

Mitsui Chemicals Group ESG Report 2023

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Sustainability

What we call "Sustainability"

Grow and develop sustainably together with society
through achievement "our ideal future society"



Sustainability in the Mitsui Chemicals Group

- CSO Message
- Sustainability Management
- Our Material Topics
- Endeavor to create a circular economy
- Blue Value™ / Rose Value™

Risk and Compliance

- Risk Management
- Compliance Management
- Tax
- Information Management

Responsible Care

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

Engagement with Society

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

List of Policies

Corporate Governance

Others

Sustainability News

2023.11.17 Annual update has been made to our Sustainability site.

2023.11.13 Mitsui Chemicals Acquires Additional ISCC PLUS Certification

2023.10.24 Mitsui Chemicals Acquires Additional ISCC PLUS Certification

Read more [▶](#)

Notice



Diversity & Inclusion

CEO Message for Women's Empowerment



Human Resources Management



Annual Report

Features



BePLAYER™ / RePLAYER™



Clean-up Caravan



The Protecting Our World Natural Heritage Project

External Evaluation



2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



View less

Message from the CEO

**We will continue to push forward
as a specialty-chemicals corporate group
where employees lead the way
in transforming the corporate culture
and our activities contribute to
a sustainable future.**

HASHIMOTO Osamu
Representative Director,
President & CEO



– Pushing the Mitsui Chemicals Group forward as my mission –

I am to create a corporate culture where people constantly seek out new challenges as part of a truly global specialty chemicals company.

When I became president in April 2020, COVID-19 had just started to develop into a pandemic. It was a time when I had already resolved to transform the Mitsui Chemicals Group. The dramatic global changes that COVID-19 brought and the ensuing need to adapt to those changes gave me a cause to unite the Group around and propelled our evolution forward. Since we announced the Long-Term Business Plan VISION 2025 in 2016, things have not always gone as we hoped they would. Performance in the years directly following the plan's announcement, from fiscal 2017 to fiscal 2019, fell short of our initial expectations in terms of operating income in growth domains. After accelerating the transformations in fiscal 2020, however, performance has been trending up, and our operating income before special items in growth domains topped 100 billion yen in both fiscal 2021 and fiscal 2022. With volatility reduced in our Basic & Green Materials business segment, which we have been restructuring, I think it would be safe to say that we have finally taken our first step away from our traditional position as a basic-chemicals corporation and toward becoming a specialty-chemicals company.

I assumed the presidency while these business transformations across the Group were beginning to deliver on their promise. Looking ahead, the next mission for me will be effecting change in our corporate culture. Reshaping a corporate culture that has developed over our long history obviously takes longer than business transformations do. That said, I feel that the Group's recent successes have fostered a climate that motivates our individual employees to take on new challenges with a more proactive, aggressive mindset. We are also starting to see positive results from efforts geared toward "self-initiative, autonomy, and collaboration," such as a recognition system that commends employees for taking on challenges regardless of the outcomes and a project where employees formed a task force to design the layout for an optimal working environment at the new Head Office. Ideally, Group-wide efforts to tackle new challenges will help us overcome difficulties and grow closer and closer to what we envision for ourselves. That means we will need to weather business environments, where conditions are bound to be harsh, and clear a host of other hurdles.

– Fiscal 2022: Business environment and performance –

Seeing challenges in the business environment as opportunities, we are committed to bolstering the Group's strengths.

The market environment in fiscal 2022 was a harsh one, particularly during the second half of the year. Coming off a period of relatively strong performance levels since fiscal 2021, we found ourselves grappling with factors ranging from the slow recovery in the Chinese market to a semiconductor shortage and sharp increases in the prices of raw materials and fuels. However, these types of conditions make it easier to see what our individual businesses are capable of. I think that if we view the challenges as opportunities, look back on and recognize how previous strategies and investments have succeeded, and perform thorough analyses and evaluations of our business portfolio, we can keep growing into a company that charges confidently forward toward its goals in the face of whatever environmental changes we encounter.

While strong, healthy businesses will likely be able to withstand the difficulties ahead, the grueling business environment is also bound to expose weaknesses in some of our other businesses that lay hidden behind the solid results going back to fiscal 2021. Shifts in the environment might also push certain businesses into different positions within the portfolio. What I want organizations facing restructuring to do is not to just give up and resign themselves to that outcome but rather think hard about how they could go about changing that outcome—and then put that plan into action. Sports offer a great metaphor. Imagine a baseball team, for example. Not every player makes the top team; some have to go down to the minor leagues. Do players retire the moment they get sent down? No. Instead of giving up, they start working as hard as they can to earn a call-up and make the starting lineup. The same goes for a business. No business simply pulls out of the market right away. There is always the chance, too, that a business in a growth-investment position is beaten by competition and finds itself facing restructuring, opening up a spot for another business to take. That is why all of our businesses need to work to make one another better, identify issues to

tackle with metrics like ROIC and carbon footprints always in mind, and find solutions to the problems they face, a process that helps make the business portfolio stronger on the whole. The road there is by no means a smooth one, of course. The phase is a high-pressure one for not just the company but also its individual employees. How do baseball players develop the strength and physical skills they need to thrive? They train, putting their bodies under strain and pushing themselves to a reasonable, effective limit. If our employees can get through the struggles they face now, I know that they will come out tougher and truly positive-minded. This is a crucial step in making VISION 2030 a reality—and a step we can only take in today's challenging business environment.

– The VISION 2030 strategy: Looking toward the society of the future –

Leveraging technologies and internal and external collaboration will enable us to accelerate business model transformation.

Leading the way forward as we work to resolve issues on the horizon is our Basic Strategy, consisting of points such as building solutions-based business models and bolstering circular-economy initiatives. To bring these points to fruition, we will need to work with other companies to create a viable ecosystem. A perfect example of that collaboration is a current effort in which multiple members of industrial complexes are teaming up to shift to green chemicals by driving transformations in crackers. Given that cutting CO₂ emissions and shifting to green chemicals are now priority goals on a global scale, it only follows that members of the chemical industry should be working to create stronger frameworks for cooperation. In our efforts to build solutions-based business models, meanwhile, our core concept for creating and cultivating new business is to address social challenges in the areas of healthcare, food, and living environments. To that end, we are joining forces with research institutes, startups, and other partners to create digital technology-driven platforms for co-creation.

What gives us an edge in business model transformation—and an essential component of that process—is the technological prowess that we have honed over the course of our history. That technological advantage rests on the foundation of our precision synthesis technology, deriving from coal chemicals and dating back to the launch of Mitsui Mining in 1912, and our polymer science, rooted in the petrochemical operations that began in 1958 at Japan's first-ever ethylene plant. Joining those two core technology areas is a third field: bio-related technologies, which play significant roles in the fields of healthcare, food, and living environments I mentioned earlier. These three technologies represent the engines of our growth on the road to 2030. But will they be enough to sustain us in 2050, in the future society that awaits? To help us find answers to that question, we established the Frontier Technology Center in 2021. The new organization is responsible for generating discussion and research on the technology that will be essential in enabling the Mitsui Chemicals Group to solve challenges in the future society of 2050. We have also created a new CTO Office and firmed up our policy of strengthening technology-driven efforts with a Group-wide reach in 2023. By pooling the Group's assets and expertise from a technological perspective, positioning the chief technology officer (CTO) as the project owner responsible for overseeing the use of human resources and technology across conventional business boundaries, and using that setup to nurture internal co-creation, we believe we will be able to identify new business opportunities in growth domains.

Providing powerful support for these types of technology-driven R&D initiatives is corporate transformation through digital transformation (DX)—a pillar of our Basic Strategy. Management capabilities, including visualization and asset optimization, will be crucial to promoting Group-wide efforts and maximizing output. Our Digital Science Lab™, scheduled to open in 2024, will bring together DX specialists to work on next-generation research and development using the Group's knowledge as a database in a high-performance computing environment. The new organization will work to establish materials informatics, streamlining the process of performing repeated calculations and experiments for the development of new materials and also facilitating tasks that used to rely on researchers' experience and instincts, such as identifying possibilities for new technology applications. At the same time, we are also driving progress on DX for our enterprise resource planning (ERP)—a mission-critical system for managing Group assets in an integrated fashion. Laying a strong foundation for visualizing data on everything from technology to intellectual property and human resources will help form organic connections among assets on a Group-wide and global scope. To make the most of these DX-oriented technologies, we are training data scientists around the Group in line with the target figure set as a key performance indicators (KPIs). The goal for the years ahead is to create a linked web of data scientists in our business segments production/technology divisions, and other areas to transform ourselves into a more data-driven organization.

