full-scale operation was started at Nagoya Works in fiscal 2019, and it is scheduled to be introduced to Ichihara Works within fiscal 2022.



## Stable Transportation (Sustainable Logistics)

The logistics environment has entered an age where logistic providers and shipping companies choose the cargo owners and the type of cargo. To achieve stable transportation (sustainable logistics), we must be selected by logistics providers and shipping companies.

The poor working environment, such as long working hours, are considered to be the cause of the serious labor shortages in the logistics industry. The Mitsui Chemicals Group will work with partners in the logistics area to improve the working environment with the aim of securing the logistics workforce and logistics safety. However, while logistics supports social infrastructure, it also emits GHGs during its activities (product transportation, etc.). The Group promotes an efficient transport scheme for reducing GHG emissions in logistics.

An efficient transport scheme not only minimizes the environmental impact, but also leads to save manpower. For this reason, the Group has been implementing initiatives to ensure stable transportation (sustainable logistics) from the viewpoint of comprehensive RC in logistics (consideration to the logistics environment, safety, and quality), including the improvement of the working environment in logistics and the reduction of the environmental impact.

### Project to Reduce Driver Standby Time

We are working to improve the work environment for truck drivers and ultimately to reduce the workload for logistics providers, by reducing the standby time for truck drivers while waiting for loading. At the Ichihara, Osaka and Iwakuni-Ohtake Works, the booking system has been introduced for loading work. By making bookings in advance, truck drivers no longer need to queue and stand by from early morning. In view of the 2024 issues\*, the Group is currently promoting further improvements to the work environment of truck drivers, including updating the booking system to cover all loading operations.

\* 2024 issues:  
From April 1, 2024, the grace period for applying the truck driver overtime regulations will end and the limit of 960 hours of overtime per year will apply to truck drivers, so there are concerns about a further shortage of drivers in Japan.

### Participation in Sustainable Logistics Initiative

Mitsui Chemicals announced its support for the sustainable logistics initiative proposed by the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Agriculture, Forestry and Fisheries and submitted a declaration of its relevant independent activities. The initiative is aimed at addressing the increasing shortage of drivers, ensuring the stable logistics operations needed for domestic life and industrial activities while also contributing to economic growth. The initiative aims to improve productivity in truck transportation and create greater logistical efficiency while also looking to realize a better labor environment that makes work easier for female drivers and those over the age of 60. The table below describes the initiatives laid out in Mitsui Chemicals’ declaration of its independent activities.



Initiative	Details and expected outcome
Introducing a booking system	The introduction of a booking system for trucks will help cut down on waiting time.
Utilizing pallets and more	By making use of pallets and reusable shipping cartons, cargo handling can be sped up.
Giving prior notice of shipment information	Conveying information from shippers about inbound and outbound shipments in order to give logistics workers more time to prepare.
Utilizing expressways	Mitsui Chemicals will enter into earnest negotiations about how to make use of expressways and who should bear the fees for this.
Making a modal shift toward sea and rail	Mitsui Chemicals will strive to cut down on greenhouse gas emissions by making active use of sea and rail transport for long-distance shipments.
Compliance with the law when selecting logistics companies	Mitsui Chemicals will take into account the compliance status of Logistics companies when selecting.
Implementing safety measures for cargo handling work	Providing clear operational instructions, ensuring safe passage, establishing footholds and more will help to ensure more thorough worker safety.
Stopping or suspending operations during extreme weather	If extreme weather conditions occur or are expected to occur, Mitsui Chemicals will avoid making unreasonable requests for shipments.

## Modal Shift

In fiscal 2017, five companies including Mitsui Chemicals were collectively certified as modal shift businesses by Japan's Ministry of Land, Infrastructure, Transport and Tourism. In this instance, certification recognized the modal shift away from the use of trucks to rail when transporting products between the Company's operations in the Ichihara area (Chiba Prefecture) to its affiliate DOW-MITSUI POLYCHEMICALS CO., LTD. in the Ohtake area (Hiroshima Prefecture). In August 2017, large containers provided by Japan Freight Railway Company (JR Freight) were introduced in full for container round use\* based on the shared logistics system of the Mitsui Chemicals Group. These efforts have assured stability in the mode of transportation, reduced CO<sub>2</sub> emissions by 70% and reduced working time for drivers. They were achieved through the partnership between the Mitsui Chemicals Group, JR Freight and our logistics providers.

\* Container round use:

Container round use is a concept that returning the container with another cargo after unloading the cargo on the outbound instead of returning "Empty."



Introducing container round use



We made greater advances in modal shift for transportation from the Ichihara area to the Chugoku area. Previously, Mitsui Chemicals had used trucks to ship products using 500-kilogram flexible intermediate bulk containers (FIBCs). However, the particular nature of the product did not allow stacking in two tiers. For this reason, a 12-ton truck was able to carry only eight tons of products in a single layer, which is only 67% of the truck's loading capacity. This presented a problem of loading efficiency. Accordingly, Mitsui Chemicals produced - with registered design rights on - a dedicated rack to enable the FIBCs to be stacked in two tiers, along with a special 20-foot high-cube container that has been registered as a utility model. The containerization of the cargo made it possible to improve loading efficiency and succeed in a modal shift to the use of domestic container ships. These efforts led to a reduction in CO<sub>2</sub> emissions and a reduction in truck drivers' workload. We received the Award for Eco-Friendly Logistics Technology at 20th Logistics Environment Award of the Japan Association for Logistics and Transport. We are expanding this practice to other areas of Japan. We have accomplished domestic marine transportation in the Kyushu area since March 2021.



Dedicated racks enable FIBCs to be stacked

In the modal shift from trucks to ships, we are collaborating more with other private companies in the same industry. Shipments from two companies that had been transported in the past between Chiba and Yamaguchi/Hiroshima by truck are now consolidated and shipped together in a marine container on a regular container ship, achieving a modal shift and round use of the container. Alongside existing modal shift projects, this has contributed to a roughly 40% reduction in annual CO<sub>2</sub> emissions and contributed significantly to solving the driver shortage. In addition, side-end opening containers have been adopted for greater productivity. This has resulted in an approximately 80% reduction in cargo handling operations, resulting in a dramatic improvement in work efficiency. These efforts have been recognized with a Special Prize in the 22nd Logistics Environment Award organized by the Japan Association for Logistics and Transport.



Side-end opening containers

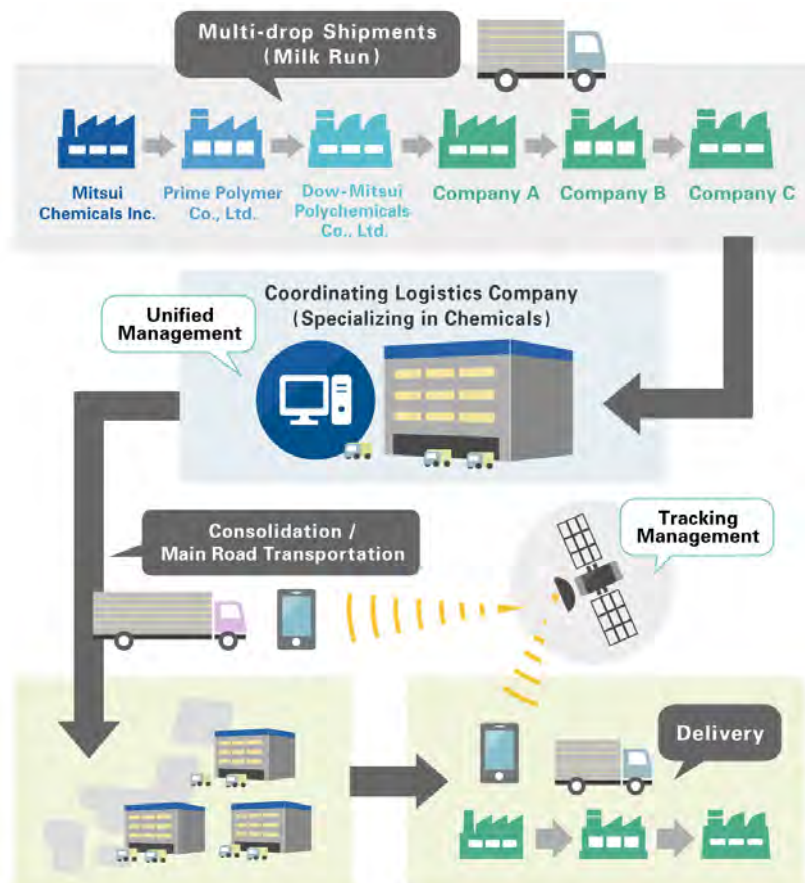
Mitsui Chemicals has been designated as an Eco Rail Mark company by the Administration and Screening Committee of Japan's Ministry of Land, Infrastructure and Transport.



## Shared Logistics System for Small-lot Products by Other Companies in the Same Business

In the Keiyo area to the east of Tokyo, we have collected 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 since 2016. 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 reduced the number of transshipment points by using companies specializing in chemicals, we reduced the number of quality issues, such as damage caused in transit. We could also achieve the improvement in load efficiency which leads the effect of reducing our CO<sub>2</sub> emissions. This system started with shipments destined for the Tohoku areas and has expanded to destinations in the Hokuriku and Koshinetsu areas. To boost the shared logistics system, activities will be developed together with the logistics providers and shippers who are participating in the system. There are different logistics collaboration schemes in both goods owners and chemical companies. We are currently working to establish a combined transportation system. This system should be able to replace or supplement some parts of the national transportation networks, through which we plan to create a stable, small-lot transportation scheme for chemicals.

### Shared Logistics System



## Setting the Targets for GHG Emissions Reduction in Logistics

The Mitsui Chemicals climate change policy aims to "maximize contribution of the value chain" and it has also been working to reduce GHG emissions in the logistics process for product transportation. Starting fiscal 2022, we have set KPIs so that the progress in such an initiative can be monitored to improve it based on quantified information. Upon setting the KPIs, in order to ensure effective management, we set up different targets for domestic logistics, which mainly involves transporting goods by railroad, trucks, vessels, aircraft, etc., and for international logistics, which mainly involves transporting containers by vessels, because the situation is different between them.

In domestic logistics, we have set a target of reducing GHG emissions in domestic logistics by 10% by 2030 compared with the level in fiscal 2020 and a fiscal 2022 target of reducing them by 1% compared with the level in fiscal 2020. Specifically, in addition to continuing the ongoing measures for the above mentioned modal shift, etc., we plan to utilize environmentally conscious transportation vehicles and transportation equipment (including the use of electrical forklift, etc.).

As for international logistics, which involves transportation by container vessels, we will grasp GHG emissions in cooperation from shipping companies\* and in such a process take into account GHG emissions to select shipping companies. In this way, we will work to reduce GHG emissions throughout the entire value chain.

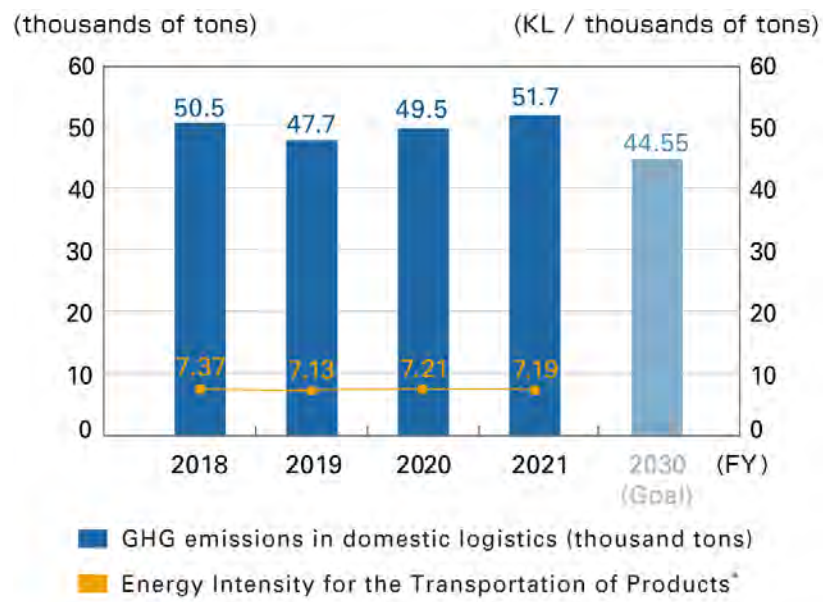
Due to its characteristics, however, there is an issue in logistics in that it is difficult to visualize efforts made to reduce GHG emissions through individual initiatives from the GHG emissions and the energy intensity in transportation. This is because these figures are likely to fluctuate depending on the change in product shipment volume and the presence or absence of logistics problems attributable to natural disasters. As such, from fiscal 2022 we plan to count the GHG emission reduction achievable through individual initiatives as GHG emissions reduction contribution and use it to assess the impact of individual initiatives.

\* [Mitsui Chemicals Partners With Mitsui-Soko Holdings to Calculate CO<sub>2</sub> Emissions From International Transport of Products Leveraging digital transformation to visualize CO<sub>2</sub> emissions in real time with a new calculation method](#)

KPI	Scope	FY2022	FY2030 (Medium to Long-term)
		Goals	Goals
GHG emissions reduction rate in logistics in Japan	Mitsui Chemicals, Inc.	GHG emissions reduction rate: 1% per year (compared with FY2021)	-10% *compared to FY2020
Data acquisition rate on GHG emissions from marine container transportation* in international logistics	Mitsui Chemicals, Inc.	Establish a method to calculate the GHG emissions from marine container transportation.	100%(FY2025)

\* Marine Container transportation:  
Transportation projects arranged by the Mitsui Chemicals Logistics Division

### GHG emissions in domestic logistics (Mitsui Chemicals)



\* Energy Intensity for the Transportation of Products:  
 Amount of energy consumed (crude oil equivalent in kiloliters) / Volume of product shipments (thousands of tons).

## Management System

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### Policy and Basic Approach

The main purposes of occupational health are to prevent the health disorders caused by harmful factors in the workplace, while working to maintain and promote the health of employees. In addition to complying with the Occupational Health and Safety Act and related laws and regulations, the Mitsui Chemicals Group believes that encouraging employees to be healthy leads to the happiness of employees and their families, which in turn forms the social foundation towards the sustainable development of society. For the annual National Occupational Health Week in Japan, the CEO's message is published in Japanese, English, and Chinese to disseminate this concept across the Group.

In addition, we believe that healthy employees make for healthy organizations and contribute to an improvement in the labor productivity. We are incorporating a health promotion perspective into our basic policies and working to improve both the well-being of our employees and the organizational culture.

**Our Responsible Care Policy** states: "We will actively promote the well-being of all our employees," which we are diligently putting into practice as a company. Meanwhile, our Action Guidelines also stipulate health promotion to raise health awareness among employees and encourage their proactive efforts for health management.

Further, we enforced the Occupational Health Regulations, internal rules that set forth the basic framework of the Group's occupational health approach based on the above Policy and Guidelines.

Based on the philosophy of "Employee well-being is directly linked to the company's well-being," we have formed a sound work environment to prevent occupational diseases and actively implement a range of measures to encourage employees' continuing voluntary health management.

### System and Responsible Officers

With the responsible officer in charge of the Human Resources Division, the industrial physician who heads the Health Management Department (supervising industrial physician) in the Human Resources Division implements concrete measures. Leading by the supervising industrial physician, we hold regular Group-wide industrial physician conferences to consider issues and measures related to health management. Based on these conferences, we formulate medium- to long-term occupational health plans during the fiscal year and proposals for annual plan key issues and measures (Group-wide occupational health key issues), which are decided through deliberations by the **Responsible Care Committee**.

The Group's occupational health is managed under an approach that covers global, domestic affiliates, and Mitsui Chemicals.

### Global Structure

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Domestic and overseas affiliates implement occupational health measures based on the Responsible Care Policy. Mitsui Chemicals submits the Management Check List regarding to occupational health to affiliates that produce or handle chemical substances to assess their health management status in workplaces. Further, the Internal Control Division undertakes an

occupational health audit in Works and laboratories of Mitsui Chemicals and its affiliates (except in the U.S., Europe, and some other regions) to confirm that the working environment is appropriately organized and efforts for health promotion are in place. The onsite audit is carried out once every two to five years depending on the size of the audited site, type of business, administration level, etc. The audited companies are notified of the audit results and are requested to correct any problems identified. If a company is requested to make corrections, it is subject to a follow-up audit after one year to confirm the correction progress.

Domestic affiliates share information related to occupational health in the meeting of employees in charge of HR at domestic subsidiaries and affiliates held every six months.

## Domestic Affiliates' Structure

We adopt the following measures for our domestic affiliates, in addition to the global measures.

- ① Sharing information related to occupational health in the six-monthly meetings for domestic affiliates' HR officers. Such information includes recently revised occupational health-related laws and regulations with notes on changes, and detailed explanations about priority issues concerning occupational health in the Group.
- ② Providing support on request to help resolve any occupational health issues in domestic affiliates.
- ③ Concluding comprehensive occupational health service contracts with a number of domestic affiliates, such as those operating within the premises of Mitsui Chemicals Works. Through these contracts, Mitsui Chemicals' Health Management Department directly provides the affiliates with the same health services as offered to employees of Mitsui Chemicals to enable integrated health management beyond company boundaries.

## Mitsui Chemicals' Structure

In Mitsui Chemicals' Works, Head Office, and R&D Center, a Health Management Department is established directly under the head of each business site. The department is staffed by full-time industrial physicians, nurses, and health supervisors, and promotes health measures through an annual occupational health plan created to suit each site. Conferences for industrial physicians are regularly held and hosted by the supervising industrial physician to consider solutions to Group-wide health management issues and implement them. We maintain an efficient and effective health management structure through the close relationship between the Health Management Departments and the Human Resources Division, particularly in the area of utilization of training programs and corporate welfare schemes, and the employment of disabled people.

## Internal Audit

The Internal Control Division conducts occupational health audits in Works and laboratories of the Mitsui Chemicals Group.

Occupational health audit	Confirms that the working environment is correctly maintained and initiatives for health promotion are being undertaken.
	Scope: Works and laboratories of Mitsui Chemicals, Inc., and its subsidiaries and affiliates (excluding particular areas, such as Europe and the US).
	Frequency of onsite audit*: Once every two to five years (depending on business size, business type, and management level, etc. of the audited organization).

\* Remote audits are undertaken if an onsite audit is difficult due to COVID-19 restrictions, etc.

## Health and Productivity Management

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Frequency of absences from work due to health disorders	Mitsui Chemicals, Inc. registered employees	Less than 0.78	0.76	○	Less than 0.73	0.5
Frequency of absences from work due to mental health disorders	Mitsui Chemicals, Inc. registered employees	Less than 0.53	0.54	△	Less than 0.50	0.25
Average rate of lifestyle-related disease	Mitsui Chemicals, Inc. registered male employees	Less than 10%	10.0%	△	Less than 9.5%	8.0% or less
Ratio of smokers	Mitsui Chemicals, Inc. registered employees	22.0% or less	21.2%	○	20.5% or less	20.0% or less

## Preventing Exposure to Harmful Substances

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Working environment measurement result relating to harmful substances	Mitsui Chemicals, Inc.	Management Category I 100%	100%	○	Management Category I 100%	Management Category I 100%
Harmful substance risk assessment implementation rate:(New substances being handled and SDS-updated substances)	Mitsui Chemicals, Inc.	100%	100%	○	100%	—

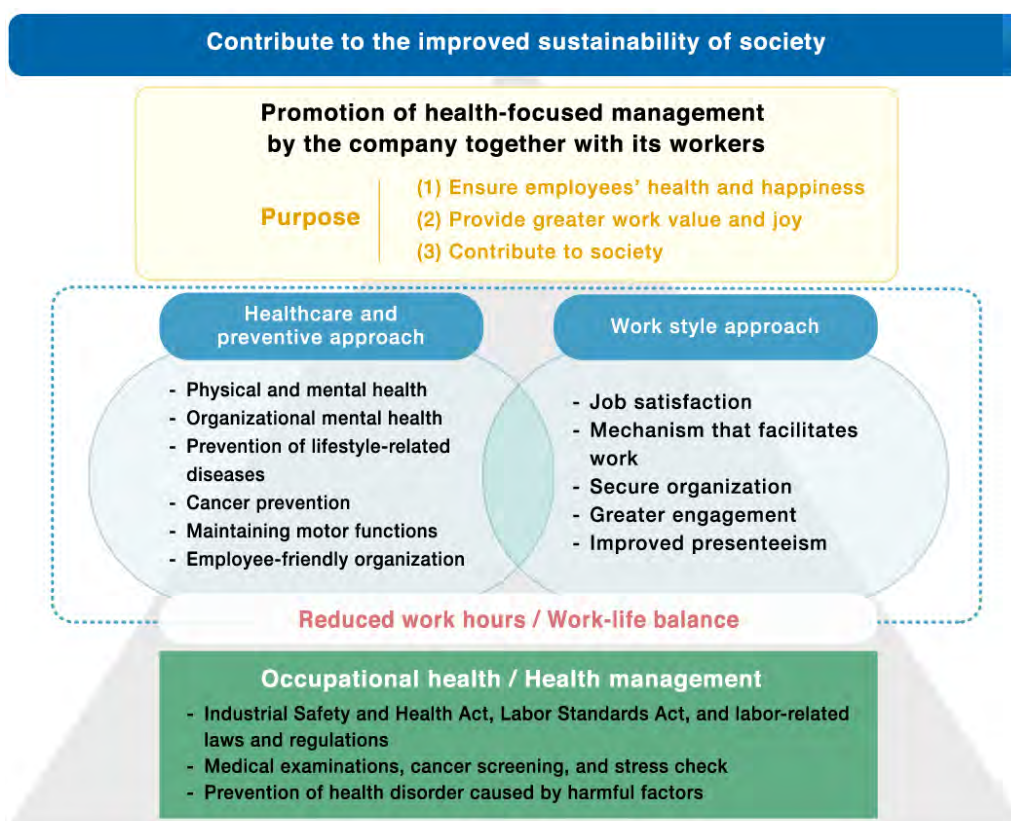


## Health-focused Management

The Mitsui Chemicals Group has set forth the promotion of the happiness and fulfillment of employees in the Group Mission. We believe that “healthy employees lead to the happiness of the employees and their family, bringing greater work value and joy. This establishes the foundation of the Group and contributes to the local community and the sustainable growth of society.” Based on this belief, the Mitsui Chemicals Group has adopted the following as its vision: “To engage in health-focused management that autonomously promotes occupational health and worker health by enhancing tangible measures, such as improving work environments and facilities where employees can maintain good health at work, and enabling employees to pursue intangible measures that focus on health management and promotion.”

We have established our Company rules (occupational health regulations) that set out the basic provisions for occupational health. Founded on the basic philosophy that employee well-being is directly linked to the Company's well-being, we are actively involved in occupational health measures that include health management to prevent work-related diseases, and creating good working environments that are adapted to our employees, as well as supporting our employees in their individual activities to maintain their well-being.

### Mitsui Chemicals' Health-focused Management (conceptual diagram)





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.

Comprehensive medical check-ups for employees (combining regular medical examinations with special medical check-ups and cancer screening) have been conducted for more than 10 years, with a coverage in fiscal 2021 of nearly 100% for regular medical check-ups, nearly 100% for lung cancer screening, 82% for colon cancer, 58% for gastric cancer, 73% for abdominal ultrasound scans, 91% for prostate cancer screening, 70% for breast cancer, and 61% for uterine cervical cancer screening.

The results are managed by the Health Management Department, which is responsible for explaining the need for more detailed examinations to employees who require them and encouraging employees to undergo further examinations by medical specialists. The results of specialized examinations are reported either by the employee in question or in the form of a letter received in response to the letter of recommendation. In fiscal 2021, approx. 73% of cancers were identified through these examinations, of which 65% were found to be curable.

Additionally, gastric cancer risk screenings were given to those who wish to be tested to encourage employees to take initiative for their own health management and to foster greater health awareness. However, starting this fiscal year, we have changed the testing method and time and have decided to conduct stool antigen testing for helicobacter pylori bacteria early for new employees. Prompted by gastric cancer risk screenings employees underwent in the past, a growing number have wanted to rid themselves of helicobacter pylori bacteria or have undergone gastroendoscopies for gastric cancer screening. Employees who have undergone gastric cancer risk screenings, etc., and are aware of their own risks are screened as often as they want (once a year is the most frequent) by their chosen method (endoscopy or barium swallow test).

### Rates of lifestyle-related diseases and ratio of smokers

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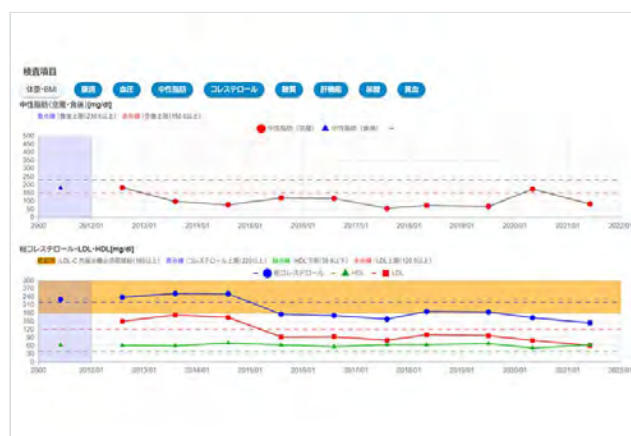
The index used to indicate the state of health of its employees shows that Mitsui Chemicals had a figure of 8.0% or less for lifestyle-related diseases in fiscal 2030 and the index is being carefully monitored. In fiscal 2021, we conducted health improvement activities by offering medical examination follow-up guidance and health guidance, encouraging health examinations, and providing online access. As a result, obesity is on a downward trend and the levels of blood pressure, cholesterol, and blood sugar are improving. We plan to continue urging employees to take health examinations and providing health guidance. Furthermore, the reduced amount of activity and exercise as a result of teleworking, the stay-at-home lifestyle, etc., due to COVID-19 infection prevention measures has caused a number of employees to gain weight and struggle with losing that weight, while some are suspected to have reduced muscle mass. For this reason, we also provided guidance using apps, online nutrition programs, and semi-personal guidance that includes nutrition in fiscal 2021, while delivering healthcare information, including online at-home fitness programs and other forms of exercise, to employees. During the current fiscal year, we also plan to deliver information with new ideas and methods added to the program and take advantage of online technology to implement health improvement projects and conduct other activities. Other activities include physical capability tests for fall prevention and for older employees to monitor any decline in their physical aptitude, as well as the publication of information related to the locomotive syndrome in the Company newsletter. As for new projects proposed by business sites to establish exercise as a habit among their young employees, we choose projects that can easily be implemented on a Group-wide scale in a way that allows all Group employees to participate. In fiscal 2022, the number of projects that can be implemented on a Group-wide scale will increase, allowing each business site to use them as part of its initiatives.

The ratio of smokers has decreased by more than 10% compared to 10 years ago and is gradually decreasing. The Health Management Department will continue to lead the Company in providing support to employees who want to quit smoking, while providing smoking rooms to curb exposure to secondhand smoke. From fiscal 2021, each business site has begun taking action to ban smoking on Company premises during work hours by fiscal 2025 to protect the health of our employees.

We opened a personal portal site (MCI Health Navi) this fiscal year to provide each employee with their own medical examination results, notification, etc. MCI Health Navi allows each individual to view medical examination results and check information based on his/her medical examination results and work history, graphs to confirm changes based on past test data, recommendation to take medical examination, notification regarding healthcare guidance, etc. The portal site provides information in a way that allows each individual to easily manage his/her own health information and obtain the right health information. Going forward, we will support each employee in fostering health awareness by using the MCI Health Navi, in addition to divisions' sites.



MCI Health Navi home screen: Recommendation to take a medical examination and notification on health guidance

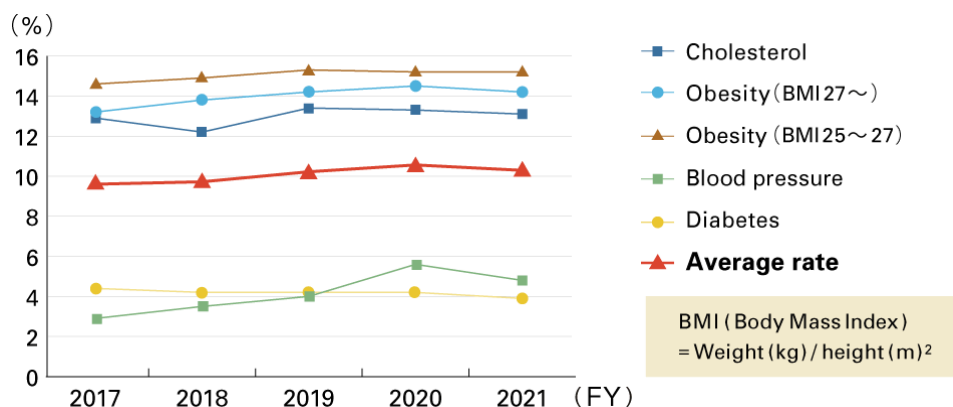


Changes in past test data

MCIヘルスナビ		
ホーム	健康結果	健康データ
あなたの健康対象作業		
健康対象作業	取扱い物質	代表的な健康影響
有機溶剤業務	アセトン	長期又は反復ばく露による中枢神経系(中枢神経系、呼吸器、消化器)
有機溶剤業務	イソプロピルアルコール(イソプロパノール)	臓器の障害(中枢神経系、全身毒性)、長期又は反復ばく露による臓器の障害(血液系)
有機溶剤業務	シクロヘキサン(バクトシロヘキサン)	アレルギー性皮膚反応を起こすおそれ、臓器の障害(呼吸器系)、長期又は反復ばく露による臓器の障害(中枢神経系、腎)
特定化学物質業務	カドミウムおよびその化合物	吸入すると生命に危険(吸入、粉じん及びミスト)、癌がんのおそれ(主に肺がんなど)、臓器の障害(肺、呼吸器)、長期又は反復ばく露による臓器の障害(腎臓、肝臓、血液、骨、呼吸器)
特定化学物質業務	インジウム化合物(過酸)	癌がんのおそれ(肺がんが疑われる)、長期又は反復ばく露による臓器の障害(呼吸器)
お役立ち情報 選択すると情報が表示されます		
労働衛生に関するリンク集		
化学物質のSDSを見たい		
職場のあんぜんサイト		
許容限度を知りたい		
日本産業衛生学会		
安全衛生情報を知りたい		

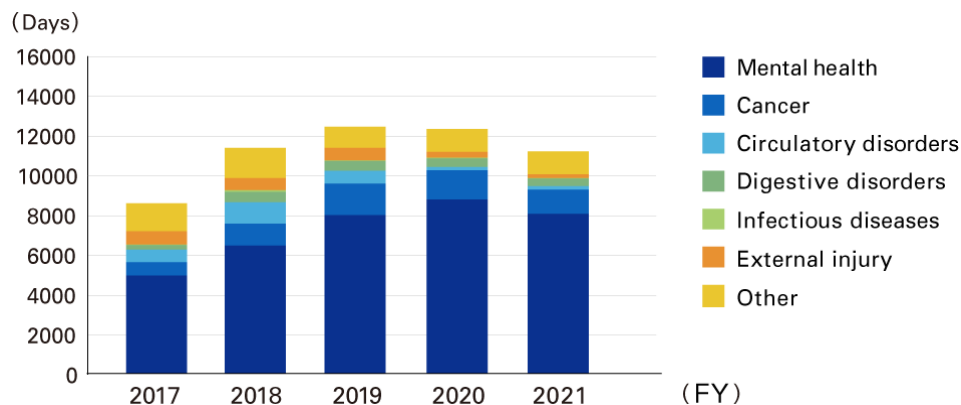
Work that is subject to medical examination

## Lifestyle-related Disease Rates (Mitsui Chemicals, Inc. Registered Male Employees)



\* Lifestyle-related disease rates 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, lifestyle-related disease rates for men are regarded as a KPI.

## Breakdown of Days Off due to Illness (Mitsui Chemicals, Inc. Registered Employees)



### Helping balance work and treatment

We also continue to help balance work and treatment for disease with the support of industrial physicians. We offer a health consultation and guidance for employees worried about their illness, such as not knowing the best action to take or when unable to understand the intention of the doctor, etc. If some special working arrangement is required for an employee, we discuss with the workplace and Human Resource Division to suit the requirements of the situation. Due to [these systems](#) that support treatment of illnesses, including cancer, it is no longer uncommon to continue working during strong treatment. We also revised the Guidebook to Help Balance Work and Medical Treatment by compiling related information and concrete examples. The up-to-date book was published on the internal bulletin board to make it accessible to employees whenever they need it.

### Support for employees at overseas bases

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. Due to the COVID-19 pandemic, we once again conducted interviews, etc., in fiscal 2021 online or through emails. Feedback on the stress survey results for the organization that was conducted in person was also given online. We continue to provide information regarding infection and health improvements.

## Mental Health Initiatives

Mental health can also have a significant influence on work productivity and is an important issue to maintain the health of employees. With the wider spread of teleworking and changes in the social environment, mental health care has also become increasingly important. Upon formulating VISION 2030, Mitsui Chemicals has defined the “frequency of absences from work due to mental health disorders,” which we have been monitoring, as one of our management metrics and set the target frequency for fiscal 2030 to be 0.25. We raise mental health awareness among employees through mental health initiatives, such as training (for new employees, management staff, line managers, self-care training programs, etc.). We also conduct interviews, offer counselling by industrial physicians, and use the results of the stress survey to further improve the working environment. In fiscal 2021, the number of interviews and consultations held via video conference increased as employees get used to doing them online in order to reduce the risk of infecting one another.

We compiled and presented the impact of teleworking on physical and mental health revealed by the analysis of the stress survey results, the key points to healthcare under these conditions, etc., to the Health and Safety Committee, explained them in management staff training programs, and published them on the intranet. Many employees attended the stress survey presentation because it was held online, and some business sites shared specific good practices and opinions.

In addition to training, new employees (including new graduates, midcareer hires, and contractor hires) undergo e-learning on communication courses for a fixed period after entering the Company. For two years after entering the Company, we also provide appropriate support regarding employee work-related lifestyles, which involves industrial physicians, etc., interviewing all new employees every six months to determine the status of communications regarding their lifestyle, health, supervisor, and colleagues, and provide advice as needed. We are providing personal interviews and counseling either online or by phone since the outbreak of the COVID-19 pandemic.

In addition, [inclusion lecture meetings](#) have also been held recently. These meetings aim to create a culture to accept people with diverse characteristics and personalities, as well as those in the course of illness treatment, into workplaces.

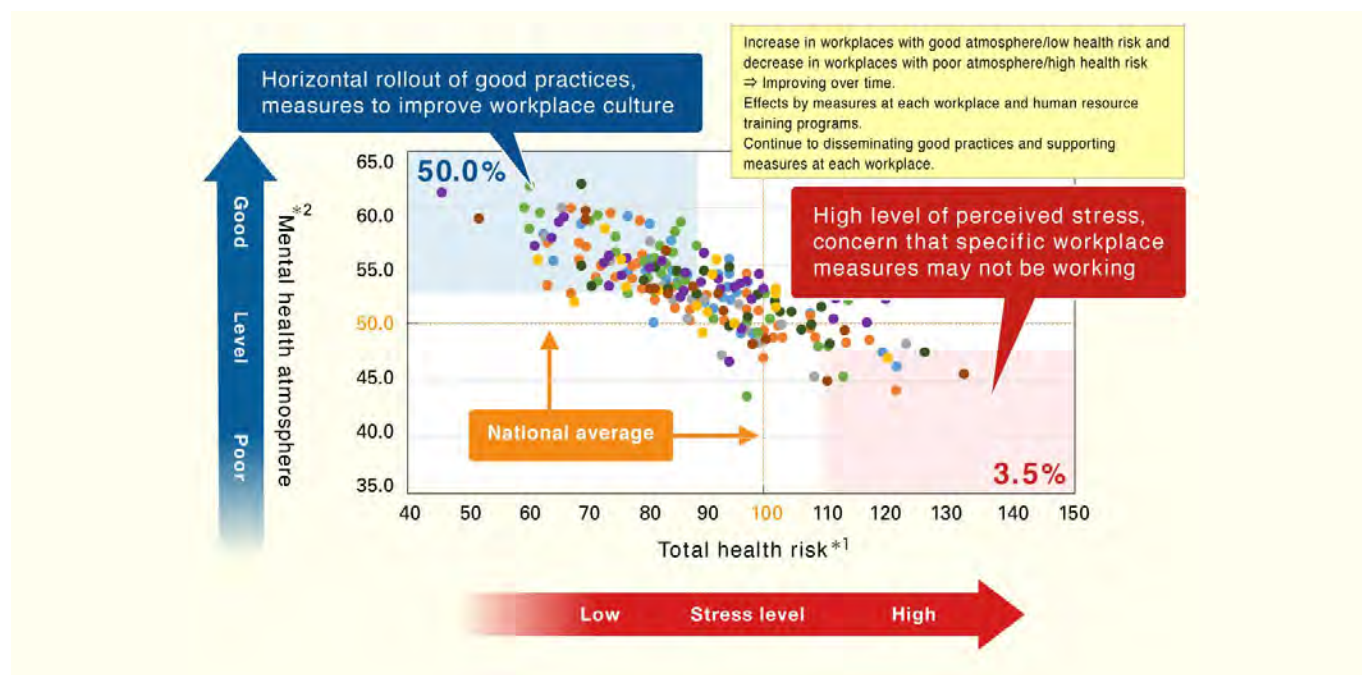
### Stress survey

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In addition to our simple 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.

In fiscal 2018, we introduced a dedicated system, through which the survey results of individuals and organizations can be checked on a website. The new stress questionnaire is helping workplaces to undertake voluntary actions to improve working conditions and many workplaces that actively utilize the survey results is increasing. 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 50.0% in fiscal 2021. Workplaces where there was judged to be a “high level of perceived stress, concern that specific workplace measures may not be working” decreased, from 8.7% to 3.5%.

With regards to human resource management, we are enhancing the contents of [our leadership training programs](#), which improve the working environment by creating a better workplace atmosphere. In fiscal 2022, we will try to improve workplace culture by collecting good practices according to environmental changes.



\* Each dot in the graph represents a workplace (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.)

## COVID-19 countermeasures and health support for new working styles

Since January 2020, we have provided the support described below as COVID-19 countermeasures.

### FY2020

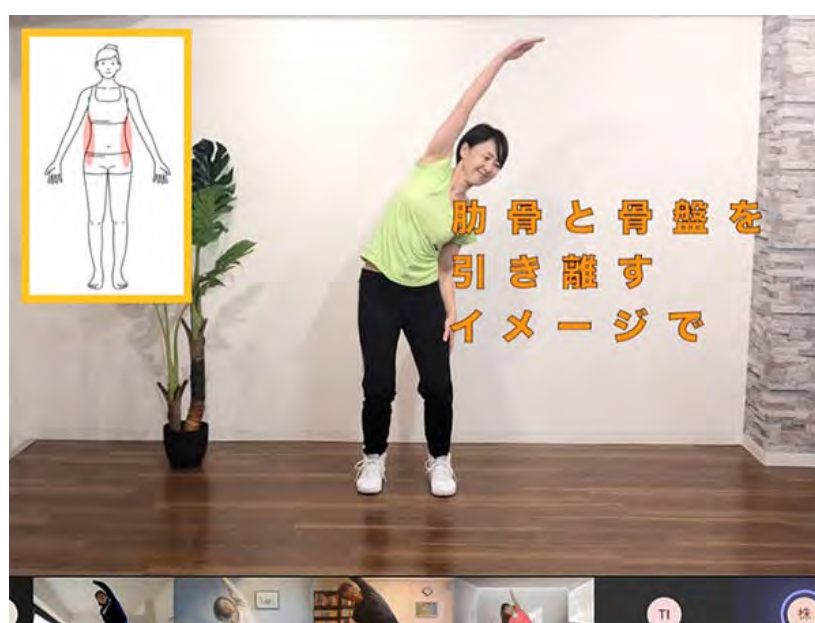
- Sent surgical face masks stored as a flu countermeasure to affiliated companies in China.
- Established the COVID-19 Action Headquarters.
- Promoted awareness of infection prevention measures.
- Prepared and distributed an instruction manual when a person is infected, has suspected symptoms, or has been in close contact with an infected person (at plants and corporate dormitories, and during regular repair work).
- Prepared and distributed the Handbook for the COVID-19 Pandemic.
- Promoted countermeasures for pregnant employees and those with chronic diseases.
- Messages from the Chairman, the President, and General Manager of the Health Management Department.
- Started communicating health information to employees (once or twice a month at present).
- Produced posters featuring the Company President urging employees to use face masks.
- Studied measures to prevent infection at special events (continuing at present).
- Started an online fitness program.
- Donated N95 and other types of masks that we had stored as a flu countermeasure to medical facilities near each site.

- Teleworking Guide Website launched
- Provided COVID-19 vaccinations (1st to 3rd vaccination) in the workplace.
- Promoted awareness of infection prevention measures.
- Revised and distributed instruction manuals.
- Updated and distributed the Handbook for the COVID-19 Pandemic.
- Studied measures to prevent infection at special events (continuing at present).
- Continued the online fitness program.

## A Wide Range of Health Management Programs

Mitsui Chemicals runs a wide variety of health promotion programs and supports the health management of its employees, primarily through its healthcare section and health insurance association. In fiscal 2021, our initiatives included the Healthy Mileage Campaign, fitness classes, 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 was more than 40% of all employees, and some employees were participated at overseas sites. We also measured participants' visceral fat and body fat, as well as distortion of the body before and after the exercise program, so that they can check their current condition and manage their bodies more objectively, as well as confirming the effectiveness of the program.



Example of a health insurance subsidy and details of the activities conducted jointly with the Health Insurance Association

### Health improvement events

( ` Online fitness programs, other forms of exercise, and events ` Nutrition programs and more.)