– Enhancing corporate value by integrating the financial and non-financial perspectives –

We will consolidate our financial and non-financial approaches to pursue our ideal vision as a united Group.

Since setting and disclosing our non-financial KPIs a year ago, our performance on those metrics has met our immediate goals. That said, we will not let ourselves be content with that success. We will continue to review the situation, including whether the KPI levels are appropriate to begin with. The important thing is to keep setting and reviewing KPIs that allow us to visualize what we need to do to enhance corporate value and determine if we are engaging in the right type of activities. I used to feel that our conventional financial KPIs tended to end up being objectives for business divisions alone; for Group-wide goals, they were somewhat weak. Our non-financial KPIs, on the other hand, have direct links to our material topics and prompt progress that goes straight toward our overall Group vision for 2030. If we can visualize how our efforts on the non-financial side ultimately connect to profit and return on invested capital (ROIC), we will have a great way of showing our employees that our corporate value is a product of both our business divisions and our functional divisions.

In 2023, we also began reflecting our non-financial KPIs in our formulas for calculating executive compensation. Not only will that encourage management to discuss the appropriateness of the non-financial KPIs at a deeper level, but it will also help make both financial and non-financial elements integral parts of management's decision-making process. In terms of corporate governance as well, I believe this is a crucial step in bringing outside directors, inside directors, and the rest of the management team together to execute management in a way that integrates financial and non-financial perspectives.

Our Blue Value™ and Rose Value™ products and services exemplify the fusion of financial and non-financial elements.

Since 2023, we have disclosed the gross profits in addition to the sales revenue ratios for these products and services. Blue Value™ and Rose Value™ products not only contribute to solutions to social challenges but also deliver high profit ratios. By increasing their sales revenue ratios, therefore, we generate social value together with financial value—and that adds to our corporate value in turn. In a similar vein, we are also working to increase employees' engagement scores not as an end in itself but rather as a means of improving our organizational capabilities—like boosting the process creating new products and businesses in new business areas. With higher engagement scores, then, comes an increase in corporate value. We will continue to unite the Group around the idea of linking our non-financial initiatives to performance.



– Seizing the momentum of the third wave toward a sustainable future –

Recognizing our responsibilities as a chemicals company and embracing the Group’s existing legacy, we are determined to be a first mover in green chemicals.

As the world focuses more and more on achieving carbon neutrality and bringing about a circular economy, one topic that the Group will inevitably need to address is its naphtha crackers. Although they emit considerable amounts of CO₂, naphtha crackers are also key facilities in petrochemical operations and sit at the top of the stream in product manufacturing for industries of all kinds—giving them an essential role in society. The Mitsui Chemicals Group thus has to fulfill its supplier’s responsibility using those naphtha crackers but also cut its CO₂ emissions, another social demand. To do that, we are currently developing a value chain that includes a shift to bio-based raw materials and fuels at the very start of the process, chemical recycling and mechanical recycling at the end, and everything in between. The effort plays directly to our strengths as a Group, and I think it also represents a responsibility we must carry out.

The process of building that ecosystem also hinges on collaboration with other companies in regional initiatives. In 2023, we began constructing a framework for securing bio-based raw materials and utilizing clean ammonia through coordination with multiple companies at the industrial complexes where our Ichihara Works and Osaka Works—both plants with naphtha crackers—are located. While it will not be easy to address the many issues that remain, we are committed to making this important shift a reality. One reason is that we have a responsibility to live up to as a chemical company that emits CO₂ in manufacturing plastic.

The second reason is that the initiative gives us the opportunity to leverage our strengths in chemicals in contributing toward solutions to social challenges. The Mitsui Chemicals Group has a history of embarking on bold endeavors, using its entrepreneurial spirit to venture into coal chemicals as the first generation of our business, and into petrochemicals as the second generation. Green chemicals represent the third generation, a context where our legacy of taking on challenges will shine.

Of course, we will need to have a solid grasp of changes in public consciousness in order to make sure that these green chemicals take root in society. In Europe, extensive environmental education has nurtured a social climate where consumers are generally willing to pay extra for eco-friendly products. Japan is not fully to that point yet, and it might take a while for the social tide to get there. Whether Japan can make that transition will depend on not just the corporate community but also government support and a host of other factors, but the Mitsui Chemicals Group is not willing to just sit by and wait for change to come—we will actively market our bio-based products and other items, cut costs, and work to provide added value that goes beyond the price premium. Products that put environmental contributions front and center will probably eventually see a boom in sales. When that happens, the key for us as a chemical company will be to keep offering products that have a solid basis in scientific evidence—not “greenwashing” our lineups by claiming environment-friendliness for products with little positive impact. That kind of consistency and integrity is our mission, I believe.

– Becoming a corporate group that spearheads change and lives up to stakeholder expectations –

We put employees at the center of our efforts to become what we want to be.

Going back to what I mentioned before, we need to remember that the process of significant change currently underway at the Mitsui Chemicals Group puts substantial pressure on the people in the field. Our employees are the ones who take the policies that management has laid out and put them into practice in the field. If management fails to hold up its end of the bargain with monitoring and support, people in the field get exhausted: baseball players suffering injuries, to borrow my earlier example. My job is to keep that from happening by maintaining a perspective on the big picture, implementing things in a balanced, well-paced way, and directing the effort along the growth trajectory. The core drivers of transformation are our employees. To make sure they propel that progress the right way, I and the rest of the management team need to provide support the right way. Instead of dividing people on the idea side and the execution side, a work specialization framework that characterized the mass-production era, we have to help every employee in our value-creation structure to think and act on their own, take on challenges, learn from mistakes, and keep that cycle going. Drawing a clear connection between individual employees’ endeavors to try new things and the Group’s actual growth and performance will make employees more confident. As that confidence turns into more individual action, the corporate culture will start to change. Those transformations will bring us closer to both the vision we have for the Mitsui Chemicals Group and our targets for 2030.

All these measures and policies have the power to enhance our corporate value, which I believe will enhance the value we provide to our shareholders and other stakeholders. I also know, however, that we still have work to do in bringing people on board and convincing everyone of the benefits that await. We will continue to engage in dialogue with all of our stakeholders and deliver solid performance, doing everything in our power to inspire more hopes, expectations, and support for our efforts to grow and realize the vision of the Mitsui Chemicals Group.

CSO Message



IZAWA Kazumasa
Managing Executive
Officer & CSO

Working toward effective management of non-financial KPIs

In VISION 2030, we reviewed our material topics and set KPIs linked to them.

In order to make steady progress toward our ideal vision, we have appointed Executive Officers to be in charge of the progress of each KPI, but this is not sufficient.

We need to continue conducting discussions about the validity of both material topics and KPIs.

Furthermore, the issue of how non-financial initiatives are contributing to the achievement of financial targets is also an important one in our efforts to enhance corporate value.

Based on the above, we conducted a review in fiscal 2022 from two perspectives: top-down and bottom-up.

Going forward, we will conduct effective management of non-financial KPIs in conjunction with the risk management system reviewed in fiscal 2022, and steadily implement a management system that integrates both financial and non-financial metrics.

Sustainability in the Mitsui Chemicals Group

In response to global corporate sustainability issues indicated by SDGs and other initiatives, we aim to achieve the sustainable development of society and the Group through the following efforts.

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

Aiming for "integration of financial and non-financial performance"

Non-financial performance is

the foundation of financial performance:

Respond to "prerequisites for business continuity" and foster trust

Non-financial performance

leads to the future of financial performance:

Improve "abilities essential to business continuity" and accelerate growth

Non-financial and financial performance

mutually affect each other:

By "contributing to a sustainable society," maximize profits

Review of non-financial KPIs by management

All non-financial KPIs were reviewed at the meeting of the Company-wide Strategy Committee, which was attended by all executive officers with specific titles, including the CEO. Opinions such as the following were raised and issues were recognized: "Non-financial targets cannot be achieved by functional divisions alone, and collaborations with business divisions are essential," "KPIs should be the key factors that need to be controlled in order to realize the Group's ideal vision," and "The deductive causal relationships between KPIs should be shown." Although we did not make any changes to our material topics or non-financial KPIs in fiscal 2022, management will continue to discuss them, taking into consideration that they will be reviewed as necessary.

Financial/non-financial relationship analysis by all functional divisions

We instructed all functional divisions to create a logic tree that visualizes the relationship between the non-financial metrics set by each division and their financial results.