### Special healthcare guidance

(based on special check-up results and those qualifying under special health guidance criteria)



Cancer screening	Gastric cancer (endoscopy or X-ray), colon cancer (fecal occult blood), and abdominal ultrasound
	Breast cancer (mammography or ultrasound) & uterocervical cancer (sampling by physician)
	Prostate cancer (PSA test)
	Lung cancer (CT scan) (if not examined for gastric cancer or colon, abdominal and prostate cancer)
Influenza vaccination	
Dental examination	
Lifestyle disease health checkup (blood sample analysis is not covered by the Industrial Health & Safety Act)	
Support to quit smoking (subsidy for buying nicotine patches—for four weeks, smoking cessation clinic)	
Preventing the aggravation of diabetic nephropathy (prevention of progress to hemodialysis caused by the aggravation of diabetic nephropathy) by providing guidance on preventing lifestyle-related diseases and in collaboration with the physician in charge	
Recommendation to visit a hospital (recommended by the health insurance association for people who show higher levels of blood sugar, blood pressure, and lipids than recommended)	

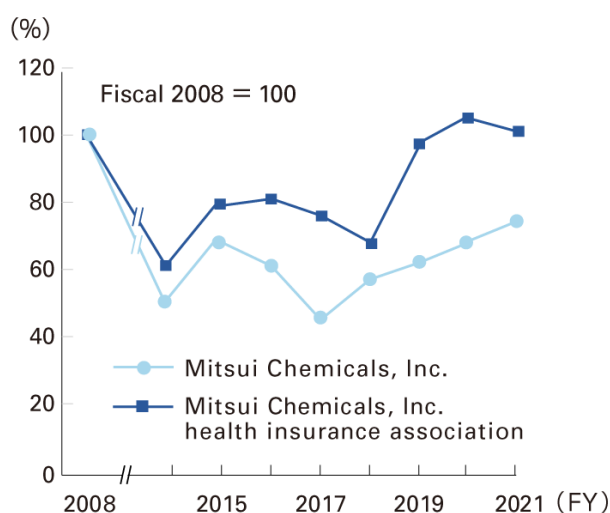
## Reducing Medical Costs

The sickness/accident allowances have been decreasing since fiscal 2015; however, they have slightly increased since fiscal 2018 due to an increase in those suffering from mental health issues. Sickness/accident allowances in fiscal 2021 were 73.6% of the fiscal 2008 levels, showing a long-term decrease for cancer and cardiovascular diseases. There was also an overall decline in fiscal 2021 when compared to the Mitsui Chemicals Health Insurance Association.

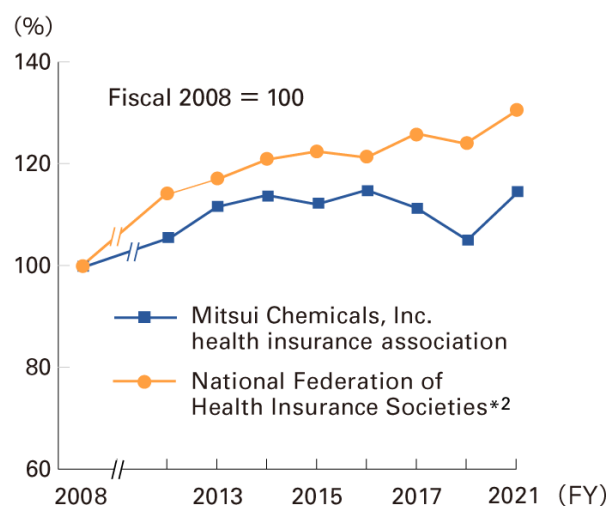
The level of legally mandated benefits per insured person (medical cost) has slightly risen in 2021 according to both the Mitsui Chemicals Health Insurance Association and the National Federation of Health Insurance Societies, and it is slowly returning to the level before the spread of COVID-19. In terms of legally mandated benefits per insured person (medical cost) according to the Mitsui Chemicals Health Insurance Association and the National Federation of Health Insurance Societies, the increase for the Mitsui Chemicals Health Insurance Association is around 50% compared to that of a general health insurance association when the fiscal 2008 level was taken as an index of 100. These show the comprehensive effects of our health management, and we will continue to strengthen measures to promote employee health in the years to come.



## 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 expenses.

\*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

### Certified as Health and Productivity Management Organization (White 500) for Sixth Consecutive Year

Mitsui Chemicals was recognized as White 500 companies in the 2022 Certified Health and Productivity Management Organization Recognition Program (large enterprise category), hosted by the Ministry of Economy, Trade and Industry (METI) and Japan Health Council for the sixth consecutive year. The program awards enterprises that are particularly keen in taking initiatives for overcoming health related challenges in regional communities or promote health-conscious activities.



### Mitsui Chemicals Receives Sports Yell Company Certification for Fourth Consecutive Year

Mitsui Chemicals has received the Sports Yell Company certification for 2021 from the Japan Sports Agency. This marks the fourth consecutive year that Mitsui Chemicals has earned this certification. Launched in 2017, the program acknowledges companies that are proactively running sports initiatives to improve employee health. Our certification was in recognition of the Healthy Mileage Competition for our employees.



### "Silver certification" for outstanding health promotion

We are committed to working on improving health across the whole company and winning "silver certification" and "gold certification" for being an outstanding health promotion company. As a result of

its screening, we received silver certification from the Tokyo Federation of the National Federation of Health Insurance Societies. The certification was granted in recognition of the Company's daily efforts in using health examination results effectively, developing an environment to improve employee health and activities that focus on diet, exercise, stopping smoking and mental health.



### Received Gold in Gan-Ally Declaration Awards for Cancer Initiatives for Second Consecutive Year

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Mitsui Chemicals received Gold, the top prize in the Gan-Ally-Bu Awards 2021. This is the company's third consecutive award since 2019. The Gan-Ally Declaration Awards are an award scheme created by Gan-Ally-Bu, a private sector project that focuses on tackling problems faced by people who continue to work while undergoing treatment for cancer. The awards aim to encourage workplaces to be more accommodating of employees who have cancer, thereby creating a society where people can feel comfortable continuing to work while receiving treatment. Our development of a system that makes it easy to balance medical treatment and work, such as the introduction of a short-time work system and the revision of the teleworking system, as well as our internal lecture meetings on the theme of breast cancer that provide opportunities to learn the different types of breast cancer testing, self-check methods, and support in workplace, which promoted understanding on examinations and treatments, were highly recognized.



### Mitsui Chemicals Receives Highest Rating for Employee Health Management from the Development Bank of Japan

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Mitsui Chemicals has been awarded the highest rating by the Development Bank of Japan Inc. (DBJ) under the DBJ Employees' Health Management Rated Loan Program. Based on this rating, Mitsui Chemicals has received a loan of 10 billion yen from DBJ. This is the second acquisition since 2013. The DBJ Employees' Health Management Rated Loan Program is the world's first financing menu to incorporate health management ratings into the assessment of companies' management of employee health and welfare and the selection of those with outstanding records in this area. Using a proprietary screening system, DBJ rates enterprises on the quality of their care for employee health and working conditions.



## Preventing Exposure to Harmful Substances

We are committed to reducing occupational health risks and improving working conditions by, for example, utilizing the Occupational Safety and Health Management System scheme, the harmful chemical substance risk assessment (new risk assessment system) established in fiscal 2015, through onsite inspections conducted by industrial physicians and health supervisors as well as by means of internal audits. In addition, the Group is also making preparations for autonomous chemical management that will be enforced in the future in a planned manner.

### Risk Assessment

The reformed Industrial Safety and Health Act now requires reinforcement of risk assessments of chemical hazards and implementation of countermeasures. Our conventional risk assessment system was updated to create a new system, and since fiscal 2016, we have been conducting a risk assessment of working with harmful substances (inhalant chemicals) using the new system. The total number of completed qualitative risk assessment cases by fiscal 2021 marked 13,311, and we have finished all qualitative risk assessments. Of these, 3,085 cases were identified to be of high risk and we have completed quantitative assessments on 2,931 cases. Work procedures that have been judged to be of high risk as a result of the quantitative assessment, have been subject to methodical reforms to reduce the risks involved. In addition, we also built specific risk assessments for health problems newly caused by the absorption of chemical substances through the skin in fiscal 2018 in response to a rise in social concern about absorption of hazardous chemicals through the skin. In fiscal 2019, we started this assessments and have completed the all assessment of 3,980 cases in fiscal 2021. Based on the assessment results, we are reviewing facility response and working procedures as well as selecting protectors with more appropriate shielding and durability to reduce risks. We plan to conduct qualitative assessments on new procedures in fiscal 2022 and also to follow up quantitative assessments on the remaining 154 cases of those 3,085 high-risk cases.

### Working environment improvement example (1) - Sampling of specific chemical substances

#### Before

After blow cleaning the container, the bottles were rinsed with the target chemical first before actual sampling procedures were carried out. This presents contact risks not only with airborne particles but also from spills.

#### After

The risk was improved to Level I after upgrading the equipment so that the sample cylinder can be blow-cleaned, rinsed along with the target chemicals, and sampled while still fully sealed.



## Working environment improvement example (2) - Sampling of specific chemical substances

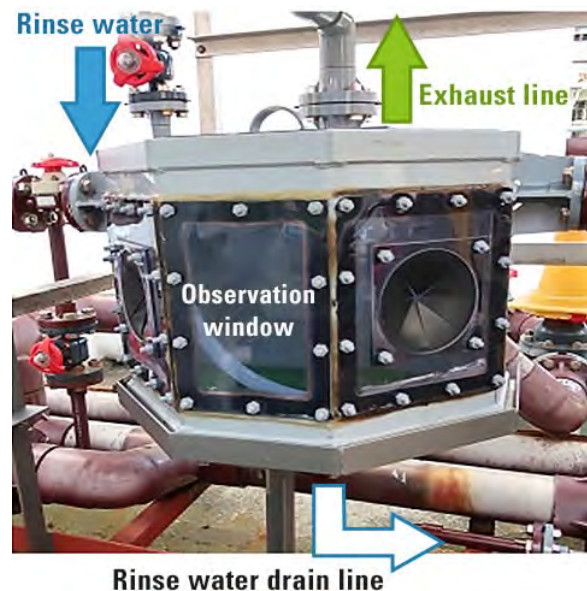
### Before

Procedures are sampled in a sampling box that involves opening and closing a door. This presents contact risks with airborne particles when the door is open.



### After

The risk was improved to Level I after the sampling box was sealed so that sampling can be performed in the box.



## Onsite Inspections Conducted by Industrial Physicians Aimed at Reducing Occupational Health Risks at Overseas Subsidiaries and Affiliates

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. We canceled overseas inspections in fiscal 2020 and 2021 due to the COVID-19 pandemic. We will resume inspections as soon as the pandemic restrictions are lifted.

## Engagement with Society



### Respect for Human Rights

- Policy and Basic Approach
- Initiatives

### Sustainable Procurement

- Management System
- Supplier Evaluation and Guidance for Improvement
- Participating in Initiatives

### Human Resources Management

- Management System
- Talent Management
- Diversity
- Compensation & Benefit
- Talent acquisition
- Talent and Organization Development
- Employee-friendly Working Environment and Labor Productivity
- HRIS and People Analytics

### Social Activities

- Management System
- Laboratory Classes on the Wonders of Chemistry
- Nurturing Future Generations
- Environment
- Support for Employees' Participation in Social Activities
- Disaster Relief
- Working in Harmony with Local Communities



## Policy and Basic Approach

The Mitsui Chemicals Group recognizes respect for human rights in business activities as a foundation of its development and pursues just business throughout the supply chain from the viewpoint of “having a high regard for people.”

The Group lists “respect for human rights” as part of the Group’s material topics and incorporates its status of response to human rights risks into its business targets as non-financial metrics in VISION 2030. The Group revised its Human Rights Policy on June 24, 2022, after obtaining approval from the Board of Directors.

Please refer [here](#) for salient human rights issues for the Mitsui Chemicals Group.

### Mitsui Chemicals Group Human Rights Policy

We, the Mitsui Chemicals Group, are driven by our 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” and we strive to “be a corporate group that continues to grow by solving social challenges and creating diverse value with the power of chemistry”.

We understand that we need to respect the human rights of every individual affected by the Mitsui Chemicals Group’s business activities in order to contribute broadly to society and achieve sustainable growth.

We hereby announce the adoption of the Mitsui Chemicals Group Human Rights Policy (the “Policy”) based on the Guiding Principles on Business and Human Rights adopted by the United Nations Human Rights Council in June 2011 with the aim of fulfilling our responsibility to respect the human rights of every individual affected by our business activities.

#### 1. Basic principles on human rights

The Mitsui Chemicals Group supports and respects (i) the United Nations “International Bill of Human Rights” (consisting of the “Universal Declaration of Human Rights”, “International Covenant on Civil and Political Rights”, and “International Covenant on Economic, Social and Cultural Rights”), which sets out the fundamental human rights of every individual and (ii) the International Labour Organization (ILO) “Declaration on Fundamental Principles and Rights at Work”, which sets out people’s fundamental rights at work.\* Furthermore, we support and respect the “OECD Guidelines for Multinational Enterprises” and the “United Nations Declaration on the Rights of Indigenous Peoples”. And as a company that has signed the United Nations Global Compact, we also support and respect the Ten Principles of the United Nations Global Compact. In accordance with the Mitsui Chemicals Group’s Corporate Mission, Action Guidelines, Purchasing Policy, Responsible Care Policy, Human Resources Management Policy, and related internal policies and regulations, the Policy represents our commitment to respecting human rights in order to fulfil our responsibilities toward every individual affected by our business activities.

\* This includes support and respect for the Core Labour Standards: “effective abolition of child labour”, “elimination of all forms of forced or compulsory labour”, “elimination of discrimination in respect of employment and occupation”, and “freedom of association, and the effective recognition of the right to collective bargaining”.

## **2. Scope**

The Policy applies to executive officers and employees of the Mitsui Chemicals Group. We also expect business partners and other parties linked to our operations, products and services to support the Policy.

## **3. Responsibility to respect human rights**

The Mitsui Chemicals Group recognises that our business activities may directly or indirectly cause adverse human rights impacts.

We fulfil our responsibility to respect human rights by (i) not violating the rights of individuals affected by our business activities (“rights holders”), and (ii) taking appropriate remedies in case our business activities may cause or contribute to any adverse human rights impacts.

Although we cannot ascertain all the ways in which our operations, products and services are used, we do not intend for any of them to be used in any way that contributes to human rights abuses.

In the case where any adverse human rights impacts are caused by our business partners or other parties that are suspected to be linked to our operations, products or services, we will ask those business partners or other parties to respect human rights, not harm them, with the aim of building a responsible supply chain.

## **4. Human rights due diligence**

The Mitsui Chemicals Group will establish a system of human rights due diligence in accordance with the “UN Guiding Principles on Business and Human Rights” to identify, prevent and mitigate any adverse human rights impacts that we may have on the rights holders.

## **5. Dialogue and consultation**

In our implementation of the Policy, the Mitsui Chemicals Group will sincerely engage in dialogue and consultation with rights holders by applying the expertise of independent third parties on human rights.

## **6. Remediation**

In the event that the Mitsui Chemicals Group’s business activities have any adverse human rights impacts, or where our involvement through business partners or other parties becomes apparent or suspected, we will seek to remedy such impacts through dialogue and appropriate processes in line with international standards.

## **7. Education and training**

The Mitsui Chemicals Group will provide appropriate education and training to our executive officers and employees, and will strive to promote understanding of the Policy among our business partners, with the aim of ensuring that it becomes incorporated into all of our business activities and is implemented effectively.

## **8. Responsible executive officer(s)**

The Mitsui Chemicals Group will entrust an executive officer or officers with the responsibilities of implementing the Policy and supervising its implementation status.

## **9. Information disclosure**

The Mitsui Chemicals Group will disclose the progress and results of our efforts to promote respect for human rights on our website and through other media.



## **10. Applicable laws and regulations (when national laws conflict with international standards)**

The Mitsui Chemicals Group will comply with the laws and regulations of all countries and regions in which we operate. In the case where there is any conflict between a country's laws and internationally recognized human rights standards, we will seek ways to respect internationally recognized human rights principles to the maximum extent possible.

The Policy has received the approval of the Board of Directors of Mitsui Chemicals, Inc. and it has been signed by the President and Chief Executive Officer.

**July 1st, 2022**

**Mitsui Chemicals, Inc.**

**President and CEO**

**HASHIMOTO Osamu**

**Established in February 1st 2016**

**Revised in December 1st 2017**

**Revised in July 1st 2022**

## **Salient human rights issues for the Mitsui Chemicals Group**

The following are salient human rights issues that the Mitsui Chemicals Group is addressing in accordance with the Human Rights Policy.

### **Prohibition of discrimination**

Under no circumstances will we engage in any discrimination whatsoever based on race, national origin, birthplace, social origin, caste, family lineage, religion, disability, age, gender, sexual orientation, gender identity, family background, marital status, union membership, political views, or any other differences.

### **Respect for basic labour rights**

We respect basic labour rights such as workers' rights to organise and their rights to collective bargaining. In addition, we will foster labour-management trust and cooperative relations through honest dialogue and mutual understanding, and resolve labour-management issues voluntarily and peacefully.

### **Prohibition of forced labour and child labour**

We never use forced labour or child labour in any of our business activities in any of the countries or regions in which we operate.

### **Prohibition of harassment**

Under no circumstances will we engage in any kind of harassment that hurts the dignity of individuals, such as sexual harassment, power harassment, or maternity harassment.

### **Respect for privacy**

In addition to respecting the privacy of individuals, we endorse the aims of the "OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data", and handle personal information appropriately in accordance with the relevant laws of the respective countries.

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In accordance with the Mitsui Chemicals Group’s Corporate Mission, Action Guidelines, Purchasing Policy, Responsible Care Policy, Human Resources Management Policy, and related internal policies and regulations, the Policy represents our commitment to respecting human rights in order to fulfil our responsibilities toward every individual affected by our business activities.

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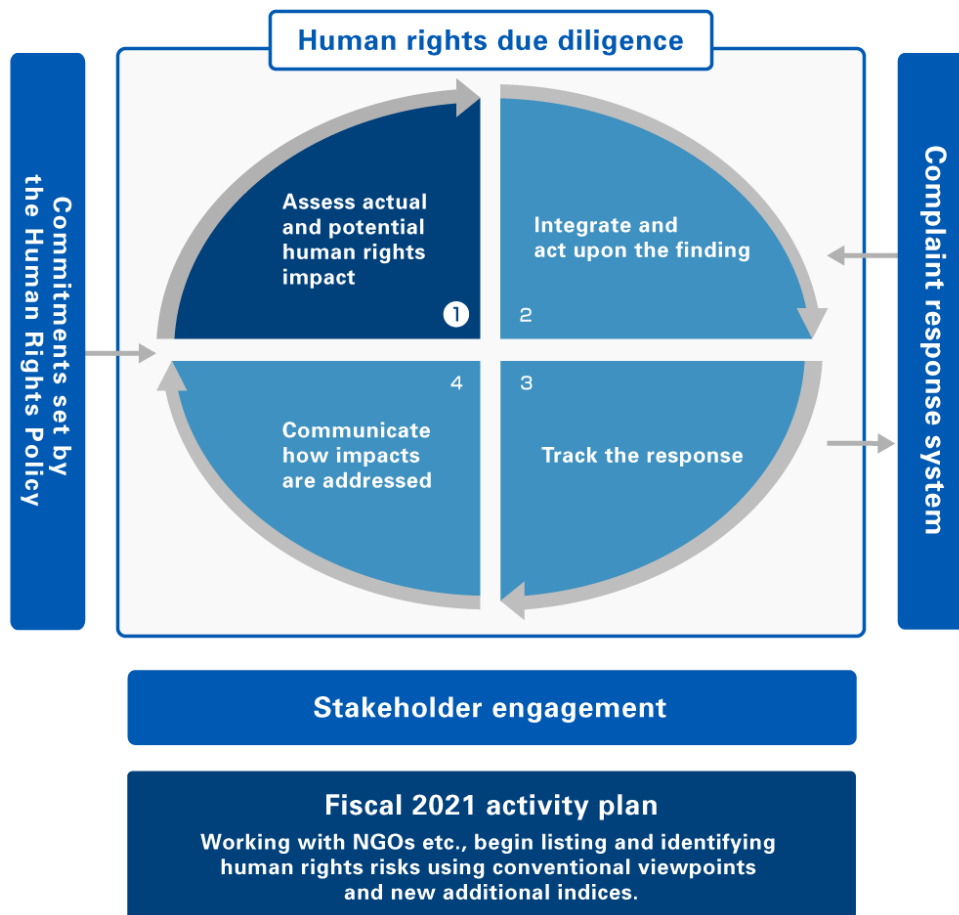
## Initiatives

The Mitsui Chemicals Group lists “respect for human rights” as one of the “prerequisites for business continuity” as a part of the Group’s **materiality** and is working to put this into company-wide practice.

### Survey on Human Rights Challenges That Should Be Taken into Consideration

In the countries in which the Mitsui Chemicals Group maintains a presence, there are a number of challenges pertaining to human rights, reflecting conditions of local politics, the economy and society. In addition, in line with changes to those conditions, the challenges themselves will at times also be impacted. At each of the Group’s sites, consideration into such human rights challenges is something that cannot be overlooked. In order to gain a grasp of the human rights challenges that arise from each region around the globe that we should consider as a Group, we reference information from the United States State Department’s “Country Reports on Human Rights Practices” and “Trafficking in Persons Report” as well as survey materials such as “Human Rights Watch World Report” and “Transparency Corruption Perceptions Index” from NGOs and other organizations involved in human rights, and conduct investigations of challenges with regard to regional human rights where the Group’s business sites exist. According to the reference survey materials, there are various issues in each region, such as discrimination in employment and work, working conditions, forced labor and child labor, human rights violations against foreign workers and involvement in corruption. There are also such issues in the supply chain (raw material suppliers, subcontractors, processing subcontractors, logistics partners, etc.). The global pandemic brought on by COVID-19 has become a major issue for the Group and its global business operations. The impact is not limited to operation of our global supply chain but also to potential human right issues in various parts of the world which we believe our Group cannot ignore. Under collaborations with external experts, we started confirming the situation and organizing the status in fiscal 2021 while taking into account the impact of climate change, pollution, waste, etc., on human rights as a new viewpoint of investigation, in addition to the conventional viewpoints on human rights issues.

### Initiatives toward the Human Rights Due Diligence



#### Human rights metrics taken into account under "Assess actual and potential human rights impact"

- ▶ Child labor ▶ Fair wage ▶ Working hours ▶ Discrimination in workplace
- ▶ Education ▶ Forced or compulsory labor
- ▶ Freedom of association and collective bargaining ▶ Freedom of expression
- ▶ Rights of indigenous people ▶ Human trafficking
- ▶ Right to land and migration ▶ Rights of migrant laborers ▶ Modern slavery
- ▶ Occupational safety and health ▶ Pandemic sensibility ▶ Poverty
- ▶ Right of privacy ▶ Rights of sexual minorities ▶ Rights of women and girls
- ▶ Rights of young workers ▶ Impact on climate change ▶ Deforestation
- ▶ Impact on water resources ▶ Air pollution and marine pollution
- ▶ Discharge of waste and harmful substances ▶ Use of natural resources
- ▶ Impact on ecosystems and biodiversity ▶ Product safety
- ▶ Responsible marketing ▶ Consumer redress process
- ▶ Responsible tax payment ▶ Corruption prevention
- ▶ Relationship with the government, etc.

## Consideration for Human Rights within Mitsui Chemicals

The Mitsui Chemicals Group has been working to build a system for human rights protection, including the provision of human rights education to employees, establishment of a reporting and consultation desk for human rights, and introduction of an internal audit process.



In internal training sessions, we raise human rights awareness among employees by educating them on a number of issues, such as discrimination and harassment, through [Mitsui Chemicals Group Human Rights Policy](#), [the Mitsui Chemicals Group Action Guidelines](#), etc. To facilitate a deeper understanding of the basic principles of business and human rights, in fiscal 2019, we introduced the "Business and Human Rights e-Learning" series published by the Asia-Pacific Human Rights Information Center and Amnesty International Japan. A total of 9,844 employees, including those from domestic Group companies, studied this program in fiscal 2020. We plan to expand the scope of this program across the entire Group. As activities outside the company, Mitsui Chemicals joins the subcommittee of the Global Compact Network Japan concerning human rights. This subcommittee provides opportunities 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. As complaint handling, the [Risk Hotline](#) and the harassment consultation services receive reports and consultation on human rights. The business audit also includes an internal audit process based on self-assessment of internal controls utilizing the compliance checklist. The compliance checklist includes items related to compliance with related laws and regulations, prevention of bribery and corruption, harassment, appropriate handling of personal information, and human rights issues such as discrimination, forced labor, and child labor. The checklist is revised every year.

#### Human Rights e-Learning Program (Mitsui Chemicals, domestic affiliates and subsidiaries)

e-Learning Program	FY2020 Number of participants/Total hours
Business and Human Rights	9,844 (6,562 hours)

#### Human Resources Management

#### Occupational Health

#### Safety and Prevention

### 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

The Mitsui Chemicals Group conducts business activities with emphasis on human rights in its relations with stakeholders in the entire supply chain. For example, we have clearly set out our expectations of suppliers in [the Mitsui Chemicals Group Purchasing Policy](#) and [the Mitsui Chemicals Group Sustainable Procurement Guidelines](#). Under these policies, we place considerable importance on respect for human rights, fair working conditions and a good work environment, reduction in environmental impact, compliance with laws and regulations, social norms and considerations for those in the supply chain. When we begin a new business arrangement and with ongoing suppliers, depending on the nature of the business, we conduct regular checks on the supplier's efforts through our [sustainable procurement Self-assessment Questionnaires \(SAQ\)](#). We use the questionnaire results to provide feedback to suppliers and to support their efforts to improve. In addition, we have also extended our [Risk Hotline](#) 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.

## Participation in Human Rights Due Diligence Workshop Organized by Caux Round Table Japan

Through dialog with companies, NPOs/NGOs and knowledgeable experts, the Mitsui Chemicals Group deepens its understanding of the contexts in which human rights challenges occur as well as the relationship between business activities and human rights. We then consider what are the important human rights issues for us and business activities considering these issues, and work to utilize that understanding in our corporate activities.

The Group participated in [the Human Rights Due Diligence Workshop](#) 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. In the 2020 program, we identified important human rights issues in each industry by utilizing the human rights guidance tools created by the UNEP Finance Initiative. We also took other human rights-related backgrounds into consideration, such as the COVID-19 impact on workers, children, and communities; ICT business; building a sustainable supply chain driven by the Tokyo Olympics; human trafficking and modern slavery; and the rights of indigenous people.

### [2020 Stakeholder Engagement Programme \(Human rights due diligence workshop\)](#)

## Management System

### Policy and Basic Approach

The Mitsui Chemicals Group engages in purchasing activities based on the Mitsui Chemicals Group Purchasing Policy. The policy also defines items that the Group emphasizes when selecting suppliers for sustainable procurement and so on, in addition to conducting fair and honest transactions.

In terms of procurement activities described in [the Mitsui Chemicals Group Sustainable Procurement Guidelines](#), the Mitsui Chemicals Group has defined assignments on which to work with the full cooperation of our suppliers toward fulfilling our environmental and social responsibilities across the entire supply chain from a global perspective.

The Group has established basic rules for purchasing as part of its global policy. The practical application of these rules ensures fair and law-abiding procurement for the Group at the appropriate terms, quality and pricing, and ultimately ensures compliance with laws and maintains and strengthens the Group's competitiveness.

### The Mitsui Chemicals Group Purchasing Policy

The Mitsui Chemicals Group recognizes that all its suppliers are good partners and endeavors to trade with them fairly and in good faith in the hope that both the Group and its suppliers will achieve sustainable development.

The Mitsui Chemicals Group also tackles issues, with a global perspective, including environmental, social and corporate governance issues, across the entire supply chain, aiming to achieve sustainable procurement.

The Mitsui Chemicals Group is committed to conducting purchasing activities in accordance with this Group Purchasing Policy.

#### 1. Ensuring compliance

We will conduct purchasing activities in compliance with the applicable laws and regulations and appropriate social practices of the regions and countries in which we operate.

We will also require the same level of compliance from our suppliers.

#### 2. Equal opportunity and transparency

We will be open in choosing our suppliers, and will offer equal opportunity for fair trade in good faith.

#### 3. Selection of suppliers from the viewpoint of "sustainable procurement"

In the interests of building stronger partnerships, we will give priority to the following criteria.

- (1) Suppliers that respect human rights, prohibit discrimination, and do not engage in any acts which violate human rights
- (2) Suppliers that ensure fair working conditions and provide a safe and healthy working environment
- Suppliers that prohibit forced labor, prohibit child labor and discrimination in hiring

- (3) Suppliers that are aware of environmental issues and are committed to solving and addressing them
- (4) Suppliers that conduct fair corporate activities based on a sound management practices
- (5) Suppliers whose performance in areas such as pricing, quality, and delivery term are at an adequate and reasonable level, and endeavor to maintain and improve their performance

\* See the Mitsui Chemicals Group Sustainable Procurement Guidelines established by Mitsui Chemicals for further details.

Revised on February 1, 2019

## System and Responsible Officers

With the responsible officer for the Purchasing Division, the Purchasing Division formulates and implements plans related to sustainable procurement for purchases made by the Mitsui Chemicals Group (Purchasing Division, major business divisions, and domestic and overseas affiliates).

To realize sustainable procurement, the Purchasing Division regularly verifies the status of our suppliers by conducting sustainable procurement SAQ surveys and audits.

Progress of the sustainable procurement activity plan and results is monitored in the monthly division meetings, and follow-ups are reflected in plans for the next fiscal year. In addition, we verify the status of sustainable procurement activities during annual audits conducted by corporate auditors and the Purchasing Division.

## Goals and Results

In fiscal 2021, we conducted a sustainable procurement SAQ survey with our suppliers, which showed that our sustainable procurement ratio\* was 61%.

Based on the survey results in fiscal 2021, we have a goal to implement initiatives for the establishment of sustainable procurement in fiscal 2022. Specifically, in addition to enhancing communication with suppliers by providing feedback (interview) and requesting and supporting suppliers in making improvements, we will endeavor to review, modify, and distribute the Mitsui Chemicals Group Sustainable Procurement Guidelines to internal and external parties.

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Sustainable procurement	Mitsui Chemicals Group	—	—	—	—	Sustainable procurement ratio* 80%
	Mitsui Chemicals, Inc.	Implementation and analysis of the sustainable procurement survey in FY2021	Conducted sustainable procurement SAQ survey (61% sustainable procurement ratio*)	○	Bolster communications with partners to solidify our efforts in this area (Interviews; requests for improvement; revision of guidelines, and turning these guidelines into common sense)	

\* **Sustainable procurement ratio:**

The ratio of the sum of transaction values with suppliers who responded to the sustainable procurement SAQ survey to the total transaction value (= Transaction values with suppliers who responded to SAQ / Total transaction value). This ratio is being monitored.

# The Mitsui Chemicals Group Sustainable Procurement Guidelines

The Mitsui Chemicals Group aims for sustainable growth with society through initiatives for solving social challenges by upgrading its triple bottom line management with a focus on the economy, environment and society. Based on this concept, we practice “Always Act in Good Faith,” “For People and Society” and “Dream-Inspiring Innovation” as set forth in the Mitsui Chemicals Group Action Guidelines when conducting our business activities.

In the procurement activities, we believe that it is important to forge powerful relationships with our suppliers to fulfill environmental and social responsibilities in the entire supply chain from a global perspective. We also recognize that these initiatives will contribute to the mutual and sustainable development of our suppliers and the Mitsui Chemicals Group.

In light of these factors, the Mitsui Chemicals Group has created tasks that we would like to work on with the full cooperation of our suppliers in the Mitsui Chemicals Group Sustainable Procurement Guidelines. We would like to have the understanding and support of each our suppliers for these Guidelines and request that they undertake the initiatives described below.

## Corporate Governance

### 1. Sound corporate management

Establish an organizational system for sound corporate management through in-house control systems and structures for ensuring the effectiveness and efficiency of business operations as a corporation, the reliability of financial reports, compliance with laws and regulations applicable to your business activities and the protection of assets.

### 2. Accountability

Appropriately distribute the financial and non-financial information to inside and outside the company based on the recognition of accountability to society and stakeholders.

## Human Rights

### 1. Respect for human rights and prohibition of discrimination

Support and respect the protection of human rights proclaimed internationally. Moreover, never under any circumstances engage in any discrimination whatsoever based on race, national origin, birthplace, social origin, caste, family lineage, religion, disability, age, gender, sexual orientation, gender identity, family background, marital status, membership of unions, political views or other differences.

### 2. Prevention of human rights violations

Endeavor to avoid causing any human rights violations and indirectly creating adverse human rights impacts through your business activities. In addition, work to prevent or mitigate adverse human rights impacts through all stakeholders involved in the course of your business activities.

## Labor

### 1. Provision of equal opportunities

Equally provide employees with opportunities for personal career growth through human resources development initiatives. Moreover, provide equal opportunities for employment to human resources with motivation and ability.

### 2. Payment of proper wages

Observe the statutory minimum wage in countries and regions where your business activities are conducted. In addition, endeavor to establish wages by giving due consideration to the improvement of employees' personal growth and their motivation.

### 3. Fair application of working hours and leave of absence

Observe the labor hours prescribed in laws and regulation of countries and regions where your business activities are conducted. In addition, grant workers the right to take paid vacation.

### 4. Prohibition of forced labor

Guarantee that employees are free to separate from the service at their own discretion as all work is voluntary.

### 5. Prohibition of child labor

Never employ children who are under the legal working age in countries and regions where your business activities are conducted. In addition, never assign such jobs that impair children's health, safety and morality.

### 6. Respect for basic labor rights

Respect employees' rights to organize and bargain collectively and other basic labor rights.

### 7. Advance management of occupational safety and health

Grasp the risk of an accident occurring at work and the risk of exposure to chemical substances hazardous to the human body, noise, foul odors and so on and ensure a safe and healthy work environment. In addition, take measures with due care for employees' mental health.

## Environment

### 1. Management of chemical substances

Manage chemical substances contained in products in accordance with standards prescribed in laws and regulations.

### 2. Reduction of environmental load

Endeavor to reduce environmentally harmful substances released into the air, water and soil (including greenhouse gases) by setting levels equal to those required by laws and regulations or independent targets exceeding the required levels.



3. Efficient use of resources

Promote efficient use of energy, water, raw materials and other resources by setting independent targets.

4. Waste management

Take responsibility in the disposal or recycling of waste materials by setting independent targets.

5. Biodiversity conservation

Promote biodiversity conservation by reviewing the direct and indirect impact of your business on ecosystems.

## **Risk Compliance**

1. Corruption prevention

Maintain sound relationships with local administration authorities and public officials where your business activities are conducted, by managing the reception thereof to prevent corruption.

2. Prevention of offering or accepting improper advantage to or from customers, suppliers and so on

Maintain sound relationships with customers, suppliers and so on by avoiding excessive gift-giving, entertainment and collusive relationships regarding marketing and purchasing activities.

3. Prevention of non-compliance with competition laws

Prevent unfair trading, including bid-rigging, cartels and abuse of dominant bargaining position.

4. Elimination of anti-social forces

Eliminate any relationship with organized crime groups, corporate racketeers and other anti-social forces and never provide any benefits to anti-social forces.

5. Respect for third parties' intellectual property

Respect third parties' patents, copyrights, trademarks and other intellectual properties and prevent unauthorized use thereof.

6. Establishment of contact points for complaints and consultations

Develop a system to allow for an individual who came to know important risk information to directly report and consult with an internal dedicated division or external contact points. Moreover, ensure that confidentiality of the individual who made said reporting or consultation will be strictly maintained and that the individual will never suffer prejudicial treatment.

7. Establishment of a system for business continuity plan (BCP)

Develop a system to ensure the continuity of important operations and business or early restoration in case of a disaster.

8. Management of confidential information and protection of personal information

Properly manage confidential information of customers, suppliers, one's own company and so on to prevent leakage

thereof. In addition, implement proper management and protection of personal information of customers, suppliers, one's own company and so on.

## Quality and Safety

### 1. Ensuring quality and safety of products and services

Provide products and services that meet laws and regulations and safety standards established in countries and regions where your business operations are conducted and that satisfy quality standards required in advance.

### 2. Appropriate response to defects arising in products and services

Implement prompt information disclosure and notify the competent authorities in the event that an accident occurs with regards to products and services or that defective products are distributed. Moreover, implement a product recall and develop a system for formulating measures to ensure the safety of supply destinations.

## Supply Chains

### 1. Basic stance for supply chains

For the purpose of fulfilling social responsibilities across the entire supply chain, endeavor to ensure that not only one's own company but also suppliers are fully aware and comply with the significance of sustainable procurement.

### 2. Responsible procurement of raw materials

Never purchase or use raw materials containing any gold (Au), tantalum (Ta), tungsten (W) and tin (Sn) that are conflict minerals related to inhumane acts by local armed groups in the Democratic Republic of the Congo and its neighboring countries.

## Communication with Local Communities

### 1. Contribution to local communities

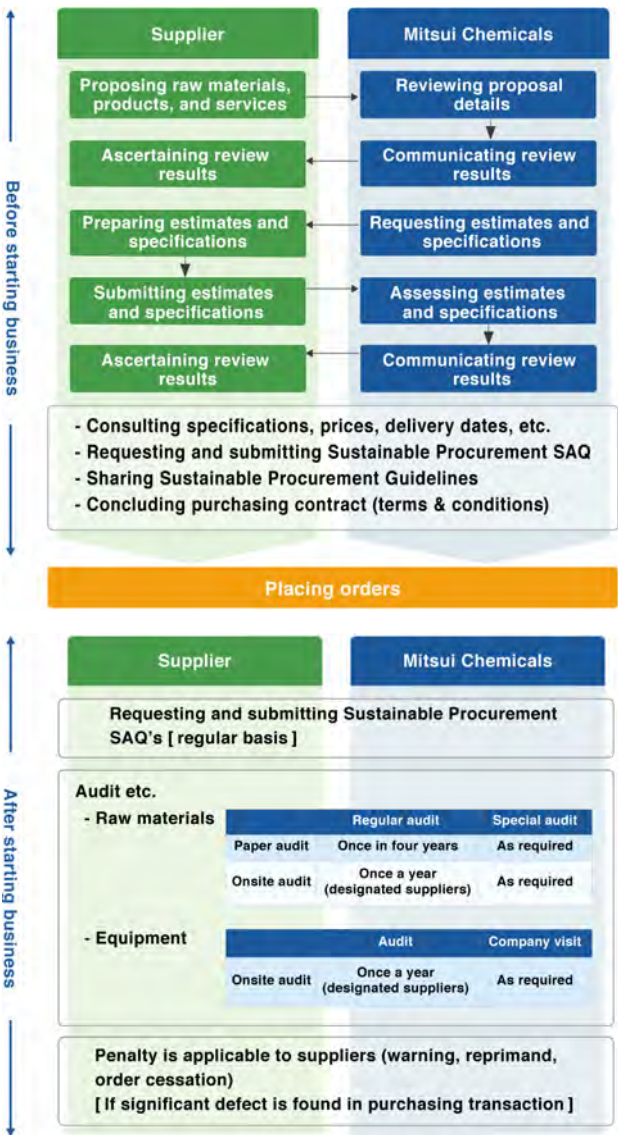
Respect the culture and customs in countries and regions where your business activities are conducted and perform activities to contribute to the sustainable development of local communities.

End.

Supplier Evaluation and Guidance for Improvement

The Mitsui Chemicals Group Purchasing Policy states criteria that it emphasizes when selecting suppliers from the viewpoint of “sustainable procurement.” When commencing transactions with new suppliers, as well as periodically with current suppliers, depending on the transaction details, the Mitsui Chemicals Group verifies their efforts towards realizing a sustainable society. This involves confirming a wide range of specific items 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. When such surveys and audits identify any significant discrepancies, a penalty, such as suspension of transactions, is imposed according to the penalty criteria.

Transaction Procedures



## Survey on sustainable procurement

In order to achieve sustainable procurement, the Mitsui Chemicals Group performs supplier survey activities with the use of the [CSR/Sustainable Procurement Self-assessment Questionnaire \(SAQ\)](#) published by the Global Compact Network Japan (GCNJ) Supply Chain Working Group. This SAQ was drafted to conform with the UN Global Compact's 10 principles and international regulations such as ISO 26000 and GRI. The sustainable procurement ratio derived from the response results is set and monitored as one of the KPIs in VISION 2030.

The activities started in 2017 first with a survey of the Mitsui Chemicals Purchasing Division and business division suppliers. Today, the SAQ survey has been expanded to cover the suppliers of the Group's main affiliates in Japan, and the sustainable procurement ratio in fiscal 2021 was 61% for Mitsui Chemicals and 70% for its affiliates in Japan (12 main domestic affiliated companies). The Purchasing Division analyzes responses to the SAQ survey and provides improvement support to suppliers with low scores by directly visiting them and confirming their situation. The Group also endeavors to enhance the effects of the survey and bidirectional communication by distributing an awareness promotion reference guidebook, which explains the purpose of the questions and examples of recommended activities.

### Sustainable procurement ratio

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2030 (Goals)
Mitsui Chemicals, Inc.	39%	44%	44%	45%	61%	80%
Domestic subsidiaries & affiliates*	—	—	—	—	70%	80%

\* Main affiliates in Japan

## Other forms of support provided to suppliers

The following information is supplied to our suppliers to ensure mutually beneficial sustainable development for both the Mitsui Chemicals Group and its suppliers.