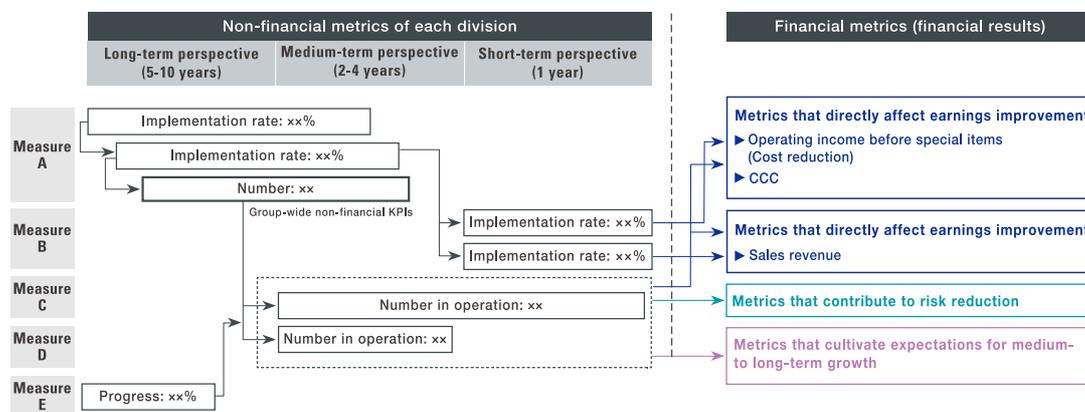
This is because we wanted employees working on non-financial initiatives to have a sense of ownership, by reminding them that they are also responsible for enhancing corporate value on a financial level.

In addition, we wanted to encourage employees to have deeper discussions about the validity of the metrics and measures.

Consequently, we have achieved a certain level of results. For instance, some divisions considered reviewing their metrics after realizing that "there are some metrics that will not logically lead to financial results."

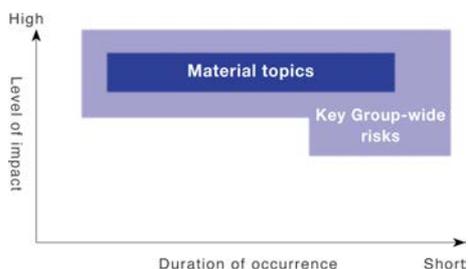
We will continue to refine the logic tree in each division, dig deeper into the organic relationships between financial and non-financial metrics throughout the Group, and work to visualize them.

Logic tree (Template)



Being linked to Group-wide risk management

In April 2023, we renewed our risk management system, and we believe that material topics should be linked to key Group-wide risks. We believe that through the process of identifying key Group-wide risks, we can conduct a multi-layered review of material topics and non-financial KPIs linked to them, thereby pursuing effective KPI management.



UPGRADED Renewal of risk management system

Up until now, the Group has viewed risks as threats, and each division and committee has implemented its own management approach of detecting risks early and preventing them from occurring.

On the other hand, from the perspective of the entire Group working as one to implement VISION 2030 in order to enhance corporate value, the Board of Directors voiced the need for a review of this approach.

In response, we focused on three points in this renewal.

Firstly, we will conduct risk management that aims not only to minimize threats but also to maximize opportunities.

Secondly, we have appointed officers with specific titles as risk owners, and established a Risk Management Committee as a place for each owner to bring up for discussion risks in their respective areas of responsibility.

This allows us to comprehensively and holistically understand risks and prioritize them from a Group-wide perspective.

Thirdly, we will incorporate the results of the discussions into management systems such as rolling strategic plans and annual budgets, and implement the PDCA cycle accordingly.

Since risks are a moving target, we will strive to increase our effectiveness while visualizing the status of our response.

At the same time, we will improve the risk management literacy of management and employees, and transform our organizational culture into one that maximizes opportunities.

Sustainability in the Mitsui Chemicals Group



Sustainability Management



- Management System
- Stakeholder Engagement
- Support Initiatives

Our Material Topics



- Material Topics and VISION 2030
- Materiality process
- Non-financial metrics

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

Sustainability Management

Management System

Stakeholder Engagement

Support Initiatives

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 incorporate ESG elements into management and strategies, proceed to the execution phase, and strengthen our efforts to disclose ESG 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

Aiming for "integration of financial and non-financial performance"

- ✓ **Non-financial performance is the foundation of financial performance**
Respond to "prerequisites for business continuity" and foster trust
- ✓ **Non-financial performance leads to the future of financial performance**
Improve "abilities essential to business continuity" and accelerate growth
- ✓ **Non-financial and financial performance mutually affect each other**
By "contributing to a sustainable society," maximize profits

Challenges

Incorporating ESG elements into management and strategy and the implementation thereof

- ▶ Reflect ESG considerations in management and policy, strategy and planning 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

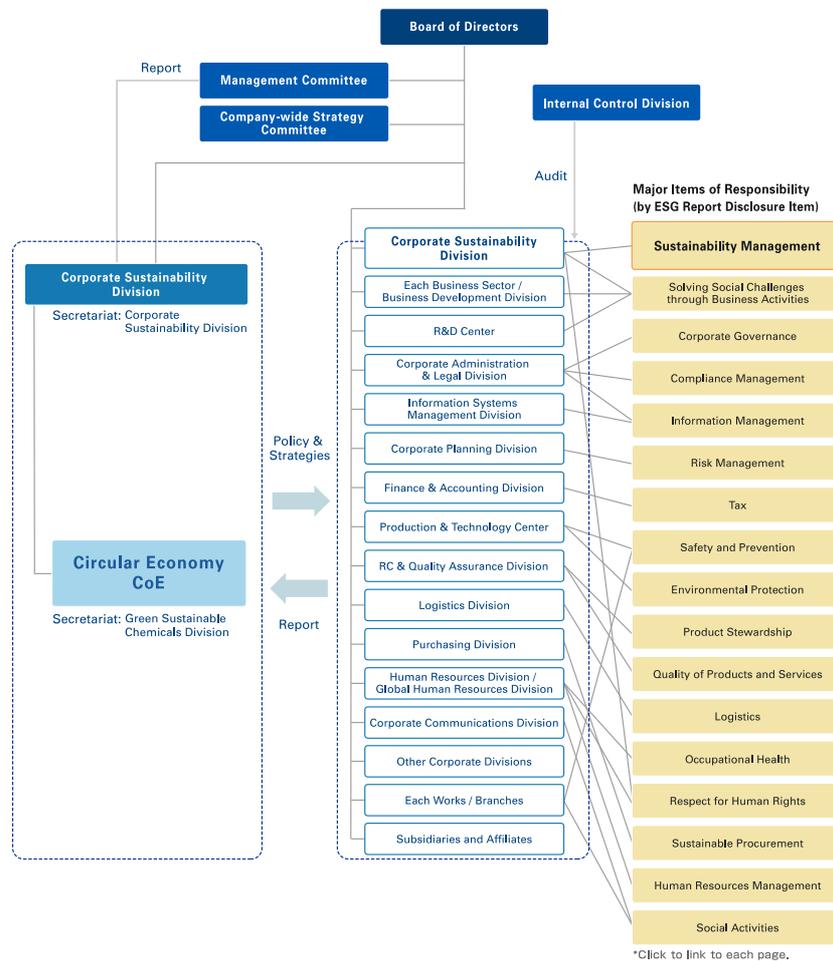
- ▶ Boost appeal to institutional investors, customers, and sustainability rating agencies
- ▶ Strengthen ESG dialogue

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.

Corporate Sustainability Committee

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
- Report and discussion of ESG promotion status in the Group
- Discussion of other important matters related to ESG promotion

In principle, the Corporate Sustainability Committee meets four times each year. 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 addressing climate change and creating plastics strategies by establishing a dedicated subcommittee. However, the scope of activities in the subcommittee has expanded, including carbon neutrality responses, and the need for further deepening and acceleration of the subcommittee's activities has increased. In response, in FY2022, the committee 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, General Manager of the Green Sustainable Chemicals 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 Corporate Planning Division, General Manager of the Finance & Accounting Division, General Manager of the Corporate Communications Division, General Manager of the Corporate Sustainability Division, and other members appointed by the Chairperson
Secretariat	Corporate Sustainability Division

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

*The chairperson is able to call on executive officers and general managers at Mitsui Chemicals who have an interest in the matters being deliberated to attend the meetings and ask for their explanation and opinion.

Corporate Sustainability Committee (April 2022–May 2023) main discussion items and opinions (excerpt)

Rolling carbon neutral strategy

- When constructing a new plant, instead of simply using credits to offset the increase in greenhouse gas (GHG) emissions, we should also examine measures that do not use credits, such as considering the development of processes and technology that can reduce GHG emissions.
- Most of the GHG emissions are produced by the combustion of by-product fuel from crackers, which is used as an energy source for our plants.
- It is necessary to consider reducing GHG emissions and our business together as a set. Also, we must make responses in a speedy manner.

Response to human rights risks

- Since supply chains are made up of so many different components, it is not realistic to conduct human rights investigations in every single part of them. Therefore, we believe it is important to focus on investigating the actual conditions of some important suppliers, after specifying the reasons for their selection.
- Human rights due diligence is a process that needs to be conducted more than once. The challenge is to build a system that enables continuous implementation of this process going forward.

Avoided emissions related to Blue Value™ products and services

- In response to requests from investors for our Group to disclose the amount of avoided emissions, we are attempting to expand the scope of trial calculations and improve the accuracy of trial calculations. It is necessary for us to get involved so that disposal, recycling, etc. can be included in the scenarios that help reduce GHG emissions in the avoided emissions calculation guidance that is being reviewed by the government and relevant initiatives.

Review of material topics and non-financial KPIs in fiscal 2022

- As a result of conducting financial and non-financial-related analyses in each functional division, we recognized the need to set sub-KPIs and review current KPIs. This was one of the useful outcomes of the review.
- It is necessary to visualize the overall picture of how each non-financial initiative links to the corporate value of the Group as a whole.

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 issues, including the SDGs, when making decisions on major investments cases. Starting in FY2019, we decided to include estimates calculated based on ICP^{*1} in the investment planning form. Furthermore, in FY2022, in addition to IRRs, which were usually evaluated, we added ICP-based IRRs (c-IRR)^{*2} as a reference for investment evaluation. 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 shown only in account.)</small>
Competitor analysis; business & marketing strategies; sales, profit, production, & headcount plans [_____]	
ESG elements	
◆ Related SDG Targets [] [] []	
◆ Blue Value™/Rose Value™ contributions	
[] Reducing CO ₂	[] Enriching life and society
[] Conserving resources	[] Extending healthy life-span
[] Coexisting with nature	[] Protecting food
◆ Social challenges [_____]	
◆ GHG emissions CO ₂ increase or decrease [] t-CO ₂ e/year	
ICP equivalent: [] mil yen/year	

FY2023 major investments*



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

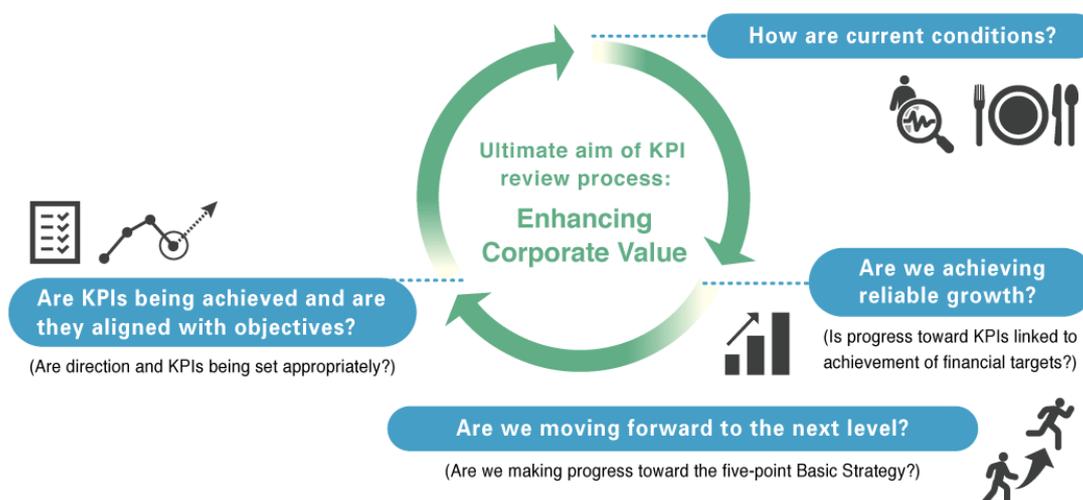
Incorporating ESG elements in annual budgets

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 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, all division include their short-, medium-, and long-term challenges, goals, and measures in the annual budget, and also add 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. We aim to enhance our corporate value by effectively monitoring the financial and non-financial aspects of our management practice. For KPI, we have designated an officer or a general manager who is responsible for monitoring the progress, and each division manages 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 (consistency and 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).



Company-wide promotion

In order to integrate ESG factors into management and strategy, the Mitsui Chemicals 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 quick and 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-related initiatives into their own work, thereby facilitating the practice.

Main themes for ESG Link Café

- The Mitsui Chemicals Group’s initiatives to promote sustainability strategies
- Certification system and application of Blue Value™ / Rose Value™ Products
- The Mitsui Chemicals Group’s carbon neutrality strategy
- Mitsui Chemicals Group branding (BePLAYER™ and RePLAYER™)
- Basics of Plastic Recycling (Current Status and Initiatives)

*19 times in FY2021–2023, total 1,858 participants



Sustainability Management

Management System

Stakeholder Engagement

Support Initiatives

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 need to be sensitive to and respond to the demands and expectations of society 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.

The diagram illustrates the 'Five social contribution areas' as a central hub surrounded by five interconnected circles. The central hub is labeled 'Five social contribution areas'. The five surrounding circles are: 'Promoting human well-being' (top), 'Contributing to the value of shareholders' investments' (top-right), 'Increasing customer satisfaction' (bottom-right), 'Contributing to local communities' (bottom-left), and 'Promoting the happiness and fulfillment of employees' (left).

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 comments and we welcome feedbacks 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"> • Constructive dialogs • Disclosing appropriate information in a fair, transparent, and timely manner • Reflecting opinions from shareholders and investors in our business management 	<ul style="list-style-type: none"> • General meeting shareholders (once per year) • Financial results briefing (4 times per year) • CEO Explanation business Result & Outlook (twice per year) • Large-scale meetings (twice per year) • Individual meetings (approx. 400 times per year) • Area-specific briefings including on strategies for specific business areas and ESGs • Plant tour • Mitsui Chemicals Report & Mitsui Chemicals Group ESG Report (each once per year) • Website (updated as required) • Contact point

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

Supplier

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"> Fair and honest business dealings Form partnerships with the aim of achieving mutual sustainable development 	<ul style="list-style-type: none"> Awareness of the Mitsui Chemicals Group Sustainable Procurement Guidelines Supplier sustainability evaluation and support for improvement Whistleblowing system

Local Communities

We would like to contribute to the sustainable development of local communities by operating our business in each business 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
<ul style="list-style-type: none"> Fulfilling social responsibilities Building trust with communities Collaboration with NGOs and NPOs 	<ul style="list-style-type: none"> Opinion exchange meetings Business site tours Local newsletters Laboratory Classes on the Wonders of Chemistry program Disaster relief Website (updated as required) Consideration for the environment through our business

Industry, Government and Academia

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

Employees

The Mitsui Chemicals Group aims to attain both the "Promoting the happiness and 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"> Human resources development Appropriate evaluation and compensation Employee-friendly working environment Diversity Safety and prevention Occupational health 	<ul style="list-style-type: none"> Intranet (updated as required) Company newsletter (4 times per year) Training sessions Employee Engagement Survey (once a year) Labor-management discussion Health and Safety Committee meetings Whistleblowing system

Sustainability Management

Management System

Stakeholder Engagement

Support Initiatives

Support Initiatives

UN Global Compact

Mitsui Chemicals signed the [UN Global Compact](#) in January 2008 in support of the objective of solving global issues and achieving 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
Principle 2	make sure that they are not complicit in human rights abuses.
	Respect for Human Rights > Sustainable Procurement > Human Resources Management >
Labour	
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
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.
	Respect for Human Rights > Sustainable Procurement > Human Resources Management >
Environment	
Principle 7	Businesses should support a precautionary approach to environmental challenges;
Principle 8	undertake initiatives to promote greater environmental responsibility; and
Principle 9	encourage the development and diffusion of environmentally friendly technologies.
	Blue Value™ / Rose Value™ > Responsible Care Management > Environmental Protection > Product Stewardship > Sustainable Procurement >
Anti-Corruption	
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.
	Action Guidelines > Compliance Management >

Task Force on Climate-related Financial Disclosures (TCFD)

In January 2019, Mitsui Chemicals 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 social challenges together with global leaders.

World Economic Forum

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*.