In fiscal 2018, briefings on the following items were held for contractors at our works, and reminder letters were given to participants. In fiscal 2020, a similar document was distributed again to continue to communicate the 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

## Policy on conflict minerals

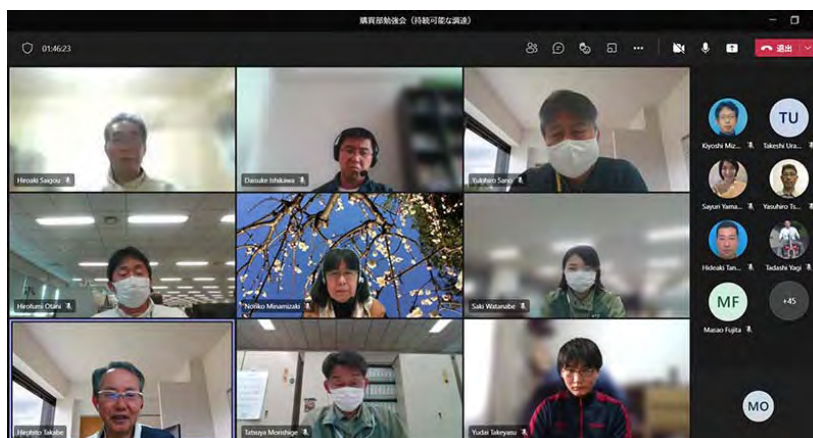
In the Mitsui Chemicals Group Sustainable Procurement Guidelines, we state “Never purchase or use raw materials containing conflict minerals” as a basis for our responsible procurement of raw materials. In fiscal 2015, the Purchasing Division conducted an investigation covering all raw materials transactions 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). Since fiscal 2016, the Purchasing Division and RC & Quality Assurance Division are working together to identify tin catalysts, etc. within all Group product compositions registered in the chemical product safety information system. Every year, we conduct conflict mineral surveys of our suppliers using CMRT\* and confirm each year that none of these conflict minerals are purchased or used. The sustainable procurement SAQ includes a category for identifying all activities related to conflict minerals. Should we be shown in the future to have used conflict minerals, we will immediately halt procurement of the relevant minerals.

\* CMRT:

Conflict Minerals Reporting Template provided by the Responsible Minerals Initiative (RMI) for submitting reports on conflict minerals.

## Internal training for sustainable procurement

Mitsui Chemicals conducts sustainable procurement training that targets all of its Purchasing Division employees, and has been working to promote understanding of sustainable procurement and to put the knowledge into practice. In fiscal 2018, we provided a training program on the items covered in the sustainable procurement SAQ to all Purchasing Division employees to ensure their understanding of the aims of the SAQ. In fiscal 2019, we explained the sustainable procurement SAQ to purchasing personnel in our business divisions and domestic subsidiaries and affiliates. In fiscal 2020, a quality audit e-learning program was added to the requirements for employees in the Purchasing Division to study how the supplier and the buyer collaborate in assessing current conditions, to study processes that lead to improvements and to enable them to be applied in various forms of audit. In fiscal 2021, the Purchasing Division and the Corporate Sustainability Division co-hosted a workshop using GCNJ's Game Of Choice as the teaching material. Purchasing Division employees across the nation participated in the workshop (participation rate: 90%), where they offered their opinions as their own issues and each individual was able to deepen their understanding.





**Scope of reply:** \* Terms with numbers in parentheses correspond to the numbered items in the sheet (3) Explanation of Terms

Company:		Date of reply :	
Department:			
Business:			
Scope of reply:	Consolidated, Group in Japan (incl. main company), Main company alone, Individual Company, Business Division, Business site (incl. plant), Other		
Capital :		Employees :	

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

\*When using this list of questions, please confirm in advance on GCNJ's website (<https://www.ungcjin.org/activities/help/index.html>) that the list is of its latest version.

Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
I. CSR-related corporate governance	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 internal controls  In order to ensure the stablishment of an organisational structure for sound corporate management, 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.	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 business continuity planning (BCP) system  It is expected that a system is in place for business 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. *Related: Section III-4. Ban on inhumane treatments	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 non-financial information is dispatched appropriately inside and outside the company in response to requests from society and 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	1. Basic attitude toward human rights  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.  Examples of Major international frameworks and norms: Universal Declaration of Human Rights, Ten Principles of the UN Global Compact, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, UK Modern Slavery Act, etc.	Legal awareness	Are you aware of international standards and frameworks, national 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. Respect for human rights and prohibition of discrimination  Companies should respect human rights and have a responsibility to conduct decision-making and business activities without discrimination based on race, nationality, gender, 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.	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. Avoidance of complicity in (or contribution to) human rights abuses  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.	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. Respect and consideration for the life and culture of the local community and indigenous people  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, not limited to such issues regarding indigenous and minority people, 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.	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	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.
	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: Universal Declaration of Human Rights, International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, Ten Principles of the UN Global Compact, UN "Guiding Principles on Business and Human Rights," OECD Guidelines for Multinational Enterprises, UK Modern Slavery Act, etc.	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	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 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.	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.
		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.
	3. Provision of equal opportunities to employees regarding human resources development and career advancement, etc.	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.
		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.
	4. Prohibition of inhumane treatment	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 respect employees' human rights. Inhumane treatment, such as abuse, physical punishment and harassment, is prohibited.  Example: Systems such as an internal whistle blower system	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.
		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.
	5. Payment of fair wages	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 abide by the legal minimum wage of the country and region in which they are operating, and ensure that an appropriate collective agreement is concluded regarding matters such as overtime, and that extra pay and payment methods, etc., are applied fairly.	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.
		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.
	6. Fair application of working hours, time off, and paid time off, 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.
	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.	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.
		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.
	7. Prohibition of forced labor	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 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, unjustified retention of identification documents, etc., and unjustified collection of deposit (money) should not be practiced.	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.
		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.
	8. Prohibition of child labor	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 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.  Example: Age check when employing people	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.
		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.
	9. Respect for the religious traditions and customs of the country of operation	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 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.	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.
		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.
	10. Recognition of and respect for freedom of association and the right to collective bargaining	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 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.	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.
		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.
	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.
	Intent of question: To question whether work environments are provided that are safe and healthy for workers, understood and that appropriate safety measures, etc., are taken (including statutory								

including their mental health.	inspections, safeguards, danger signals, control of the handling of chemical substances, measures against dangerous work, and compliance with designations for and supply of 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 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: Rio Declaration on Environment and Development, Ten Principles of the UN Global Compact, ISO 14001, Paris Agreement, Basel Convention,  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, 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 GHG (greenhouse gases)  To counter climate change and prevent global warming 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 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 biodiversity  Your own company's business activities 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.								



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 antisocial forces/ organizations) in business processes producing/providing products and services.  Examples of Major international frameworks and norms related to fair business practices: Ten Principles of the UN Global Compact, OECD Guidelines for Multinational Enterprises, United Nations Convention against Corruption  Examples of Major laws and regulations related to fair business practices: 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. Prevention of competition law violations in sales activities, etc.  Bid rigging, cartels, abuse of dominant bargaining position, and other 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 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. Such examples include a purchase-sale contract between a company and one of its members of the BOD, and gifting a company's asset. Such cases must be approved in the company's general meeting of shareholders or a meeting of its Board of Directors.	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
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.  Examples of Main international frameworks and norms: ISO 9001, ISO/IEC Guide 51, EU New Approach Directives, and HACCP  Major laws and regulations related to quality and safety: Japanese domestic laws in this area include: 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 servies. [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, 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. 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, 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
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: Japanese domestic laws in this area include: 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, 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. Protection of personal information 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, 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. 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, 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



VIII. 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.  Examples of Major laws and regulations related to the supply chain: EU RoHS Directive, REACH Regulation, UK Modern Slavery Act, 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, 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. Use of raw materials not involved in conflict or crime (initiatives against 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: 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, 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
IX. Harmonious coexistence with local communities	1. Initiatives to reduce damage to the health, safety, and sanitation of local communities and residents  Companies are required to carry out initiatives eliminating such as noise, chemical substances, and accidents 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 contribute to the local community and residents and collaborate 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: <a href="https://www.unglobalcompact.org/">https://www.unglobalcompact.org/</a> )
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"> <li>• Chemical Substance Control Law (Japan): Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.</li> <li>• TSCA (US): Toxic Substances Control Act</li> <li>• REACH Regulation (EU): Registration, Evaluation, Authorization and Restriction of Chemicals</li> </ul>
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)	<p>"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.</p> <p>Antimonopoly Act (Japan): A law aimed at sound market development and the protection of consumer interests by maintaining free competition among companies.</p> <p>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.</p> <p>European Union competition law (EU): Antimonopoly law in the EU.</p>
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	<p>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.</p> <p>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.</p> <p>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.</p>
42	ISO 9001, ISO/IEC Guide 51, EU New Approach Directives, and HACCP	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

No.	Term	Meaning
43	Major laws and regulations related to quality and safety	<p>&lt;Explanation of abbreviations&gt;</p> <ul style="list-style-type: none"> <li>• LP Act: Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas</li> <li>• PMD Act: The Law on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical device</li> <li>• Housing Quality Act: Housing Quality Assurance Act</li> <li>• Premiums and Representations Act: Act against Unjustifiable Premiums and Misleading Representations</li> </ul>
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.

## Participating in Initiatives

### Participating in ESG Information Sharing Platforms and Acquiring Supply Chain Certification

The Group is participating in platforms ([Sedex](#), [EcoVadis](#)) that aim to improve corporate environmental and social practices within the supply chain through the sharing of information relating to these practices. Moreover, Mitsui Chemicals has acquired [RSPO](#) (Roundtable on Sustainable Palm Oil) and [Sustainable Castor Association](#) supply chain certifications.

[RSPO certification \(valid until Dec. 20, 2025\)](#)

[Sustainable Castor Association certification \(valid until Dec. 31, 2022\)](#)



### Participation in Global Compact Network Japan Supply Chain Working Group

Mitsui Chemicals has been associated with the initiatives of the Global Compact Network Japan (local network for the UN Global Compact in Japan). We have been participating in supply chain working group since fiscal 2013. As part of its efforts with participating companies to improve sustainable procurement throughout the supply chain, Mitsui Chemicals has been involved in drafting industry-wide self-assessment questionnaires (SAQs), exchanging opinions with NGOs and experts and raising awareness of these efforts among other organizations and companies. As the questionnaires were established based on the following concepts, the Group has taken the initiative in adopting the SAQs to improve sustainable procurement not only in its own supply chain but along with other participating companies throughout society.

- Hold discussions on equal treatment for companies that comprise our supply chains regardless of the size of their management resources (personnel, assets, funds); sustainable procurement is becoming an important step in building 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 open-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.

## Declaration of Partnership Building

Mitsui Chemicals agreed with the concept of "Declaration of Partnership Building" established by the Council on Promoting Partnership Building for Cultivating the Future, which consists of the chairman of Keidanren (the Japan Business Federation), chairman of the Japan Chamber of Commerce and Industry (JCCI), president of Rengo (the Japanese Trade Union Confederation), and relevant ministers as members, and has registered our declaration in the "Declaration of Partnership Building" portal website. As our Declaration of Partnership Building, we declared our goals of building a mutually-beneficial relationship across the entire supply chain, establishing new collaborations across business scales, groups, and others, and observing desired business practices with subcontractors.

# CERTIFICATE

## CU-RSPO SCC-842870

Based on an audit according to the requirements stated in the RSPO Supply Chain Certification Systems, version November 2014 (revised June 2017) and a signed contract, Control Union (Malaysia) Sdn Bhd herewith certifies that the site(s) listed below are found to be in compliance with the RSPO Supply Chain Certification Standard, version November 2014 (revised June 2017). This guarantees that the criteria for processing RSPO certified palm oil products through one or more of the supply chain models as stated in the RSPO Supply Chain Certification Systems have been met.

<b>Name of certified company</b>	Mitsui Chemicals, Inc
<b>Full address certified company</b>	6, Takasago 1-chome 592-0001 Takaishi Osaka JAPAN
<b>RSPO Number</b> (if applicable)	2-1139-20-000-00
<b>Other sites certified</b> (see annex 1)	<input type="checkbox"/>
<b>RSPO registered parent company</b> (if applicable)	
<b>RSPO member number parent company</b>	
<b>Scope of Certification</b>	Procurement and processing of Fatty Acid Methyl Ester, including storage and selling as nonionic surfactant.

<b>Certificate Start Date</b>	21-12-2020
<b>Certificate Expiration Date</b>	20-12-2025
<b>Date of first RSPO certification</b>	21-12-2015
<b>Certificate number</b>	CU-RSPO SCC-842870
<b>Supply chain model</b>	<input type="checkbox"/> Identity Preserved (IP) <input type="checkbox"/> Segregated (SG) <input checked="" type="checkbox"/> Mass Balance (MB)

### Authorised signatory name

Ms. N Hanida Binti Ismail

**Date of issue:** 15-12-2020

On behalf of the Managing Director

Authorised signature



### Issued by

Control Union (Malaysia) Sdn Bhd  
B-3-1 Block B, Pusat Perniagaan Prima Klang,  
Jalan Kota/KS 1,  
41000 Klang  
Selangor  
MALAYSIA  
0060-3-33771600/1700  
certifications@controlunion.com

Control Union (Malaysia) Sdn Bhd is accredited by ASI for certification against voluntary sustainability standards for scope of RSPO Supply Chain Certification on 05-11-2014 (ASI-ACC-069).

This certificate including the annex remains the property of Control Union (Malaysia) Sdn Bhd and can be withdrawn in case of terminations as mentioned in the licensee contract, or in case changes or deviations of the above-mentioned data occur. The licensee is obliged to inform Control Union (Malaysia) Sdn Bhd immediately of any changes in the above mentioned data.  
Only an original and signed certificate is valid.

Certificate version: C842870CU-RSPO SCC-02.2020



RSPO 8-0184-16-100-00



Sustainable Castor  
Association

# CERTIFICATE OF MEMBERSHIP

This is to Certify that

***Mitsui Chemicals, Inc.***



Mitsui Chemicals

Is an Ordinary Member of

***Sustainable Castor Association***

Enabling Sustainable Castor Farming and Sustainable Castor Oil and Derivatives Supply Chain

30th May 2022

Date

14th March 2022

Member Since

Authorized Signatory  
(Sustainable Castor Association)

31st Dec 2022

Validity Until



# Human Resources Management

Management System	Talent Management	Diversity
Compensation & Benefit	Talent acquisition	Talent and Organization Development
Employee-friendly Working Environment and Labor Productivity	HRIS and People Analytics	

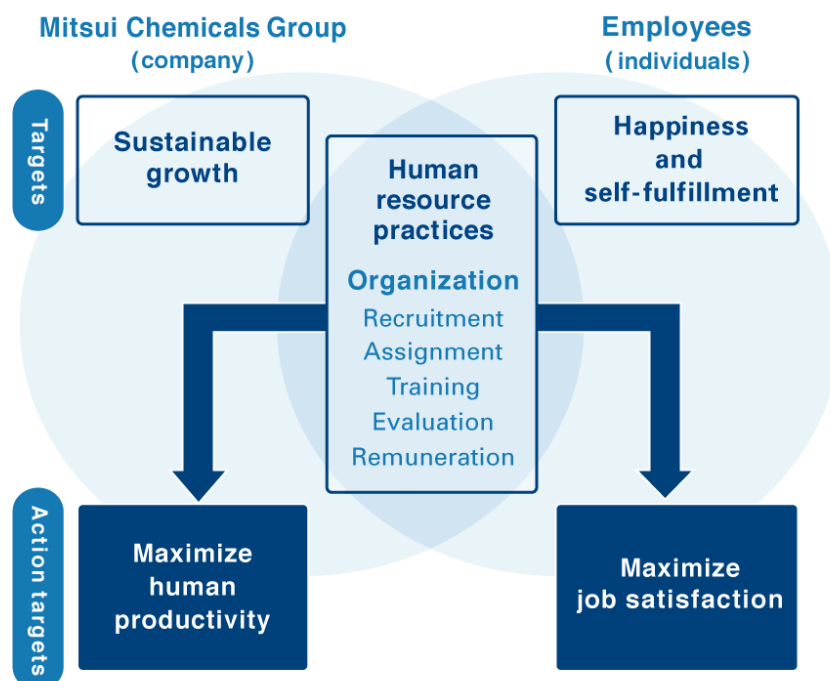
## Management System



### Policy and Basic Approach

Corporations today are questioned about how they can contribute to building a sustainable society. The Mitsui Chemicals Group is committed to creating the values that society requires, and the key to achieve this is human resources. Valuing individual employees is also important so that the company and employees each inspire the other on an equal relationship to create a better future together. Aiming to realize this, we set the simultaneous goals of “Sustainable growth of the Mitsui Chemicals Group” and “The happiness and self-fulfillment of our employees.” We plan to build an organization that always keeps learning and pushing its boundaries, driven by the full exertion of individual employees’ potential abilities. In this way, we will create our long-term competence.

The Mitsui Chemicals Group set out its Human Resources Management Policy to demonstrate its approach to both employees and stakeholders. Based on [the Action Guidelines](#), this Policy states our principles which are positioned and applied as the foundation of human resources measures across the entire Group. The Human Resources Management Policy is disseminated across the Group in Japanese, English, and Chinese.



## 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. "Maintain a High Regard 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 does not tolerate any form of harassment, and in turn supports and respects the protection of human rights.

### 3. "Dream-inspiring Innovation"

Mitsui Chemicals will require employees to have the following attitudes and engage in certain behavior in order to pursue the 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 take on challenges unflinchingly with full trust in our potential without fear of failure.
- To create novel value 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 develop the future generation by passing on our experiences and technologies.

- To integrate individual strengths into the organization through active communication.

We established Core Values\* as leading action guidelines to capture the spirit of all employees working at Mitsui Chemicals Group sites all 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 Mitsui Chemicals Group	Toward the happiness and self-fulfillment of employees
Organization	We flexibly design and form organizations to achieve our management and business strategies, appropriately allocating jobs (positions).	We form organizations and allocate people to make the best of each individuals' motivation, competency, and capability.
Recruiting	We employ human resources with diverse expertise and values who can contribute to the sustainable development of the organization.	We offer job opportunities equally to individuals who have the work motivation, capability, and diverse values sought by the Group.
Assignment	We actively employ human resources who have high potential to achieve fruitful results (the right person in the right position).	We allocate employees to maximize their motivation, career ambitions, and expertise.
Human Development	With a long-term perspective, we develop global experts and managerial human resources.	We offer various constructive training opportunities to develop employees' expertise and management literacy globally, and support their self-reliant career development.
Evaluation	We appropriately evaluate each individual's achievement and encourage their further growth through timely feedback.	We evaluate employees in a fair and objective manner to enhance their motivation and capabilities.
Compensation (Remuneration)	We aim to achieve a competitive compensation standard in the global market.	We aim to achieve a competitive compensation standard in the global market to secure motivated and capable human resources.

We also strive not to violate minimum wage regulations and working hours regulations on the basis of the laws and regulations stipulated by each country and region.

\* Core value:

Core value is to capture the spirit of all employees working at the Mitsui Chemicals Group sites across the world and to act as a unifying force, ensuring that we are all working toward the same goals.

Challenge	To encourage employees to challenge the status quo actively and openly.
Diversity	To learn about the cultures and histories of others to deepen understanding of each person's personality and ethnicity and make the most of this understanding for Mitsui Chemicals Group's growth.

## System and Responsible Officers

VISION 2030 starts in April 2022, and the Mitsui Chemicals Group has installed a new CHRO<sup>\*1</sup> in the Group's HR management structure and adopted a chief-officer system to enhance accountability and further drive reform global Group-wide.

As the highest-ranked officer of HR management, CHRO will not only devise and carry out HR strategies, but also organize and spearhead all HR activities to ensure human capital management, such as by acquiring the personnel and organizational capabilities needed to achieve management plans.

The idea is to continue to devise and carry out HR strategies and HR practices integrated with medium- and long-term management plans and business strategies, as well as to boldly invest and redistribute investments into human capital in a more timely manner global Group-wide, to accelerate business portfolio transformation under the CHRO system.

As for head office functions, we have installed Senior HRBP<sup>\*2</sup> as a partner to the HR management team and the management. This enables us to monitor and share the progress of management strategies in business sectors and functional divisions in a timely manner. Based on this understanding, we have been driving effective HR practices after reviewing HR strategies every year.

We have also organized a global CoC<sup>\*3</sup> system that includes HR representatives from Japan, Europe, the Americas, and Asia to devise and launch HR strategies and HR practices on global Group-wide levels, revolving around five functions: 1) Talent management, 2) Organizational and human development, 3) Global compensations and benefits, 4) Global platform & analytics, and 5) Global recruitment and branding.

The measures are shared and implemented by Regional HR Divisions, and the management and HR department in domestic and overseas subsidiaries and affiliates. We also periodically share and discuss the progress of mutual HR practices with the representatives of Regional HR Divisions and domestic and overseas subsidiaries and affiliates.

The measures critical to business are discussed by the company-wide and divisional Key Talent Management Committee. The Key Talent Management Committee develops future management candidates, as stipulated by the Management Committee and described in the Corporate Governance Guidelines.

<sup>\*1</sup> CHRO:

Chief Human Resource Officer

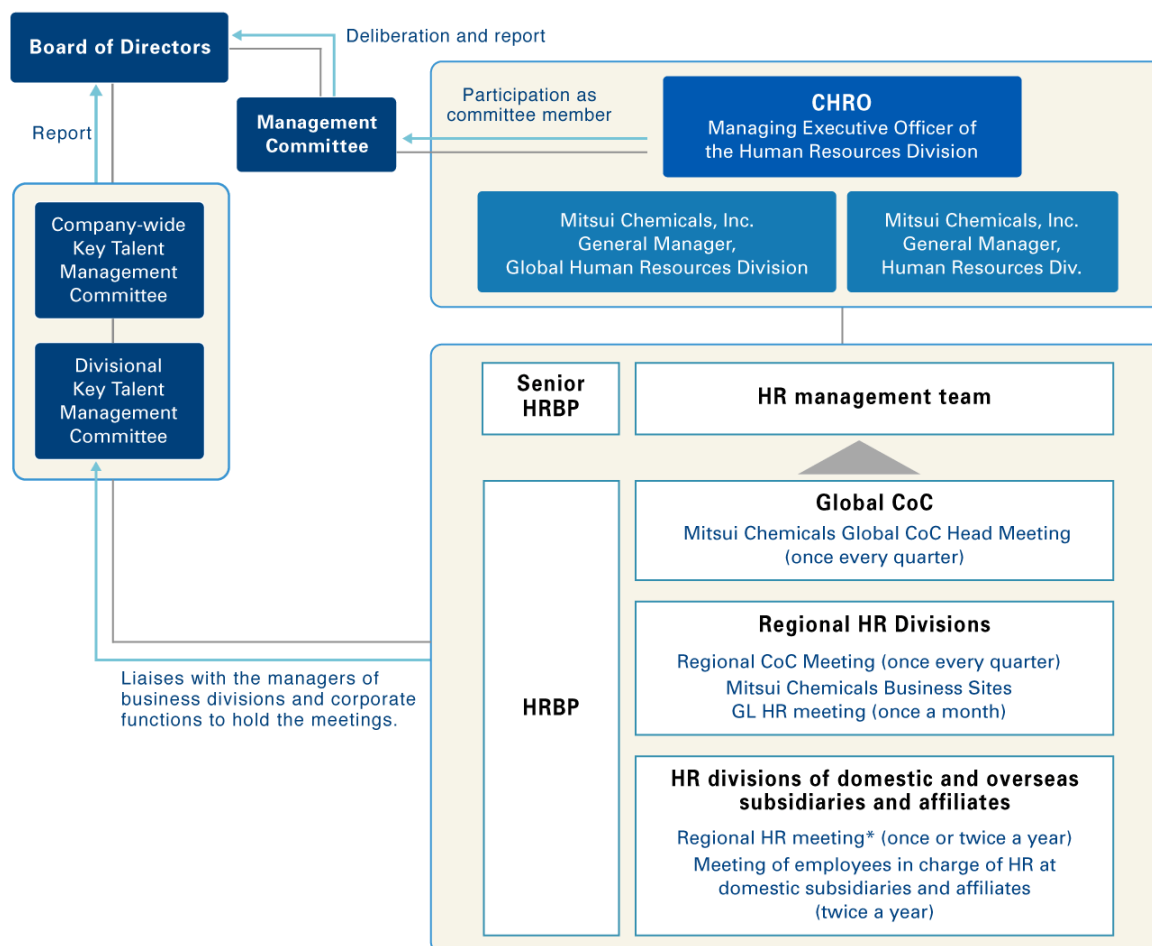
<sup>\*2</sup> HRBP:

Human Resources Business Partner. As the partner to the divisions and corporate heads, CHRO will drive the formulation and execution of HR strategies and HR practices integrated with various business strategies and functional strategies.

<sup>\*3</sup> CoC:

Center of Competence. A designated HR function to oversee the entire group.

## Human Resources Management System



\* Comprehensive regular meetings for HR officers from each company in the region (the Americas, Europe, China, and Asia Pacific) to exchange information and promote HR measures specific to each region. The meeting frequency varies depending on the region.

The state of compliance of HR management at sites and affiliated companies is being checked regularly with internal audits conducted by the Internal Control Division.

## Goals and Results

### Key Talent Management

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Successor coverage rate for critical positions	Mitsui Chemicals Group	—	233%	—	235%	250% (FY2025, FY2030)

### Diversity

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)

			Goals	Results	Level Achieved	Goals	Goals
Executive officers with diverse backgrounds		Mitsui Chemicals, Inc.	—	Number of executive officers with diverse backgrounds: 3 (including 1 woman)	—	Diversity rate of future executives: 20%	Number of executive officers with diverse backgrounds $\geq 10$ (including at least 3 women)
Women in management positions (manager-level or above)			5%	4%	×	6%	15%
Percentage of women among regular recruitment	Career-track administrative positions	Mitsui Chemicals, Inc. registered employees	40%	47%	○	40%	40% or more
	Career-track technical positions		20%	18%	×	25%	25% or more
	Skilled staff (mainly factory operators)		7%	5%	×	10%	10%
Ratio of employees with disabilities			2.4%	2.5%	○	2.4%	—

\* The past regular recruitment data posted on this website is based on the data of employees who joined the company in the applicable fiscal year. Therefore, the numerical values may differ from those on the Action Plan for Women's Empowerment in the Workplace II, which shows the overall number of employees expected to join the company in the next fiscal year.

## Employee Engagement

KPI	Scope	FY2021			FY2022	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Engagement score	Mitsui Chemicals Group	36% or more	34% (Previous survey 31%)	×	Percentage of improvement plans on FY2021 survey carried out: 100%	40% (FY2025) 50% (FY2030)

# Human Resources Management

Management System	Talent Management	Diversity
Compensation & Benefit	Talent acquisition	Talent and Organization Development
Employee-friendly Working Environment and Labor Productivity	HRIS and People Analytics	

## Talent Management

### Human Resource Strategy

The Mitsui Chemicals Group has been devising and implementing human resource strategies based on long-term management plans, and various HR/organizational strategies to address identified priority issues, steadily spearheading the reformation of the business portfolio on global Group-wide levels and expanding businesses across the globe in terms of HR management. As a result, since Mitsui Chemicals was established in 1997, the Group has grown to 161 consolidated subsidiaries and 18,781 employees (as of the last day of March 2022, excluding contract employees). Furthermore, the overseas sales revenue ratio has expanded to 47.8%.

To achieve VISION 2030 announced in 2021, we have identified priority issues and devised and updated measures associated with our HR strategy, which is essential for achieving the vision. Our HR strategy covers the following priority issues: (1) Acquiring, developing, and retaining talents; (2) Increase employee engagement; and (3) Reinforce global HR governance in the Group and actively disclose our human capital value. There are measures in place to address these issues. Acknowledging the environmental changes surrounding our business (such as digitalization, declining birth rate and aging population, changes in career ambitions, new ways of working, obligatory disclosure of information on intangible human capital, and investment in human capital), we are accelerating the implementation of HR-related measures global Group-wide.

### Priority Issues and Measures in HR Strategy

#### Our Ideal State in 2030



Being able to acquire, develop, and retain talents who can create businesses linked to social issues by collaborating with customers and partners.

#### Priority issues and measures for our human resource strategy

- Strategic recruiting, development, and retention of highly diverse future executives
  - Key talent management
  - Advancing job-based HR management
- Design of human resources portfolio aligned with the ideal business portfolio
  - DX personnel development



Being able to transform to a corporate culture that has transformed its improved employee engagement into organizational power.

- Embodying "self-initiative, autonomy, and collaboration"
  - New work-style that achieves the "best mix"
  - Continuous action for greater engagement
  - Compensation & Benefit system to develop a culture that embraces making challenges



Being able to organize our Group's HR governance and communicate our human capital value internally and externally.

- Advancing HR governance, including handling M&As
  - Competitive compensation design
- Development of a Group-integrated HR platform
  - Promoting analytics

In order to promptly create and implement HR measures corresponding to the above measures on a global Group-wide level, we will reinforce regional HR functions by setting the Global Human Resources Division—established in April 2019—as the heart of CoC functions, which include talent management, talent development, total rewards, and the Human Resources Information System (HRIS) & People Analytics.

## Key Talent Management and Strategically Critical Position Successor Plan

We define people who will take on strategically critical positions, such as next-generation management candidates who will reform our business portfolio from the viewpoint of resolving social issues, and path finders who can reform businesses with novel ideas for solution-based business models in view of global expansion and M&As, as "human resources who can create businesses linked to social issues by collaborating with customers and partners." Acquiring, developing, and retaining such talents is an urgent issue in terms of our HR strategy to achieve the Mitsui Chemicals Group VISION 2030. To strategically acquire and develop such talents, our Group has adopted and implemented key talent management as a shared framework on global Group-wide level. Our corporate governance guidelines position key talent management at the center of the system for planning the successors for future management, including senior managers (such as sector presidents and CxOs.) The scheme is designed to select future management candidates at an early stage and strategically train them according to the clearly defined credentials required of a management executive. We hold Divisional and Company-wide Key Talent Management Committee meetings every year. Through these meetings, we select next-generation management candidates and create development plans tailored to individuals, including assessments, creating skill development opportunities, and strategic appointments. In particular, HR requirements for management candidates have been redefined in 2022 to achieve VISION 2030 and important initiatives have been implemented to select candidates more appropriately and to devise more effective training plans.

Strategically critical positions for implementing each strategy (mainly general managers and higher, and presidents of major affiliates) and positions for which strategic training and assignment should be promoted (to train management candidates for the future generation) are being identified and approved by the company-wide human resource development committee, and successors are being planned for such positions. The committee also creates career development plans concerning these positions. We have identified some 120 strategically critical positions and training positions across the world and are actively acquiring suitable human resources from inside and outside the Group to fit into these positions.



The progress of key talent management and successor plans for strategically critical positions is periodically reported to the Board of Directors, so that the Board can periodically and objectively monitor the progress of developing a talent pipeline for the future, and actively make suggestions to fulfill the human resources pool that will lead to the Director Nomination Committee, thus creating a framework with strong capabilities for the whole Group.

## Key Talent Management Process



## Key Talent Management System



\*1 The proportion of group employees who are future sector president candidates for Mitsui Chemicals, Inc. headquarters

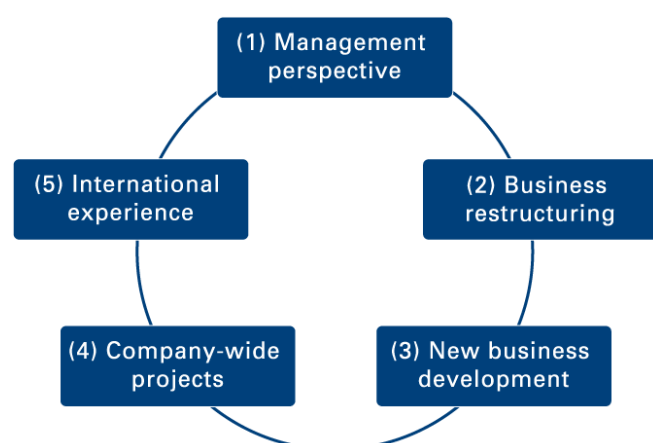
\*2 The proportion of group employees who are future general manager candidates for Mitsui Chemicals, Inc. headquarters

## Qualification and experience required for management candidates

### Two HR requirements for management candidates:

1. Must possess knowledge and experience to manage the business accurately and fairly towards achievement of the business vision.
2. Must possess keen insight, a wide view, ethics, fairness, and honesty.

## Experience required of a management executive



Five axes	Description
(1) Management perspective	<ul style="list-style-type: none"> <li>- PL in multiple business divisions (business responsibility in different areas)</li> <li>- Management of subsidiaries, etc.</li> </ul>
(2) Business restructuring	<ul style="list-style-type: none"> <li>- Restructuring of at-risk businesses</li> </ul>
(3) New business development	<ul style="list-style-type: none"> <li>- Planning and execution of new business models</li> <li>- Novel business creation (market, products, or customers) etc.</li> </ul>
(4) Company-wide projects	<ul style="list-style-type: none"> <li>- Staff management in relation to company-wide issues</li> <li>- Creating long-term plans</li> <li>- Major M&amp;A and alliance management, etc.</li> </ul>
(5) International experience	<ul style="list-style-type: none"> <li>- Managing overseas companies</li> </ul>

### FY2021 progress

- **Divisional Key Talent Management Committee meetings (10 times)**  
Managing Executive Officers and General Managers etc. participated in the meetings and selected key talents from across the group. Created a tailored development plan (appointments & training) for each talent.
- **Company-wide Key Talent Management Committee meeting (once)**  
CEO and Managing Executive Officers participated in the meeting and selected management candidates from the key talents nominated by the Divisional Key Talent Management Committee. Confirmed and approved the tailored development plans (appointments & training).  
Also, confirmed the direction of development and appointment of key talents who will take the rank of Head Office Team Leader or lower in the global Group-wide.  
Confirmed and approved the revised strategically critical positions defined based on VISION 2030 business strategies.
- **The successor coverage rate defined in ISO30414 as a potential standard for human resources has been set as a management indicator to measure the efficacy of key talent management.**
- **The skill development program has been continued to confirm the direction of medium- to long-term development of management candidates as key talent management assessment.**

### Plans for FY2022

- **Redefine the HR requirements for future management (CxOs) (associated with VISION 2030)**  
Clarify the competencies, skills, experience, and credentials required for each management position to elaborate the successor plan and the selection process of candidates for strategically critical positions.
- **Hold an action plan meeting to follow up and ensure implementation of the key talent development plans.**
- **Start to monitor the diversification of key talents and evaluate diversity-promoting measures, with considerations given to non-financial KPIs for VISION 2030 and the number of diverse executive officers (women, non-Japanese, and mid-career recruitment).**
- **Continuously watch the successor coverage rate, which shows how full the successor pool is, along with the successors' age and the number of overlapping nominees, to confirm the effect of developing the talent pool.**

## Successor coverage rate/number of diverse executive officers

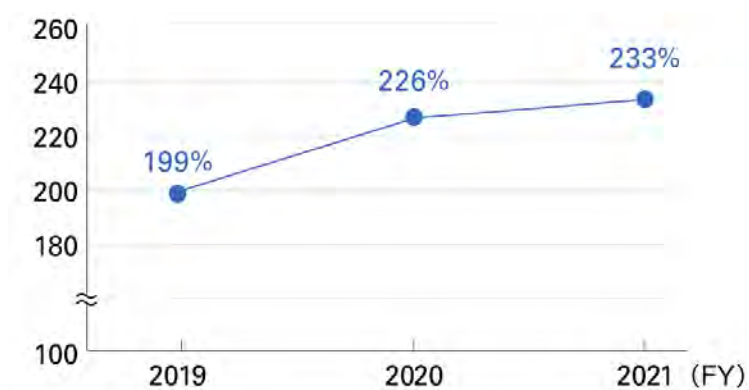
The successor coverage rate\* shows the percentage of secured successor candidates against the number of positions strategically critical to achieving company-wide strategies. The rate is regularly monitored. Today, many companies are working on succession planning, namely devising plans for successors. To understand the situation quantitatively and guarantee its effectiveness, we have set the successor coverage rate as a non-financial indicator in VISION 2030, which we disclose to the public. We have also set a target value for the number of diverse executive officers, including women, non-Japanese, and people of mid-career recruitment, to continuously and steadily develop successors while paying attention to their composition. Executive officers recruited in April 2022 include women, non-Japanese people, and people of mid-career recruitment as part of our diversity initiatives at the management level.

Going forward, we will continue to work on talent management measures, accelerating them with business measures according to the needs of society and the times.

\* Successor Coverage Rate:

The number of successor candidates for strategically critical positions / The number of strategically critical positions.

## Successor coverage rate for critical positions



### VISION 2030 Non-financial metric KPI

Diversifying executive officers  
(woman, non-Japanese nationals,  
and mid-career recruitment):

**Total 10**  
(including at least 3 women)

### FY2022 Diversity of our executive officers

Women: 1, Non-Japanese nationals: 1,  
Mid-career recruitment: 1

**Total 3**

Newly appointed:  
Woman



**MATSUE Kaori**  
Executive Officer  
General Manager,  
Planning & Coordination  
Div.  
of Production and  
Technology center

Newly appointed:  
Non-Japanese national



**Antonios Grigoriou**  
Executive Officer  
President,  
Representative  
in America;  
President,  
Mitsui Chemicals  
America

Newly appointed:  
Mid-career recruitment

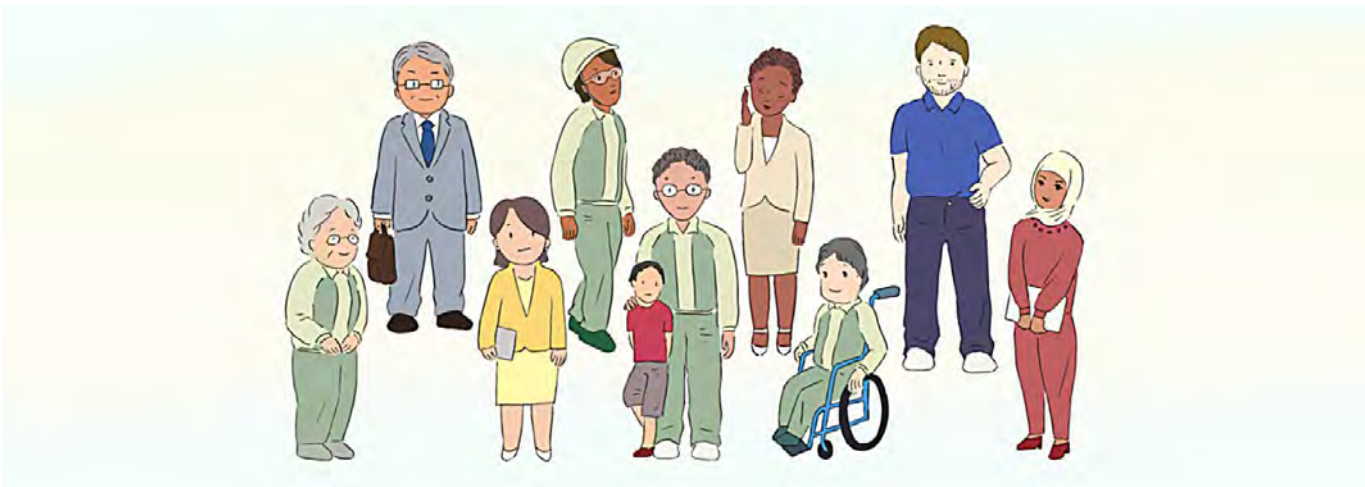


**SAMBE Masao**  
Managing Executive  
Officer  
Sector President,  
Digital Transformation  
Sector

\*Each affiliation is from the time when the article was created.

Management System	Talent Management	Diversity
Compensation & Benefit	Talent acquisition	Talent and Organization Development
Employee-friendly Working Environment and Labor Productivity	HRIS and People Analytics	

Diversity



\* Updating [Facebook](#) !

The Mitsui Chemicals Group positions diversity as one of its core values, based on the belief that it is essential not only to promote various initiatives related to the promotion of diversity as a responsible and influential member of society, but also to enable the sustainable growth of our Group. 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. We also believe that promoting diversity is an important business strategy.

The Mitsui Chemicals Group is resolute in not permitting any discrimination whatsoever based on race, national origin, birthplace, social origin, caste, family lineage, religion, disability, age, gender, sexual orientation, gender identity, family background, marital status, membership of unions, political views, or any other differences as stated in [the Mitsui Chemicals Group Human Rights Policy](#). Aiming to adapt to the diversifying career ambitions of our employees and the changing values perceived for each work style, we are working to implement various diversity promotion measures.

Diversity Promotion Structure

In fiscal 2006, the Mitsui Chemicals Group formed a women’s empowerment promotion team as an organization to embody the management policy for this initiative, and has been working to develop female managers and create a comfortable working environment for women. In fiscal 2015, the Diversity Promotion Office was established in the HR Division to boost the recruitment, training and promotion of women in response to the passing of the Act on the Promotion of Female Participation and Career

**Advancement in the Workplace.** In fiscal 2016, the division became responsible not only for the advancement of women but also for the advancement of minorities in general within the Group. In fiscal 2019, the division was renamed the Diversity and Inclusion Group. We are establishing a structure that promotes further diversity under the leadership of the senior managing executive officer responsible for the HR Division and the Global HR Division and the general managers of the HR Division. In addition, as part of the initiatives for VISION 2030, we have set the target number of diverse executive officers and ratio of female employees in management positions, and the management is committed to promoting diversity by reporting its progress and measures to the Management Committee for approval.

## Encouraging Women's Advancement

For the past 30 years, Mitsui Chemicals has been actively appointing women for business activities in the workplace, such as by assigning female employees to plants and actively hiring women with technological backgrounds for career-track positions. In particular, since establishing the women's empowerment promotion team in 2006, we have focused on enhancing our systems and fostering a corporate culture where women can continue to work. In recent years, very few female employees have left the company due to insufficient support for childcare, which is a testament to the impact of our initiatives.

Our initiative for empowering women has entered its second stage, where we are currently tackling the challenge of increasing the number of women in decision-making roles. We have set numerical targets to increase the ratio of women in management positions in Mitsui Chemicals to 6% by the end of FY2022 in the short term, to 10% by the end of FY2025 in the medium term, and to 15% by the end of FY2030 in the long term (VISION 2030).

To achieve these goals, we believe it is necessary to further promote accurate knowledge of diversity through management and communication, particularly among managers, and to close the gap in the ratio and speed of promotion to manager-level positions between male and female employees, because the latter currently falls behind their male colleagues.

Specifically, we provide training programs and activities on unconscious bias for general managers and new line managers for them to understand that it is necessary to communicate with female employees who are parents and provide them with opportunities to challenge themselves accordingly, rather than one-sidedly giving excessive consideration, as well as to give proper consideration to male employees who are parents.