ICCA is an association dedicated to contributing to a sustainable society through continuous innovation in chemistry and continuous improvement of chemical safety management, with members representing more than 90% of global chemical sales.

At ICCA, our President has served on the board of directors for six years, starting in 2014, and again in 2022. Our councilor has also chaired the "Energy and Climate Change" Leadership Group for two years beginning in 2018. During their tenure, with the cooperation of the member companies, the Group has compiled and published "[Enabling the Future](#)," which shows how the chemical industry can contribute to climate change mitigation, and "[Moving Beyond Climate Change Mitigation](#)," which shows how the chemical industry can contribute to climate change adaptation. These reports provide a quantitative and comprehensive picture of the chemical industry's response to climate change and are used for advocacy at international conferences such as the COP. Currently, our employees continue to work as task force members to publish an updated version that reflects the latest information.

Our President regularly serves as Chairman of the [Japan Chemical Industry Association \(JCIA\)](#). In addition, the Managing Executive Officer and General Manager of the Production & Technology Center chairs the Technical Committee, and the General Manager of the RC & Quality Assurance Division has been a member of the Executive Committee since the establishment of the Responsible Care Committee in 2010 and of the Chemicals Management Committee since 2010. In March 2023, JCIA substantially revised its CO2 emission reduction targets for FY2030 in its "Carbon Neutral Action Plan" to achieve carbon neutrality by 2050, and we are also contributing to this revision.

*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).

Participation in the METI's "GX League Basic Concept"

In February 2022, Mitsui Chemicals expressed its support for the GX League Basic Concept,* which was announced by the Ministry of Economy, Trade and Industry (METI), and joined the GX League in fiscal 2023. The GX League is designed to bring together 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 the government, universities, and financial institutions that are tackling challenges to achieve GX. As a company that has declared its commitment towards carbon neutrality, Mitsui Chemicals endorses this basic concept and will participate in activities such as the creation of business opportunities based on carbon neutrality, the formation of rules for market creation, and voluntary emissions trading for carbon neutrality, with the aim of transforming the entire economic and social system and creating new markets.



*GX League Basic Concept:

https://www.meti.go.jp/policy/energy_environment/global_warming/gx-league/gx-league.html

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

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

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

Our Material Topics

Material Topics and VISION 2030

Materiality process

Non-financial metrics

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 continuously 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.

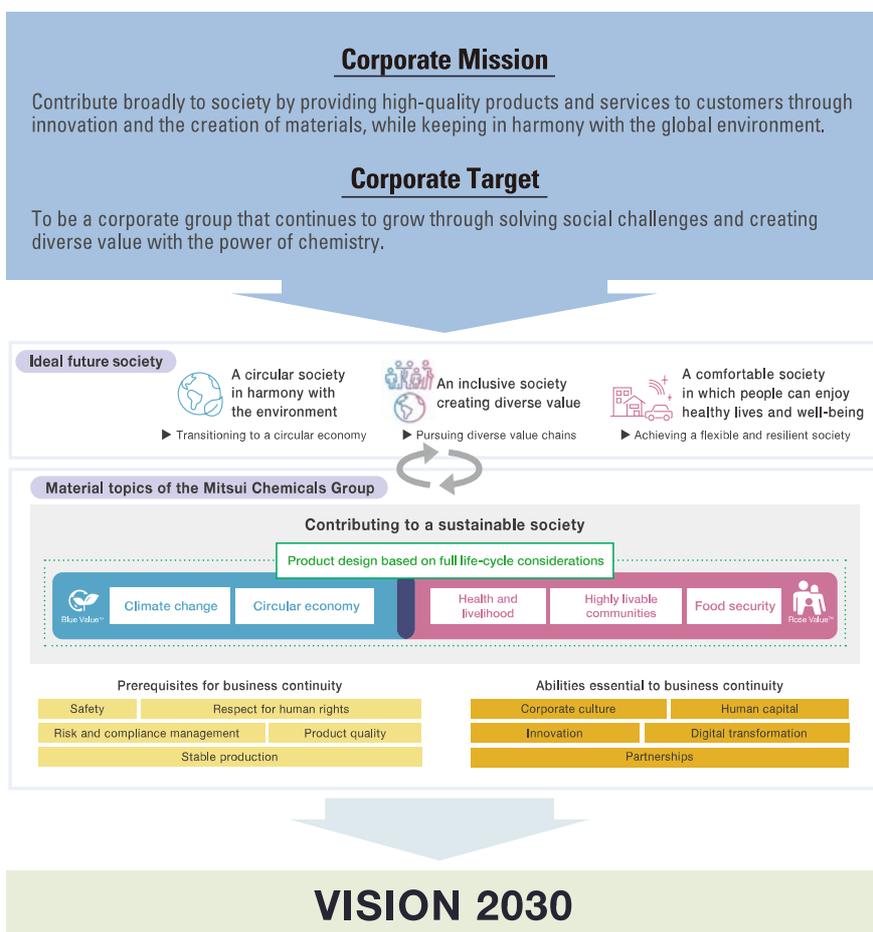
The first vision is to create "A circular society in harmony with the environment." Based on our Corporate Mission of keeping in "harmony with the global environment," we aim to realize "a circular society in harmony with the environment" through the provision of products and services that contribute to reducing environmental impact and the effective utilization of resources.

The second is to create "A comfortable society in which people can enjoy healthy lives and well-being." Based on "Promoting human well-being," one of the five social contribution areas of our Corporate Mission, we aim to realize a "a comfortable society in which people can enjoy healthy lives and well-being," through the provision of products and services that contribute to improving the health, well-being, and comfort in the lives of the people from all walks of life, even in the face of various changes in the environment.

The third one is to create "An inclusive society creating diverse value." In order to fulfill our mission of "contributing to society through innovation and the creation of materials," which is set forth in our Corporate Mission, we will create new value by sparking chain reactions through recognizing and utilizing diversity, the source of innovation, thereby aiming to realize "an inclusive society creating diverse value."

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.



Our Material Topics

Material Topics and VISION 2030

Materiality process

Non-financial metrics

Materiality process

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*1
- ✓ Information gathering regarding global social challenges*2
- ✓ 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
- ✓ Risks and opportunities identified in the group-wide risk management process

*1 Dialogue with Stakeholders:

Through open and constructive discussions with various stakeholders, we aim to promote communication and build trust, while identifying expectations and needs for the Group and incorporating the findings in management practice.

• Blue Value™ and Rose Value™ assessment, review, and certification processes:

We recognize environmental and social challenges and reflect them in our business activities through advice from experts.

• Human rights due diligence:

We conduct risk assessments and take other necessary measures with input from outside experts.

• Briefing on ESG sustainability:

We held a briefing on ESG sustainability in April and July 2022, where we exchanged questions and opinions on sustainability management with stakeholders.

*2 Information gathering regarding global social challenges

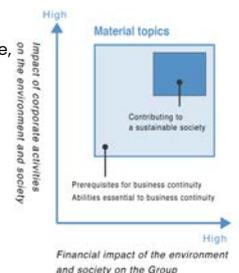
Mitsui Chemicals is gathering information on the latest global issues by joining the [World Economic Forum](#).

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.

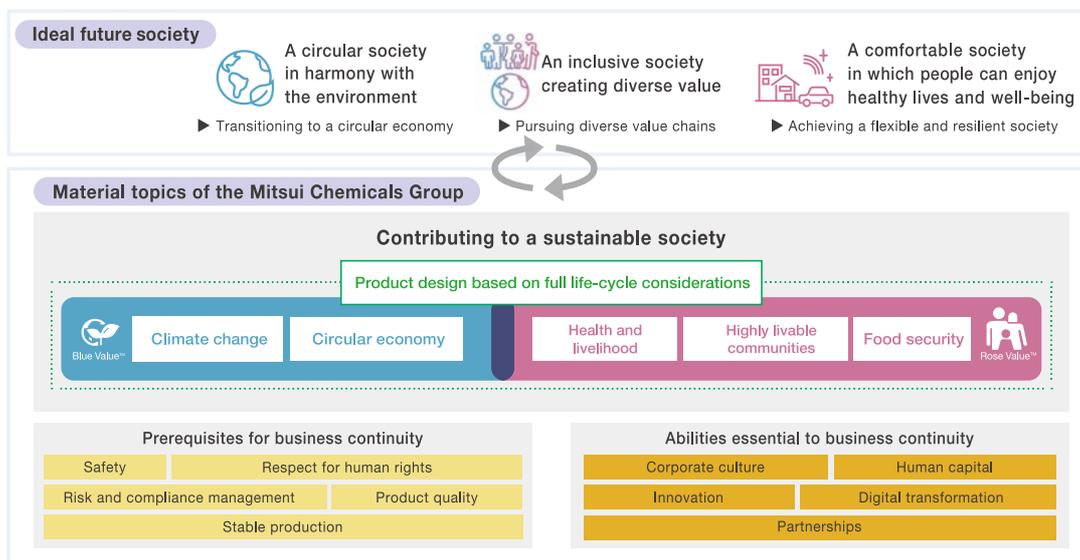
Step 3: Prioritize and organize topics

- ◆ Prioritize topics by mapping them along the two dimensions of the importance to stakeholders and the importance to the Mitsui Chemicals Group, and selecting candidate material topics. Discuss these decisions within the Corporate Sustainability Committee, Management Committee, and the Board of Directors.
- ◆ Identify material topics by organizing the candidate topics under the categories of “contributing to a sustainable society,” “prerequisites for business continuity,” and “abilities essential to business continuity.”