To demonstrate the management's commitment, the CHRO and outside directors hold lectures on women's empowerment and we also organize career seminars by women who serve as role models.

In addition, in order to increase the ratio of female employees across the company, we emphasize that we provide a comfortable work environment for female employees and actively introduce our successful female employees when recruiting new graduates. We have also set target ratios for female employees, aiming to increase the ratio of female new hires for career-track positions to approximately 30% and to build a human resource pipeline that retains that ratio by achieving at least 40% for administrative positions and 25% for technical positions by the end of FY2023.

For skilled positions, we have set a target to achieve a 10% ratio of female employees by the end of FY2023. We set this target based on the fact that the current ratio of female graduates of technical high schools and technical colleges who majored in mainly eligible disciplines is approximately 10%.



## CEO Message for Women's Empowerment

Mitsui Chemicals is aiming to change its business model by transforming the business portfolio. We must create an environment where a diverse group of people can make the most of their unique talents and potential, and expect ever more opportunities for women to fulfill their potential. We provide a better work environment for employees with family responsibilities such as childcare and nursing care, as our employees have been using our teleworking program more effectively since the COVID-19 pandemic. Such a work environment will also create promotion opportunities for women. We will continue to implement initiatives that encourage the recruitment of talented people.

HASHIMOTO Osamu

Representative Director, President & CEO



## A Message from the Outside Director

Promotion of workplace diversity—the source of innovation and reform—is indispensable for Mitsui Chemicals to build a sustainable society and create corporate value through its business model conversion and business portfolio reform. The Company lists “Diversity” as one of its Core Values, and is committed to permeating the true value of diversity throughout its organizations to further improve its capabilities as a whole. Women’s advancement is the first step to achieve this diversification and its progress is clearly visible and monitorable.

Women advancement plays a key role in Mitsui Chemicals’ sustainable growth and can provide a significant impact on its medium- to long-term business results. Therefore, this progress can serve as an indicator of Mitsui Chemicals’ commitment.

I will continue advising on and supervising this progress as an outside director.

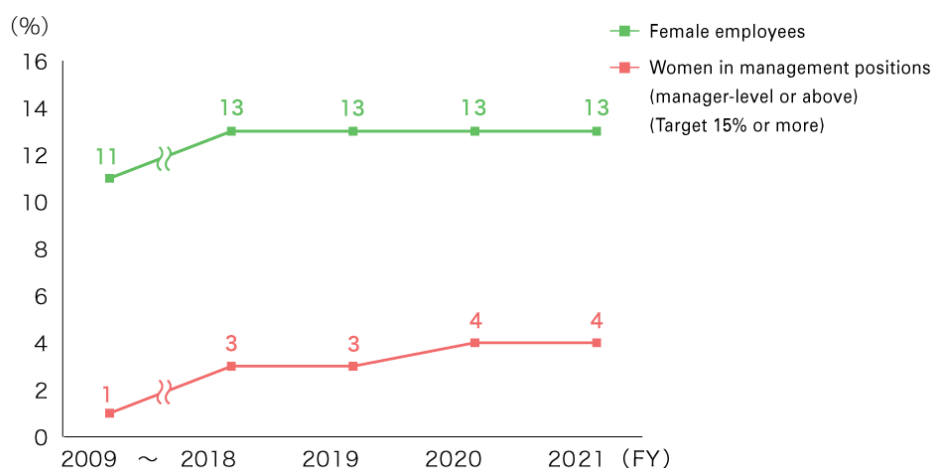
YOSHIMARU Yukiko

Outside Director

\* To secure diversity in the Board of Directors, we try to appoint more than one female director since 2006.

\* Each affiliation is from the time when the article was created.





#### Percentage of Women among Regular Hires (Mitsui Chemicals, Inc. registered employees)

	FY2019	FY2020	FY2021	FY2022 Goals
Career-track Administrative Positions	52%	50%	47%	40% or more
Career-track Technical Positions	16%	15%	18%	25% or more
Skilled Positions (mainly factory operators)	11%	7%	5%	10% or more

### TOPICs (1)

#### Women's empowerment initiatives joined by the management and employees

The Mitsui Chemicals Group is actively hiring women and implementing a variety of personnel measures to appoint women to management positions, while at the same time listening to employees of the Group and working to foster an organizational culture where employees are united in the efforts to empower women.

In FY2021, we held an event focused on employee participation. More than 100 employees participated in the project titled "Dialogue with Female Leaders: Becoming a Leader." Unlike a traditional lecture, the participants were able to exchange frank opinions via online surveys and chats in this event. After joining the event and listening to employees exchange frank opinions, the president said, "I was reminded that we must provide fair evaluation and opportunities. I hope we will have more opportunities for communication like this." As a follow-up to this event, we held small-group dialogue sessions, where 29 Japanese and non-Japanese participants of both genders from all over Japan engaged in dialogue and shared their experiences several times on the subject of how to increase the number of female leaders, and declared their "one action," which is the first action they will take to implement that. The president and CHRO also joined this event and declared that they would hold an executive dialogue on diversity as their own one action. As declared, in support of the International Women's Day on March 8, 2022, they held an executive dialogue based on the assigned book ("Danjo Kakusa Koshin Koku no Shogeki [Shocking Facts about the Gender Gap in Japan]") by Shogakukan, authored by Jibu Renge). The president, CHRO, and general managers of a wide range of divisions (research, plant, business, and management) shared issues related to women's empowerment, exchanged opinions on how to solve them, and discussed unconscious bias and how to create equal opportunities. We posted an article of the executive dialogue on the company bulletin board and the discussion was widely shared with employees as messages from the management.





## TOPICs (2)

### - Launching the “Lean In Mitsui Chemicals” Circle -

We have formed an opt-in activity club with the aim of promoting and supporting diversity in leadership that accommodates a wide range of attributes. The philosophy of “Lean In” is to create a society where people of all genders can be ambitious and take on challenges. This group holds dialogues on a variety of topics each month and the members set their one actions and share their progress in the following month. We would like to go one step further from respecting diversity to increasing the number of people who are aligned on fostering a culture that encourages and cherishes diversity.

\* There are approximately 50,000 Lean In Circles around the world. We are registered with a family circle of [Lean In Tokyo](#), which has been designated by the U.S. as the Japanese representative.



Initiator: TSUBOI Hiromi  
(Advisor, D&I Group, Human Resources Division)

## Non-Japanese national Employees’ Active Participation in the Workplace

The Company began the full-scale hiring of non-Japanese employees in Japan in 2005. For non-Japanese national employees working in Japan, we provide dedicated consultation services. In addition to supporting trouble-free work and life styles, we are committed to maintaining a workplace that provides non-Japanese national employees with a good work environment and employing talented human resources.

### Specific Examples of Assistance Provided to Non-Japanese national Employees

- Assisted with Japanese language training
- Assisted with visa procedures
- Addressed daily inquiries regarding HR systems, initiatives, company regulations
- Conveyed information required for working in Japan in English and Japanese
- Conduct inclusion study lectures (promote awareness of cultural differences)
- Created English manuals for HR-related applications
- Responses to consultations from non-Japanese employees (assigned staff in charge to each business site)

## Number of Non-Japanese national Employees (Mitsui Chemicals, Inc. registered employees)

FY2018	FY2019	FY2020	FY2021
54	54	53	56

## Enabling Employees with Disabilities to Reach Their Full Potential in the Workplace

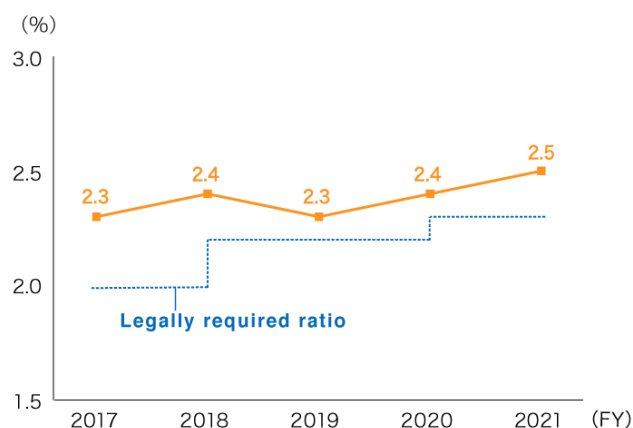
In hiring employees with disabilities, the Company goes beyond achieving the legally required employment ratio and is committed to maintaining an environment in which people with disabilities can play an active role while accumulating their skills, and feel accepted as members of the organization. Before assigning an employee with disability to a certain position, we select the most appropriate place for the employee, taking into account not only their job role, but also the work environment and workplace members, to avoid putting under pressure on the employee to adapt to the work environment. In addition to conducting training sessions at sites that accept employees with disabilities to help other employees understand what a disability entails, we set incubation periods and adaptation/learning periods for a certain period after hiring and introduce measures suited to the employee's particular disability to enable them to work smoothly. We also provide regular interviews for both employees with disabilities and their superiors to help to retain employees with disabilities in the workplace. Listening to difficulties and issues from both sides helps to improve the workplace environment and work styles and creates a comfortable work environment. We also offer subsidies for learning skills that are useful to employees with disabilities in their work, such as language and computer skills, to help improve their skills in a way that is suited to their individual talents. We also hold inclusion lecture meetings that employees with disabilities or illnesses speak about their own disabilities and experiences, to foster a climate that accepts into the organization not only people with disabilities but also people with diverse personalities and characters and people receiving medical treatment. The program has been conducted online since FY2020, enabling participants from business sites across the country to participate.

Mitsui Chemicals has endorsed and signed on to "The Valuable 500" in October 2019. Launched at the World Economic Forum's Annual Summit, the Valuable 500 is an initiative created to promote the participation of disabled people in the workforce. The initiative looks for business leaders to carry out reform that allows disabled people to fulfil their potential in business, society and the economy.

### Mitsui Chemicals Group Signs on to "The Valuable 500" Initiative



Ratio of Employees with Disabilities  
(Mitsui Chemicals, Inc. registered employees)



## Employee Comments

**"A workplace where you can grow your career"**

At Mitsui Chemicals, you can grow your career at your own pace.

Although I joined this company as a new graduate, I got used to the workplace by working on routine tasks regularly in the beginning.

I mainly analyze personnel data. I have been in charge of this since my first year with the company and find it rewarding to be involved in a relatively new field. In addition, I voluntarily took on the challenge of working on an intra-departmental project in FY2021 that involved a large number of people. I was not originally good at coordinating with many people, but I gained a new perspective after joining the voluntary project.

Recently, I have been involved with managing the department, which has made me more aware that I'm a member of this organization and further nurtured my sense of responsibility.

In the future, I'd like to take initiatives more autonomously to further help improve the department's performance.

Joined the company in 2017  
(developmental disability)

## Retired Employees' Active Participation in the Workplace

Mitsui Chemicals is moving forward in making use of the wealth of experience possessed by senior human resources, and to those retired employees who wish to continue working, calls for ongoing employment through its system of rehiring. We do this to address the challenges presented by the shortage of human resources associated with our expanding business operations and the generational retirement of whole generations of employees who were recruited in large groups, as well as to utilize employees who are highly motivated to work, even after their retirement. From fiscal 2018, we will improve the level of compensation offered when rehiring to increase the numbers of employees who wish to continue working.

Ratio of Re-employment for Retired Employees (Mitsui Chemicals, Inc. registered employees)

FY2018	FY2019	FY2020	FY2021
87.6%	85.5%	87.1%	86.6%

## LGBTQ Awareness

The Mitsui Chemicals Group Human Rights Policy prohibits all forms of discrimination whatsoever, including sexual orientation and gender identity. The harassment lecture in the compliance e-learning program targeting all employees covers topics such as prohibition of discrimination and harassment over sexual orientation, in addition to conventional topics on sexual and power harassment. In addition, we have added Sexual Orientation Gender Identity (SOGI) harassment as an option of the topics to be discussed during the Workplace Discussion, where employees discuss various topics related to legal compliance at their workplaces. In addition, we have added "Diversity Seminar" to the training program for new line managers to educate them on Sexual Orientation Gender Identity (SOGI) harassment and what actions they should take when consulted by their team members.

In November 2020, we endorsed the LUX Social Damage Care Project announced by Unilever Japan Customer Marketing K.K., by abolishing the requirement for gender description, photo submission, and dressing in a standard recruitment suit at the time of job application. This is our effort to employ people with motivation and skills regardless of their gender or appearance.

In FY2021, we launched a project involving different business sites to discuss measures to foster a more facilitating environment for LGBTQ employees. As one of the measures, we have launched the ally declaration initiative to increase the number of allies, or supporters, who demonstrate willingness to understand gender minorities. The Mitsui Chemicals LGBTQ Ally Declaration was launched for employees to demonstrate that they are willing to actively understand and stand by gender minorities, not that they have sufficient relevant knowledge. President Hashimoto was the first person to sign the Declaration, and others in the company have gradually joined.

In April 2022, we launched a hot line dedicated to LGBTQ support. This desk is dedicated to (1) consultation on harassment, (2) consultation related to the coming out of an employee with that person's permission, and (3) inquiries regarding the use of the company's benefits. We will also continue our efforts to increase the number of allies.



## History of LGBTQ Efforts

FY2016	Voluntary learning session inviting a transgender person (head office)
FY2017	LGBT awareness training for harassment contact officers in domestic Mitsui Chemicals Group
FY2018	Lecture by a transgender person
	LGBT awareness-raising lecture as a part of New Line Manager Training Program (held annually since then)
FY2019	A movie to encourage understanding of sexual minorities
FY2020	LGBT lecture as a part of new employee training (introducing the consultation contact, etc.)
	Study group on the Act on Comprehensive Promotion of Labor Measures and SOGI harassment for the Mitsui Chemicals Group HR officers
	SOGI harassment lecture to General Managers and Group Leaders across the Company (450 persons)
FY2021	Conducted lectures on SOGI harassment for team leaders across the company (approx. 430 leaders)
	Launched Mitsui Chemicals LGBTQ Ally Declaration
FY2022	Launched a hot line dedicated to LGBTQ support

## Understanding Multiculturalism

Since fiscal 2014 we have provided the Global Business Skill Training, to teach the skills needed when working with multicultural teams. This training program is targeted specifically at employees who have been assigned abroad and engaged in overseas business, that involves managing multicultural teams and negotiating with business partners from different cultural backgrounds. About 30 employees are selected to participate in this program each year. The participants learn about religions, cultures, and ways of thinking in different countries and regions through concrete case studies of business communication, in addition, the program aims to improve employees' language ability by learning how to give presentations and case studies and hold meetings in English.

In addition, in fiscal 2021, we held an online seminar with Ms. Rochelle Kopp, President of Japan Intercultural Consulting, who explained the characteristics of Japanese culture from a non-Japanese perspective and tips for cross-cultural business communication.

## Training and Lectures Related to Diversity Promotion

### Diversity Seminar in the New Line Manager Training Program

New Line Manager Training Program is mandatory for all newly-appointed line managers who will be responsible for subordinates. Since fiscal 2020, the program has been conducted online.

#### Diversity Seminar (2 hours)

Program	Details
Why diversity is necessary in an organization	An explanation is given, including social trends and well-known corporate presidents' comments. The program also notes that advancement of women is a key to progressing diversity in an organization and the importance of increasing the number of women among decision-makers.
Obstacles to diversity (unconscious bias)	Concrete examples of unconscious bias from past documents are introduced. An e-learning program is also available, and many participants said they realized that they had more unconscious bias than they had thought.
Harassment	The program explains about possible workplace harassments. Participants discuss in a group how they should handle SOGI and paternity harassments as managers using concrete examples.



Training at the Omuta and Osaka Works



## Training for Female Skilled Staff (factory operators engaged in technical work)

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This training is intended for female skilled staff, who are mainly factory operators engaged in technical work. The purpose of this program is to provide an opportunity for female operators to interact with female operators from other business sites and think about their careers. In fiscal 2021, the program was held online for the first time, including the “health seminar for women with irregular work schedule,” which was also joined by their supervisors. The purpose of this program is to help supervisors understand health issues specific to women and to create a culture where female employees can talk about their health issues without hesitation even in workplaces with few female employees. At the beginning of the training, we held a discussion session with President Hashimoto to promote their interaction.



Online discussion between the president and female operators

## Women's Careers and Health

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Women sometimes experience difficulties working due to pregnancy, childbirth, menopause, or illnesses specific to women. To help female employees learn about and prevent relevant issues in advance and continue to work while coping with changes in their own physical conditions, we have been holding lectures titled “Women's Careers and Health” since fiscal 2017. In fiscal 2021, we held a seminar on women's mental health by Yuko Miyata, a representative of the Wellness Dialogue Institute, where participants learned about mental issues specific to women.

## Dispatching Female Employees to External Career Training Programs

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Every year, Mitsui Chemicals dispatches 10 to 20 employees to external training programs designed to improve the management skills and motivation of female employees who are aiming for managerial positions, as well as those designed to help female candidates for general manager and director positions learn business management and build external networks. Exchanges with other business women in similar positions from different companies give employees an opportunity to meet women who can become a role model and raise their career awareness.

## Participant's Comments

### Women's Initiative for Leadership (WIL) by the Ministry of Economy, Trade and Industry

I was convinced that we are in urgent need for diverse talent that supports companies and society to adopt to the drastically changing business environment. When I participated in this program, I was still clueless about what I needed to learn.

I found this program to be a productive and extremely valuable opportunity for people of all genders. This program consisted of in-depth group work and lectures by a variety of speakers, and was designed to help participants recognize multiple perspectives and ways of thinking for a number of social challenges and notice the connections among various events.

Between April and December, the program was held in a hybrid style that combined onsite and online sessions due to the pandemic, but we gradually became friends as each group spent several hours per night discussing their policy research topic.\* I will never forget how happy I was when we all finally gathered face-to-face at the final debriefing and greeted one another while exchanging business cards.

I am convinced that the knowledge, interests, perspectives, and networks I built here will be a valuable source for my future activities.



**SEKIGUCHI Michiru,**  
Deputy General Manager,  
Corporate Sustainability Division

\* Each affiliation is from the time when the article was created.

\* Research theme:  
work style reform, new values, regional revitalization, measures for combating global warming, and social disparity

## Training and lectures for diversity promotion

### Fiscal 2021 Results (Cumulative total number of participants: 1,097)

Theme	Lecturer	Target
Learning about cross-cultural communication	External experts	Employees
"Don't give up on decluttering!" An ADHD organization and storage advisor shares tips based on her own experience	External experts	Employees
Discussion among employees with visual impairment: life and work	Employees with disabilities	Employees
Employee training for accepting eye mates (guide dogs)	External experts	Employees
Child abuse	External experts	Employees
Dialogue among women in management positions: Working in management positions while parenting	Internal lecturer	Employees



<b>Seminar on balancing job and family nursing</b>	<b>External experts</b>	<b>Employees</b>
<b>Women's career and health seminar: Women's mental health</b>	<b>External experts</b>	<b>Employees</b>
<b>Health seminar for women with irregular work schedule</b>	<b>External experts</b>	<b>Employees</b>
<b>Training program on sexual minority harassment</b>	<b>External experts</b>	<b>Management staff (supervisors, TL level))</b>
<b>Lecture on diversity by outside directors (1)</b>	<b>Outside directors</b>	<b>Management staff (open to non-management staff who wish to participate)</b>
<b>Lecture on diversity by outside directors (2)</b>	<b>Outside directors</b>	<b>Management staff (open to non-management staff who wish to participate)</b>
<b>Dialogue for female leaders</b>	<b>Internal lecturer</b>	<b>Female employees wishing to be appointed to line management positions, and male management staff</b>
<b>Unconscious bias</b>	<b>Experts who are outside directors</b>	<b>General managers</b>
<b>D&amp;I Session</b>	<b>Internal lecturer</b>	<b>Employees</b>
<b>Joint dialogue (joint event with MOL)</b>	<b>Internal and external lecturers</b>	<b>Employees</b>
<b>Training for mentors</b>	<b>External experts</b>	<b>Mentors</b>
<b>Organization management respecting diversity for line managers</b>	<b>Internal lecturer</b>	<b>Training for new line managers</b>
<b>Training on SAP deployment</b>	<b>Internal lecturer</b>	<b>Sales assistant, delivery staff, and contract workers</b>
<b>Training for female skilled staff or factory operators engaged in technical work (including health seminars for women with irregular work schedule)</b>	<b>Internal and external lecturers</b>	<b>Female employees working in shifts</b>
<b>Events for promoting the employment of people with disabilities</b>	<b>External experts</b>	<b>HR members of our business sites and affiliates</b>
<b>Developing capabilities</b>	<b>External experts</b>	<b>Employees with disabilities</b>

# Human Resources Management

Management System	Talent Management	Diversity
Compensation & Benefit	Talent acquisition	Talent and Organization Development
Employee-friendly Working Environment and Labor Productivity	HRIS and People Analytics	

## Compensation & Benefit

We believe that treating employees based on proper evaluation is an important system that motivates employees, helping to acquire, develop, and retain talents, and significantly impacting the development of the Mitsui Chemicals Group.

### Basic Approach to Goal Setting and Performance Evaluation

At all employee levels, Mitsui Chemicals has systemized annual interviews and meetings to set goals with superiors. We systematically ensure that in setting job goals, individual employees can recognize that achieving their goals will help achieve company-wide goals by rolling out business plans aligned with the Corporate Vision at each workplace, incorporating them into workplace policies and ensuring that important challenges are reflected in job goals for individual employees.

In addition to job goals, we have also introduced a behavior evaluation scheme (global core competency evaluation scheme), whereby employees reflect on their own behaviors based on specific facts to see if their behaviors are aligned with the behavioral guidelines and core values to promote and consolidate them across the organization.

In goal-setting interviews, we set not only performance targets for a single fiscal year but at the same time conduct a "capability/career development interview" to confirm the business tasks the employee would like to experience as well the skills they would like to acquire in the short term (within three years) and long term. Employees are thus able to use their own initiative in setting their own career paths. In addition, the superior reviews the career perspectives, strengths and weaknesses as well as the future goals of their workers and obtain their support.

Mitsui Chemicals has been using its Talent Management System (Success Factors) to manage activities from setting goals to evaluating performance, and this has improved the accuracy and efficiency of HR management. Employee's performance achievements are updated on the system either by the employees themselves or by the superiors to enable effective management of the employee's goals. In addition, the employee and their superior are able to use the system to review the employee's performance history, which enables consistent development of the employee's talents.

### Revising the Personnel System in Line with VISION 2030

As we launched the new long-term business plan of VISION 2030, we partially updated the personnel system for management employees in April 2022. This is one of several items that were extracted in the course of examining the results of the engagement survey and various HR issues to date, as well as other necessary HR measures, in order to realize our ideal state for 2030 as set forth in VISION 2030.

As we move forward with our initiatives to enter new growth areas and transform our business portfolio, it is essential to improve the engagement of our employees and take on ever more challenging tasks. In order to deliver more convincing evaluation results, promote growth, and encourage our employees to actively take on challenges, we have updated our system for managing the performance of each individual.

Specifically, in addition to the management taking the initiative in setting challenging goals and encouraging their direct reports to do the same, we have updated our bonus allocation method for management employees so the allocation amount can be fine-tuned according to the performance of each employee even for the same evaluation category. Unlike the previous method of uniformly allocating bonus compensation to management employees for each evaluation category, the updated method allows each contribution to be rewarded more directly. The bonus calculation method is based on the amount of consolidated core operating profit in addition to individual performance. However, in our efforts to further motivate employees on our journey to achieve the VISION 2030, we are currently working to update the system to reward employees with higher bonus pay when we achieve a higher operating income.

We have also updated the global competencies, which have been used as the criteria for behavioral evaluation. The updated criteria, the leadership competencies, are designed to reflect the key elements that have been discussed as necessary for internal transformation, which are "encouraging employees to take on challenges," "strengthening the ability to execute," "strengthening commitment," and "promoting internal collaboration," thereby promoting behaviors that will drive us to achieve VISION 2030.

In addition, one of the existing core items for the behavioral evaluation of understanding diversity has been updated to incorporate the perspectives of equity and inclusion. As we aim to create innovation and realize VISION 2030, we consider diversity to be an important element, and we will not only understand it, but also provide equal opportunities to speak out and take actions. We have also incorporated the perspective that acknowledging and making the most of diversity will lead to new ideas and results.

## Evaluation Feedback

Mitsui Chemicals has introduced an annual interview with their superior for employees at all levels to give feedback on their performance assessment. In the interviews, we share not only the results, but also each person's strengths and areas for improvement to promote effective training.

Moreover, the Mitsui Chemicals Labor Union conducts a survey on the rate of these feedback meetings 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.

The conducting rate of feedback meetings and Degree of Satisfaction (Mitsui Chemicals Labor Union Registered Members)

	FY2018	FY2019	FY2020	FY2021
The conducting rate of feedback meetings in the Previous Fiscal Year	97%	94%	93%	95%
Degree of Satisfaction over Evaluation Feedback	86%	91%	90%	90%

## Complying with the Legal Wage and Establishing Compensation Levels that are Both Attractive and Competitive

As its businesses become more globalized, the Mitsui Chemicals Group ensures compliance with the laws of each country and region as a matter of course with regard to employee compensation, including paying legally required minimum wages and granting compensatory time off or extra wages for work hours that exceed the prescribed or legal working hours.

We also ensure attractive and competitive compensation levels and schemes for the labor market of each country and region. Our basic approach is to set compensation levels in accordance with the positioning of the Company's performance in the market where it competes for human resources. We review and update our compensation levels regularly based on a variety of wage statistics provided by government agencies, compensation databases of external survey institutions, etc.

In fiscal 2022, based on the above approach, we reviewed the compensation levels of Mitsui Chemicals' non-management employees and increased their base salary in April and July.

In addition, we disclose the schemes for salary, bonus, evaluation, and pay raise to employees in company rules, handbooks, etc. We ensure a fair and just system that reflects work and performance results, while eliminating seniority-based factors as much as possible.

## Global Evaluation Guidelines

In May 2016, we formulated and distributed the Global Evaluation Guidelines, which outline the evaluation schemes, approaches, design, etc., of the Mitsui Chemicals Group, across the group companies. These guidelines consist of two concepts: (1) management by objectives (MBO), (2) global core competencies. These guidelines are enabling the HR sections of four regional headquarters (the Americas, Europe, Asia-Pacific and China) to support the development, revision, and operation of evaluation systems for companies in their respective regions.

Specifically, global core competences are used as a shared index within the Mitsui Chemicals Group's Key Talent Management system, and they are used as the basis for the 360-Degree feedback and assessments provided in tandem with [the leadership development program](#).

Improving assessment and training has become an urgent issue in finding and utilizing talented group-wide human resources in the years ahead. We are strengthening our cooperation with Group companies in applying shared Group evaluation indices broadly and fairly.

## Position Management

A global policy on "position management" was implemented in fiscal 2020 to build the foundations for appropriate job placements across the entire Mitsui Chemicals Group.

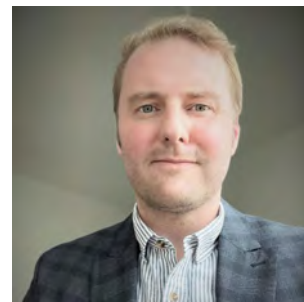
In 2004, we introduced a job evaluation system to create job descriptions for management employees and provide compensation in accordance with the significance of each job position. At present, there are approximately 18,000 job positions in the Group, of which roughly 40% are overseas-based positions. In order to properly design organizations and duties across the Group that are consistent with the long-term business plan as the Group continues to expand globally, we have defined the basic principles, mechanism, decision-making authority, and processes for the creation and abolition of positions within the Group in the global policy on position management. This policy has allowed us to introduce global job grades. We are currently working to ensure visibility and transparency for job positions within the Group based on standardized job evaluation criteria. By accelerating the appropriate placement of human resources throughout the Group and creating a transnational job relocation mechanism, we are encouraging growth in employee opportunities for self-reliant career development and improvements in employee engagement.

## Example of Activity: Global position management in action

Since I had joined Mitsui Chemicals Europe in Germany in 2006, I had the opportunity to see many different countries and cultures. Initially in our original sales territory (Europe, Middle East, Africa), later also in Asia and the Americas. It is always rewarding and inspiring to get to know people with different cultural backgrounds. There is the saying that “travel broadens the mind”, and I can definitely relate to that. I cannot stress enough how much I value the experiences and acquaintances made during all these years.

In February 2022, I joined our office in the US to take on a new challenge in our Compounds Business. The relocation process was fairly easy, thanks to the great support given by the Management and HR teams from America and Europe. Moreover, I am supported by an experienced and ambitious team here in the US and am glad to be part of making Mitsui Chemicals a truly global company.

It is great to see that Mitsui Chemicals is offering such an opportunity to its employees and is providing extensive support during the entire relocation process. I am looking forward to promoting cross-regional activities and projects by bringing in my global experience gained throughout the years.



**MITSUMI CHEMICALS AMERICA,  
INC.**

**Compounds Business Division  
General Manager  
Johannes Roemer**

\* Each affiliation is from the time when the article was created.

## Policy on Executive Appointments, Dismissal and Compensation at Subsidiaries and Affiliates

In fiscal 2021, we rolled out a new global policy on executive personnel governance for the Mitsui Chemicals Group. This defines (1) the appointment and dismissal of directors and corporate auditors, (2) the criteria for compensation levels and composition, and (3) the process for determining the compensation for over 120 domestic and international consolidated companies. In the face of changes in the Group's business portfolio and our rapidly growing overseas business activities, recruiting, developing, and retaining talents in business management and in specialized fields showing great potential for leadership in our various business operations and regions have become one of its top priority issues. With the application of a group-wide policy, we aim to introduce greater transparency in the appointment and dismissal procedures for executives and to determine compensation levels that are appropriate and synchronized with the business performance of the entire Group. From now on, we will implement consolidated executive compensation management across the entire Group based on this policy.

# Human Resources Management

Management System	Talent Management	Diversity
Compensation & Benefit	<b>Talent acquisition</b>	Talent and Organization Development
Employee-friendly Working Environment and Labor Productivity	HRIS and People Analytics	

## Talent acquisition

### Basic Policy on Recruitment

Our basic policy is to ensure fairness in recruitment without discrimination based on race, nationality, religion, age, gender, disability, or other factors. In the actual screening process, we have removed items not related to job competency, and employees responsible for screening candidates receive training to ensure fair screening. We believe that acquiring talent that offers diversity in values, backgrounds and skills will lead to new innovation and sustainable growth of the Group within society.

### Initiatives and Results

#### Recruitment data (Mitsui Chemicals, Inc.)

	FY2019	FY2020	FY2021
Total regular recruitment	245	195	203
Career-track administrative positions (number of women)	105 (27)	82 (17)	78 (19)
Skilled staff (number of women)	140 (16)	113 (8)	125 (6)
Total midcareer recruitment	66	68	129
Career-track administrative positions (number of women)	39 (7)	37 (5)	92 (9)
Skilled staff (number of women)	27 (11)	31 (11)	37 (12)

#### Concrete Measures to Ensure Fairness in Recruitment Activities

For greater fairness and equity in recruitment and to promote diversity, we have implemented the following actions starting in 2021. Future recruitment activities will be based on fairness and impartiality to assist in creating a work environment that encourages active participation of diverse human resources.

- (1) Students engaged in job hunting can choose not to answer gender questions in line with diversity requirements.
- (2) They are no longer required to submit photo IDs, except for certain job types, to strengthen our efforts to recruit talented and motivated people regardless of gender or appearance.
- (3) They are not required to conform with recruitment-oriented dress code at interviews to eliminate gender-based discrimination based on clothing.

## Strengthening Mid-career Recruitment by Utilizing Various Approach Channels

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We are driving the execution of important initiatives for VISION 2030, such as business portfolio transformation, overseas expansion, and acceleration of M&A, at a faster pace than ever before. Under such circumstances, the Mitsui Chemicals Group expects to take on challenges in unfamiliar areas, etc. In addition to training and utilizing employees, the Group is actively recruiting personnel with experience and expertise in relevant areas from outside the company. In fact, in fiscal 2021, we have hired more than twice as many mid-career professionals as in the previous year for career-track positions, focusing on personnel who can help expand our business domains.

We are also considering introducing various recruitment methods, rather than being bound by conventional ones. In fiscal 2021, we piloted the referral recruitment program to consider candidates referred by our employees, which led to the recruitment of 13 individuals. To further promote this program, we plan to fully roll it out in fiscal 2022. In addition to highly specialized personnel who meet the needs of the Group, some of the candidates hired under this program are former Mitsui Chemical employees, or alumni. We will continue our efforts to acquire the talent essential for our growth through various approaches.

## Training Programs for Career Development

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Mitsui Chemicals conducts a career education program for university freshmen and sophomores with the aim of fostering a career outlook and helping them understand jobs. Specifically, we invite students to our offices for hands-on workshops to think about business strategies, and offer various programs that give students the opportunity to interact with our employees and learn why working is rewarding and about the various future options available to them. These programs are well-received by the participating students, as they focus on helping the students better understand elements that help them make career choices, such as thinking methods necessary for business activities and keys to effective career planning, as well as providing them with insight into real business situations and employees who are working there. We also believe that by helping students better understand our company through these initiatives, we will be able to match students with our company more accurately and attract excellent human resources in the future.

	FY2019	FY2020	FY2021
Number of participants	40	33	35

\* Held online in FY2020 and onward.

## Recruitment Marketing with LinkedIn

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We use LinkedIn for recruitment marketing to globally increase awareness of the Mitsui Chemicals Group and to recruit more diverse talent. We continuously publish news releases on the Mitsui Chemicals Group and profiles of our employees and products. As of March 2022, we have gained more than 22,000 followers. In addition, our initiative to post jobs for Asia, Europe, and other regions has led to the recruitment of over 20 candidates since 2019. We plan to reinforce our global recruitment by coordinated action through the entire Group.



# Human Resources Management

Management System	Talent Management	Diversity
Compensation & Benefit	Talent acquisition	Talent and Organization Development
Employee-friendly Working Environment and Labor Productivity	HRIS and People Analytics	

## Talent and Organization Development

Based on the Human Resources Management Policy of the Mitsui Chemicals Group, the Group is, from a long-term perspective, developing human resources who are able to work on the world stage. Human resources are regarded as the key to creating corporate value, in line with the Group's basic approach to encouraging its employees to develop self-initiative, autonomy, and collaboration. We are communicating daily with colleagues and markets around the world to develop talent capable of creating the values that will be required by society in the future.

### Management Personnel Development (global Group-wide action)

#### Executive Coaching

This coaching program based on strategic dialogue is targeted at people who make management decisions, and is designed to create positive change in management activities over a span of roughly 10 months (12 hours of coaching per person). Before starting the program, specific tools are used to make the impact that the participant is unconsciously having on the organization more visible, how managers and members feel about their current conditions and the ideals that they aspire to. The theme for the program is decided based on the organizational issues and leadership issues that have been identified. A professional coach accompanies the participants in executing a hands-on strategy. In addition, six months after the end of the coaching program, we provide opportunities to visualize the changes and apply the learnings for future management.

#### Global Leadership Program

To train future management candidates who are expected to be active in the Group on a global scale, the program is aimed at the acquisition of management literacy and development of a global network. We invite next-generation management candidates from our group companies around the world to participate in the Group's proprietary 10-month training program, where participants can learn strategic thinking skills, global leadership skills, and action learning, in collaboration with Mannheim Business School and Hitotsubashi University Business School, which are among the top business schools in Germany and Japan, respectively. This training model is designed to adapt to any circumstances, including the COVID-19 pandemic, and provides training contents aligned with the long-term business plan of VISION 2030, as well as remote programs along with face-to-face programs. Module #1 started in February 2021 and the final training session is scheduled for November 2022.

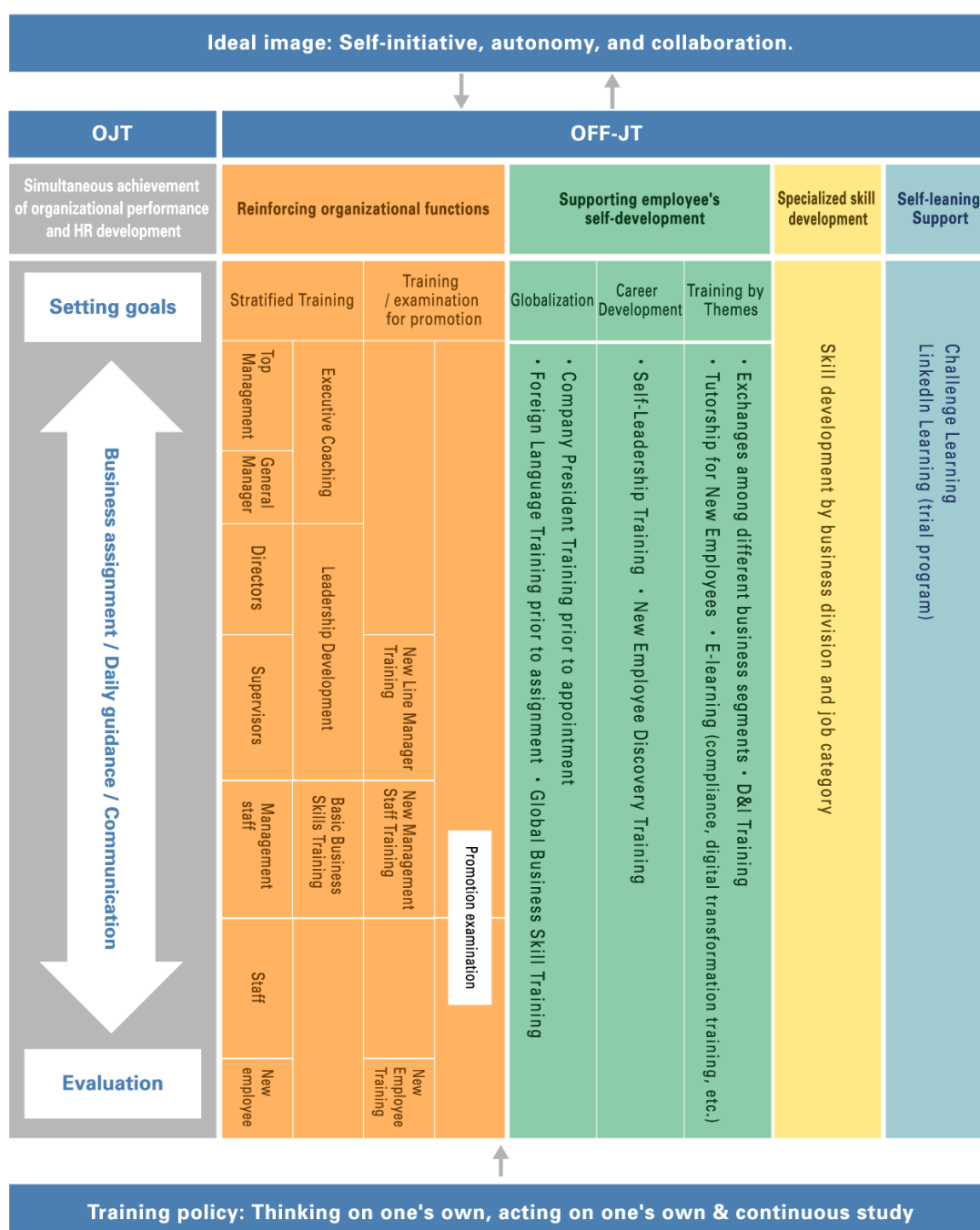
Name of Training Program	Number of Attendees FY2021	Cumulative Total
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Executive Coaching (For General Managers and higher positions of Mitsui Chemicals Group)	6 (Males: 6, Females: 0)	60 (From FY2011)
Global Leadership Program (For future management candidates of Mitsui Chemicals Group)	19 (Males: 16, Females: 3)	80 (From FY2012)

## Programs in Line with Stages in Development Based on a Leadership Pipeline Concept (Japan)

To support Group-wide/business strategies, we are organizing training programs that focus on leadership development. The training program is based on the skills and job function awareness required in the exercise of leadership at various organizational levels. Minimizing knowledge-cramming-style training, we expect our employees themselves to repeat cycles of experience and introspection, while acting proactively to meet their higher-level job requirements, and will support them in changing their behavior in ways that will produce results.

### Training system (Japan)



## Leadership Development Program

Allowing talented human resources to demonstrate their abilities—despite time constraints caused by life-changing events, such as childcare and family care, and regardless of differences in nationality, ethnicity, and religion—requires improvements in line managers' management capabilities. Mitsui Chemicals focuses on developing leadership skills to lead the organization toward an even better direction by incorporating coaching methods into training programs for each level of line manager training and by encouraging core leaders in each division to take specific and innovative action in their daily business activities. The normalization of online training programs has enabled the participation of employees with time constraints due to parenting, nursing, and other life events, regardless of where their business sites are located, thereby realizing a training system that accommodates diversity.