Step 4: Confirm validity

- ◆ We confirm the validity of the identified material topics with the Corporate Sustainability Committee, Management Committee, and Board of Directors. Then acquire final approval from the Board of Directors.
- ◆ When identifying material topics and associated key performance indicators (KPIs), the Corporate Sustainability Committee and Company-wide Strategy Committee annually review the material topics to take into account the changing importance of issues, as well as emerging issues, and discuss the need for update.
- ◆ For updated materiality topics and KPIs, the approval of the Management Committee and the Board of Directors is obtained.



Identified material topics

We have organized our material topics so that those directly connected to the creation of both social value and corporate value are grouped under 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 entailed analysis of challenges and issues as below.

Contributing to a sustainable society

Product design based on full life-cycle considerations

Recognition of issues

Due to the intricately intertwined nature of social challenges, we need to adopt a big-picture approach when tackling them. Therefore, our business activities need to take into account the environment and society throughout the entire product life cycle, from raw material procurement, processing, and usage, to disposal and recycling.

Challenges of the Mitsui Chemicals Group

The Mitsui Chemicals Group aims to capture new business opportunities and help solve social challenges by cooperating with industry, government, and academia, and by designing businesses that recognize and consider the impact on the environment and society throughout the full product life cycle.

Related page link

[Blue Value™/Rose Value™ >](#)

[Endeavor to create a circular economy >](#)

Climate change

Recognition of issues

In order to achieve the globally shared long-term goals set forth in the Paris Agreement, the realization of carbon neutrality throughout society is imperative, and efforts to achieve a decarbonized society (climate change mitigation) must be accelerated. There is also a need to adapt to environmental changes, such as the intensification of natural disasters caused by climate change.

Opportunities and risks for the Mitsui Chemicals Group (example)

<ul style="list-style-type: none"> ● ▲ Shift to EVs, renewable energies becoming mainstream 	<ul style="list-style-type: none"> ▲ Tightening of regulations such as restrictions on greenhouse gas (GHG) emissions and carbon taxes
<ul style="list-style-type: none"> ● ▲ Transition to renewable raw materials 	<ul style="list-style-type: none"> ▲ 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

Challenges of the Mitsui Chemicals Group

We aim to achieve carbon neutrality by 2050, by reducing greenhouse gas (GHG) emissions within our Group, and working to decarbonize the entire value chain, including all products and services. Furthermore, in order to respond to storms, flooding and droughts, which are expected to increase due to climate change, we will conduct water risk assessments, and strive to use water resources appropriately and preserve the water environment.

Related pages

- [Endeavor to create a circular economy >](#)
- [Blue Value™—Environmental Contributions >](#)
- [Rose Value™—QOL Improvement Contributions >](#)
- [GHG and Energy >](#)
- [Water >](#)
- [Logistics >](#)

Circular Economy

Recognition of Issues

As the world's population grows and global economic activity increases, conventional linear economic activities, based on the premise of mass consumption and disposal of resources, are placing a heavy burden on the global environment. In addition, the garbage problem caused by improper disposal of waste has led to the loss of natural capital. Cooperative and collaborative efforts are required across society as a whole, in order to facilitate the transition to and strengthen support for a "circular economy," which enables greater environmental and social sustainability.

● 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

Challenges of the Mitsui Chemicals Group

We are working to enlarge and widen the circle of the circular economy through the development of new materials, recycling systems, and value chains, in order to expand our product lineup of bio-based chemicals and bio-based plastics, promote their usage across society, and accelerate the recycling of plastic resources.

Related pages

- [Endeavor to create a circular economy >](#)
- [Blue Value™ – Environmental Contributions >](#)
- [Environmental Protection >](#)

Health and livelihood

Recognition of Issues

Health is a fundamental human right, and good health forms the basis of social activities. Therefore, efforts are needed to create a society where each and every person can lead a fulfilling life.

● 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

Challenges of the Mitsui Chemicals Group

We aim to support the realization of well-being by providing products and services that contribute to universal health coverage*, including vision care, dental care, medical supplies, hygiene products, and universal design products.

*Universal health coverage: All people can access appropriate health promotion, prevention, treatment, and rehabilitation services at an affordable cost.

Related pages

[Rose Value™—QOL Improvement Contributions >](#)

Highly livable communities

Recognition of Issues

In order to continue providing a sense of safety and security in people's lives, there is a need to develop communities that are durable, adaptable, and able to respond to changes in the natural environment and the population structure.

● 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 human resources for an advanced ICT-based society
● Increased demand for products that support disaster prevention/mitigation, infection control, etc.	

Challenges of the Mitsui Chemicals Group

We aim to contribute to the building of resilient communities that can flexibly respond to any type of change, by expanding our lineup of products and services that contribute to disaster prevention and mitigation, the longer service life of infrastructure, and the strengthening of networks.

Related pages

[Rose Value™—QOL Improvement Contributions >](#)

Food Security

Recognition of Issues

Food shortages due to poor harvests and supply chain disruptions, which are caused by climate change and international conflicts, have become a social issue. Furthermore, particularly in developed countries, there is a need to address food loss and waste that occur in supply chains and households.

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

▲ Response to improvement of food preservation/distribution technologies (cold supply chains, etc.)	● Increased demand for packaging containers that contribute to reduced food loss/food waste
● Increased demand for products and services that contribute to stable production and supply of food, as well as to reduced burden on workers	▲ Tightening of regulations on agrochemicals and food packaging materials
● Development of new technologies and expansion into new markets through collaboration with food and beverage manufacturers	

Challenges of the Mitsui Chemicals Group

We are working to innovate agrochemicals and agricultural technology, as well as to improve food packaging products. By improving food productivity and ensuring safety and stability in food distribution, we aim to contribute to the reduction of food loss and food waste, and to the assurance of food security*.

*Food security: A state in which all people have physical and economic access to sufficient, safe, and nutritious food at all times

関連ページ

Prerequisites for business continuity

Safety

Recognition of Issues

The chemical industry plays an important role in supporting the foundations of society, and if the safety of corporate activities is compromised, the human, social, and economic losses will be immeasurable. We recognize that safety assurance initiatives should be undertaken as a social responsibility.

Challenges of the Mitsui Chemicals Group

Based on our management policy of "Safety is our top priority," the Mitsui Chemicals Group is committed to maintaining a high level of safety, even as our people, facilities, and technologies become diversified in response to changes in the business environment, thereby laying the foundation for the security and trust of workers and society.

Related pages

[Responsible Care Management >](#)

[Safety and Prevention >](#)

[Product Stewardship >](#)

[Logistics >](#)

[Occupational Health >](#)

Respect for human rights

Recognition of Issues

The business has become more globalized and complex, so the scope of its impact on people has also expanded. Companies are required to be properly aware of the impact of their activities on human rights throughout their supply chain and to fulfill their responsibility to respect human rights.

Challenges of the Mitsui Chemicals Group

The Mitsui Chemicals Group understands that the human rights of all people affected by its corporate activities must be respected, and pursues proper business throughout its supply chain in accordance with the [Action Guidelines](#) titled "For People and Society."

Related pages

[Respect for Human Rights >](#)

Risk and compliance management

Recognition of Issues

As the social and business environment surrounding the Mitsui Chemicals Group diversifies, we recognize that it is essential to comprehensively look at and manage "risks," which are uncertainties and changes in management and business strategies, from both threats and opportunities from a medium- to long-term and continuous perspective, and to establish and develop a compliance system on a group and global basis, considering that ensuring compliance is a prerequisite for business continuity.

Challenges of the Mitsui Chemicals Group

The Mitsui Chemicals Group aims to enhance corporate value while minimizing the threats posed by risks and maximizing opportunities. In addition, we will establish and deploy group and global systems to raise compliance awareness, prevent and detect compliance violations, and take appropriate action, including the prevention of recurrence.

Related pages

[Risk management >](#)

Product quality

Recognition of Issues

We recognize that the ideal state of our Group is to continue to earn the trust and satisfaction of our customers through the manufacture and provision of high-quality products and services.

Challenges of the Mitsui Chemicals Group

The Mitsui Chemicals Group will promote Responsible Care activities throughout its supply chain, aiming to improve customer satisfaction through both quality control and quality assurance, thereby contributing to the sustainable development of society and the chemical industry.

Related pages

[Responsible Care Management >](#)

[Quality of Products and Services >](#)

Stable production

Recognition of Issues

The stable production and provision of products and services are fundamental to the Group's corporate activities. We recognize the urgent need to build a production system that can respond flexibly to various changes in the business environment, such as a shrinking workforce, aging facilities, soaring raw material and material prices, and more frequent natural disasters.

Challenges of the Mitsui Chemicals Group

The Mitsui Chemicals Group will maintain cost competitiveness and continue stable production by passing on technologies and skills, improving and enhancing productivity, and introducing advanced and sophisticated technologies.

Related pages

[Safety and prevention >](#)

[Logistics >](#)

Abilities essential to business continuity



Corporate culture

Recognition of Issues

In order to realize the Corporate Mission and the Corporate Target, it is important to foster a corporate culture in which employees with diverse backgrounds can share their knowledge and enthusiastically take on the challenge of creating new value.

Challenges of the Mitsui Chemicals Group

The Mitsui Chemicals Group values the diversity of all directors and corporate auditors and employees and provides them with opportunities to maximize their individual abilities, thereby creating an organization with high growth potential and employee engagement.

Related pages

[Corporate Mission >](#)

[Human Resources Management >](#)

Human capital

Recognition of issues

Human resources are the most important capital and source of value creation and driving growth in promoting and achieving the goals of the five basic strategies of [VISION 2030](#), including the pursuit of business portfolio transformation. Initiatives to maximize group and global human capital from a long-term perspective are important.

Challenges of the Mitsui Chemicals Group

The Mitsui Chemicals Group actively promotes human resources with diverse values, backgrounds, and skills. In addition, through inclusive talent management, we encourage employees to exhibit self-initiative and autonomy, as well as engaging in collaborative, and we develop human resources capable of creating the various values demanded by society from a broad perspective.

Related pages

[Human Resources Management](#) >

[Occupational Health](#) >

Innovation

Recognition of issues

Innovation is essential for the Mitsui Chemicals Group's sustainable growth and expansion. To create innovation, it is important to foster a wide range of expertise including reskills, a global perspective, and a desire to take on challenges, and also to communicate freely and openly with people who have a variety of ideas.

Challenges of the Mitsui Chemicals Group

The Mitsui Chemicals Group will strengthen R&D human resource development through global industry-government-academia collaboration, and more.

At the same time, we will actively collaborate with startups and other companies to update the knowledge of both parties and pursue the creation of new markets and technologies.

Related pages

[Blue Value™/Rose Value™](#) >

[Open Innovation](#) >

Digital transformation

Recognition of issues

In this era of rapid change, companies are required to create innovative products, services, and business models in an agile manner to solve social issues, and to lead the transformation of companies, industries, and society. So-called corporate transformation (CX) is required.

Challenges of the Mitsui Chemicals Group

The Mitsui Chemicals Group aims to realize CX by pursuing innovation for our operations, bolstering our development capabilities, and transforming our business models by improving our digital literacy of all members.

Partnerships

Recognition of issues

Since each social issue has a complex relationship, it is difficult for a company to seek a solution alone. It is important to build cooperative relationships with the wide variety of stakeholders surrounding the company, especially throughout the supply chain.

Challenges of the Mitsui Chemicals Group

The Mitsui Chemicals Group will work together with internal and external partners involved in the supply chain to realize environmentally and socially conscious economic activities and stable procurement activities.

Related pages

[Sustainable Procurement >](#)

Our Material Topics

Material Topics and VISION 2030

Materiality process

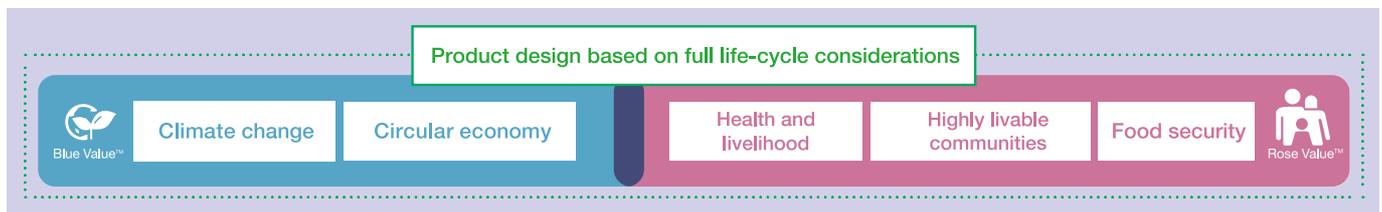
Non-financial metrics

Non-financial metrics

We have set KPIs and targets that are linked to our material topics as non-financial metrics for VISION 2030. We aim to enhance our corporate value by effectively monitoring the financial and non-financial aspects of our management practice. For KPI, we have designated an officer or a general manager who is responsible for monitoring the progress, and each division manages 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 (consistency and 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).

Targets and Results

Contributing to a sustainable society



Non-financial KPIs	Blue Value™ products sales revenue ratio	
Responsible officer	Responsible officer for Corporate Sustainability Division	
FY2022 Results	FY2023 Outlook	FY2030 Target
22%	24%	40%

Non-financial KPIs	Rose Value™ products sales revenue ratio	
Responsible officer	Responsible officer for Corporate Sustainability Division	
FY2022 Results	FY2023 Outlook	FY2030 Target
21%	25%	40%

Non-financial KPIs	GHG emissions reduction rate (Scopes 1 and 2) *compared to FY2013	
Responsible officer	Responsible officer for Corporate Sustainability Division	
FY2022 Results	FY2023 Outlook	FY2030 Target
27%	26%	40%

Prerequisites for business continuity

Safety

Non-financial KPIs	Incidence of major accidents & serious occupational injuries	
Responsible officer	Center Executive, Production & Technology Center	
FY2022 Results	FY2023 Outlook	FY2030 Target
Zero	Zero	Zero (over the course of VISION 2030)

Respect for human rights

Non-financial KPIs	Response to human rights risks	
Responsible officer	Responsible officer for Corporate Sustainability Division	
FY2022 Results	FY2023 Outlook	FY2030 Target
<ul style="list-style-type: none"> Revised & announced of Human Rights Policy Implemented human rights due diligence 	<ul style="list-style-type: none"> Implemented human rights due diligence Establishment of internal structure for addressing human right risks 	Identification & correction of risks by setting up a human rights due diligence system for all of our bases, both domestic and abroad

Risk and compliance management

Non-financial KPIs	Incidence of major legal and regulatory violations	
Responsible officer	Responsible officer for Compliance Management Committee	
FY2022 Results	FY2023 Outlook	FY2030 Target
Zero	Zero	Zero (over the course of VISION 2030)

Product quality

Non-financial KPIs	Incidence of PL accidents & serious product quality incidents	
Responsible officer	Responsible officer for RC & Quality Assurance Division	
FY2022 Results	FY2023 Outlook	FY2030 Target
Zero	Zero	Zero (over the course of VISION 2030)

Stable production

Non-financial KPIs	Introduction of advanced technologies Implementation of advanced production technology centered on AI/IoT	
Responsible officer	Center Executive, Production & Technology Center	
FY2022 Results	FY2023 Outlook	FY2030 Target
12 instances	10 instances	100 instances (over FY2021-2030)

Abilities essential to business continuity

Corporate culture

Non-financial KPIs	Improvement of employee engagement Engagement surveys	
Responsible officer	Chief Human Resources Officer (CHRO)	
FY2022 Results	FY2023 Outlook	FY2030 Target
Implementation rate for improvement plans from our FY2021 survey: 100%	36% or more	50%

Human capital

Non-financial KPIs	Key talent management Successor coverage rate for critical positions	
Responsible officer	Chief Human Resources Officer (CHRO)	
FY2022 Results	FY2023 Outlook	FY2030 Target
211%	235% or more	250%