### Number of Leadership Development Program Participants (Mitsui Chemicals, Inc. registered employees)

Name of Training Program	Number of Attendees in FY2021	Cumulative Total
Leadership Development Program (For Directors and Managers)	34 (Males: 33, Females: 1)	300 (From FY2013)
Leadership Development Program (For Supervisors)	76 (Males: 72, Females: 4)	426 (From FY2016)

### Key Achievements of Stratified Training (Mitsui Chemicals, Inc. registered employees in FY2021)

New Employee Training (Online and on site program)	
<div>Description</div> <p>The program was live-streamed online to eight business sites across Japan so participants could attend completely online from their offices or home.</p> <p>After the new employees created credos to facilitate team building, which was difficult to do online, we conducted the introductory training for about a month. New employees participated in the discovery training based on the principles from the "Seven Habits of Highly Effective People" that is focused on developing professionals with roots (mind) and leaves (skills), and learned about each division along with its strategy for VISION 2030, which was launched in fiscal 2021, the human resources system, and basic business skills, i.e. logical thinking and presentation skills. As output of the acquired skills, the new employees, who could be the leaders of their workplaces in 2030, made proposals to the company titled "Our Proposals for VISION 2030" and communicated directly with the leaders of the main divisions.</p>	
<div>No. of Trainees</div> <p>78 (Males: 59, Females: 19)</p>	
<div>Total Training Hours</div> <p>12,012hrs</p>	
Basic Business Skills Training Programs (Online)	
<div>Contents</div> <p>Trainees aim to develop the qualities required to become a manager. In addition to on-the-job training, we promoted the reskilling of individual employees not only by providing training for employees appointed by the company, but also by increasing the number of opportunities for voluntary training to embody "self-initiative, autonomy, and collaboration", the concept of the new work style we introduced in April 2021. Self-leadership "Seven Habits of Highly Effective People," Thinking Method 1, Thinking Method 2, Project Management, Interpersonal Skills, and Accounting and Management Skills "Apple &amp; Orange" (all provided online)</p>	
<div>No. of Trainees</div> <p>243 (Males: 186, Females: 57)</p>	

Total Training Hours	2,826hrs
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#### Training for Newly-promoted Management Staff (Online)

Contents	Message from the Management, Understanding each role, Strength finder (Leadership development utilizing strength)
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No. of Trainees	121 (Males: 110, Females: 11)
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Total Training Hours	932hrs
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#### New Line Manager Training Program (Online)

Contents	① Awareness of one's roles, labor management, mental health management, compliance, and <b>diversity (understanding diversity such as LGBTQ, harassment, women's empowerment, etc.)</b> , ② Subordinate development skills, ③ Evaluator training
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No. of Trainees	① 116 (Males: 109, Females: 7), ② 111 (Males: 105, Females: 6), ③ 242 (Including non-new line manager. Males: 231, Females: 11)
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Total Training Hours	1,955 hrs. in total of ①-③
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#### Global Business Skill Training (Online)

Contents	① Personal globalization, and acquiring presentation and communication skills
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No. of Trainees	27 (Males: 21, Females: 6)
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Total Training Hours	522hrs
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## Training by Theme

### Digital transformation training (E-Learning)

As a basic strategy for promoting digital transformation under VISION 2030, Mitsui Chemicals aims to improve the digital literacy of the Group and shift to a data-driven organizational culture by improving the literacy of all employees and training employees to acquire specialized skills. In fiscal 2021, we launched a group-wide E-learning program to quickly improve our employees' digital literacy. In addition, we will enhance our training and education programs to develop data scientists and AI-related technologies and establish a system for promoting these initiatives mainly through internal efforts.

## Regional Training

### Global Manager Seminar

This program provides knowledge of Mitsui Chemicals business strategy, cultural understanding, and leadership skills, in order to develop local leaders from different Group companies. Manager candidates from major sites around the world work together through discussions. In fiscal 2021, since we struggled to get opportunities for face-to-face meetings due to the COVID-19 pandemic, we adopted a hybrid training style that combined online and face-to-face sessions, while providing training programs on how to remotely manage teams and strengthen D&I and compliance for each region. In addition, in the U.S., we provided

training programs for eligible members and senior leadership members to develop their executive presence, strengthen their strategic thinking, and learn to deal with conflicts and build effective teams so that they can achieve the goals they set.

### Mitsui Chemicals Competency Development Program

This is a program for future generation leaders to help them understand their roles as leaders and acquire the necessary knowledge and skills. Selected candidates from young employees from the Asia-Pacific and other regions work through this 5-day program, including business simulations.

### Training style in the age of the New Normal

The Mitsui Chemicals Group respects a variety of work styles, including telework and staggered work hours. In view of these changes, a study has been conducted on moving training to online programs.

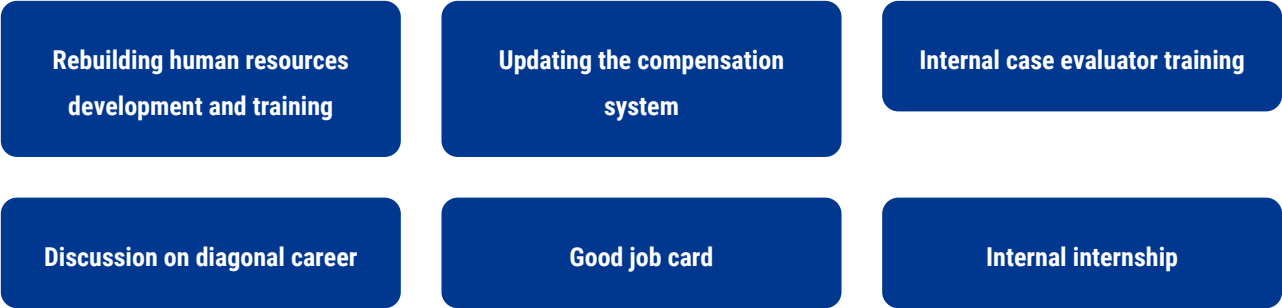
#### Our Stance on Online Training

- We divide our training programs into four types: self-contained programs, mutual engagement, teaching, and learning. Depending on the desired training outcome, the programs will be taken online, via a mix of online and face-to-face training, via face-to-face training, or postponed during the COVID-19 pandemic.
- When it is decided to move a training program online, we redesign it taking advantage of the characteristics of appropriate tools: knowledge input will be achieved through prior individual study; those that require mutual engagement through dialogue will be offered via online sessions; and e-learning will be used for iterative learning after the completion of the training.

### Global Employee Engagement Survey

We believe that enhancing the engagement of individual employees is necessary to achieve our long-term management plan, and have launched the Global Employee Engagement Survey for all employees of the Mitsui Chemicals Group. The first survey, which was conducted in 2018, revealed our unique strengths, as well as some issues. In response, we have implemented countermeasures as post-survey actions. For example, with regard to learning and self-development, we have been piloting LinkedIn Learning, an online learning platform, for approximately 1,000 employees in the Group and globally since 2020. In addition, we have been utilizing the survey results by business sector, business division, and company to identify the unique challenges of each organization. Based on such findings, approximately 96% of the organizations have developed and implemented post-survey actions.

#### Examples of post-survey actions

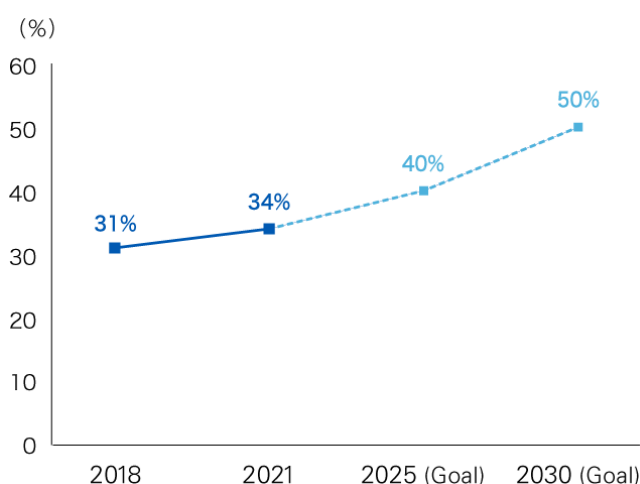


Following these activities, we conducted the Employee Engagement Survey for the second time in 2021 (response rate: 88%). Although the Group has experienced significant changes in the environment due to the COVID-19 pandemic since the last survey, the Group's engagement score improved by 3% compared to the previous survey, indicating that the post-survey actions have had some effect. Some organizations that were particularly enthusiastic in executing post-survey actions saw their scores increase by over 20%.

As with the previous survey, we will continue to develop and execute post-survey actions across the company and at the organizational level to further improve the scores. By setting this item as a non-financial KPI for VISION 2030, we will endeavor to build a highly competitive organization through enhanced monitoring.

## Employee Engagement Survey (Results from FY2018 and FY2021)

### Engagement Score trends and target



### Engagement Factor Score (Areas of strength and Challenge areas)

	Challenge areas	Areas of strength
FY2021	Total compensation and recognition 25%	Compliance with laws and company rules 61%
	Career opportunities 22%	Safety 51%
	HR utilization and assignment 19%	Delegation of authority/Autonomy 42%
FY2018	Learning and self-development 22%	Safety 47%
	Career opportunities 18%	Brand as an employer 39%
	HR utilization and assignment 15%	Delegation of authority/Autonomy 38%

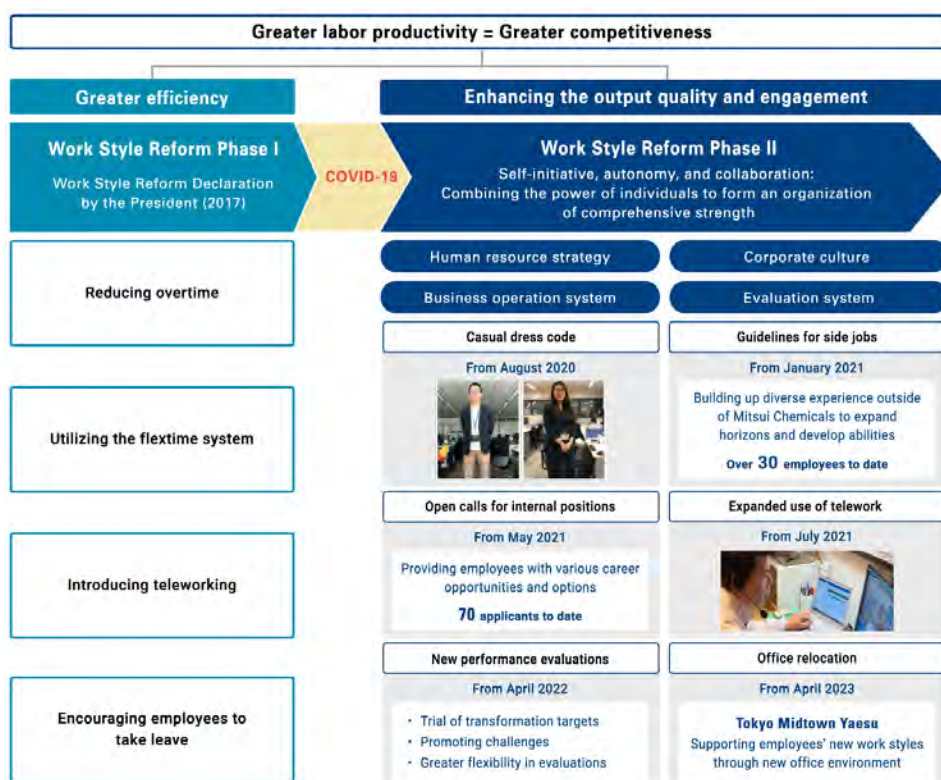
Management System	Talent Management	Diversity
Compensation & Benefit	Talent acquisition	Talent and Organization Development
Employee-friendly Working Environment and Labor Productivity	HRIS and People Analytics	

## Employee-friendly Working Environment and Labor Productivity

In addition to pursuing sustainable growth for the Mitsui Chemicals Group and the happiness and self-fulfillment of our employees, we are working to develop better, more motivating working environments that will lead to greater labor productivity.

### Work Style Reform

Mitsui Chemicals has been steadfastly implementing Work Style Reform Phase I, which mainly focuses on improving the efficiency of input (labor input), such as reducing overtime hours and promoting work structures to achieve more efficient work styles. In the age of VUCA, however, changes in society are rapid, and the future is difficult to foresee. In the face of these developments, we are directing our energies into Work Style Reform Phase II, which involves taking immediate action to improve employee engagement and maximize productivity while continuing to be oriented to diverse work styles, based on an understanding that initiative and independence for each employee and working together as one organization will become increasingly important in the years ahead.



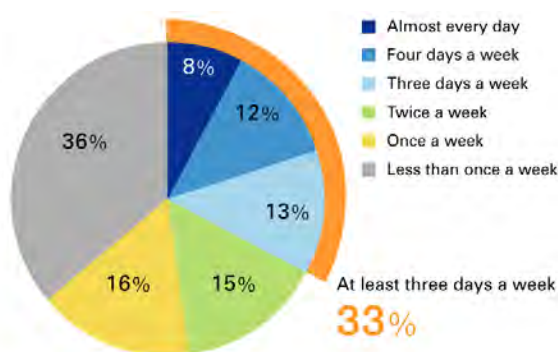


## Teleworking Program

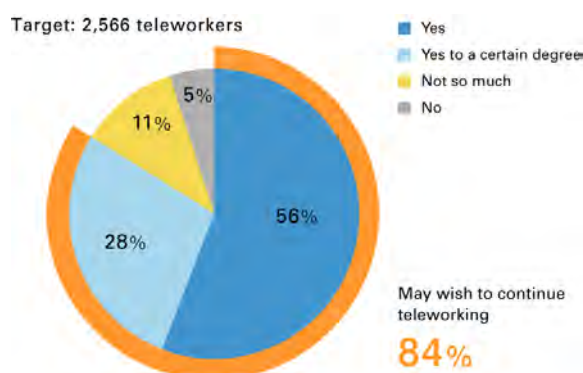
Mitsui Chemicals introduced a teleworking program in April 2019. However, the number of days allowed was limited to two days a week, with very few employees using the program. However, in response to the outbreak of the COVID-19 pandemic, we temporarily eliminated the maximum limit for the number of teleworking days as an emergency measure to prevent infection and ensure safety, which in turn resulted in a rapid increase in the number of employees utilizing this program. This drove the expansion of IT tools, accumulation of IT literacy, etc., enabling employees to perform a greater variety of tasks through teleworking, which became common across the company not only because it ensures safety, but also because it makes working a more comfortable experience and improves productivity. Based on such findings, we revised the teleworking rules as of July 1, 2021, dramatically expanding the number of days allowed for teleworking, provided that employees come to the office at least four days a month. This revision resulted in increased freedom to combine onsite work and remote work, encouraging employees and organizations to plan their work styles more autonomously to improve their productivity.

In December 2021, we surveyed our employees on work styles such as remote work. The main questions included the status of teleworking, communication between supervisors and their direct reports who are teleworking, and preferences for future work styles. The response rate was 86%. The tabulated results showed that 78% of employees eligible for remote work (excluding shift workers) are teleworking and 33% of them are teleworking three or more days a week, indicating that employees are actively utilizing the teleworking program. We also found that 84% of teleworkers wish to continue teleworking even after the pandemic ends. Furthermore, more than half of the teleworking employees felt that the program was beneficial both for their personal and professional lives because the program saves commuting time, gives them more time to spend on non-work activities, enables them to have meetings regardless of where they are, etc. Moreover, 80% of the respondents said that their teams were being properly managed even through telework, indicating that employees are gradually getting used to working and managing through telework, while the survey also revealed some issues with the existing digital tools, office environments, and talent development practice. Based on this analysis, we will continue to study measures to optimize the mix of onsite work and remote work.

Telework usage frequency ratio



Do you wish to continue teleworking even after the COVID-19 pandemic ends?



## Establishing Guidelines for Working Side Jobs

Mitsui Chemicals established the Guidelines for Working Side Jobs in January 2021, and has established a system that allows management employees to work side jobs, provided that they notify and obtain permission from the company. As of April 2022, over 30 employees are working side jobs while working full-time at Mitsui Chemicals. These employees work in jobs in which they can use their respective expertise

Effects anticipated from side jobs

Experience outside the Company

Broader view and knowledge

in consulting and technical guidance (experience, knowledge and qualifications) to teach at educational institutions and work as translators. They have expanded their horizons by gaining experience outside the Company and are actively utilizing the experience and knowledge gained through such occupations in their duties with the Company. In January 2022, we expanded the application of the Guidelines to non-management employees on a trial basis. We plan to examine whether the system has helped employees expand their experience and develop skills and whether or not there are any operational issues, and discuss the plan for future roll-out accordingly.

## Contribution to duties with the Company

### Casual dress code

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In August 2020, we revised the guidelines on the employee dress code for the head office and branch offices to clarify the dress code for work, regardless of where employees are working from (both for onsite work and remote work), and to scrap and replace gender-based bans with rules common to all genders to promote diversity. The revision allows employees to make their own decisions on the appropriate apparel, provided that they remain aware of the need for safety, workability and cleanliness and that their dress is always appropriate to the occasion and corresponds with social practices, especially when meeting clients and outside business partners. By increasing the options available to employees, we anticipate greater tolerance for change and development of a corporate culture founded on self-reliance and independent thinking.



### Open calls for internal positions

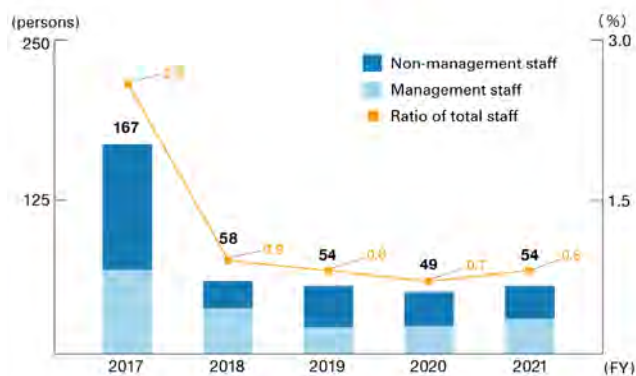
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In 2004, Mitsui Chemicals launched open calls for internal positions program for the company to provide options that help employees proactively plan their career and make choices. Currently, this program mainly targets positions for new businesses and those associated with business expansion in growth areas, and we recruit talent four times a year according to the needs of each department. In fiscal 2021, we received 70 applications for a total of 55 open positions. In addition, when recruiting, the divisions with the open positions hold briefings to accurately inform applicants of the responsibilities, requirements, and experience they can expect to gain, thereby improving the matching accuracy. In fiscal 2021, this program helped reassign 18 employees to positions that match their career aspirations.

## Initiatives for Reducing Overtime

The Mitsui Chemicals Group is striving to ensure that the total number of overtime hours and hours of holiday work for each employee does not exceed 80 hours per month. In recent years, the number of employees working overtime has been decreasing significantly. Furthermore, we provide skill training to reduce overtime. For non-management employees, we provide time management training, where they learn specific approaches for reviewing and changing work habits, scheduling, and handling emails. For management employees, we provide organizational operation workshop training, where they learn specific approaches to efficiently run their organizations and how to plan for the reduction of overtime work.

Number of Employees whose Overtime Hours Exceeded 80 Hours/Month (Mitsui Chemicals, Inc. registered employees)



Time Management Training



## Reviewing Tasks and Strengthening Human Resources

In general, chemical plants operate continuously for long periods of time, but when it is necessary to carry out periodic maintenance, the entire plant is shut down for a specific limited period to allow repairs and inspections to both minimize the effect on production and ensure that the equipment is safe. To avoid work being concentrated in specific periods due to periodic maintenance, we have been working to review tasks and strengthen human resources.

## Visualizing Overtime and Hours Worked on Designated Holidays

To visualize overtime and hours worked on designated holidays, the line managers share the monthly records of overtime and hours worked on designated holidays for each division and each employee. Each line manager is working to establish a comfortable working environment by comparing overtime and hours worked on designated holidays of other divisions and their own division, and by confirming work is not concentrated on a specific employee. When an employee is found to have worked more than 80 hours of overtime each month, the HR Division conducts an interview with the workplace manager, and reviews and implements specific measures to identify the cause of the overtime and make improvements for the individual employee.

## Work-Life Balance Measures

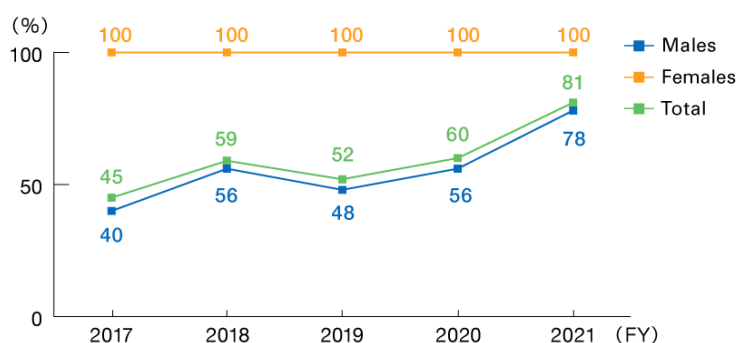
Mitsui Chemicals has put in place various systems that exceed statutory requirements in response to employees' circumstances outside of work, including child and family care.

We have introduced systems to support greater flexibility in work styles, including teleworking and the flextime system, and modified our leave system to enable employees to make use of expired annual (special) leave not only for hospitalization but also for medical treatment to support employees' work-life balance. Please refer [here](#) for the benefit programs and measures.

## Principal Employee Benefit Programs and Measures (Mitsui Chemicals, Inc.)

Annual paid leave	Twenty days per year in units of 0.5 days, starting from the second year of employment.
Refreshment leave	Two consecutive days paid leave per year.
Special leave	Paid leave taken from any unused annual paid leave (up to 60 days), granted when the employee is unable to work for more than three days due to illness or injury, family care, childcare or social contribution activities. It may be granted in units of 0.5 days for disease treatment or infertility treatment.
Flextime system	No core working hours. Hours worked are counted not in terms of days but over the whole month.
Teleworking	Regardless of reasons such as childcare or nursing care, allowed employee to choose to working-from-home arrangements on the condition that attend the workplace for at least four days per month.
Ban on side jobs lifted	To enable employees to take side jobs with the approval of the Company, rules on side jobs and how such work is approved have been reviewed.
Community service leave	Two days paid leave per year.
Leave of absence to accompany spouse's overseas assignment	Leave of absence for up to three years.
Childcare leave	Leave of absence for up to four years, paid for the first five days. Male employees are encouraged to take childcare leave.
Short working hours (childcare leave)	Up to three hours per day to care for a child in sixth grade or younger.
Company childcare center	Established in 2009 near the Ichihara Works & Sodegaura Center.
Family medical leave	Up to 20 days paid leave per year for medical care, etc. of a family member.
Family care leave	Up to one year for each family member who requires nursing care or support.
Paid family care leave	Up to 20 days paid leave per year for nursing care of a family member who requires nursing care or support.
Short working hours (family care leave)	Up to three hours per day for nursing care of a family member. Up to one year for the same reason.

## Childcare Leave Usage Rate (Mitsui Chemicals, Inc. registered employees)



Please refer [here](#) for details of the usage status of other systems.

## Program That Supports Employees Returning to Work after Taking Childcare Leave

Mitsui Chemicals has introduced a program that supports employees returning to work. The principal goal is to create an environment that allows employees bringing up young children to return to work smoothly after giving birth to their child or taking childcare leave and to help maintain a high degree 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, the employee and their manager engage in a one-on-one interview to discuss the handover of duties, contact while they are on leave, necessary procedures, and other important issues. Meetings between employees and their managers are also conducted while they are on leave to share details of work styles that will ensure the work environment will accept the employee and details of their duties when they return to work and to ensure mutual understanding. After returning to work, the Company provides an explanation of the procedures and support available from its various programs for employees. 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.

### Return Rate of Employees from Childcare Leave (Mitsui Chemicals, Inc. registered employees)

	FY2018	FY2019	FY2020	FY2021
Males	99%	100%	100%	100%
Females	100%	100%	100%	100%
Total	99%	100%	100%	100%

### Employee Retention Rate Three Years after Childcare Leave (Mitsui Chemicals, Inc. registered employees)

	FY2018	FY2019	FY2020	FY2021
Males	94%	83%	99%	93%
Females	93%	93%	94%	76%
Total	94%	86%	98%	90%

## Job Evaluations for Persons Taking Childcare/Family Care Leave

Mitsui Chemicals has a program designed to prevent childcare or family care leave from affecting promotion or assessments for payments, bonus payments, etc. Under the company's employee evaluation system, the ceiling for job evaluations for the fiscal year is determined by the work attendance rate. However, an evaluation ceiling is not set for persons on childcare or family care leave as long as they meet a specified attendance rate for the evaluation period. Their job performance while at work is evaluated fairly, and if their attendance rate is lower than certain standard, they are exempted from the job evaluation (no rating), so as not to affect their job evaluation or promotion.

## Greater Participation by Men in Childcare

Mitsui Chemicals promotes greater participation by men in childcare. We encourage male employees to take childcare leave, with the first five days of leave with pay. In addition to childcare leave, we offer other programs that can be used with childcare, such as paid annual leave, the flextime system, shorter working hours and paid leave for nursing care. Male employees are encouraged to be actively involved in child care by combining these programs.

In fiscal 2020, we invited Mr. Manabu Tsukagoshi, director of the NPO Fathering Japan, to speak at an online seminar titled "Want to See and Hear: Childcare Seminar for Fathers." The guest speaker presented ways in which men can be involved in child care and household chores with data and case studies. Additionally, a guidebook offering information on our childcare programs and practical examples of how to use them has been produced in response to requests from male employees who wished to get concrete examples of how fathers can handle both childcare and work and information on our programs supporting work-life balance. The guidebook has been designed to draw the interest of a wide range of employees and features messages from top management and interviews with male employees who are actively involved in childcare and with managerial employees whose subordinates are actively involved in childcare, as well as conversation between the seminar speaker and the human resources development manager and results of the employee questionnaire.



## Improving the Acquisition of Paid Leave

In the drive to work style reform, Mitsui Chemicals is working to raise the rate of annual paid leave (20 days). We are taking the following actions to improve the acquisition of paid leave, to support the physical and mental health of employees.

### Measures to Promote Work Style Reforms

- Recommendations for the planned acquisition of extended leave and continuous leave
- Designating days between holidays for paid leave support and encouraging employees to take leave
- Tabulation of paid leave acquisition rates by worksite and report and guidance based on the findings
- Review of the concentration of workloads on specific employees
- Schedule sharing within the worksite

### Paid Leave Usage Rate (Mitsui Chemicals, Inc. registered employees)

	FY2018	FY2019	FY2020	FY2021
Non-management staff	83%	86%	77%	84%
Management staff	62%	70%	60%	63%
Total	74%	79%	70%	75%



Following the outbreak of the COVID-19 pandemic, Mitsui Chemicals has temporarily eliminated the limit on the number of teleworking days at the end of February 2020, and has continued to promote telework across the company while striving to improve the teleworking environment. We have also worked to continuously ensure the safety and security of our employees and relevant stakeholders through hygiene management, such as by disinfecting company facilities, and raising hygiene awareness among employees, such as through initiatives to educate them about infectious disease prevention. These changes in the social environment have provided major opportunities to expand and embed new work styles, including remote work. We will also relocate our head office to Tokyo Midtown Yaesu (Chuo-ku, Tokyo) in March 2023 in order to establish an office environment that promotes and facilitates good internal and external communication for new initiatives for VISION 2030, and to equip the office with high-speed communication technologies to support the digital transformation initiatives. As such, we will provide an office environment that helps employees and the company to grow in the next stage.

[Occupational Health > Infectious diseases countermeasures](#)

## Labor-management Relations Based on Frank Dialog and Mutual Understanding

In the collective labor agreement, we have established "achieving the Corporate Mission" and "the happiness and self-fulfillment of employees" as goals to be shared by both labor and management and are working on developing labor-management relations that are both constructive and stable. Efforts are also being made to engage in ongoing frank discussions between labor and management 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. Moreover, we have adopted a rule that employees must generally be notified at least one month prior to transfers that entail moving and relocation.

### Major Labor-management Discussion Themes (Fiscal 2021)

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- Revision of human resources system
- Bonus amounts and profit sharing
- Revision of the increase in wages
- Explanation of the management conditions
- Revision of teleworking program

Mitsui Chemicals has adopted a union shop system; all employees that are eligible to join a labor union under the labor-management agreement agreed upon by labor and management join the labor union. The Mitsui Chemicals Labor Union represents all non-management staff, and the negotiation outcomes between labor and management are applied to all non-management staff without any conditions. According to the labor-management agreement, management staff and other employees at or above the management level are not eligible to join the union.

Overseas sites are operated in a way that allows labor unions to be formed under the labor-related laws of each country and under the freewill of the employees. We do not take any actions whatsoever to limit such moves.

In addition, we define important matters in the collective labor agreement (such as ensuring proper working conditions, human resources development, safety, environment, occupational health, health promotion, improvement of quality control, and disciplinary actions, including for discrimination and harassment) and make sure to obtain the agreement of both the employers and employees.



## List of Support Measures in Consideration of Work-Life Balance (Mitsui Chemicals, Inc.)

### Holidays and Leave

	Permanent Employees	Contract Employees		
		Re-employment	Indefinite-term contract and part-time	Fixed-term contract and part-time
Five-day workweek (Saturday and Sunday are holidays)	○	○	○	○
Public holidays and New Years Holidays (company holidays)	○	○	○	○
Annual paid leave (20 days/year, start from the second year of employment*)	○	○	○	○
Leave for employees who visit home from an unaccompanied posting*	○		○	○
Marriage leave (eight consecutive days)*	○		○	○
Refreshment leave (two consecutive days off/year)*	○		○	○
Family medical leave (paid leave*, hourly paid leave available)	○	○	○	○
Family care leave (paid leave*, hourly paid leave available)	○	○	○	○
Childcare leave (the first five days are treated as paid leave*, eligibility lasts until the end of the fiscal year when the child reaches the age of three*)	○	○	○	○
Family care leave (eligibility also extended to employees caring for family members considered as being in need of support*, eligibility lasts up to one year*)	○	○	○	○
Special leave (paid leave, leave for illness or injury, family care leave, childcare leave, community service leave)*	○		○	○
Leave of absence to accompany spouse's overseas assignment*	○		○	
Community service leave (paid leave)*	○		○	○

### Work Patterns

	Permanent Employees	Contract Employees		
		Re-employment	Indefinite-term contract and part-time	Fixed-term contract and part-time
Short working hours (childcare/family care leave)*	○	○	○	○
Short working hours (medical treatment leave)*	○		○	
Restrictions on overtime (childcare/family care leave)	○	○	○	○

Restrictions on late night work (childcare/family care leave)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company childcare center*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flextime system (without core time)*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Teleworking*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Income

	Permanent Employees	Contract Employees		
		Re- employment	Indefinite-term contract and part-time	Fixed-term contract and part-time
Maternity benefits*	<input type="radio"/>		<input type="radio"/>	
Childbirth benefits*	<input type="radio"/>		<input type="radio"/>	
Childcare leave benefits*	<input type="radio"/>		<input type="radio"/>	
Family care leave benefits*	<input type="radio"/>		<input type="radio"/>	
Subsidies for home-care services*	<input type="radio"/>		<input type="radio"/>	
Subsidies for babysitting services*	<input type="radio"/>		<input type="radio"/>	
Retirement allowance*	<input type="radio"/>		Dealing with each case individually	Dealing with each case individually
Employee stock ownership*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

\* Measures marked with an asterisk (\*) exceed statutory requirements

# Human Resources Management

Management System	Talent Management	Diversity
Compensation & Benefit	Talent acquisition	Talent and Organization Development
Employee-friendly Working Environment and Labor Productivity	HRIS and People Analytics	

## HRIS and People Analytics

Mitsui Chemicals is using the Human Resources Information System (HRIS) to optimize personnel assignment and maximize productivity in the Group and globally. In addition, we are working to ensure that management practices focused on effectively disclosing internal human capital.

### Using People Analytics

The Mitsui Chemicals Group plans to use statistical data analysis methods, including regression analysis, analysis of data from employee engagement surveys, overtime hours worked, competency evaluations, recruitment data and other data on its human resources to strengthen its organizational power and make organizational issues more visible so that they can be used to find solutions.

We have used the correlations between labor productivity and overtime hours worked and between competency and performance to deduce cause-and-effect relationships and form and verify hypotheses that will maximize employee productivity. In the area of recruitment, exploratory AI-based data analysis is being used to establish quantitative and objective recruitment decision-making indicators, and eliminate possible human biases that have emerged to refine our recruitment processes.

In addition, with regard to human capital, we are currently extracting and analyzing data related to the 11 items and 58 indicators set out in ISO 30414. As for productivity, which is represented by one of the indicators, we are internally monitoring the EBIT, sales, and profit per employee and the human capital ROI over time to improve the Group's employee productivity.

As described below, deploying Workday will enable more timely, extensive, and diverse data capture. As our business expands in the future, people analytics and data-driven thinking are expected to become increasingly important, and we will strengthen this initiative while developing the system environment.

### Use of the Talent Management System (Success Factors)

The Mitsui Chemicals Group uses Success Factors (talent profiling) from SAP to manage the headcount for the entire global Group-wide. We are collecting data from our consolidated subsidiaries have already collected talent data from more than 90% of our subsidiaries for use in the system. We are using Robotics Process Automation (RPA) to collect basic monthly personnel data from each company to analyze changes in job turnover by business organization, job function and region.

This system is capable of providing analysis data to the necessary stakeholders as needed and enables us to understand and

analyze what personnel measures were being implemented at individual companies around the world, even in the face of rapid changes in the external environment, such as amid the COVID-19 pandemic in FY2020 and onward. This system also proved to be useful not only for identifying and collecting information, but also for continuing and maintaining effective measures such as by utilizing it to verify that the aforementioned findings are aligned with company-wide strategies and to report the findings to the management at Company-wide Key Talent Management Committee meetings, etc.

## Introduction of a Group-wide Integrated Human Resources Platform (Workday)

To incorporate these measures in our human resources strategy effectively, the Mitsui Chemicals Group plans to introduce Workday Human Capital Management provided by U.S.-based Workday, Inc., simultaneously at all the business sites of Mitsui Chemicals and its consolidated subsidiaries and affiliates. The platform is scheduled to be implemented by 2023, and system startup has been underway since April 2021. In addition to the talent management system (Success Factors) already in place for the entire global Group-wide, the platform is expected to increase the visibility of the organization (job functions, capabilities, talent, compensation, etc.) and human capital data (expertise/orientation, experience, diversity, etc.) so that the benefits can be used to upgrade our corporate value as shown below.

### Advantages of introducing the platform

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1. As everything will be managed on a single platform, existing disparate talent management processes at Group companies and organizational and HR information within the Group will be organized on the basis of standardized criteria.
2. Leveraging Workday HCM's digital technology, Mitsui Chemicals will be able to provide each and every Group employee with the optimal content for that individual in a timely manner and in an appropriate communication style.
3. Integrated Group-wide management of organizational and HR information will facilitate the formulation of strategic staffing plans with a view to the transformation of the Group's business portfolios and will also bolster efforts to promote the use of people analytics.
4. Mitsui Chemicals will be able to be more proactive in disclosing the information about human capital required by stakeholders from the view point of ESG.

## Human Resources Information

The global business that Mitsui Chemicals Group conducts is based on its business strategies, including its Long-term Business Plan. Alongside, we are also monitoring the status of our Group employees.

### Number of Employees in the Mitsui Chemicals Group

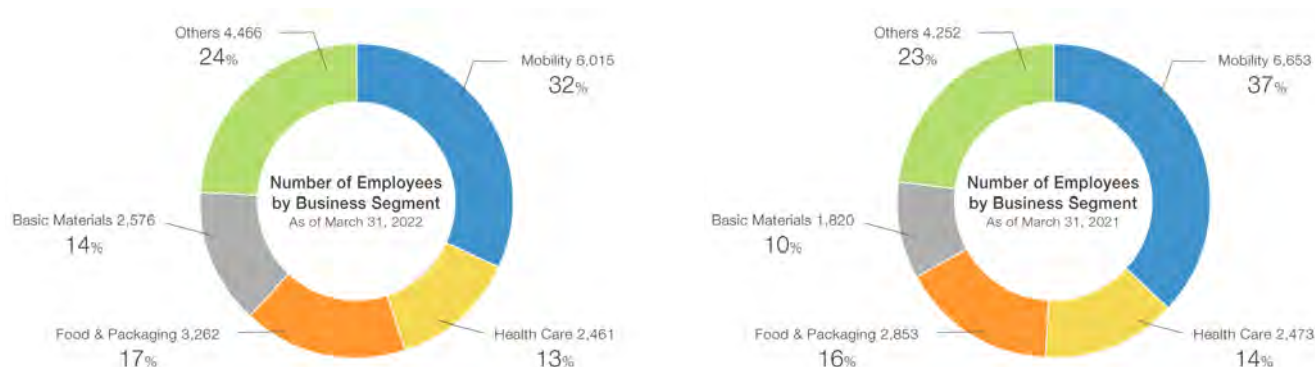
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As of the end of FY2021, the number of employees of the Mitsui Chemicals Group was 18,780, an increase of approximately 700 since FY2020. The number of employees registered with Mitsui Chemicals increased by 90 to 6,899. It has continuously increased by 2.7%, 1.3%, and 0.4% since FY2018, and by the end of FY2021, it has increased by about 4%. This is mainly attributed to employees who joined the company through M&A, TOB, etc., and to the companies that become its consolidated subsidiaries following the dissolution of the polyurethane business.



## Number of Employees in the Mitsui Chemicals Group by Business Segment

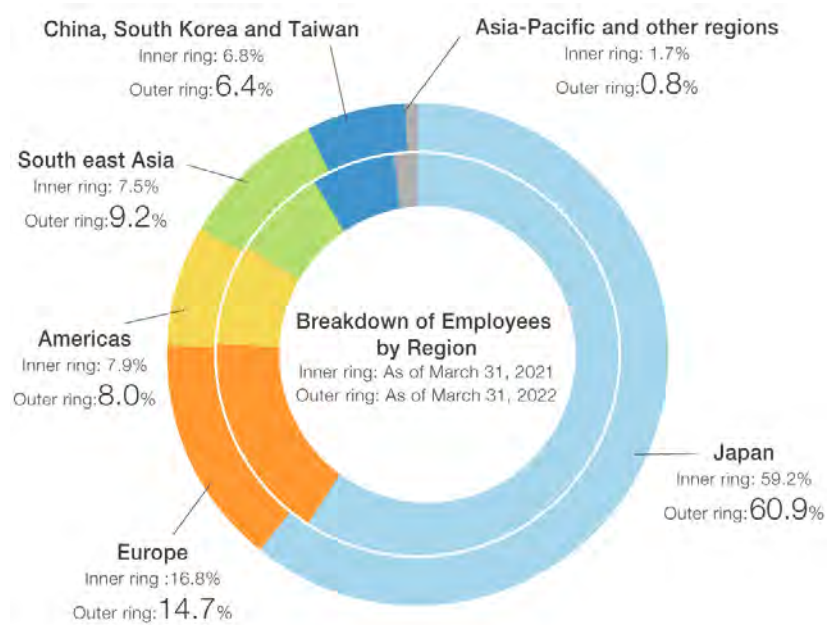
The number of employees by business segment of the Mitsui Chemicals Group as of the end of FY2021 was 6,015, with Mobility accounting for the largest number of employees (32%). However, compared to FY2020, the number has slightly decreased following the optimization of the organizational structure. Meanwhile, the number of employees in Food & Packaging increased because Mitsui Chemicals Agro, which is engaged in this business domain, acquired Meiji Seika Pharma's agrochemicals business. The Basic Materials domain also saw an increase in the number of employees because Honshu Chemical Industries joined the Group through TOB and the polyurethane materials business was dissolved.



\* Each Business Segment is from the time when the article was created.

## Employees of the Mitsui Chemicals Group by Region

In the Mitsui Chemicals Group, the mix of employees by region reflects the progress of globalization associated with the business portfolio transformation under the long-term business plan and the establishment of a solution-based business model. In particular, the number of employees in Europe and the U.S. has increased dramatically over the past decade, as the Group aims to develop new markets, strengthen the manufacturing, marketing and research functions, and create new commercial channels. As of the end of FY2021, Japan accounted for approximately 60% of the Group's employees by region. The number of employees based in Japan has increased by 1.7% compared to last year because companies that are mainly located in Japan joined the Group. Among the approximately 40% of companies that are located overseas, the largest ratio (14.7%) are located in Europe, which is home to the ARRK Group's engineering company (ARRK Engineering) under the jurisdiction of the Mobility Business Sector and Kulzer GmbH under the jurisdiction of the Health Care Business Sector. In Southeast Asia, the ratio has significantly increased since last year because several companies joined the Group following the dissolution of a polyurethane raw materials business in Southeast Asia.



# Social Activities

Management System

Laboratory Classes on the Wonders of Chemistry

Nurturing Future Generations

Environment

Support for Employees' Participation in Social Activities

Disaster Relief

Working in Harmony with Local Communities

## Management System



### Policy and Basic Approach

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 develop the future generation and 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.

### The Mitsui Chemicals Group Social Activities Policy

The Mitsui Chemicals 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



## System and Responsible Officers

With the responsible officer for the Corporate Communications Division, the Corporate Communications Division develops and implements annual social activity plans. In addition, each business site enacts voluntary and ongoing efforts while coordinating with the Corporate Communications Division.

The Corporate Communications Division conducts a survey of the results of social contribution activities of each of the Company's business sites as well as domestic and overseas subsidiaries and affiliates once a year to confirm activity details.

Management System

Laboratory Classes on the Wonders of Chemistry

Nurturing Future Generations

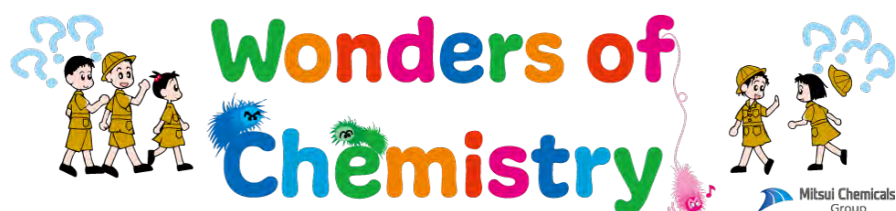
Environment

Support for Employees' Participation in Social Activities

Disaster Relief

Working in Harmony with Local Communities

## Laboratory Classes on the Wonders of Chemistry



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Point three in the Mitsui Chemicals Group Social Activities Policy is, “Do its bit to nurture future generations, on whose shoulders the future rests.” In order to further this goal on a global basis, the Mitsui Chemicals Group launched the Laboratory Classes on the Wonders of Chemistry program.

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.

Taking into account the interests and opinions of the participants, the Laboratory Class topics are determined and developed by the Head Office and the Sodegaura Center. Relevant business divisions at the Head Office produce manuals on laboratory content and management and provide support for events organized at various Group sites in Japan and other countries. Additionally, leaflets that encourage children who have participated in laboratory experiments to take a more in-depth look at chemicals used at home have been published in response to external expert recommendations and these are being distributed to participants. The program has also been registered as a group supporting the Saturday Educational Activities Program sponsored by the Ministry of Education, Culture, Sports, Science and Technology.

### Donation of children's experiment kits

Although we had to refrain from holding our annual experiments and classes both at our sites and elsewhere due to the COVID-19 pandemic, experiment kits have been donated to local schools to offer children the experience of conducting an experiment.



Donation of children's experiment kits

## Online Laboratory Classes

In fiscal 2021, we conducted a new online style of laboratory classes. The events were well received by the participants, who commented: "While various events were canceled due to COVID-19, I could enjoy it safely from home" and "It was an enlightening experiment."

Event name	Target	Description
Online Experiment Show	Children of Mitsui Chemicals Group employees	An experiment using the Group's product ABSORTOMER™ was conducted.
Online collaboration workshop event on World Water Day between One-Coin Club (WaterAid Japan) and Wonders of Chemistry for children	Children of Mitsui Chemicals Group employees and their friends	A workshop event with the theme of water was held in collaboration with WaterAid Japan, an organization supported by One-Coin Club. An experiment using the Group's product TAFNEL™ Oil Blotter™ was conducted.

### Laboratory Classes on the Wonders of Chemistry Experiments

\* Experiment titles are subject to change.

Experiment title	Description
<b>Slime</b> - Making your own slime - Making jumbo slime together - Shiny slime - Slime ball	<div>Field</div> <b>Polymer properties</b> 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
Light experiments with polarizing plate	<div>Field</div> <b>Light</b> 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
Chromatography art	<div>Field</div> <b>Adsorption and separation</b> Participants learn that the ink in a water-based pen contains a mixture of various different colors (pigments)

Plastic board	<div>Field</div> <div>Polymer properties</div> <p>Participants learn about the properties and separation of plastics, by using the heat shrinkable properties of polystyrene to make their own original accessories</p>
Let's make Cartesian divers!	<div>Field</div> <div>Buoyancy</div> <p>Participants learn about buoyancy and pressure, by making a Cartesian diver from a PET bottle and a plastic soy sauce container</p>
Let's investigate the properties of aqueous solutions using red cabbage	<div>Field</div> <div>Acids and alkalis</div> <p>Using anthocyanin extracted from red cabbage, participants investigate the properties of everyday liquids and learn about acids and alkalis</p>
Let's make an air freshener using spongy polymers	<div>Field</div> <div>Polymer properties</div> <div>Related Group products</div> <div>Nonwoven fabrics</div> <p>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</p>
Let's make a rainbow tower	<div>Field</div> <div>Specific gravity</div> <p>Participants learn about the specific gravity (relative density) of fluids, by pouring colored waters with varying concentrations together to make a tower</p>
Let's make a freezer!	<div>Field</div> <div>Heat of solution</div> <div>Related Group products</div> <div>Urea</div> <p>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</p>
Learn how bubble bath works!	<div>Field</div> <div>Reaction of acid and salt</div> <p>Participants learn about how carbon dioxide is produced, by making bubble bath from baking soda and citric acid</p>
Learn about acid rain!	<div>Field</div> <div>Acids and alkalis, Oxidation / reduction</div> <p>Participants learn about acid rain and what causes it, by measuring the pH using red cabbage extract and conducting a bleaching experiment using iodine</p>
Let's make paper!	<div>Field</div> <div>Recycling / Making paper</div> <div>Related Group products</div> <div>Acrylamide</div> <p>Using everyday implements, participants experience paper recycling from old paper and learn about papermaking and recycling</p>
Let's make small objects from melted plastic!	<div>Field</div> <div>Polymer properties</div> <div>Related Group products</div> <div>General thermoplastics</div> <p>Participants learn about the properties of thermoplastics, which melt when heated, by using a glue gun to melt resin and make small objects</p>
Experience the wonders of shrinking films!	<div>Field</div> <div>Polymer properties</div> <div>Related Group products</div> <div>Films, PET, etc.</div> <p>Participants learn about the principle of heat shrinkage, by using shrinkable film to attach labels and make their own PET bottle</p>

See the power of air!	<div>Field</div> <div>Hydrodynamics</div> <p>Participants learn about air resistance, by observing air rings emitted from an air cannon</p>
Let's make snow on pine cones!	<div>Field</div> <div>Crystals</div> <div>Related Group products</div> <div>Urea</div> <p>Participants learn about crystal deposition, by observing dissolved urea being sprayed onto pinecones and drying</p>
Let's make light like a firefly!	<div>Field</div> <div>Enzymes</div> <p>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</p>
Let's try and absorb oil!	<div>Field</div> <div>Polymer properties</div> <div>Related Group products</div> <div>TAFNEL™ Oil Blotter™</div> <p>Participants learn about the principles and how to use adsorbent materials, by absorbing only the oil from mixed oil and water substances</p>
Expand? Shrink? Disappear?! Let's look into the properties of mystery plastics!	<div>Field</div> <div>Polymer properties</div> <div>Related Group products</div> <div>ABSORTOMER™</div> <p>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</p>

Management System

Laboratory Classes on the Wonders of Chemistry

Nurturing Future Generations

Environment

Support for Employees' Participation in Social Activities

Disaster Relief

Working in Harmony with Local Communities

## Nurturing Future Generations

The future rests on the shoulders of adolescents and children. With that in mind, the Mitsui Chemicals Group carries 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.

### Cosponsoring of Robotics Competition

Mitsui Chemicals co-sponsors the Japanese championship of **FIRST LEGO League (FLL)\***, one of the world's largest robotics competition. Mitsui Chemicals supports FLL's idea of providing children with an opportunity to experience the excitement of solving issues in the real world while applying STEM concepts and active learning.

We participated in the booth exhibition in fiscal 2019. In line with the FLL 2019-2020 theme of City Shaper, Mitsui Chemicals ran a booth exhibiting Toughness coat™, a polyurea resin produced and sold by Mitsui Chemicals Industrial Products Ltd. that helps to extend the life of concrete structures, such as tunnels. The booth also served to showcase a power assist suit produced and sold by Power Assist International Corp., which uses Mitsui Chemicals components to reduce the weight. In addition, Mitsui Chemicals ran activities as part of its **Laboratory Class on the Wonders of Chemistry** program. This included pouring colored water of different densities into test tubes to create colorful layers—an experiment that served as a lesson on the specific gravity of liquids and attracted many children to the booth. By teaching these children about the existence of resins that can improve the lifespan of structures, as well as the fact that liquids with the same volume can have different weights depending on their density, Mitsui Chemicals hopes that the day will have served to pique their interest in science further.

Unfortunately, the fiscal 2020 and 2021 competition had to be held online due to the COVID-19 pandemic and we were unable to run exhibition booths, etc., but we continued to sponsor the online competition.

\* FIRST LEGO League (FLL):

FLL is one of the world's largest robotics competitions sponsored by FIRST, a nonprofit organization in the United States, and the LEGO Group (the Japanese championship is sponsored by For Inspiration and Recognition of Science and Technology). FLL is currently held in more than 98 countries around the world, and the number of students participating in FLL is more than 320,000. Two to 10 children make a team to participate in the robotics competition and conduct scientific research and its presentation based on the theme of the competition. Top teams at the championship in each country will qualify for the world competition.





Children enjoying a Mitsui Chemicals experiment



Robotics competition

## Receiving Internship Trainees

The Mitsui Chemicals Group accepts internship trainees at each of its offices and business affiliates.

Sun Medical Co., Ltd. participates in the All Shiga de Internship program\* since fiscal 2018. Held by Shiga Prefecture, this program is designed to help university students living in the prefecture develop a clearer idea about their future career through internships as well as spark the interest of students in local companies. Due to COVID-19 pandemic, from September to October in fiscal 2021 only one trainee was accepted for the online internship from Kyoto Koka Women's University and one from the University of Shiga Prefecture, with the schedule reduced to five days. In the presentation meeting held on the last day, the students gave their reports on how the appeal of Sun Medical can be communicated effectively in the drive to recruit talented students. There were proposals unique to young people, such as the effective use of social media, that inspired new ideas among employees attending and helped them re-examine their own work performances.

\* All Shiga de Internship program:

A program to support corporations and agricultural organizations in the prefecture to secure human resources by promoting their businesses among candidates and advising on recruitment strategies. This internship program is managed by the Shiga Internship Promotion Council to cultivate a practical viewpoint in students about employment and develop an understanding of local companies through prefectural internships, thereby encouraging students to choose to work in Shiga and matching the needs of students and corporations.

## Cooperation in Experiential Study Programs for Teachers

Mitsui Chemicals accepts teachers as participants in Experiential Study Programs. 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, and to convey these experiences to the children who hold the future in their hands. The Company has participated in this program every year since fiscal 2006.

During the program, the teachers have the opportunity to learn about the Mitsui Chemicals Group's corporate mission, corporate sustainability management, Responsible Care initiatives, and human resources development. We also provide various programs, including a demonstration of the [Laboratory Class on the Wonders of Chemistry](#), production site visits, and hands-on training at the Mitsui Chemicals Plant Operation Technology Training Center.

In fiscal 2021, we were not able to hold the programs due to the COVID-19 pandemic, but we plan to resume the program in fiscal 2022.





A teacher training session at the Plant Operation Technology Training Center

## Cooperation in Online Hands-on Job Experience Class for Junior High School Students

Mitsui Chemicals participates in the Career Challenge Day On-Line-Meets.\* As lecturers, Mitsui Chemicals employees gave presentations on topics, including the company overview, their reasons for joining the company, and their experience so far in the company, such as the difficulties and joys they experienced, in an online classroom connecting junior high schools across Japan. Through our initiatives and our employees' presentations in this program, we believe that we were able to provide an opportunity for students to learn what it means to work and to think about the lifestyle they want to pursue in order to grow.

\* Career Challenge Day On-Line-Meets:

A collaborative online career education program offered by companies and other institutions that support "SDGs × Career Education" for junior high school students in Japan who cannot experience on-site work due to the COVID-19 pandemic. This program received the METI Minister Awards (first prize) in the Coordinator Category of the 11th Career Education Award hosted by the Ministry of Economy, Trade and Industry.

# Social Activities

Management System

Laboratory Classes on the Wonders of Chemistry

Nurturing Future Generations

Environment

Support for Employees' Participation in Social Activities

Disaster Relief

Working in Harmony with Local Communities

## Environment

Toward the goal of achieving harmony with the global environment, the Mitsui Chemicals Group engages in a variety of environment communication activities.

### Mitsui Chemicals Group Clean-up Caravan

To tackle the problem with plastics, the Mitsui Chemicals Group aims to encourage the recycling of resources and promote a circular economy model by implementing [our Biomass strategy and Recycle strategy](#) and measures to address the marine plastic waste issues. The problem of marine plastic waste owes to plastics that have escaped from the process for recycling resources and ended up in marine environments due to inappropriate waste management. Stopping waste from flowing into rivers and the sea is of utmost importance.

Mitsui Chemicals has undertaken clean-up activities in areas around our sites. In fiscal 2019, we launched a group-wide initiative, the Mitsui Chemicals Group Clean-up Caravan, calling on our affiliates in Japan and overseas to join in these activities. Going beyond the range of activities around our sites, the scope of the activities was broadened to allow for more employee initiatives, now including participation in clean-up activities organized by nonprofit and governmental bodies as well as clean-ups following community events. A total of 8,855 people have participated in the Caravan campaign, collecting 69,875 kg of waste since fiscal 2019.

### Mitsui Chemicals Group Clean-up Caravan



Activities at Kugenuma Beach, Kanagawa Prefecture in Head Office



Activities at Pasir Ris Park by six affiliated companies in Singapore



Activities at Bruce Park Woods Road Picnic Area in Mitsui Chemicals America



Activities at Shanghai Beijing Forest Park in Mitsui Chemicals China

## World Heritage Support Project

The Mitsui Chemicals Group is working on the World Heritage Support Project in an attempt to protect and preserve world heritages, which are common assets of humanity.

In the first round (in fiscal 2017), we donated NONROT™\* benches made by Yakusugi (Yakushima cedar) craftsmen using thinning wood in Yakushima Island to Yakushima Town, which is working to improve the attractiveness of the island as a world heritage, because there was no bench for many visitors from within Japan and overseas to relax, see the beautiful views, and rest.

In the second round (in fiscal 2018), we donated NONROT™ benches and signboards that effectively used felled bishop wood, a non-native species, with the aim of bringing back *Morus boninensis*, an endemic species in the Ogasawara Islands that was designated as an endangered species in the red list of the Ministry of Environment due to the invasion of bishop wood.

In the third round (in fiscal 2019), we donated three NONROT™ tree decks for the Ponhoro Forest, the location of Shiretoko Nature School courses, which aim to ensure that Shiretoko's magnificent natural environment can be passed on to the next generation.

We will continue to conduct these activities in fiscal 2022 onwards.

\* NONROT™ is a highly safe timber coating that makes full use of wood's natural breathability. It offers outstanding water-repellency, UV resistance and protection against rot, fungus and insects.

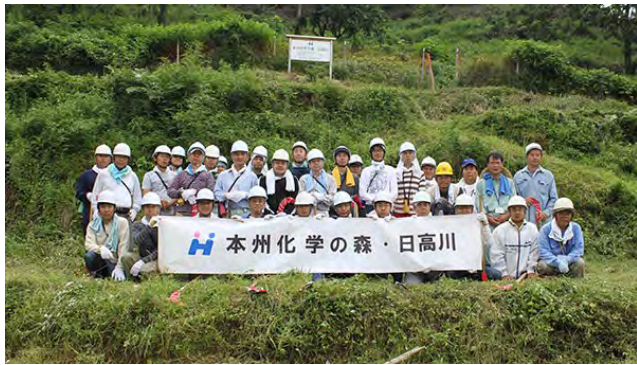
NONROT™ has become the wood protective coating of choice for many architects, designers and their clients, as it allows the wood to breathe, enabling users of products treated with the coating to enjoy the pleasant scent of the timber itself.

## Hidakagawa Honshu Chemical Industry Forest –Ongoing participation in the Corporate Forest project–

Honshu Chemical Industry Co., Ltd., a Mitsui Chemicals affiliate has been participating in the Corporate Forest project\* aimed at preserving the forest environment, which has been promoted by Wakayama Prefecture as part of its environmental protection activities for ten years since 2010. Honshu Chemical Industry employees and their family planted approximately 1,500 broad-leaved trees in a forest (1.32 ha in area), and the employees remove undergrowth and perform complementary planting thereafter every year under the instructions of Kichu Forestry Association, which manages the forest on behalf of the company. In 2020, Honshu Chemical Industry signed an Agreement on Forest Preservation and Management with Wakayama Prefecture and Hidakagawa Town, with the aim of extending the effort for ten years. A signing ceremony for the new agreement was held in the Governor's office at the Wakayama prefectural office, in which Mr. Nisaka (Governor of Wakayama Prefecture), Mr. Kurume (Hidakagawa Town Mayor), and Mr. Ohori (General manager of Wakayama Works at Honshu Chemical Industry) signed the agreement.

\* Corporate Forest project:

An environmental contribution program in which Wakayama Prefecture, the Forest Association, and companies join forces to participate in global environmental protection together with locals using the rich natural environment in the prefecture.



**Hidakagawa Honshu Chemical Industry Forest**



**A signing ceremony for the Agreement on Forest Preservation and Management**



Management System	Laboratory Classes on the Wonders of Chemistry	Nurturing Future Generations
Environment	Support for Employees' Participation in Social Activities	Disaster Relief
Working in Harmony with Local Communities		

## 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 salaries or bonuses, which is used to fund donations to organizations involved in social activities. The One-Coin Club Management Committee, formed by volunteer members, specifies the priority areas for support, chooses social service organizations, and reviews and selects donation beneficiaries in accordance with the provisions of the Committee’s management rules.

#### Priority Areas of Support

- (1) Activities aimed at nurturing future generations/saving lives and protecting the livelihoods of children
- (2) Activities aimed at supporting people with disabilities/contributing to patients with intractable diseases
- (3) Activities that contribute to medical/maintenance disaster response systems
- (4) Activities that protect the global environment

#### Criteria for Choosing Social Service Organizations

- (1) The content of the organization’s activities corresponds to the content of the Group’s Social Activities Policy.
- (2) The organization is a third-party beneficiary that is not a Group employee or related party.
- (3) The organization’s activity details and financial condition are disclosed, so it is a highly transparent organization.
- (4) The organization has promised that it will report the results of its activities to the Club after receiving support from the Club.
- (5) The organization has no connection with specific religion, academic society, or political activity.

As of October 2021, the Club had 746 members, who between them contributed approximately ¥4.0 million to the fund in fiscal 2021.

In fiscal 2021, we donated a total of ¥6.4 million - ¥3.2 million from the One-Coin Club and a matching gift\* of the same amount from the Company - to a total of 16 organizations involved in a range of social activities.

\* Matching gifts:

A program that supports employees' social contribution activities whereby a company provides a matching donation of the same amount when an employee donates to a social or environmental organization.



## Organizations That Benefited from Donations in Fiscal 2021

Organization Name (In random order)	Priority Areas of Support	Past Donation History (Years)
United Nations World Food Programme (Japan)	(1)	2008-2021
Japan Committee, Vaccines for the World's Children	(1)	2008-2021
Nanbyo Network	(1) (2)	2009-2021
Guide Dog & Service Dog & Hearing Dog Association of Japan	(2)	2008-2021
Japan Marrow Donor Registry Promotion Conference	(2)	2008\ 2010-2021
Helicopter Emergency Medical Network (HEM-Net)	(3)	2010-2021
team RESCUE	(3)	2012-2021
Peace Winds Japan (PWJ)	(1) (3)	2009\ 2012\ 2017\ 2019-2021
MEDECIN SANS FRONTIERES	(3)	2014-2021
Japan Environmental Action Network	(4)	2015-2021
Chance for Children	(1)	2017-2021
Kamonohashi Project	(1)	2015\ 2018-2021
5 years	(2)	2018-2021
The Association for the Prevention of Child Abuse & Neglect	(1)	2020-2021
WaterAid Japan	(1) (3)	2020-2021
Disaster Rescue Dog Network	(3)	2021

In fiscal 2021, an online NPO activity report meeting was held. Six organizations supported by the Club gave lectures, which served as a precious opportunity for our employees to exchange information and opinions concerning social issues. The participants commented: "This hotline network is helpful" and "It was an important opportunity to learn what is going on in the

world.” We believe the meeting deepened their understanding of the organizations supported by the Club and served as an opportunity to consider business from the viewpoint of social issues that the Group is targeting.

#### Organizations that Participated in the Activity Report Meeting

Organization name	Time of implementation	Theme
Nanbyo Network	September	Content of the organization’s activities
<a href="#">Kamonohashi Project</a>	September	Content of the organization’s activities
Japan Marrow Donor Registry Promotion Conference	September	Content of the organization’s activities
Médecins Sans Frontières (MSF)	December	Content of the organization’s activities
The Association for the Prevention of Child Abuse & Neglect	March	Inclusion study lectures x One-Coin Club—On International Women’s Day— (About child abuse) * Collaboration event with the Human Resources Division
<a href="#">WaterAid Japan</a>	March	Workshop on water for children on World Water Day * Collaboration event with <a href="#">Wonders of Chemistry</a>

#### Community Service Leave Program

In August 2008, we introduced a community service 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. Starting in fiscal 2020, half-day leave was introduced, resulting in 54 instances of leave being taken (of which 14 was half-day leave).

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

Management System

Laboratory Classes on the Wonders of Chemistry

Nurturing Future Generations

Environment

Support for Employees' Participation in Social  
Activities

Disaster Relief

Working in Harmony with Local Communities

## Disaster Relief

As part of its social contributions, Mitsui Chemicals Group is actively involved in providing its own technologies and products as aid and relief for natural disasters. We are committed to building a system that can quickly and effectively provide relief that closely fits the needs of people in areas affected by a disaster by working closely with organizations such as NPOs and local authorities. We are also exploring actions that can contribute to enhanced co-creation as part of our New Disaster Recovery Activities.

### Disaster Relief Supplies

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 swiftly send out supplies upon request from contact partners<sup>\*1</sup> and local governments. We have stockpiles of items such as urethane mattresses (cushioned materials to lay on the floors of gymnasiums being used as evacuation shelters), waterproof tarpaulin sheets (to cover buildings damaged by water or landslides), air cushions<sup>\*2</sup> (for use at evacuation shelters), and FASTAID™ Virus Sweeper Towel<sup>\*3</sup> at both of these warehouses.

In fiscal 2021, we offered relief supplies to areas affected by the floods in August 2021.

<sup>\*1</sup> Contact partners:

Team Rescue, [Peace Winds Japan](#)

<sup>\*2</sup> 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.

### \*3 FASTAID™ Virus Sweeper Towel:

This concept was created by More Impact, a disaster relief innovation and creation initiative promoted jointly with the specified nonprofit organizations Japan Platform and CWS Japan and others. This disaster relief innovative product utilizes the Lock & Peel™ technology of the Group's affiliate, Dow-Mitsui Polychemicals Co., Ltd., which enables a compressed towel and sodium hypochlorite to be preserved separately in a single package.



Relief supplies at Iwakuni-Ohtake Works



Urethane mattresses carried by an NPO to an evacuation center

## Distribution of Disaster Relief Supplies in Fiscal 2021

### August 2021 floods

Location	Contact	Details of Relief Supplies Provided
Takeo City Saga Prefecture	SEMA	100 waterproof tarpaulin sheets

### Establishment of SEMA, Japan's First Private-led Disaster Response Alliance

Alongside 17 other private companies and six non-profit organizations Mitsui Chemicals participated in the establishment of SEMA (Social Emergency Management Alliance), Japan's first privately led disaster support alliance. The organization provides one-stop support, including goods and services of participating companies and NPOs in the event of a large-scale natural disaster in Japan. The Great East Japan Earthquake showed us that municipalities themselves can be greatly damaged in a disaster, making the assessment of local conditions and support to those in need all the more difficult. The SEMA organization crosses the divide between companies and NPOs and aims to minimize the impact of natural disasters of the nation's citizens and speed recovery efforts.

The SEMA organization makes in advance a list of goods and services offered by participating companies and organizations, and during a natural disaster can rapidly send packaged support based on that list to afflicted areas. The organization also aims to cooperate with public institutions in offering support and exchanging information, with the general aim of reducing the burden on municipalities and cutting down on waste and unnecessary support.

\* SEMA organization partners (68 companies and 6 civil groups have joined as of March 7, 2022)

The Mitsui Chemicals Group is contributing to curbing the global COVID-19 pandemic through its business activities.

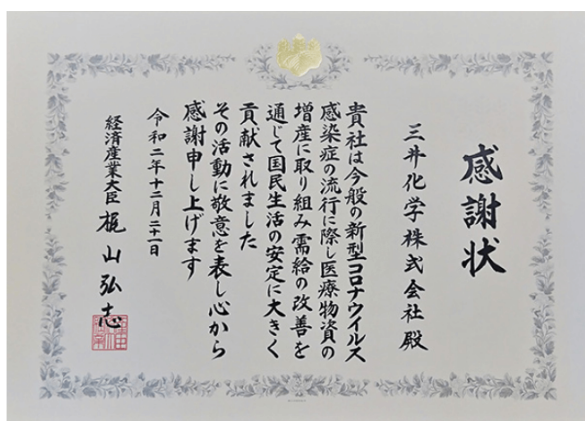
### Social contributions through business activities

Emergency supply of nonwoven fabric for medical-use gowns & increased production of TEKNOROTETM, mask nose clamps.  
(Received certificate of gratitude from the Ministry of Economy, Trade and Industry in December 2020 for increasing the production of medical supplies.)

Development and donation of  $\theta$  (Theta), 3D-printed masks.

Himilan™ face shields donated to local governments, medical institutions, etc.

Unistole™ selected as frame coding agent for Siemens' 3D-printed medical face shields.



Certificate of gratitude



Isolation gowns

## Social Activities

Management System

Laboratory Classes on the Wonders of Chemistry

Nurturing Future Generations

Environment

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.

### Local Communication at Each Business Site

At each of our business sites, 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 have. The comments and opinions received through communications with neighborhood communities are reflected in the management of our business sites as appropriate.

### Examples of community exchange

Ichihara Works		
Name (Number of Events)	Those for Whom Events Organized Details	Details
Autumn Festival*	Local residents	<ul style="list-style-type: none"> <li>Laboratory Class on the Wonders of Chemistry</li> <li>Events on the stage</li> <li>Kids Corner (playground equipment)</li> </ul>
Works Tour*	Local women's association	<ul style="list-style-type: none"> <li>Summarized explanation of the Works</li> <li>Works tour</li> </ul>
Opinion Exchange Meeting (Once)	Local neighborhood town council officers	<ul style="list-style-type: none"> <li>Summarized explanation of the Works</li> <li>Works tour</li> <li>Opinion exchange meetings</li> </ul>

\* Not held in fiscal 2021 due to the COVID-19 pandemic.

Mobara Branch Factory		
Name (Number of Events)	Those for Whom Events Organized Details	Details
Fureai Park <sup>*1</sup>	Local neighborhood council officers	<ul style="list-style-type: none"> <li>• Various stage shows</li> <li>• Opinion exchange meetings</li> </ul>
Opinion Exchange Meetings <sup>*2</sup>	Local neighborhood council officers	<ul style="list-style-type: none"> <li>• Summarized explanation of the Works</li> <li>• Works and Technology Training Center tours</li> <li>• Opinion Exchange Meeting (About environmental protection and process safety as well as disaster prevention initiatives, dialogue with local communities, etc.)</li> </ul>

<sup>\*1</sup> Not held in fiscal 2021 due to the COVID-19 pandemic.

<sup>\*2</sup> Replaced with written forms in fiscal 2021 due to the COVID-19 pandemic.

Nagoya Works		
Name (Number of Events)	Those for Whom Events Organized Details	Details
Works Tour <sup>*1</sup>	Children's clubs from neighboring school districts, officers from neighboring school districts	<ul style="list-style-type: none"> <li>• Works tour</li> <li>• Laboratory Class on the Wonders of Chemistry</li> </ul>
Autumn Festival <sup>*1</sup>	Local residents	<ul style="list-style-type: none"> <li>• Laboratory Class on the Wonders of Chemistry</li> <li>• Events on the stage</li> </ul>
Publication of Local Communication Magazine "Tango Dohri" (Once)	Local residents	<ul style="list-style-type: none"> <li>• Introduction of initiatives conducted in Works</li> <li>• Gathering voices (opinions) from local residents and introducing them</li> </ul>
Environmental Dialogue with Local Residents <sup>*2</sup>	Officers from neighboring school districts Minami Ward Office, Nagoya	<ul style="list-style-type: none"> <li>• Environmental Dialogue with Local Residents</li> </ul>

<sup>\*1</sup> Not held in fiscal 2021 due to the COVID-19 pandemic.

<sup>\*2</sup> Replaced with written forms in fiscal 2021 due to the COVID-19 pandemic.

Osaka Works		
Name (Number of Events)	Those for Whom Events Organized Details	Details
Works Tour <sup>*</sup>	Children's clubs from neighboring school districts, officers from neighboring school districts, local elementary schools	<ul style="list-style-type: none"> <li>• Summarized explanation of the Works</li> <li>• Explanation on such matters as environmental protection and disaster prevention initiatives</li> <li>• Works tour</li> <li>• Opinion exchange meetings</li> <li>• Fire fighting facility and Works tour</li> <li>• Simple hands-on laboratory class on chemistry</li> </ul>

Local dialogue on Responsible Care*	Related parties of local government and various organizations	<ul style="list-style-type: none"> <li>Local dialogue on Responsible Care</li> <li>Summarized explanation of the Works</li> <li>Explanation on initiatives for Responsible Care</li> <li>Works tour</li> <li>Opinion exchange meetings</li> </ul>
Publication of Local Communication Magazine "Takashinohama" (Twice)	Local residents	<ul style="list-style-type: none"> <li>Introduction of initiatives conducted in the Works</li> <li>Gathering voices (opinions) from local residents and introducing them</li> </ul>

\* Not held in fiscal 2021 due to the COVID-19 pandemic.

Iwakuni-Ohtake Works		
Name (Number of Events)	Those for Whom Events Organized Details	Details
Opinion Exchange Meetings* <sup>1</sup>	Heads of local neighborhood councils and those in charge of volunteer disaster response organizations	<ul style="list-style-type: none"> <li>Sending materials on Works Topics, environmental protection and disaster prevention initiatives</li> <li>Received opinions and requests for the Works and reviewed in the Company. After the review, sending the result as a report</li> </ul>
Laboratory Class on the Wonders of Chemistry (Once)	Local elementary schools	<ul style="list-style-type: none"> <li>Laboratory Class on the Wonders of Chemistry</li> </ul>
Autumn Festival* <sup>2</sup>	Local residents	<ul style="list-style-type: none"> <li>Laboratory Class on the Wonders of Chemistry</li> <li>Events on the stage</li> </ul>
Publication of Local Communication Magazine "Ozegawa" (Twice)	Local residents	<ul style="list-style-type: none"> <li>Introduction of initiatives conducted in the Works</li> <li>Gathering voices (opinions) from local residents and introducing them</li> </ul>

\*<sup>1</sup> Replaced with written forms in fiscal 2021 due to the COVID-19 pandemic.

\*<sup>2</sup> Not held in fiscal 2021 due to the COVID-19 pandemic.

Omuta Works		
Name (Number of Events)	Those for Whom Events Organized Details	Details
Opinion Exchange Meetings (Held in written forms in November)	Related parties of local government	<ul style="list-style-type: none"> <li>Summarized introduction of the Works</li> <li>Introduction of disaster prevention activities</li> <li>Introduction of social contribution activities</li> <li>Opinion exchange meetings</li> </ul>
Publication of Local Communication Magazine "Toukayama" (Twice)	Local residents	<ul style="list-style-type: none"> <li>Introduction of initiatives conducted in the Works</li> <li>Gathering voices (opinions) from local residents and introducing them</li> </ul>

<b>Memorial J Plant Goodbye Event</b>	<b>Representatives of local residents and representatives of related organizations</b>	<ul style="list-style-type: none"> <li>• Screening of the video that looks back on the history of J Plant and Omuta</li> <li>• Illumination on J Plant</li> <li>• Stage events</li> <li>• Fireworks</li> </ul>
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<b>Sodegaura Center</b>		
<b>Name (Number of Events)</b>	<b>Those for Whom Events Organized Details</b>	<b>Details</b>
<b>Summer Festival*</b>	<b>Related parties of local neighborhood council, neighborhood companies, municipal office</b>	<ul style="list-style-type: none"> <li>• Events on the stage</li> </ul>
<b>Opinion Exchange Meetings (Twice)</b>	<b>Related parties of municipal office and police station</b>	<ul style="list-style-type: none"> <li>• Explanation of Center and tour</li> <li>• Opinion exchange meetings</li> </ul>
<b>Laboratory Class on the Wonders of Chemistry (Five times)</b>	<b>Local elementary schools</b>	<ul style="list-style-type: none"> <li>• Laboratory Class on the Wonders of Chemistry</li> </ul>

\* Not held in fiscal 2021 due to the COVID-19 pandemic.



**Meeting to exchange opinions at Mobara Branch Factory**



**Meeting to exchange opinions at Nagoya Works**



**Meeting to exchange opinions at Iwakuni-Ohtake Works**



**Autumn Festa at Omuta Works**



**Meeting to exchange opinions at Sodegaura Center**



Each of our business sites is actively involved in local community activities as a corporate citizen.



Junior rubber baseball tournament at Osaka Works



Clean-up activities around Ichihara Works (FY2019)

### Donating beach wheelchairs to a tourist site

Aiming to achieve MCRC 2030 Goals\*, Chemours-Mitsui Fluoroproducts Co., Ltd. has taken on a new challenge to constantly increase its corporate value. To achieve this goal, the Company donated two beach wheelchairs to MIHO SHIRUBE, the Miho no Matsubara Culture & Creativity Center in Shizuoka City in March 2021. The Company's Shimizu Works is located in the vicinity of a World Heritage Site, Miho-no-Matsubara, a pine grove on the Miho Peninsula. Elderly people and wheelchair users could visit only a limited area in the grove as it is situated on a sandy beach. Our beach wheelchairs offer an opportunity for a greater number of visitors to enjoy the scenic views from various seaside locations.

\* MCRC 2030 Goals:

Mitsui-Chemours Corporate Responsibility Commitment (MCRC) 2030 Goals are the ESG-related goals that Chemours-Mitsui Fluoroproducts Co., Ltd. is committed to achieving by fiscal 2030.

### Donating Mitsui Fine Chemicals products to a public hospital in Delhi, India

As part of its CSR activities, Mitsui Chemicals India Pvt Ltd. (MCIND) donated FASTAID™ Virus Sweeper Towel and AUSIRO como antibacterial spray, which are Mitsui Fine Chemicals products, to a public hospital in Delhi, India (Lok Nayak Hospital) via an NGO, Sakshi, in September 2021. Lok Nayak Hospital is one of the largest public hospitals treating COVID-19 patients in Southeast Asia. The hospital has treated more than 21,000 patients infected with the disease and is visited by approximately 10,000 outpatients per day. In appreciation for the donation from MCIND, the company received a letter of appreciation from Dr. Suresh Kumar. Dr. Suresh Kumar is a Medical Director at Lok Nayak Hospital and has been nominated by the Indian government for the Padma Awards 2021, the most prestigious award for private citizens.



Donating the products to Lok Nayak Hospital

## Cultural Preservation through the Farewell Project for Coal Railway

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Mitsui Chemicals held the Farewell Project for Coal Railway as a part of our cultural preservation activities. The project was organized to celebrate the century-long service of the Mitsui Chemicals Exclusive Railway (formerly the Miike Coal Mine Railway), which was used to convey raw materials to Omuta Works until the railway's closure in May 2020. With this project, we worked to capture the legacy of the trains for the future.

The former Miike Coal Mine Railway was familiarly known as the "coal mine train" to people living in Omuta City, Kumamoto Prefecture. Its service, lasting more than 100 years, is well remembered as a part of the scenery of the town, running through the streets carrying goods and people. A large part of the railway became disused following the closure of the Mitsui Miike Coal Mine in 1997. Only one section that spanned 1.8 km and the cars in use at that time remained in operation as an industrial railway for Mitsui Chemicals. The remains of the Miike Coal Mine Railway was registered as one of the Sites of Japan's Meiji Industrial Revolution under UNESCO World Cultural Heritage in 2015.

In the Farewell Project for Coal Railway, films were created to memorialize the railway as an asset to the local landscape and were donated to Omuta City and related bodies. Also, the sounds of the working train were recorded and archived as ASMR\* sound generator and made publicly available to a wide range of audience. Unfortunately, the ceremony that was planned to celebrate the train's final run and the movie premiere had to be cancelled due to the COVID-19 pandemic. On the last day of the railway's operation, we presented a bouquet of flowers to Miike Port Logistics Corporation staff, who have been carefully maintaining the trains and rails and ensuring safe operations, to thank them and the trains that had been in operation for such a long time. The ceremony to mark the final run was rescheduled as a smaller scale event on July 31, 2021, with a limited number of attendees as a precaution against risks from COVID-19.

Aiming to be a corporation open to local communities, the Mitsui Chemicals Group values the culture built together in harmony with people in the neighborhood.

\* ASMR (Autonomous Sensory Meridian Response) is a response or sensation that a person feels from audio or visual stimulation, resulting in a pleasant or positive feeling in the brain.



Presentation of a memorial video to the Mayor of Omuta



The last day of operation

# ESG Performance Data

Environment

Society

Governance

## Environment

Input ⇒ Output Data (FY2021)

### Greenhouse Gas (GHG) Energy

#### GHG

	Scope	2018	2019	2020	2021
GHG emissions (Scope1) / thousand tons	Mitsui Chemicals, Inc.	3,450	3,540	3,498	3,595
	Domestic subsidiaries and affiliates	110	66	64	63
	Overseas subsidiaries and affiliates	220	163	178	154
	Global	3,780	3,770	3,740	3,812
GHG emissions (Scope2) / thousand tons	Mitsui Chemicals, Inc.	720	615	514	531
	Domestic subsidiaries and affiliates	160	142	150	145
	Overseas subsidiaries and affiliates	560	538	530	384
	Global	1,440	1,295	1,193	1,061
GHG emissions (Scopes 1, 2) / thousand tons	Global	5,220	5,060	4,933	4,873
GHG emissions (Scope3) / thousand tons	Mitsui Chemicals, Inc.	11,666	10,177	9,326	—
GHG emissions intensity per unit of sales / tons · billion yen <sup>-1</sup>	Global	352	378	407	302
GHG emissions reduction rate (Scopes 1, 2)/ % * compared to FY2013	Global	15.0	18.0	20.0	21.0

## Energy

	Scope	2018	2019	2020	2021
Energy consumption / PJ	Mitsui Chemicals, Inc.	75.1	75.5	72.9	74.5
	Domestic subsidiaries and affiliates	3.9	3.5	3.8	3.9
	Overseas subsidiaries and affiliates	13.9	10.3	10.4	9.7
	Global	92.9	89.3	87.1	88.0
Energy intensity index (FY2009=100)	Mitsui Chemicals, Inc.	94.6	94.9	96.6	92.7
Five-year annual energy intensity reduction rate / %	Mitsui Chemicals, Inc.	△0.3	△0.4	△0.7	△0.2

## Industrial Waste

	Scope	2018	2019	2020	2021
Waste generated / thousand tons	Global	235.8	213.3	206.1	221.9
Hazardous waste / thousand tons	Mitsui Chemicals, Inc.	1.3	0.7	0.5	11.9
	Domestic subsidiaries and affiliates	—	—	—	12.8
Waste sent off-site / thousand tons	Global	181.7	158.6	149.5	167.7

\* From FY2021, the management quantity has been changed from “specified hazardous industrial waste” to “specially controlled industrial waste” stipulated by Waste Management and Public Cleansing Act in Japan.

## Recycling

	Scope	2018	2019	2020	2021
Amount recycled externally / thousand tons	Mitsui Chemicals, Inc.	68.0	60.9	67.2	77.1
	Domestic subsidiaries and affiliates	28.8	27.5	29.2	25.3
	Overseas subsidiaries and affiliates	34.7	24.3	19.1	20.3
	Global	131.7	112.7	115.6	122.7
Recycling rate / %	Domestic	72.4	71.0	77.3	73.2

## Landfill

	Scope	2018	2019	2020	2021
Landfill / thousand tons	Mitsui Chemicals, Inc.	0.4	0.4	0.5	0.4
	Domestic subsidiaries and affiliates	0.1	0.2	0.1	0.1
	Overseas subsidiaries and affiliates	0.2	0.2	0.1	0.2
	Global	0.7	0.8	0.7	0.7
Landfill rate for industrial waste / %	Domestic	0.3	0.4	0.4	0.3
	Oversea	0.4	0.5	0.3	0.3
	Global	0.3	0.4	0.3	0.3

## Substances Subject to the PRTR Act

	Scope	2018	2019	2020	2021
Substances subject to the PRTR Act emissions / tons	Mitsui Chemicals, Inc.	816	768	808	827

## Air

	Scope	2018	2019	2020	2021
Volatile organic compound (VOC) emissions / tons	Mitsui Chemicals, Inc.	1,621	1,575	1,537	1,597
	Domestic subsidiaries and affiliates	350	405	434	467
	Overseas subsidiaries and affiliates	64	58	80	35
	Global	2,035	2,038	2,051	2,099
NOx emissions / tons	Mitsui Chemicals, Inc.	2,110	2,311	2,186	2,253
	Domestic subsidiaries and affiliates	253	108	107	83
	Overseas subsidiaries and affiliates	195	254	201	200

	Global	2,558	2,673	2,494	2,536
SOx emissions / tons	Mitsui Chemicals, Inc.	223	368	303	414
	Domestic subsidiaries and affiliates	97	42	43	20
	Overseas subsidiaries and affiliates	67	62	43	16
	Global	387	472	389	451
Soot and dust emissions / tons	Mitsui Chemicals, Inc.	101	88	93	96
	Domestic subsidiaries and affiliates	13	7	11	8
	Overseas subsidiaries and affiliates	90	60	60	51
	Global	204	155	164	154
Emissions of hazardous air pollutants / tons	Mitsui Chemicals, Inc.	13	15	43	11
Fluorocarbons emissions / tons	Mitsui Chemicals, Inc.	5	8	5	3
	Domestic subsidiaries and affiliates	0	0	0	0
	Overseas subsidiaries and affiliates	10	2	6	2
	Global	15	10	11	5

## Water

### Efficient Use of Water

	Scope	2018	2019	2020	2021
Total volume of water withdrawal (tap water, groundwater, industrial water, and seawater) / million m <sup>3</sup>	Mitsui Chemicals, Inc.	507.1	492.7	505.3	481.7
	Domestic subsidiaries and affiliates	20.1	19.9	20.3	14.3
	Overseas subsidiaries and affiliates	11.4	3.4	3.2	3.3
	Global	538.6	516.1	528.8	499.3
	Mitsui Chemicals, Inc.	0.8	0.8	0.9	0.9

Tap water / million m <sup>3</sup>					
	Domestic subsidiaries and affiliates	0.3	0.3	0.3	0.3
	Overseas subsidiaries and affiliates	0.5	0.4	0.4	0.4
	Global	1.6	1.5	1.5	1.7
Groundwater / million m <sup>3</sup>	Mitsui Chemicals, Inc.	0.7	0.6	0.5	0.6
	Domestic subsidiaries and affiliates	1.0	1.2	1.2	1.2
	Overseas subsidiaries and affiliates	0.2	0.0	0.0	0.0
	Global	1.8	1.8	1.7	1.8
Industrial water / million m <sup>3</sup>	Mitsui Chemicals, Inc.	83.0	81.9	81.8	92.5
	Domestic subsidiaries and affiliates	9.7	9.3	9.9	4.4
	Overseas subsidiaries and affiliates	10.7	3.0	2.9	2.9
	Global	103.4	94.1	94.6	99.8
Seawater / million m <sup>3</sup>	Mitsui Chemicals, Inc.	422.7	409.5	422.0	387.6
	Domestic subsidiaries and affiliates	9.1	9.2	8.9	8.4
	Overseas subsidiaries and affiliates	0.0	0.0	0.0	0.0
	Global	431.8	418.7	431.0	396.0
Recycled water / million m <sup>3</sup>	Mitsui Chemicals, Inc.	1,667.1	1,686.2	1,625.6	1,663.3
	Domestic subsidiaries and affiliates	100.9	101.5	101.1	99.4
	Overseas subsidiaries and affiliates	40.0	36.9	36.5	36.0
	Global	1,808.1	1,824.5	1,763.3	1,798.7
Water recycling ratio / %	Domestic	77.0	77.7	76.7	78.0
	Overseas subsidiaries and affiliates	77.8	91.5	91.5	91.4
	Global	77.0	78.0	76.9	78.3



Discharge water volume / million m <sup>3</sup>	Mitsui Chemicals, Inc.	491.3	473.8	485.5	447.3
	Domestic subsidiaries and affiliates	19.8	19.6	20.1	14.3
	Overseas subsidiaries and affiliates	4.8	1.2	1.1	1.1
	Global	515.9	494.6	506.7	462.7
Water consumption / million m <sup>3</sup>	Mitsui Chemicals, Inc.	15.9	18.9	19.8	34.3
	Domestic subsidiaries and affiliates	0.3	0.3	0.2	0.0
	Overseas subsidiaries and affiliates	6.6	2.2	2.1	2.3
	Global	22.8	21.4	22.1	36.6

## Emissions of Water Pollutants

	Scope	2018	2019	2020	2021
COD, BOD emissions / tons	Mitsui Chemicals, Inc.	888	884	836	850
	Domestic subsidiaries and affiliates	72	68	65	50
	Overseas subsidiaries and affiliates	2,601	1,676	1,274	1,225
	Global	3,561	2,628	2,176	2,125
Total nitrogen emissions / tons	Mitsui Chemicals, Inc.	1,138	1,269	1,072	1,014
Total phosphorous emissions / tons	Mitsui Chemicals, Inc.	41	27	26	23

## Environmental Accounting

	Scope	2018	2019	2020	2021
Environmental preservation costs (Investment) / billion yen	Mitsui Chemicals, Inc.	19	19	14	14
Environmental preservation costs (Expenditure) / billion yen		217	222	217	241
Economic impact of environmental initiatives / billion yen		12	11	16	11

## Visualization of Contributions to the Environment

	Scope	2018	2019	2020	2021
Blue Value™ products sales ratio / %	Global	16	18	15	18

## Others

	Scope	2018	2019	2020	2021
Number of environment-related accidents	Global	0	0	0	0
Number of violations to environmental laws and regulations	Global	0	0	0	0
Purchased raw materials / thousand tons	Mitsui Chemicals, Inc.	4,721	4,597	4,398	4,559
	Domestic subsidiaries and affiliates	519	477	462	414
	Overseas subsidiaries and affiliates	2,432	1,520	1,450	1,493
	Global	7,672	6,594	6,310	6,367
Purchased materials / thousand tons	Mitsui Chemicals, Inc.	22	24	38	38
	Domestic subsidiaries and affiliates	23	18	19	9
	Overseas subsidiaries and affiliates	77	25	20	20
	Global	122	66	77	67
Products shipped / thousand tons	Mitsui Chemicals, Inc.	4,789	4,573	4,475	4,561
	Domestic subsidiaries and affiliates	537	539	498	498
	Overseas subsidiaries and affiliates	2,775	1,530	1,462	1,489
	Global	8,100	6,642	6,435	6,547

# INPUT⇒OUTPUT Data (FY2021)

## Mitsui Chemicals Group

INPUT		Mitsui Chemicals Group	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	88.0		Products shipped (thousand tons)	6,547
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	6,367		GHG (thousand tons)	4,873
Purchased materials (thousand tons)	67		Scope1	3,812
			Scope2	1,061
Water resources			Fluorocarbons (tons)	5
Water withdrawal (million m <sup>3</sup> )	499.3		NOx (tons)	2,536
Tap water (million m <sup>3</sup> )	1.7		SOx (tons)	451
Ground water (million m <sup>3</sup> )	1.8		Hazardous air pollutants (tons)	11
Industrial water (million m <sup>3</sup> )	99.8		VOC (tons)	2,099
Seawater (million m <sup>3</sup> )	396.0		Soot and dust (tons)	154
(Recycled water) (million m <sup>3</sup> )	1,798.7		Industrial waste	
			Waste sent off-site (thousand tons)	167.7
			Amount recycled externally (thousand tons)	122.7
			Off-site landfill (thousand tons)	0.7
			Wastewater	
			COD, BOD (tons)	2,125
			Total nitrogen (tons)	1,014
		Total phosphorous (tons)	23	
		Effluent (million m <sup>3</sup> )	462.7	
		Wastewater treatment (million m <sup>3</sup> )	57.6	

## Mitsui Chemicals, Inc.

INPUT		Mitsui Chemicals, Inc.	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	74.5		Products shipped (thousand tons)	4,561
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	4,459		GHG (thousand tons)	4,127
Purchased materials (thousand tons)	38		Scope1	3,595
			Scope2	531
Water resources			Fluorocarbons (tons)	3
Water withdrawal (million m <sup>3</sup> )	481.7		NOx (tons)	2,253
Tap water (million m <sup>3</sup> )	0.9		SOx (tons)	414
Ground water (million m <sup>3</sup> )	0.6		Hazardous air pollutants (tons)	11
Industrial water (million m <sup>3</sup> )	92.5		VOC (tons)	1,597.0
Seawater (million m <sup>3</sup> )	387.6		Soot and dust (tons)	96
(Recycled water) (million m <sup>3</sup> )	1,663.3		Industrial waste	
			Waste sent off-site (thousand tons)	104.7
			Amount recycled externally (thousand tons)	77.1
			Off-site landfill (thousand tons)	0.4
			Wastewater	
			COD、BOD (tons)	850
			Total nitrogen (tons)	1,014
		Total phosphorous (tons)	23	
		Effluent (million m <sup>3</sup> )	447.3	
		Wastewater treatment (million m <sup>3</sup> )	57.6	

## Domestic Subsidiaries & Affiliates

INPUT		Domestic Subsidiaries & Affiliates	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	3.9		Products shipped (thousand tons)	497.6
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	414		GHG (thousand tons)	208
Purchased materials (thousand tons)	9.0		Scope1	63
			Scope2	145
Water resources			Fluorocarbons (tons)	0
Water withdrawal (million m <sup>3</sup> )	14.3		NOx (tons)	83
Tap water (million m <sup>3</sup> )	0.3		SOx (tons)	20
Ground water (million m <sup>3</sup> )	1.2		VOC (tons)	467
Industrial water (million m <sup>3</sup> )	4.4		Soot and dust (tons)	8
Seawater (million m <sup>3</sup> )	8.4		Industrial waste	
( Recycled water ) (million m <sup>3</sup> )	99.4		Waste sent off-site (thousand tons)	31.2
			Amount recycled externally (thousand tons)	25.3
			Off-site landfill (thousand tons)	0.1
			Wastewater	
			COD、BOD (tons)	50
			Wastewater discharge (million m <sup>3</sup> )	14.3

## Overseas Subsidiaries & Affiliates

INPUT		Overseas Subsidiaries & Affiliates	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	9.7		Products shipped (thousand tons)	1,489
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	1,493		GHG (thousand tons)	538
Purchased materials (thousand tons)	20		Scope1	154
			Scope2	384
Water resources			Fluorocarbons (tons)	2.06
Water withdrawal (million m <sup>3</sup> )	3.3		NOx (tons)	200
Tap water (million m <sup>3</sup> )	0.4		SOx (tons)	16
Ground water (million m <sup>3</sup> )	0.0		VOC (tons)	35
Industrial water (million m <sup>3</sup> )	2.9		Soot and dust (tons)	51
Seawater (million m <sup>3</sup> )	0.0		Industrial waste	
(Recycled water) (million m <sup>3</sup> )	36.0		Waste sent off-site (thousand tons)	31.8
			Amount recycled externally (thousand tons)	20.3
			Off-site landfill (thousand tons)	0.2
			Wastewater	
			COD, BOD (tons)	1,225
			Wastewater discharge (million m <sup>3</sup> )	1.1

### 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.

INPUT		Ichihara Works	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	26.9		Products shipped (thousand tons)	1,654
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	1,666		GHG (thousand tons)	1,364
Purchased materials (thousand tons)	5.4		Scope1	1,331
			Scope2	33
Water resources			Fluorocarbons (tons)	0.6
Water withdrawal (thousand m <sup>3</sup> )	332,573		NOx (tons)	856
Tap water (thousand m <sup>3</sup> )	0		SOx (tons)	298
Ground water (thousand m <sup>3</sup> )	157		Hazardous air pollutants (tons)	1.4
Industrial water (thousand m <sup>3</sup> )	21,958		VOC (tons)	334.8
Seawater (thousand m <sup>3</sup> )	310,458		Soot and dust (tons)	36.8
(Recycled water) (million m <sup>3</sup> )	393,846		Industrial waste	
			Waste sent off-site (thousand tons)	18.0
			Amount recycled externally (thousand tons)	17.9
			Off-site landfill (thousand tons)	0.0019
			Wastewater	
			COD、BOD (tons)	62.4
			Total nitrogen (tons)	21.4
			Total phosphorous (tons)	1.6
			Wastewater discharge (thousand m <sup>3</sup> )	317,993
			Wastewater treatment (thousand m <sup>3</sup> )	5,737

### 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.

INPUT		Mobara Branch Factory	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	0.7		Products shipped (thousand tons)	55
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	56		GHG (thousand tons)	37
Purchased materials (thousand tons)	1.4		Scope1	24
			Scope2	13
Water resources			Fluorocarbons (tons)	0.0
Water withdrawal (thousand m <sup>3</sup> )	803		NOx (tons)	16.4
Tap water (thousand m <sup>3</sup> )	10		SOx (tons)	0.0
Ground water (thousand m <sup>3</sup> )	459		Hazardous air pollutants (tons)	0.0
Industrial water (thousand m <sup>3</sup> )	334		VOC (tons)	12.7
Seawater (thousand m <sup>3</sup> )	0		Soot and dust (tons)	0.1
(Recycled water) (million m <sup>3</sup> )	30,500		Industrial waste	
			Waste sent off-site (thousand tons)	2.1
			Amount recycled externally (thousand tons)	0.8
			Off-site landfill (thousand tons)	0.0
			Wastewater	
			COD、BOD (tons)	9.0
			Total nitrogen (tons)	1.5
			Total phosphorous (tons)	1.5
			Wastewater discharge (thousand m <sup>3</sup> )	572
			Wastewater treatment (thousand m <sup>3</sup> )	359

### 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.

INPUT		Nagoya Works	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	0.8		Products shipped (thousand tons)	57
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	60		GHG (thousand tons)	32
Purchased materials (thousand tons)	3.5		Scope1	10
			Scope2	22
Water resources			Fluorocarbons (tons)	0.1
Water withdrawal (thousand m <sup>3</sup> )	1,663		NOx (tons)	3,363
Tap water (thousand m <sup>3</sup> )	4		SOx (tons)	0.0
Ground water (thousand m <sup>3</sup> )	0		Hazardous air pollutants (tons)	0.15
Industrial water (thousand m <sup>3</sup> )	1,660		VOC (tons)	5.0
Seawater (thousand m <sup>3</sup> )	0		Soot and dust (tons)	0.071
(Recycled water) (million m <sup>3</sup> )	17,528		Industrial waste	
			Waste sent off-site (thousand tons)	6.2
			Amount recycled externally (thousand tons)	4.1
			Off-site landfill (thousand tons)	0.0330
			Wastewater	
			COD, BOD (tons)	0.0
			Total nitrogen (tons)	0.0
			Total phosphorous (tons)	0.0
			Wastewater discharge (thousand m <sup>3</sup> )	2,275
			Wastewater treatment (thousand m <sup>3</sup> )	0

### 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.

INPUT		Osaka Works	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	30.8		Products shipped (thousand tons)	2,095
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	2,032		GHG (thousand tons)	1,657
Purchased materials (thousand tons)	15		Scope1	1,563
			Scope2	94
Water resources			Fluorocarbons (tons)	1.6
Water withdrawal (thousand m <sup>3</sup> )	74,827		NOx (tons)	687.4
Tap water (thousand m <sup>3</sup> )	67		SOx (tons)	38.4
Ground water (thousand m <sup>3</sup> )	0		Hazardous air pollutants (tons)	5.4
Industrial water (thousand m <sup>3</sup> )	22,122		VOC (tons)	74.3
Seawater (thousand m <sup>3</sup> )	52,638		Soot and dust (tons)	13.0
(Recycled water) (million m <sup>3</sup> )	767,783		Industrial waste	
			Waste sent off-site (thousand tons)	9.2
			Amount recycled externally (thousand tons)	7.6
			Off-site landfill (thousand tons)	0.1
			Wastewater	
			COD、BOD (tons)	235
			Total nitrogen (tons)	455
			Total phosphorous (tons)	5
			Wastewater discharge (thousand m <sup>3</sup> )	61,556
			Wastewater treatment (thousand m <sup>3</sup> )	10,492

## 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.

INPUT		Iwakuni-Ohtake Works	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	7.8		Products shipped (thousand tons)	414
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	391		GHG (thousand tons)	494
Purchased materials (thousand tons)	2.2		Scope1	275
			Scope2	219
Water resources			Fluorocarbons (tons)	0.6
Water withdrawal (thousand m³)	54,161		NOx (tons)	191.3
Tap water (thousand m³)	122		SOx (tons)	71.0
Ground water (thousand m³)	0		Hazardous air pollutants (tons)	3.7
Industrial water (thousand m³)	29,522		VOC (tons)	709.8
Seawater (thousand m³)	24,517		Soot and dust (tons)	16.9
(Recycled water) (million m³)	259,159		Industrial waste	
			Waste sent off-site (thousand tons)	6.1
			Amount recycled externally (thousand tons)	6.1
			Off-site landfill (thousand tons)	0.014
			Wastewater	
			COD、BOD (tons)	198.4
			Total nitrogen (tons)	29.5
			Total phosphorous (tons)	11
			Wastewater discharge (thousand m³)	53,610
			Wastewater treatment (thousand m³)	15,628

## Tokuyama Branch Factory

Located in the Shunan Industrial Complex facing the Seto Inland Sea, our Tokuyama Branch Factory commenced operations in 1962.

Receiving a supply of raw fuel from surrounding companies through pipelines, etc., the Branch Factory currently produces raw materials for urethane resin.

INPUT		Tokuyama Branch Factory	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	0.12		Products shipped (thousand tons)	39
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	40.0		GHG (thousand tons)	7
Purchased materials (thousand tons)	1.3		Scope1	5
			Scope2	2
Water resources			Fluorocarbons (tons)	0.0
Water withdrawal (thousand m³)	5,938		NOx (tons)	2.9
Tap water (thousand m³)	10		SOx (tons)	1.5
Ground water (thousand m³)	0		Hazardous air pollutants (tons)	0.13
Industrial water (thousand m³)	5,928		VOC (tons)	6.4
Seawater (thousand m³)	0		Soot and dust (tons)	0.04
( Recycled water ) (million m³)	0		Industrial waste	
			Waste sent off-site (thousand tons)	5.1
			Amount recycled externally (thousand tons)	3.7
			Off-site landfill (thousand tons)	0.0021
			Wastewater	
			COD, BOD (tons)	14.4
			Total nitrogen (tons)	0.25
			Total phosphorous (tons)	0.02
			Wastewater discharge (thousand m³)	5,756
			Wastewater treatment (thousand m³)	5,756

## 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.

INPUT		Omuta Works	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	7.1		Products shipped (thousand tons)	248
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	215		GHG (thousand tons)	524
Purchased materials (thousand tons)	8.4		Scope1	385
			Scope2	139
Water resources			Fluorocarbons (tons)	0.3
Water withdrawal (thousand m <sup>3</sup> )	11,627		NOx (tons)	495.0
Tap water (thousand m <sup>3</sup> )	664		SOx (tons)	5.1
Ground water (thousand m <sup>3</sup> )	0		Hazardous air pollutants (tons)	0.5
Industrial water (thousand m <sup>3</sup> )	10,963		VOC (tons)	454.0
Seawater (thousand m <sup>3</sup> )	0		Soot and dust (tons)	29.0
( Recycled water ) (million m <sup>3</sup> )	194,425		Industrial waste	
			Waste sent off-site (thousand tons)	57.1
			Amount recycled externally (thousand tons)	36.6
			Off-site landfill (thousand tons)	0.3
			Wastewater	
			COD, BOD (tons)	331.0
			Total nitrogen (tons)	506.0
			Total phosphorous (tons)	4.1
			Wastewater discharge (thousand m <sup>3</sup> )	5,500
			Wastewater treatment (thousand m <sup>3</sup> )	19,592

## Sodegaura Center (R&amp;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.

INPUT		Sodegaura Center (R&D Center)	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	0.3		Products shipped (thousand tons)	0
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	0		GHG (thousand tons)	12
Purchased materials (thousand tons)	0		Scope1	3
			Scope2	9
Water resources			Fluorocarbons (tons)	0.0
Water withdrawal (thousand m <sup>3</sup> )	91		NOx (tons)	0.0
Tap water (thousand m <sup>3</sup> )	67		SOx (tons)	0.0
Ground water (thousand m <sup>3</sup> )	24		Hazardous air pollutants (tons)	0.0
Industrial water (thousand m <sup>3</sup> )	0		VOC (tons)	0.0
Seawater (thousand m <sup>3</sup> )	0		Soot and dust (tons)	0.0
( Recycled water ) (million m <sup>3</sup> )	48		Industrial waste	
			Waste sent off-site (thousand tons)	0.9
			Amount recycled externally (thousand tons)	0.4
			Off-site landfill (thousand tons)	0.003
			Wastewater	
			COD、BOD (tons)	0.27
			Total nitrogen (tons)	0.27
			Total phosphorous (tons)	0.01
			Wastewater discharge (thousand m <sup>3</sup> )	76
			Wastewater treatment (thousand m <sup>3</sup> )	76

# ESG Performance Data

Environment

Society

Governance

## Society

### Employees

	Scope	2018	2019	2020	2021
Number of employees	Global	17,743	17,979	18,051	18,780
	Mitsui Chemicals, Inc.* <sup>1</sup>	6,670	6,773	6,809	6,899

### Region

	Scope		2018	2019	2020	2021
Ratio of region / %	Global	Japan	57.0	57	59	61
		China	6.6	5	5	5
		Asia	9.8	11	11	11
		Europe	17.5	18	17	15
		North, Central, and South America	9.1	9	8	8
		Others	0.0	0	0	0

### Gender

	Scope		2018	2019	2020	2021
Male-female ratio / %	Global* <sup>2</sup>	Male	—	—	—	81.8
		Female	—	—	—	18.2
	Mitsui Chemicals, Inc.* <sup>1</sup>	Male	87.4	87.0	86.9	86.7
		Female	12.6	13.0	13.1	13.3

### Age

	Scope		2018	2019	2020	2021
Average age / age	Mitsui Chemicals, Inc. *1	Male	41.9	41.8	42.0	42.0
		Female	44.5	44.0	44.0	44.0
		Total	42.2	42.1	42.2	42.2
Composition ratio by age / %	Global*2	10s (Ages 18 or older)	—	—	—	1.0
		20s	—	—	—	17.7
		30s	—	—	—	24.8
		40s	—	—	—	25.2
		Over 50s	—	—	—	31.3
	Mitsui Chemicals, Inc. *1	10s (Ages 18 or older)	2.0	1.7	1.5	1.5
		20s	16.7	17.7	17.9	19.1
		30s	18.1	18.4	18.9	18.4
		40s	31.2	28.5	26.4	24.1
		Over 50s	32.1	33.8	35.3	36.9

## Nationality

	Scope		2018	2019	2020	2021
Composition ratio by nationality / %	Global*2	Japan	—	—	—	66.3
		Germany	—	—	—	5.6
		USA	—	—	—	4.3
		China	—	—	—	4.3
		Thailand	—	—	—	4.2
		Mexico	—	—	—	2.3
		Other	—	—	—	13.0
Number of non-Japanese employees	Mitsui Chemicals, Inc. *1		54	54	53	56



## Disabilities

	Scope	2018	2019	2020	2021
Ratio of employees with disabilities / %	Mitsui Chemicals, Inc. <sup>*1</sup>	2.4	2.3	2.4	2.5

## Management Positions

	Scope	2018	2019	2020	2021
Male-female ratio in all Manager-level or above / %	Global <sup>*2</sup>	Male	—	—	89
		Female	—	—	11
Male-female ratio in Manager of Manager-level / %		Male	—	—	95
		Female	—	—	5
Male-female ratio in management staff (supervisor-level) / %	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	87	87	86
		Female	13	13	14
Male-female ratio in management staff (manager-level or above) / %		Male	97	97	96
		Female	3	3	4
Male-female ratio in management staff (general manager-level or above) / %		Male	99	99	98
		Female	1	1	2
Number of new management staff (manager-level or above) / %		Male	94	97	90
		Female	6	3	10

## Labor union members

	Scope	2018	2019	2020	2021
Ratio of labor union members / %	Mitsui Chemicals, Inc. <sup>*1</sup>	54.0	54.5	54.7	54.1

## Employee-friendly Working Environment

### Service and Turnover

	Scope	2018	2019	2020	2021
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Average length of service / years	Mitsui Chemicals, Inc. *1	Male	18.8	18.8	19.0	18.9
		Female	21.0	20.4	20.4	20.3
		Total	19.1	19.1	19.2	19.1
Employee turnover rate / %	Mitsui Chemicals, Inc. *1	Male	3.68	3.10	3.07	3.61
		Female	3.29	2.80	3.40	3.26
		Total	3.63	3.06	3.12	3.56
Total number of employee turnover	Mitsui Chemicals, Inc. *1	Male	218	186	185	219
		Female	28	25	31	30
		Total	246	211	216	249
Voluntary turnover rate / %	Mitsui Chemicals, Inc. *1	Male	0.86	1.07	1.21	1.24
		Female	1.76	1.23	1.54	1.52
		Total	0.97	1.09	1.25	1.27
Number of voluntary turnover	Mitsui Chemicals, Inc. *1	Male	51	64	73	75
		Female	15	11	14	14
		Total	66	75	87	89
Ratio of re-employment for retired employees / %	Mitsui Chemicals, Inc. *1		87.6	85.5	87.1	86.6

## Overtime

	Scope		2018	2019	2020	2021
Number of employees whose overtime hours exceeded 80 hours / month	Mitsui Chemicals, Inc. *1	Non-management staff	22	33	27	26
		Management staff	36	21	22	28
		Total	58 (0.9%)	54 (0.8%)	49 (0.7%)	54 (0.8%)
Average overtime hours / hours/month <sup>-1</sup>	Mitsui Chemicals, Inc. *1		21.1	20.9	20.2	22.0
Average overtime hours (statutory) / hours · month <sup>-1</sup>	Mitsui Chemicals, Inc. *1		1.9	1.1	0.2	0.8

## Paid Leave

	Scope		2018	2019	2020	2021
Paid leave usage rate / %	Mitsui Chemicals, Inc. <sup>*1</sup>	Non-management staff	83	86	77	84
		Management staff	62	70	60	63
		Total	74	79	70	75
Average number of days used for paid leave	Mitsui Chemicals, Inc. <sup>*1</sup>	Total	14.8	15.8	13.9	14.7

## Childcare

	Scope		2018	2019	2020	2021
Number of employees taking childcare leave	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	89	85	102	129
		Female	13	15	18	20
		Total	102	100	120	149
Childcare leave usage rate / %	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	56	48	56	78
		Female	100	100	100	100
		Total	59	52	60	81
Average number of days used for childcare leave	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	8.0	13.2	10.3	16.3
Return rate of employees from childcare leave / %	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	99	100	100	100
		Female	100	100	100	100
		Total	99	100	100	100
Employee retention rate three years after childcare leave / %	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	94	83	99	93
		Female	93	93	94	76
		Total	94	86	98	90
Number of employees using short working hours for childcare	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	1	4	5	5
		Female	85	88	85	80
		Total	86	92	90	85

## Family Care

	Scope	2018	2019	2020	2021
Number of employees taking paid family care leave	Mitsui Chemicals, Inc. <sup>*1</sup>	0	1	0	3
Number of employees using short working hours for family care	Mitsui Chemicals, Inc. <sup>*1</sup>	0	1	0	0

## Recruitment

	Scope		2018	2019	2020	2021
Total number of employees hired	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	333	250	222	322
		Female	46 (12%)	61 (20%)	41 (16%)	46 (13%)
		Regular recruitment	267	245	195	239
		Mid-career recruitment	112	66	68	129
		Total	379	311	263	368

## Number of Employees Hired through the Regular Recruitment

	Scope		2018	2019	2020	2021
Career-track administrative positions	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	10	14	7	9
		Female	9 (47%)	15 (52%)	7 (50%)	8 (47%)
		Total	19	29	14	17
Career-track technical positions	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	73	64	58	50
		Female	14 (16%)	12 (16%)	10 (15%)	11 (18%)
		Total	87	76	68	61
General positions	Mitsui Chemicals, Inc. <sup>*1</sup>	Male	153	124	105	119
		Female	8 (5%)	16 (11%)	8 (7%)	6 (5%)

		Total	161	140	113	125
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## Number of Employees Hired through the Mid-career Recruitment

	Scope		2018	2019	2020	2021
Career-track administrative positions	Mitsui Chemicals, Inc. *1	Male	41	22	18	48
		Female	8 (16%)	6 (21%)	2 (10%)	5 (9%)
		Total	49	28	20	53
Career-track technical positions	Mitsui Chemicals, Inc. *1	Male	35	10	14	35
		Female	3 (8%)	1 (9%)	3 (15%)	4 (10%)
		Total	38	11	17	39
General positions	Mitsui Chemicals, Inc. *1	Male	21	16	20	25
		Female	4 (16%)	11 (41%)	11 (36%)	12 (32%)
		Total	25	27	31	37

## Percentage of positions filled internally (Management Position)

	Scope	2018	2019	2020	2021
Percentage of positions filled internally / % (Number of positions filled by existing employees / Total Number of filled positions)	Mitsui Chemicals, Inc. *1	—	96.0	96.0	89.7

## Successor Coverage Rate

	Scope	2018	2019	2020	2021
Successor Coverage Rate / % (The number of successor candidates for strategically critical positions / The number of strategically critical positions.)	Global	213	199	226	233

## Human Resources Development

	Scope	2018	2019	2020	2021
Training hours per person / hours		—	—	—	22.3

	Global				
Training cost per person / thousand yen		—	—	—	47.7
Training hours per person / hours	Mitsui Chemicals, Inc.*1	34.0	27.0	22.7	26.1
Training cost per person / thousand yen		270.0	200.0	126.3	128.4

## Evaluation

	Scope	2018	2019	2020	2021
Conducting rate of feedback meetings in the previous fiscal year / %	Mitsui Chemicals Labor Union registered members	97	94	93	95
Degree of satisfaction over evaluation feedback / %		86	91	90	90

## Compensation

	Scope			2018	2019	2020	2021
	All Full-time employees	Mean gender pay gap		—	—	—	89.2
		Median gender pay gap		—	—	—	93.2
		Mean bonus gap		—	—	—	83.0
		Median bonus gap		—	—	—	92.0
	Non- Manegiment staff	Mean gender pay gap		—	—	—	107.0
		Median gender pay gap		—	—	—	114.6
		Mean bonus gap		—	—	—	106.4
		Median bonus gap		—	—	—	118.6
		Mean gender pay gap		—	—	—	97.3
		Median gender		—	—	—	95.4

The gender pay gap / % (Percentage of women's pay to man's pay.)	Mitsui Chemicals, Inc.* <sup>1</sup>	Management staff (under manager- level)	pay gap				
			Mean bonus gap	—	—	—	94.0
			Median bonus gap	—	—	—	95.5
		Management staff (manager- level or above)	Mean gender pay gap	—	—	—	96.0
			Median gender pay gap	—	—	—	95.5
			Mean bonus gap	—	—	—	95.9
			Median bonus gap	—	—	—	94.4
		Management staff (general manager-level or above)	Mean gender pay gap	—	—	—	95.6
			Median gender pay gap	—	—	—	95.5
			Mean bonus gap	—	—	—	92.9
			Median bonus gap	—	—	—	95.8

## Safety and Prevention

	Scope	2018	2019	2020	2021
Number of major accidents / cases	Global	1	0	0	0
Number of abnormal conditions/accidents / cases	Mitsui Chemicals, Inc.	7	8	8	9
	Domestic subsidiaries and affiliates	2	2	3	6
	Overseas subsidiaries and affiliates	0	1	1	1
	Global	9	11	12	16
Number of Work-related fatalities	Groups' employees	0	0	0	0
	Contractor's employees	0	0	0	0



Lost-Time Injury Frequency Rate (LTIFR)	Global <sup>*3</sup>	0.31	0.48	0.24	0.34
Significant occupational injury frequency	Mitsui Chemicals, Inc. <sup>*4</sup>	0.19	0.00	0.10	0.10
	Domestic subsidiaries and affiliates	0.29	0.83	0.40	0.45
	Construction subcontractors	0.51	0.25	0.39	0.58
	Overseas subsidiaries and affiliates	0.51	0.62	0.21	0.00
	Global <sup>*3</sup>	0.33	0.31	0.22	0.23 <sup>*3</sup>

## Occupational Health

	Scope	2018	2019	2020	2021
Average rate of lifestyle-related disease (male) / %	Mitsui Chemicals, Inc. <sup>*1</sup>	9.7	10.2	10.6	10.0
Frequency of absences from work due to health disorders	Mitsui Chemicals, Inc. <sup>*1</sup>	0.78	0.87	0.78	0.76
Frequency of absences from work due to mental health disorders	Mitsui Chemicals, Inc. <sup>*1</sup>	0.45	0.56	0.61	0.54
Ratio of smokers / %	Mitsui Chemicals, Inc. <sup>*1</sup>	24.2	23.7	22.2	21.2
Harmful substance risk assessment implementation rate / %	Mitsui Chemicals, Inc.	100	100	100	100

## Product Stewardship

	Scope	2018	2019	2020	2021
Product risk assessment implementation rate / %	Mitsui Chemicals, Inc.	100	100	100	100
Provision ratio of the latest safety information for all products / %	Mitsui Chemicals, Inc.	100	100	100	100
Number of legal and regulatory violations	Mitsui Chemicals, Inc.	0	0	0	0

## Quality of Products and Services

	Scope	2018	2019	2020	2021
Number of PL accidents	Global	0	0	0	0
Number of major quality-related legal and regulatory violations	Global	0	0	0	0

## Logistics

	Scope	2018	2019	2020	2021
Number of significant occupational injuries in logistics	Global	2	0	0	0
Number of major accidents in logistics	Global	0	0	0	0
Number of quality issues/ppm	Global	70	60	12	30
Number of legal and regulatory violations	Global	0	0	0	0

## Sustainable Procurement

	Scope	2018	2019	2020	2021
Sustainable procurement ratio / %	Mitsui Chemicals, Inc.	44	44	45	61

## Social Activities

	Scope	2018	2019	2020	2021
Social contribution expenditure / million yen	Global	214	246	123	184
Number of employees taking community service leave	Mitsui Chemicals, Inc.*1	123	88	41	54

## Visualization of Contributions to the Society

	Scope	2018	2019	2020	2021
Rose Value™ products sales ratio / %	Global	13	16	19	20

- \*1 Mitsui Chemicals, Inc.'s employee
- \*2 The data collected from affiliated companies planning to introduce the Workday system.
- \*3 Includes contractors operating on site and construction subcontractors.
- \*4 Includes contractors operating on site.

# ESG Performance Data

Environment

Society

Governance

## Governance

### Board of Directors

	Scope		2018	2019	2020	2021
Number of members of the Board	Mitsui Chemicals, Inc.	Male	7	6	7	7
		Female	1 (12.5%)	2 (25.0%)	1 (12.5%)	1 (12.5%)
		Independent outside directors	3	3	3	3
		Total	8	8	8	8

### Compensation of Members of the Board and Corporate Auditors

	Scope		2018	2019	2020	2021
Total compensation / million yen	Mitsui Chemicals, Inc.	Members of the Board (excluding outside directors)	371	369	365	491
		TANNOWA Tsutomu	117	111	—	127
		HASHIMOTO Osamu	—	—	102	141
		Corporate auditors (excluding outside auditors)	64	64	63	64
		Outside directors and corporate auditors	75	78	79	79
		Total	509	511	507	634

### Compliance

	Scope	2018	2019	2020	2021

Number of major legal and regulatory violations	Global	0	1	1	1
Number of Risk Hotline Operations	Global	17	26	19	18
Number of exclusion recommendations from relevant authorities, such as Fair Trade Commission	Domestic	0	0	0	0
Number of operations / business suspensions due to misconduct	Domestic	0	1	0	0
Number of criminal charges in compliance-related accidents	Domestic	0	0	0	0
Number of cases detected by price cartel	Overseas	0	0	0	0
Number of cases detected due to bribery	Overseas	0	0	0	0
Number of cases detected due to other incidents	Overseas	0	0	0	0

## Tax

	Scope	2018	2019	2020	2021
Sales Revenue ratio / billion yen	Domestic	—	—	8,034 (66%)	10,567 (66%)
	Overseas	—	—	4,083 (34%)	5,560 (34%)
	Total	—	—	12,117	16,127
Income before income taxes ratio/ billion yen	Domestic	—	—	357 (48%)	584 (41%)
	Overseas	—	—	385 (52%)	828 (59%)
	Total	—	—	742	1,413
Income tax expense ratio / billion yen	Domestic	—	—	47 (47%)	155 (68%)
	Overseas	—	—	53 (53%)	72 (32%)
	Total	—	—	100	227
Ratio of employees / %	Domestic	—	—	59%	61%
	Overseas	—	—	41%	39%
	Total	—	—	100%	100%

## Others

	Scope	2018	2019	2020	2021
Political donations / million yen	Mitsui Chemicals, Inc.	3.32	3.26	3.14	3.00

## GRI Standards Content Index

100 series (Universal) 200 series (Economic topics)  
300 series (Environmental topics) 400 series (Social topics)

### 100 series (Universal)

#### GRI 102: General Disclosures 2016

##### 1. Organizational profile

##### 102-1 Name of the organization

Corresponding Sections

[Corporate Overview](#)

##### 102-2 Activities, brands, products, and services

Corresponding Sections

[Corporate Overview](#)

[Business & Products](#)

##### 102-3 Location of headquarters

Corresponding Sections

[Corporate Overview](#)

##### 102-4 Location of operations

Corresponding Sections

[Domestic Sites](#)

[Domestic Subsidiaries & Affiliates](#)

[Overseas Subsidiaries & Affiliates](#)

##### 102-5 Ownership and legal form

Corresponding Sections

[Corporate Overview](#)

##### 102-6 Markets served



Corresponding Sections

[VISION 2030](#)

[Business & Products](#)

[Fact Book > Segment data](#)

[Security Reports](#)

## 102-7 Scale of the organization

Corresponding Sections

[Corporate Overview](#)

[Fact Book > Financial highlights](#)

[Security Reports](#)

[INPUT⇒OUTPUT](#)

Remarks

[Domestic Sites](#)

[Domestic Subsidiaries & Affiliates](#)

[Overseas Subsidiaries & Affiliates](#)

## 102-8 Information on employees and other workers

Corresponding Sections

[ESG Performance Data > Society](#)

## 102-9 Supply chain

Corresponding Sections

[Sustainable Procurement](#)

## 102-10 Significant changes to the organization and its supply chain

Corresponding Sections

There were no applicable instances.

## 102-11 Precautionary Principle or approach

Corresponding Sections

[How we identify our material topics](#)

[Product Stewardship](#)

## 102-12 External initiatives

Corresponding Sections

[Support Initiatives](#)

## 102-13 Membership of associations

Corresponding Sections

[Support Initiatives](#)

## 2. Strategy

### 102-14 Statement from senior decision-maker

Corresponding Sections

[Message from the CEO](#)

### 102-15 Key impacts, risks, and opportunities

Corresponding Sections

[How we identify our material topics](#)

[Endeavor to create a circular economy](#)

[Blue Value™ / Rose Value™](#)

[Risk and Compliance](#)

## 3. Ethics and integrity

### 102-16 Values, principles, standards, and norms of behavior

Corresponding Sections

[Mitsui Chemicals Group's Future Vision](#)

[Action Guidelines](#)

### 102-17 Mechanisms for advice and concerns about ethics

Corresponding Sections

[Risk Prevention Measures](#)

## 4. Governance

### 102-18 Governance structure

Corresponding Sections

[Corporate Governance](#)

[Sustainability Management](#)

### 102-19 Delegating authority

Corresponding Sections

[Corporate Governance](#)

[Sustainability Management](#)

### 102-20 Executive-level responsibility for economic, environmental, and social topics

Corresponding Sections <a href="#">Sustainability Management</a>	
<b>102-21</b> Consulting stakeholders on economic, environmental, and social topics	
Corresponding Sections —	Remarks <a href="#">Sustainability Management</a>
<b>102-22</b> Composition of the highest governance body and its committees	
Corresponding Sections <a href="#">Corporate Governance</a>	
<b>102-23</b> Chair of the highest governance body	
Corresponding Sections <a href="#">Corporate Governance Report</a>	Remarks <a href="#">Corporate Governance</a> <a href="#">Board of Directors</a>
<b>102-24</b> Nominating and selecting the highest governance body	
Corresponding Sections <a href="#">Corporate Governance Guidelines</a>	
<b>102-25</b> Conflicts of interest	
Corresponding Sections <a href="#">Corporate Governance</a>	
<b>102-26</b> Role of highest governance body in setting purpose, values, and strategy	
Corresponding Sections <a href="#">Sustainability Management</a>	
<b>102-27</b> Collective knowledge of highest governance body	
Corresponding Sections <a href="#">Risk and Compliance Management &gt; Compliance Training</a>	
<b>102-28</b> Evaluating the highest governance body's performance	
Corresponding Sections —	Remarks <a href="#">Sustainability Management</a>
<b>102-29</b> Identifying and managing economic, environmental, and social impacts	

Corresponding Sections

[Sustainability Management](#)

[Our Material Topics](#)

## **102-30** Effectiveness of risk management processes

Corresponding Sections

[Sustainability Management](#)

[Risk and Compliance](#)

## **102-31** Review of economic, environmental, and social topics

Corresponding Sections

[Sustainability Management](#)

[Our Material Topics](#)

## **102-32** Highest governance body's role in sustainability reporting

Corresponding Sections

—

## **102-33** Communicating critical concerns

Corresponding Sections

[Risk and Compliance Management](#)

[Sustainability Management](#)

## **102-34** Nature and total number of critical concerns

Corresponding Sections

[Risk and Compliance Management](#)

## **102-35** Remuneration policies

Corresponding Sections

[Corporate Governance](#)

[Security Reports](#)

[Corporate Governance Report](#)

## **102-36** Process for determining remuneration

Corresponding Sections

[Corporate Governance](#)

[Security Reports](#)

[Corporate Governance Report](#)

## 102-37 Stakeholders' involvement in remuneration

Corresponding Sections

—

## 102-38 Annual total compensation ratio

Corresponding Sections

17.4 at Mitsui Chemicals, Inc.

## 102-39 Percentage increase in annual total compensation ratio

Corresponding Sections

1.35 at Mitsui Chemicals, Inc.

## 5. Stakeholder engagement

### 102-40 List of stakeholder groups

Corresponding Sections

[Stakeholder Engagement](#)

### 102-41 Collective bargaining agreements

Corresponding Sections

—

Remarks

[ESG Performance Data > Society](#)

### 102-42 Identifying and selecting stakeholders

Corresponding Sections

[Stakeholder Engagement](#)

### 102-43 Approach to stakeholder engagement

Corresponding Sections

[Stakeholder Engagement](#)

### 102-44 Key topics and concerns raised

Corresponding Sections

—

Remarks

[Risk Prevention Measures](#)

[Initiatives to Prevent Major Accidents](#)

## 6. Reporting practice

<b>102-45</b>	<b>Entities included in the consolidated financial statements</b>
Corresponding Sections <a href="#">Security Reports</a>	
<b>102-46</b>	<b>Defining report content and topic Boundaries</b>
Corresponding Sections <a href="#">Editorial Policy</a>	
<b>102-47</b>	<b>List of material topics</b>
Corresponding Sections <a href="#">Our Material Topics</a>	
<b>102-48</b>	<b>Restatements of information</b>
Corresponding Sections There were no applicable instances.	
<b>102-49</b>	<b>Changes in reporting</b>
Corresponding Sections <a href="#">Our Material Topics</a>	
<b>102-50</b>	<b>Reporting period</b>
Corresponding Sections <a href="#">Editorial Policy</a>	
<b>102-51</b>	<b>Date of most recent report</b>
Corresponding Sections <a href="#">Editorial Policy</a>	
<b>102-52</b>	<b>Reporting cycle</b>
Corresponding Sections <a href="#">Editorial Policy</a>	
<b>102-53</b>	<b>Contact point for questions regarding the report</b>
Corresponding Sections <a href="#">Contact Us</a>	

## 102-54 Claims of reporting in accordance with the GRI Standards

Corresponding Sections

—

## 102-55 GRI content index

Corresponding Sections

[GRI Standards Content Index](#)

## 102-56 External assurance

Corresponding Sections

[Editorial Policy](#)

# GRI 103: Management Approach 2016

## 103-1 Explanation of the material topic and its Boundary

Corresponding Sections

[Our Material Topics](#)

## 103-2 The management approach and its components

Corresponding Sections

Please refer to "Management System" in each reporting page.

[Sustainability in the Mitsui Chemicals Group](#)

[Risk and Compliance](#)

[Responsible Care](#)

[Engagement with Society](#)

## 103-3 Evaluation of the management approach

Corresponding Sections

[Sustainability Management](#)

## 200 series (Economic topics)

# GRI 201: Economic Performance 2016

## 201-1 Direct economic value generated and distributed



Corresponding Sections

[Security Reports](#)

### 201-2 Financial implications and other risks and opportunities due to climate change

Corresponding Sections

[Implementing the recommendations of the TCFD](#)

[Climate Change-Related Information \(CDP\)](#)

### 201-3 Defined benefit plan obligations and other retirement plans

Corresponding Sections

[Security Reports](#)

### 201-4 Financial assistance received from government

Corresponding Sections

[Security Reports](#)

## GRI 202: Market Presence 2016

### 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

Corresponding Sections

—

Remarks

[Compensation & Benefit](#)

### 202-2 Proportion of senior management hired from the local community

Corresponding Sections

—

Remarks

[Talent and Organization Development](#)

## GRI 203: Indirect Economic Impacts 2016

### 203-1 Infrastructure investments and services supported

Corresponding Sections

[Disaster Relief](#)

### 203-2 Significant indirect economic impacts

Corresponding Sections

—

## GRI 204: Procurement Practices 2016

### 204-1 Proportion of spending on local suppliers

Corresponding Sections

—

## GRI 205: Anti-corruption 2016

### 205-1 Operations assessed for risks related to corruption

Corresponding Sections

—

Remarks

[Bribery Prevention](#)

[Respect for Human Rights](#)

Our corruption prevention perspective forms part of our human rights due diligence, and is included under "Assess actual and potential human rights impact." Assessments are conducted in each country where our Group's business sites are located.

### 205-2 Communication and training about anti-corruption policies and procedures

Corresponding Sections

—

Remarks

[Compliance Training](#)

[Bribery Prevention](#)

### 205-3 Confirmed incidents of corruption and actions taken

Corresponding Sections

There was one applicable instance of major legal and regulatory violations.

[ESG Performance Data > Governance](#)

## GRI 206: Anti-competitive Behavior 2016

### 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

Corresponding Sections

There were no instances where the Group was involved in legal action.

[ESG Performance Data > Governance](#)

## GRI 207: Tax 2019

<b>207-1</b>	<b>Approach to tax</b>
Corresponding Sections <a href="#">Tax</a>	
<b>207-2</b>	<b>Tax governance, control, and risk management</b>
Corresponding Sections <a href="#">Tax</a>	
<b>207-3</b>	<b>Stakeholder engagement and management of concerns related to tax</b>
Corresponding Sections —	
<b>207-4</b>	<b>Country-by-country reporting</b>
Corresponding Sections <a href="#">Tax</a> <a href="#">ESG Performance Data &gt; Governance</a>	

## 300 series (Environmental topics)

### GRI 301: Materials 2016

<b>301-1</b>	<b>Materials used by weight or volume</b>
Corresponding Sections <a href="#">INPUT⇒OUTPUT</a>	
<b>301-2</b>	<b>Recycled input materials used</b>
Corresponding Sections —	
<b>301-3</b>	<b>Reclaimed products and their packaging materials</b>
Corresponding Sections —	

### GRI 302: Energy 2016

## 302-1 Energy consumption within the organization

### Corresponding Sections

[GHG and Energy](#)

[ESG Performance Data > Environment](#)

[Climate Change-Related Information \(CDP\)](#)

## 302-2 Energy consumption outside of the organization

### Corresponding Sections

[GHG and Energy](#)

[Climate Change-Related Information \(CDP\)](#)

## 302-3 Energy intensity

### Corresponding Sections

[GHG and Energy](#)

[ESG Performance Data > Environment](#)

## 302-4 Reduction of energy consumption

### Corresponding Sections

[GHG and Energy](#)

[ESG Performance Data > Environment](#)

[Climate Change-Related Information \(CDP\)](#)

## 302-5 Reductions in energy requirements of products and services

### Corresponding Sections

[Blue Value™ / Rose Value™](#)

[GHG and Energy](#)

[Climate Change-Related Information \(CDP\)](#)

## GRI 303: Water and Effluents 2018

## 303-1 Interactions with water as a shared resource

### Corresponding Sections

[Water](#)

[Water-related Information \(CDP\)](#)

## 303-2 Management of water discharge-related impacts

### Corresponding Sections

[Water](#)

[Water-related Information \(CDP\)](#)

### **303-3**      **Water withdrawal**

Corresponding Sections

[Water](#)

[ESG Performance Data>Environment](#)

[Water-related Information \(CDP\)](#)

### **303-4**      **Water discharge**

Corresponding Sections

[Water](#)

[ESG Performance Data>Environment](#)

[Water-related Information \(CDP\)](#)

### **303-5**      **Water consumption**

Corresponding Sections

[Water](#)

[ESG Performance Data>Environment](#)

[Water-related Information \(CDP\)](#)

## **GRI 304: Biodiversity 2016**

### **304-1**      **Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas**

Corresponding Sections

[Biodiversity](#)

### **304-2**      **Significant impacts of activities, products, and services on biodiversity**

Corresponding Sections

[Biodiversity](#)

### **304-3**      **Habitats protected or restored**

Corresponding Sections

[Biodiversity](#)

### **304-4**      **IUCN Red List species and national conservation list species with habitats in areas affected by operations**

Corresponding Sections

[Biodiversity](#)

## GRI 305: Emissions 2016

### 305-1 Direct (Scope1) GHG emissions

Corresponding Sections

[GHG and Energy](#)

[ESG Performance Data > Environment](#)

[Climate Change-Related Information \(CDP\)](#)

### 305-2 Energy indirect (Scope 2) GHG emissions

Corresponding Sections

[GHG and Energy](#)

[ESG Performance Data > Environment](#)

[Climate Change-Related Information \(CDP\)](#)

### 305-3 Other indirect (Scope3) GHG emissions

Corresponding Sections

[GHG and Energy](#)

[Climate Change-Related Information \(CDP\)](#)

### 305-4 GHG emissions intensity

Corresponding Sections

[GHG and Energy](#)

[ESG Performance Data > Environment](#)

[Climate Change-Related Information \(CDP\)](#)

### 305-5 Reduction of GHG emissions

Corresponding Sections

[GHG and Energy](#)

[ESG Performance Data > Environment](#)

[Climate Change-Related Information \(CDP\)](#)

### 305-6 Emissions of ozone-depleting substances (ODS)

Corresponding Sections

[INPUT⇒OUTPUT](#)

[ESG Performance Data > Environment](#)

## 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

### Corresponding Sections

[Environmentally Hazardous Substances](#)

[INPUT⇒OUTPUT](#)

[ESG Performance Data > Environment](#)

## GRI 306: Waste 2020

### 306-1 Waste generation and significant waste-related impacts

#### Corresponding Sections

[Industrial Waste](#)

[INPUT⇒OUTPUT](#)

[ESG Performance Data > Environment](#)

### 306-2 Management of significant waste-related impacts

#### Corresponding Sections

—

#### Remarks

[Industrial Waste](#)

### 306-3 Waste generated

#### Corresponding Sections

[Industrial Waste](#)

[INPUT⇒OUTPUT](#)

[ESG Performance Data > Environment](#)

### 306-4 Waste diverted from disposal

#### Corresponding Sections

[Industrial Waste](#)

[INPUT⇒OUTPUT](#)

[ESG Performance Data > Environment](#)

### 306-5 Waste directed to disposal

#### Corresponding Sections

[Industrial Waste](#)

[INPUT⇒OUTPUT](#)

[ESG Performance Data > Environment](#)

#### Remarks

Of the 130,900 tons of waste generated by Mitsui Chemicals, Inc. hazardous waste makes up 11,900 tons.

\* "Specially controlled industrial waste" stipulated by the Waste Management Law.



## GRI 307: Environmental Compliance 2016

### 307-1 Non-compliance with environmental laws and regulations

Corresponding Sections

[ESG Performance Data > Environment](#)

[Environmental Compliance](#)

## GRI 308: Supplier Environmental Assessment 2016

### 308-1 New suppliers that were screened using environmental criteria

Corresponding Sections

—

Remarks

[Supplier Evaluation and Guidance for Improvement](#)

### 308-2 Negative environmental impacts in the supply chain and actions taken

Corresponding Sections

[Supplier Evaluation and Guidance for Improvement](#)

## 400 series (Social topics)

## GRI 401: Employment 2016

### 401-1 New employee hires and employee turnover

Corresponding Sections

[Human Resources Management > Management System](#)

[ESG Performance Data > Society](#)

### 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Corresponding Sections

[Employee-friendly Working Environment and Labor productivity](#)

### 401-3 Parental leave

Corresponding Sections

[ESG Performance Data > Society](#)

[Employee-friendly Working Environment and Labor productivity](#)

## GRI 402: Labor/Management Relations 2016

### 402-1 Minimum notice periods regarding operational changes

#### Corresponding Sections

[Labor-management Relations Based on Frank Dialog and Mutual Understanding](#)

## GRI 403: Occupational Health and Safety 2018

### 403-1 Occupational health and safety management system

#### Corresponding Sections

[Responsible Care Management > Management System](#)

[Safety and Prevention > Management System](#)

[Occupational Health > Management System](#)

### 403-2 Hazard identification, risk assessment, and incident investigation

#### Corresponding Sections

[Safety and Prevention > Initiatives to Prevent Major Accidents](#)

[Product Stewardship > Providing Safe Products](#)

[Occupational Health > Preventing Exposure to Harmful Substances](#)

### 403-3 Occupational health services

#### Corresponding Sections

[Safety and Prevention > Initiatives to Prevent Major Accidents](#)

[Product Stewardship > Providing Safe Products](#)

[Occupational Health > Preventing Exposure to Harmful Substances](#)

### 403-4 Worker participation, consultation, and communication on occupational health and safety

#### Corresponding Sections

[Safety and Prevention > Management System](#)

[Occupational Health > Management System](#)

### 403-5 Worker training on occupational health and safety

#### Corresponding Sections

[Safety and Prevention > Safety Education](#)

[Safety and Prevention > Plant Operation Technology Training Center](#)

[Product Stewardship > Training](#)

[Occupational Health > Health-focused Management](#)

<b>403-6</b>	<b>Promotion of worker health</b>
Corresponding Sections <a href="#">Occupational Health &gt; Health-focused Management</a>	
<b>403-7</b>	<b>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</b>
Corresponding Sections <a href="#">Safety and Prevention &gt; Initiatives to Prevent Major Accidents</a> <a href="#">Product Stewardship &gt; Providing Safe Products</a> <a href="#">Occupational Health &gt; Preventing Exposure to Harmful Substances</a>	
<b>403-8</b>	<b>Workers covered by an occupational health and safety management system</b>
Corresponding Sections <a href="#">Safety and Prevention &gt; Management System</a> <a href="#">Occupational Health &gt; Management System</a>	
<b>403-9</b>	<b>Work-related injuries</b>
Corresponding Sections <a href="#">Safety and Prevention &gt; Accidents and Occupational Injuries</a>	Remarks There have been no employee or contractor fatalities over the past four years.(As of March 2022)
<b>403-10</b>	<b>Work-related ill health</b>
Corresponding Sections —	

## GRI 404: Training and Education 2016

<b>404-1</b>	<b>Average hours of training per year per employee</b>
Corresponding Sections <a href="#">ESG Performance Data &gt; Society</a> <a href="#">Safety and Prevention &gt; Safety Education</a> <a href="#">Talent and Organization Development</a>	
<b>404-2</b>	<b>Programs for upgrading employee skills and transition assistance programs</b>
Corresponding Sections <a href="#">Talent and Organization Development</a>	

### 404-3 Percentage of employees receiving regular performance and career development reviews

Corresponding Sections

[Compensation & Benefit](#)

[ESG Performance Data > Society](#)

## GRI 405: Diversity and Equal Opportunity 2016

### 405-1 Diversity of governance bodies and employees

Corresponding Sections

[Corporate Governance](#)

[Diversity](#)

[ESG Performance Data > Society](#)

[ESG Performance Data > Governance](#)

### 405-2 Ratio of basic salary and remuneration of women to men

Corresponding Sections

[ESG Performance Data > Society](#)

## GRI 406: Non-discrimination 2016

### 406-1 Incidents of discrimination and corrective actions taken

Corresponding Sections

There were no applicable instances.

## GRI 407: Freedom of Association and Collective Bargaining 2016

### 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Corresponding Sections

—

Remarks

We request our suppliers to comply with the contents of [the Mitsui Chemicals Group Sustainable Procurement Guidelines](#).

[Supplier Evaluation and Guidance for Improvement](#)

## GRI 408: Child Labor 2016

### 408-1 Operations and suppliers at significant risk for incidents of child labor

#### Corresponding Sections

—

#### Remarks

We request our suppliers to comply with the contents of [the Mitsui Chemicals Group Sustainable Procurement Guidelines](#).

[Supplier Evaluation and Guidance for Improvement](#)

## GRI 409: Forced or Compulsory Labor 2016

### 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

#### Corresponding Sections

—

#### Remarks

We request our suppliers to comply with the contents of [the Mitsui Chemicals Group Sustainable Procurement Guidelines](#).

[Supplier Evaluation and Guidance for Improvement](#)

## GRI 410: Security Practices 2016

### 410-1 Security personnel trained in human rights policies or procedures

#### Corresponding Sections

—

#### Remarks

[Respect for Human Rights](#)

## GRI 411: Rights of Indigenous Peoples 2016

### 411-1 Incidents of violations involving rights of indigenous peoples

#### Corresponding Sections

—

## GRI 412: Human Rights Assessment 2016

### 412-1 Operations that have been subject to human rights reviews or impact assessments

#### Corresponding Sections

—

#### Remarks

[Respect for Human Rights](#)

## 412-2 Employee training on human rights policies or procedures

### Corresponding Sections

—

### Remarks

[Consideration for Human Rights within Mitsui Chemicals](#)  
[Diversity](#)

## 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

### Corresponding Sections

—

### Remarks

[Consideration for Human Rights in Investment Activities](#)

## GRI 413: Local Communities 2016

## 413-1 Operations with local community engagement, impact assessments, and development programs

### Corresponding Sections

—

### Remarks

[Social Activities](#)

## 413-2 Operations with significant actual and potential negative impacts on local communities

### Corresponding Sections

—

### Remarks

[Initiatives to Prevent Major Accidents](#)

## GRI 414: Supplier Social Assessment 2016

## 414-1 New suppliers that were screened using social criteria

### Corresponding Sections

—

### Remarks

[Supplier Evaluation and Guidance for Improvement](#)

## 414-2 Negative social impacts in the supply chain and actions taken

### Corresponding Sections

[Supplier Evaluation and Guidance for Improvement](#)

## GRI 415: Public Policy 2016

## 415-1 Political contributions

**GRI 416: Customer Health and Safety 2016****416-1 Assessment of the health and safety impacts of product and service categories**

## Corresponding Sections

—

## Remarks

[Product Stewardship](#)[Quality of Products and Services](#)**416-2 Incidents of non-compliance concerning the health and safety impacts of products and services**

## Corresponding Sections

—

## Remarks

[Product Stewardship](#)[Quality of Products and Services](#)[ESG Performance Data > Society](#)

There were no instances of fines or penalties relating to any regulatory violation by Mitsui Chemicals, Inc.

**GRI 417: Marketing and Labeling 2016****417-1 Requirements for product and service information and labeling**

## Corresponding Sections

[Blue Value™ / Rose Value™](#)[Product Stewardship](#)[Quality of Products and Services](#)[Logistics](#)**417-2 Incidents of non-compliance concerning product and service information and labeling**

## Corresponding Sections

[Product Stewardship](#)[Quality of Products and Services](#)[ESG Performance Data > Society](#)

There were no instances of fines or penalties relating to any regulatory violation by Mitsui Chemicals, Inc.

**417-3 Incidents of non-compliance concerning**

## Corresponding Sections

There were no applicable instances.

## GRI 418: Customer Privacy 2016

### 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

#### Corresponding Sections

There were no applicable instances.

## GRI 419: Socioeconomic Compliance 2016

### 419-1 Non-compliance with laws and regulations in the social and economic area

#### Corresponding Sections

There were no applicable instances.



## ESG Indices

The Mitsui Chemicals Group is listed as a constitute company in the following ESG indices based on evaluations of its initiatives aimed at the sustainable development of society and the Mitsui Chemicals Group. (As of September 2022)

### DJSI Asia/Pacific

**DJSI (Dow Jones Sustainability Indices)**, the index developed by S&P Dow Jones Indices, United States, evaluates the corporate sustainability of the company from the economic, environmental, and social factors, and selects the leading sustainability-driven companies. DJSI Asia Pacific covers approximately 600 major companies in the Asia-Pacific region, and 153 companies have been selected in 2021.



**Mitsui Chemicals Included on Dow Jones Sustainability Indices Asia Pacific for Fourth Straight Year**

### FTSE4Good Index Series

**FTSE4Good Global Index** was developed by FTSE Russell of the London Stock Exchange Group. This index is designed to provide market participants with a tool to identify and measure the performance of companies that demonstrate strong environmental, social and governance (ESG) practices.



### 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 Sector Relative Index

The FTSE Blossom Japan Sector Relative Index, which is based on the FTSE Blossom Japan Index's and FTSE Russell's ESG assessment and reflects the management attitude of companies for climate change risks and opportunities in the assessment, is designed to



provide market participants with a tool to identify and measure the climate governance and climate change initiatives of companies in an attempt to promote a shift to a low carbon economy.

The FTSE Blossom Japan Sector Relative Index has been selected as an ESG index of the Government Pension Investment Fund (GPIF).

## MSCI ESG Leaders Index

The **MSCI ESG 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.



## 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).

2022 CONSTITUENT 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).

2022 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

## SOMPO Sustainability Index

Launched in 2012, the **SOMPO Sustainability Index** is an investment index managed by Sompo Asset Management Co., Ltd.. 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.



## Other Key External Assessments

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### Mitsui Chemicals Selected as Nadeshiko Brand for Fiscal 2021

Mitsui Chemicals, Inc. was selected by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) as a fiscal 2021 Nadeshiko Brand, an enterprise that excels at encouraging women's success in the workplace. METI and the TSE have been jointly undertaking the Nadeshiko Brand initiative since fiscal 2012, selecting TSE-listed companies that excel at encouraging women's success in the workplace. For fiscal 2021, the roughly 3,700 companies listed on the TSE were assessed for their pro-diversity management to raise enterprise value and their publicity of these projects. 50 companies were selected as Nadeshiko Brands, and 15 companies were selected as Semi Nadeshiko Brands.



### Diversity

THE INCLUSION OF MITSUI CHEMICALS, INC. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF MITSUI CHEMICALS, INC. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



Through its online Sustainability site, Mitsui Chemicals' goal is to provide stakeholders with a deeper understanding of the Group's efforts to realize sustainable growth in concert with society. The site 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 website, 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. In addition, plans are in place to issue [the Mitsui Chemicals Group ESG Report](#) by October in every year. This report is archived details on each fiscal year posted on the Company's Sustainability site in PDF format.

\* To understand more about our activities related to creating new value over the medium to long term, which is the Group's aim, please also 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.

### About the Mitsui Chemicals Group ESG Report 2022

#### Scope of Data

Taking the Mitsui Chemicals Group as its basis, any references in this report that fall outside that basis are stated in the text. The scope of Environmental data and Safety and Prevention data is as follows.

#### Environmental Data Collection Sites (Random order)



##### Mitsui Chemicals, Inc.

- Mitsui Chemicals, Inc. (Ichihara Works, Ichihara Works Mobara Branch Factory, Nagoya Works, Osaka Works, Iwakuni-Ohtake Works, Tokuyama Branch Factory, Omuta Works, Sodegaura Center)

##### Domestic subsidiaries & affiliates

- MT AQUAPOLYMER, INC. (Mobara Factory<sup>\*1</sup>)
- SUN MEDICAL CO., LTD.
- SUNREX INDUSTRY CO., LTD.
- JAPAN COMPOSITE CO., LTD. (Shimizu Factory)
- UTSUNOMIYA CHEMICAL INDUSTRY CO., LTD. (Funaoka Factory, Shinshiro Factory, Utsunomiya Factory, Tosu Factory)

- SHIMONOSEKI MITSUI CHEMICALS, INC.
- MC BUSINESS SUPPORT, LTD. (Chiba Branch<sup>\*1</sup>, Osaka Branch<sup>\*1</sup>, Iwakuni Branch<sup>\*1</sup>, Omuta Branch<sup>\*1</sup>)
- PRIME POLYMER CO., LTD.(Ichihara Works<sup>\*1</sup>, Osaka Works<sup>\*1</sup>, Automotive Materials laboratory<sup>\*1</sup>, Packaging & Industrial materials laboratory<sup>\*1\*3</sup>)
- MITSUI CHEMICALS OPERATION SERVICES CO., LTD.(Ichihara Office<sup>\*1</sup>, Nagoya Office<sup>\*1</sup>, Nagoya Office<sup>\*1</sup>, Osaka Office<sup>\*1</sup>, Iwakuni-Ohtake Office<sup>\*1</sup>, Omuta office<sup>\*1</sup>)
- MITSUI CHEMICAL ANALYSIS & CONSULTING SERVICE, INC.(Analysis & Support Department<sup>\*1</sup>(Ichihara, Nagoya, Osaka, Iwakuni, Omuta), Laboratory<sup>\*1</sup>)
- TOYO BEAUTY SUPPLY CORPORATION
- SAXIN CORPORATION
- CHEMOURS-MITSUI FLUOROPRODUCTS CO., LTD. (Chiba Plant<sup>\*1\*4</sup>)
- DOW-MITSUI POLYCHEMICALS CO., LTD. (Chiba Plant<sup>\*1\*4</sup>, Ohtake Plant<sup>\*1\*4</sup>)
- MITSUI CHEMICALS & SKC POLYURETHANES INC. (JAPAN) (Nagoya Factory<sup>\*1</sup>, Tokuyama Factory)
- MITSUI CHEMICALS AGRO, INC. <sup>\*3</sup> (Agrochemicals Research Center/Production Technology Department (Yasu), Agrochemicals Research <sup>\*3</sup> (Agrochemicals Research Center/Production Technology Department (Yasu), Agrochemicals Research Center (Mobara), Production Technology Department (Omuta)<sup>\*1</sup>)
- MITSUI CHEMICALS MC, LTD. (Head Office, Shimizu Factory, Kaibara Factory, Kanto Factory<sup>\*3</sup>)
- MITSUI CHEMICALS SUN ALLOYS CO., LTD.
- MITSUI FINE CHEMICALS, INC.(Omuta Center<sup>\*1</sup>)
- MITSUI CHEMICALS INDUSTRIAL PRODUCTS LTD. (Saitama Factory, Ohtake Factory<sup>\*1</sup>)
- MITSUI CHEMICALS TOHCELLO, INC.(Ibaraki Works, Koga Manufacturing Dept., Ibaraki Works, Hamamatsu Works, Katsuta Works, Anjo Works, Nagoya Works<sup>\*1</sup>)
- SANSEIKAIHATSU CO., LTD. <sup>\*1</sup>
- YAMAMOTO CHEMICALS, INC.(Yao Plant, Omuta Plant<sup>\*2</sup>)
- CHIBA CHEMICALS MANUFACTURING LLP(Ichihara Factory<sup>\*1\*3</sup>)
- OSAKA PETROCHEMICAL INDUSTRIES, LTD.(Senboku Works<sup>\*1</sup>)
- TAISHO MTC LTD. <sup>\*1</sup>
- NIPPON ALUMINUM ALKYLs, LTD. (Osaka plant<sup>\*1</sup>)
- NIPPON EPOXY RESIN MANUFACTURING CO., LTD. (Ichihara Plant<sup>\*1</sup>)
- EVOLUE JAPAN CO., LTD. (Ichihara Works<sup>\*1</sup>)
- HOKKAIDO MITSUI CHEMICALS, INC.

#### Overseas subsidiaries & affiliates

- Advanced Composites Mexicana, S.A. de C.V.
- Advanced Composites, Inc. (Ohio Plant, Tennessee Plant)
- Anderson Development Company
- Grand Siam Composites Co., Ltd.
- MITSUI CHEMICALS POLYURETHANES MALAYSIA SDN. BHD.
- Mitsui Chemicals Scientex Sdn. Bhd.
- Mitsui Elastomers Singapore Pte. Ltd.
- Mitsui Hygiene Materials (Thailand) Co., Ltd.
- Mitsui Phenols Singapore Pte. Ltd.
- Mitsui Prime Advanced Composites India, Pvt. Ltd.
- P.T. PETnesia Resindo
- PT Mitsui Chemicals Polyurethanes Indonesia
- Thai Mitsui Specialty Chemicals Co., Ltd.
- MITSUI CHEMICALS FUNCTIONAL COMPOSITES (SHANGHAI) CO., LTD
- Mitsui Chemicals Nonwovens (Tianjin) Co.,Ltd.
- MITSUI ADVANCED COMPOSITES (ZHONGSHAN) CO., LTD.
- ZHANG JIA GANG FREE TRADE ZONE MITSUI LINK-UPON ADVANCED MATERIALS, INC.
- TIANJIN COSMO POLYURETHANE CO., LTD.(Tianjin Plant, Suzhou Plant)
- FOSHAN MITSUI CHEMICALS POLYURETHANES CO., LTD.

- \*1 Included in the data of Mitsui Chemicals, Inc. as it is located within the premises of Mitsui Chemicals, Inc.
- \*2 Only GHG and energy data are included in the data of Mitsui Chemicals, Inc.
- \*3 Not included in the environmental data other than GHG and energy.
- \*4 Not included in the GHG and energy data.
- \* The domestic non-production sites, which are not listed here, are also included in the scope of the GHG and energy data.

## Safety and Prevention Data Collection Sites (Random order)



### Mitsui Chemicals, Inc.

- Mitsui Chemicals, Inc.

### Domestic subsidiaries & affiliates

- MT AQUAPOLYMER, INC.\*
- SUN MEDICAL CO., LTD.
- SUNREX INDUSTRY CO., LTD.
- JAPAN COMPOSITE CO., LTD.
- UTSUNOMIYA CHEMICAL INDUSTRY CO.,LTD.
- SHIMONOSEKI MITSUI CHEMICALS, INC.
- ARRK CORPORATION
- MC BUSINESS SUPPORT, LTD.\*
- PRIME POLYMER CO., LTD.\*
- MITSUI CHEMICALS OPERATION SERVICES CO., LTD.\*
- MITSUI CHEMICAL ANALYSIS & CONSULTING SERVICE, INC.\*
- TOYO BEAUTY SUPPLY CORPORATION
- KYOWA INDUSTRIAL CO.,LTD.
- SAXIN CORPORATION
- MITSUI CHEMICALS & SKC POLYURETHANES INC. (JAPAN) (Nagoya Factory\*<sup>1</sup>, Tokuyama Factory)
- \* Due to the dissolution of the joint venture in January 2022, the data has been taken over by Mitsui Chemicals, Inc.
- MITSUI CHEMICALS AGRO, INC.
- MITSUI CHEMICALS MC, LTD.
- MITSUI CHEMICALS SUN ALLOYS CO., LTD.
- MITSUI CHEMICALS INDUSTRIAL PRODUCTS LTD. (Saitama Factory, Ohtake Factory\*<sup>1</sup>)
- MITSUI CHEMICALS TOHCELLO, INC.(Ibaraki Works, Koga Manufacturing Dept., Ibaraki Works, Hamamatsu Works, Katsuta Works, Anjo Works, Nagoya Works\*<sup>1</sup>)
- SANSEIKAIHATSU CO., LTD.\*
- YAMAMOTO CHEMICALS, INC.(Yao Plant, Omuta Plant\*<sup>2</sup>)
- OSAKA PETROCHEMICAL INDUSTRIES, LTD.\*
- TAISHO MTC LTD.\*
- NIPPON ALUMINUM ALKYLs, LTD.\*
- NIPPON EPOXY RESIN MANUFACTURING CO., LTD.\*
- EVOLUE JAPAN CO., LTD.\*
- HOKKAIDO MITSUI CHEMICALS, INC.

### Overseas subsidiaries & affiliates

- Advanced Composites Mexicana, S.A. de C.V.
- Advanced Composites, Inc.
- Anderson Development Company
- Grand Siam Composites Co., Ltd.

- MITSUI CHEMICALS POLYURETHANES MALAYSIA SDN. BHD.
- Mitsui Chemicals Scientex Sdn. Bhd.
- Mitsui Elastomers Singapore Pte. Ltd.
- Mitsui Hygiene Materials (Thailand) Co., Ltd.
- Mitsui Phenols Singapore Pte. Ltd.
- Mitsui Prime Advanced Composites do Brasil Indústria e Comércio de Compostos Plásticos S.A.
- Mitsui Prime Advanced Composites Europe B.V.
- Mitsui Prime Advanced Composites India, Pvt. Ltd.
- Prime Evolve Singapore Pte. Ltd.
- PT Mitsui Chemicals Polyurethanes Indonesia
- SDC Technologies Asia Pacific, Pte. Ltd.
- SDC Technologies, Inc.
- Thai Mitsui Specialty Chemicals Co., Ltd.
- MITSUI CHEMICALS FUNCTIONAL COMPOSITES (SHANGHAI) CO., LTD
- MITSUI ADVANCED COMPOSITES (ZHONGSHAN) CO., LTD.
- ZHANG JIA GANG FREE TRADE ZONE MITSUI LINK-UPON ADVANCED MATERIALS, INC.
- TIANJIN COSMO POLYURETHANE CO., LTD.
- FOSHAN MITSUI CHEMICALS POLYURETHANES CO., LTD.

\* Included in the data of Mitsui Chemicals, Inc. as it is located within the premises of Mitsui Chemicals, Inc.

## Reporting Period

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Fiscal 2021(April 1, 2021 to March 31, 2022).

However, certain data that falls outside this coverage period has been included.

## Reporting Cycle, Date of most Recent Report

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Annually, October 2021

## Referenced Guidelines

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Global Reporting Initiative (GRI) Sustainability Reporting Standards

[GRI Standards Content Index](#)

Task Force on Climate-Related Financial Disclosures (TCFD)

[Implementing the recommendations of the TCFD](#)

## External Assurance

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Every year, we obtain the external assurance on each ESG data.

[Climate Change-related Verification Statement](#)

[ESG Information-related Verification Statement](#)



# Verification Opinion



17 January 2023  
Opinion No : SGS23/033

Mr. Osamu Hashimoto  
President & CEO  
Mitsui Chemicals, Inc.  
Shiodome City Center, 5-2, Higashi-Shimbashi 1-  
chome, Minato-ku, Tokyo

## Objective

SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by Mitsui Chemicals Inc. (hereinafter referred to as "the Organization") to conduct independent verification based on Criteria of Verification (ISO14064-3: 2019 and the SGS verification protocol) regarding the data prepared by the Organization on the scope of verification (hereinafter referred to as "the Statement"). The objective of this verification is to confirm that the statement in the Organization's applicable scope has been correctly calculated and reported in the statement in conformance with the criteria, and to express our views as a third party. The Organization is responsible for the preparation and fair presentation of the statement.

## Scope

The scope of verification is Scope1 and 2 emissions, energy consumption, and Scope3 emissions.

The period subject to report are from 1 April 2021 to 31 March 2022 (Scope 1, 2) and from 1 April 2020 to 31 March 2021 (Scope 3).

Refer to the attached sheet for the detailed scope of verification.

## Procedure of Verification

The statement was verified in accordance with Criteria of Verification, and the following processes were implemented at a limited level of assurance:

- Verification of the calculation system: Interviews on the measurement, tabulation, calculation and reporting methods employed by the Organization as well as review of related documents and records
- Verification of the statement: On-site verification and review of vouchers conducted at Omuta Works and Mobara Works, and analytical procedures and interviews for the other sites in the scope of verification carried out at the head office

The criteria for this review are based on the GHG Protocol, the Act on the Rational Use of Energy, the GHG Emissions Calculation and Reporting Manual (Ver.4.7), Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (Ver. 2.3) and the Database of emissions unit values on the same Accounting (Ver. 3.1) and the protocol (Work flow for Scope 1, 2 and Calculation method for Scope 3) specified by the Organization.

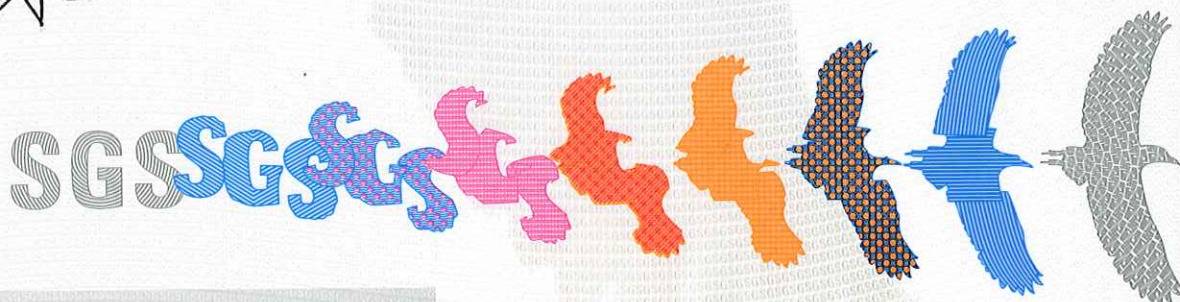
## Conclusion

Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's statement was not calculated and reported in conformance with the criteria.

SGS Japan Inc. affirms our independence from the Organization, being free from bias and conflicts of interest with the Organization.

For and on behalf of SGS Japan Inc  
Yokohama business Park North Square I  
134, Good-cho, Hodogaya-ku, Yokohama  
Senior Executive & Director  
Knowledge

Yuji Takeuchi



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### The details of the scope of verification

The scope		The boundary	The statement
1	Scope 1 and 2 (energy-related CO <sub>2</sub> emissions) and energy consumption, excluding the vehicles which run outside of the sites.	7 domestic works	Scope 1: 3,531,624 t-CO <sub>2</sub> Scope 2: 522,441 t-CO <sub>2</sub>
2	Scope3 (Category 12)	Plastic products, polymer raw material products, and lubricant products within the organization's product field (Mitsui Chemicals, Inc. brand).	Scope 3 Cat.12: 2,287,092 t-CO <sub>2</sub>



## ASSURANCE STATEMENT

### **SGS Japan's Report on Sustainability Activities in the Mitsui Chemicals Group ESG Report 2022 and available on the website.**

#### **NATURE AND SCOPE OF THE ASSURANCE**

SGS Japan Inc. was commissioned by Mitsui Chemicals Group (hereinafter referred to as "the Organization") to conduct an independent assurance of its ESG Report 2022 and available on the website (hereinafter referred to as "the Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, is limited to stakeholder management process, data on hazardous waste, landfill waste, volatile organic compound (VOC) emissions, NOx emissions, SOx emissions, volume of water withdrawal (tap water, groundwater, industrial water, and seawater), COD/BOD emissions, ratio of employees with disabilities, ratio of women in management positions (manager-level or above), percentage of women among regular hires, significant occupational injury frequency, lost-time injury frequency rate, number of work-related fatalities, number of major accidents and the stakeholder management systems supporting the reporting process. Refer to the attached sheet for the detailed scope of assurance.

The information contained in the Report and its presentation are the responsibility of the directors or governing body and the management of the Organization. SGS Japan Inc. has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all the Organization's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The Report has been assured at a moderate level of scrutiny using our protocols for:

- Evaluation of content veracity;
- AA1000 Assurance Standard (V3) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);

The assurance comprised a combination of pre-assurance research, interviews with the management and the person in charge of producing the Report, onsite visits (Tokuyama Branch Factory and Mitsui Chemicals Tohcello, Inc. Hamamatsu Works), verification and confirmation of vouchers, review of related materials and records, and analytical procedures.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

#### **STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; and environmental, social and sustainability report assurance. SGS Japan Inc. affirms our independence from the Organization, being free from bias and conflicts of interest with the Organization, its subsidiaries and stakeholders.

The assurance team was assembled based on the knowledge, experience and qualifications of the each of the team members for this assignment, and comprised auditors registered with lead auditors of ISO9001, ISO14001, ISO45001, and lead verifiers of greenhouse gas emissions.

#### **ASSURANCE OPINION**

Within the scope of the assurance activities employing the methodologies described above, nothing has come to our attention that caused us to believe that the information and data contained within the Report does not

provide a fair and balanced description of the Organization's sustainability activities from 1 April, 2021 to 31 March, 2022.

The assurance team is of the opinion that the Report can be used by the Reporting Organization's stakeholders. We believe that the Organization has chosen an appropriate level of assurance for this stage in their reporting.

## **AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

### **Inclusivity**

The Organization has set five social contribution areas as its Corporate Mission to contribute broadly to society. In order to realize this mission, the Organization identifies material topics related to business activities that consider the various stakeholders. Furthermore, the Organization has established a multi-stakeholder participation process that is built into the business. This process is continuous and effective. Consequently, SGS Japan Inc. confirmed through the verification that the Organization supports the principle of Inclusivity.

### **Materiality**

Material topics have been identified in consideration of the requirements of international guidelines and stakeholder engagement. The identified topics are deliberated on by external experts and the Corporate Sustainability Committee to confirm the validity. The Corporate Sustainability Committee also regularly reviews the process for identifying material topics. The identified topics are reflected in the non-financial metrics of the long-term business plan. Consequently, SGS Japan Inc. confirmed through the verification that the Organization has identified material topics.

### **Responsiveness**

Initiatives that address material topics are reported to stakeholders by disclosure in the report. The report also shows the relationship between these topics and the SDGs.

The targets and the results for identified topics are also disclosed in the report.

Consequently, SGS Japan Inc. confirmed through the verification that the Organization addresses these topics.

### **Impact**

The performance results related to material topics are reported in the report, including detailed examples. The report also includes the position of health and safety in the industry and the compliance with ratio of employees with disabilities and VOC. Of the sustainability performances identified to be scope of assurance, for ratio of female, volume of water withdrawal, hazardous waste, landfill waste, amount of air pollutants and amount of water pollutants have been disclosed changes in data over time, however, the impact on environment and society has not yet been disclosed. There is room for improvement in future disclosures.

Consequently, SGS Japan Inc. confirmed through the assurance that the Organization supports the principle of impact.

### **For and on behalf of SGS Japan Inc.**

Senior Executive & Director

Knowledge

Yuji Takeuchi

24 January, 2023



**AA1000**  
Licensed Report  
000-8/V3-DKLCH

### The details of the scope of verification

The scope		The boundary	The assertion
1	Hazardous waste *Limited to production and research site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites	① 11.9kt ② 12.8kt
2	Landfill waste *Limited to production and research site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites ③ Overseas subsidiaries and affiliates 20 sites ④ Global 50 sites	① 0.4kt ② 0.1kt ③ 0.2kt ④ 0.7kt
3	Volatile organic compound (VOC) emissions *Limited to production and research site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites ③ Overseas subsidiaries and affiliates 20 sites ④ Global 50 sites	① 1,597t ② 467t ③ 35t ④ 2,099t
4	NOx emissions *Limited to production and research site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites ③ Overseas subsidiaries and affiliates 20 sites ④ Global 50 sites	① 2,253t ② 83t ③ 200t ④ 2,536t
5	SOx emissions *Limited to production and research site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites ③ Overseas subsidiaries and affiliates 20 sites ④ Global 50 sites	① 414t ② 20t ③ 16t ④ 451t
6	Water withdrawal (tap water, groundwater, industrial water, and seawater) *Limited to production and research site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites ③ Overseas subsidiaries and affiliates 20 sites ④ Global 50 sites	① 481.7Mm <sup>3</sup> ② 14.3Mm <sup>3</sup> ③ 3.3Mm <sup>3</sup> ④ 499.3Mm <sup>3</sup>
6-1	Tap water *Limited to production and research site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites ③ Overseas subsidiaries and affiliates 20 sites ④ Global 50 sites	① 0.9Mm <sup>3</sup> ② 0.3Mm <sup>3</sup> ③ 0.4Mm <sup>3</sup> ④ 1.7Mm <sup>3</sup>
6-2	Groundwater *Limited to production and research site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites ③ Overseas subsidiaries and affiliates 20 sites ④ Global 50 sites	① 0.6Mm <sup>3</sup> ② 1.2Mm <sup>3</sup> ③ 0.0Mm <sup>3</sup> ④ 1.8Mm <sup>3</sup>
6-3	Industrial water *Limited to production and research site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites ③ Overseas subsidiaries and affiliates 20 sites ④ Global 50 sites	① 92.5Mm <sup>3</sup> ② 4.4Mm <sup>3</sup> ③ 2.9Mm <sup>3</sup> ④ 99.8Mm <sup>3</sup>
6-4	Seawater *Limited to production and research site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites ③ Overseas subsidiaries and affiliates 20 sites ④ Global 50 sites	① 387.6Mm <sup>3</sup> ② 8.4Mm <sup>3</sup> ③ 0.0Mm <sup>3</sup> ④ 396.0Mm <sup>3</sup>
7	COD, BOD emissions *Limited to production and research site *Total of COD or BOD, whichever is higher, at each site	① Mitsui Chemicals, Inc. 8 sites ② Domestic subsidiaries and affiliates 22 sites ③ Overseas subsidiaries and affiliates 20 sites ④ Global 50 sites	① 850t ② 50t ③ 1,225t ④ 2,125t
8	Ratio of employees with disabilities	Mitsui Chemicals, Inc. *Total for one year as of 1 March 2022	2.5%
9	Ratio of women in management positions (manager-level or above)	Mitsui Chemicals, Inc. *31 March 2022	4%
10	Percentage of women among regular hires	Mitsui Chemicals, Inc. *1 April 2021	Career-track administrative positions: 47% Career-track technical positions: 18% General positions: 5%
11	Significant occupational injury frequency	Global (By definition of organization: Mitsui Chemicals, Inc., domestic subsidiaries and affiliates, domestic construction subcontractors, and overseas subsidiaries and affiliates)	0.23

12	Lost-Time Injury Frequency Rate	Global (By definition of organization: Mitsui Chemicals, Inc., domestic subsidiaries and affiliates, domestic construction subcontractors, and overseas subsidiaries and affiliates)	0.34
13	Number of Work-related fatalities	Global (By definition of organization: Mitsui Chemicals, Inc., domestic subsidiaries and affiliates, domestic construction subcontractors, and overseas subsidiaries and affiliates)	0
14	Number of major accidents / cases	Global (By definition of organization: Production sites of Mitsui Chemicals, Inc., domestic subsidiaries and affiliates and overseas subsidiaries and affiliates)	0