Non-financial KPIs	Diversity 1. Number of executive officers with diverse backgrounds (women, non-Japanese, and mid-career hires); *Mitsui Chemicals, Inc. 2. Ratio of women in management positions (manager-level or above)*Mitsui Chemicals, Inc.	
Responsible officer	Chief Human Resources Officer (CHRO)	
FY2022 Results	FY2023 Outlook	FY2030 Target
1. Diversity rate of future executives: 17.8% 2. 5%	1. Diversity rate of future executives: 20% or more 2. 7% or more	1. 10 or more (including at least 3 women) 2. 15%

Non-financial KPIs	Health-focused management 1. Average rate of lifestyle-related diseases *Mitsui Chemicals, Inc. 2. Frequency of absences from work due to mental health disorders *Mitsui Chemicals, Inc.	
Responsible officer	Chief Human Resources Officer (CHRO)	
FY2022 Results	FY2023 Outlook	FY2030 Target
1. 9.5% 2. 0.51	1. Less than 9.25% 2. Less than 0.47	1. 8.0% 2. 0.25

Digital transformation

Non-financial KPIs	Training of DX specialists Number of data scientists	
Responsible officer	Chief Digital Officer	
FY2022 Results	FY2023 Outlook	FY2030 Target
34	83	165 (by FY2025)

Innovation

Non-financial KPIs	Pipeline expansion Number of development themes in the latter half of our Stage Gate System	
Responsible officer	Center Executive, R&D Center	

FY2022 Results	FY2023 Outlook	FY2030 Target
<ul style="list-style-type: none"> Launched corporate venture capital (CVC) operations Stage 1 themes registered: 38 	Stage 1 themes registered: 30 or more	Double or more (vs. FY2020)

Non-financial KPIs	Value creation for beyond 2030 Number of new areas of development at our Frontier Technology Center	
Responsible officer	Center Executive, R&D Center	
FY2022 Results	FY2023 Outlook	FY2030 Target
3 candidate	3 or more candidates	3 or more areas

Partnerships

Non-financial KPIs	Sustainable procurement	
Responsible officer	Chief Digital Officer	
FY2022 Results	FY2023 Outlook	FY2030 Target
Engaged in communications with partners to solidify our efforts in this area Improvement request meetings: 9 companies	Promotion of sustainable procurement Opinion exchange held with partners to build shared vision: 12 or more companies	80%

Endeavor to create a circular economy



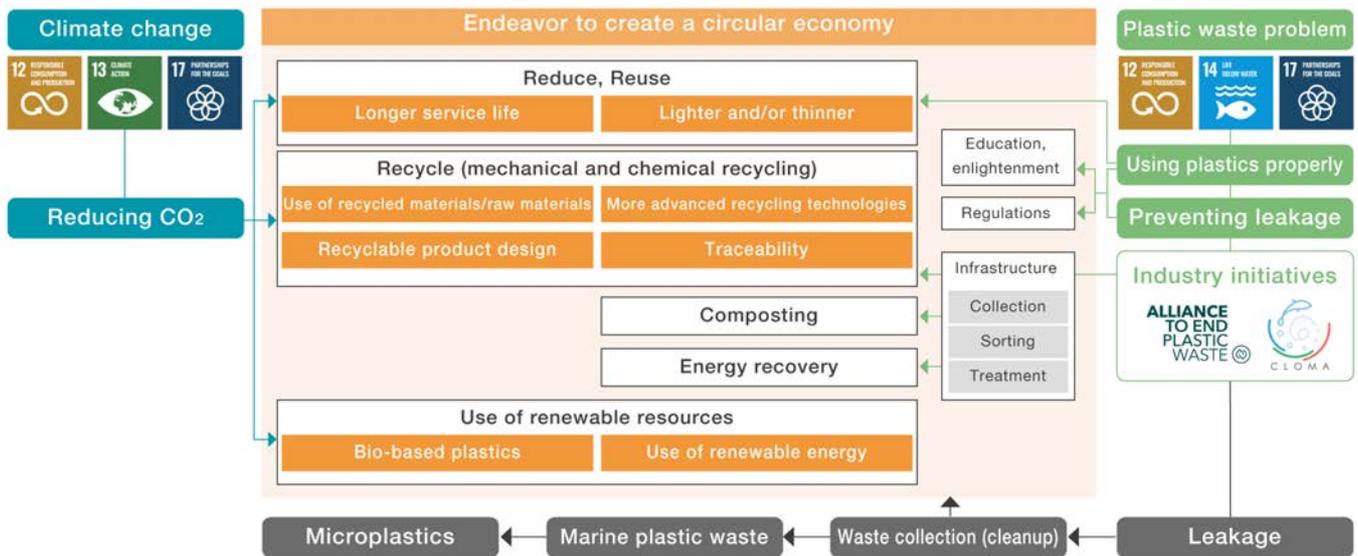
Management System

Basic Approach

Through the supply of chemical products and high-performance plastic products, the Mitsui Chemicals Group has contributed to improving convenience in people's lives and helped to solve challenges in society by, for example, reducing food loss and improving energy efficiency. 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 are concerns over environmental pollution caused by plastic waste flowing into the oceans.

To resolve these challenges, we believe that a transition is needed from a so-called linear economy of consuming resources and disposing of products to a circular economy in which renewable resources are used and other resources are utilized efficiently as well as collected for reuse to prevent waste. The Mitsui Chemicals Group will promote resource recycling through action on its carbon neutral strategy, biomass strategy, and recycling strategy, as well as through efforts to address the problem of marine plastic waste, contributing to the realization of a circular economy.

*The Mitsui Chemicals Group has identified "Circular Economy" as one of its material topics. Please see [here](#) for details.



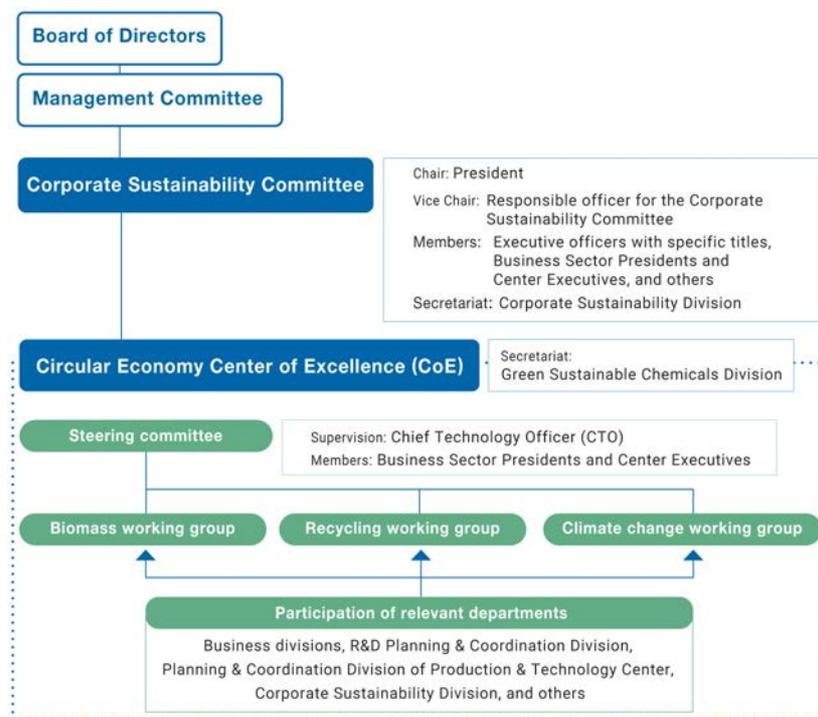
System and Responsible Officers



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 results of the Committee's discussions and activities conducted are reported to the Management Committee. In addition, particularly important matters are decided and supervised by the Board of Directors after they are discussed at the Company-wide Strategy Committee and deliberated by the Management Committee.

Furthermore, we have established the Circular Economy Center of Excellence (CoE) under the Corporate Sustainability Committee. 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. The content of discussions conducted by the steering committee are reported to the Corporate Sustainability Committee. 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 >](#)



Risk management & business strategies



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-CO₂e to 15,000 yen/t-CO₂e 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.

Goals and Results



GHG emissions reduction rate

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
GHG emissions reduction rate (Scopes 1 and 2) *compared to FY2013	Mitsui Chemicals Group	21%	27%	○	26%	40%

Sales revenue ratio of Blue Value™ products

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Sales revenue ratio of Blue Value™ products	Mitsui Chemicals Group	22%	22%	○	24%	40%

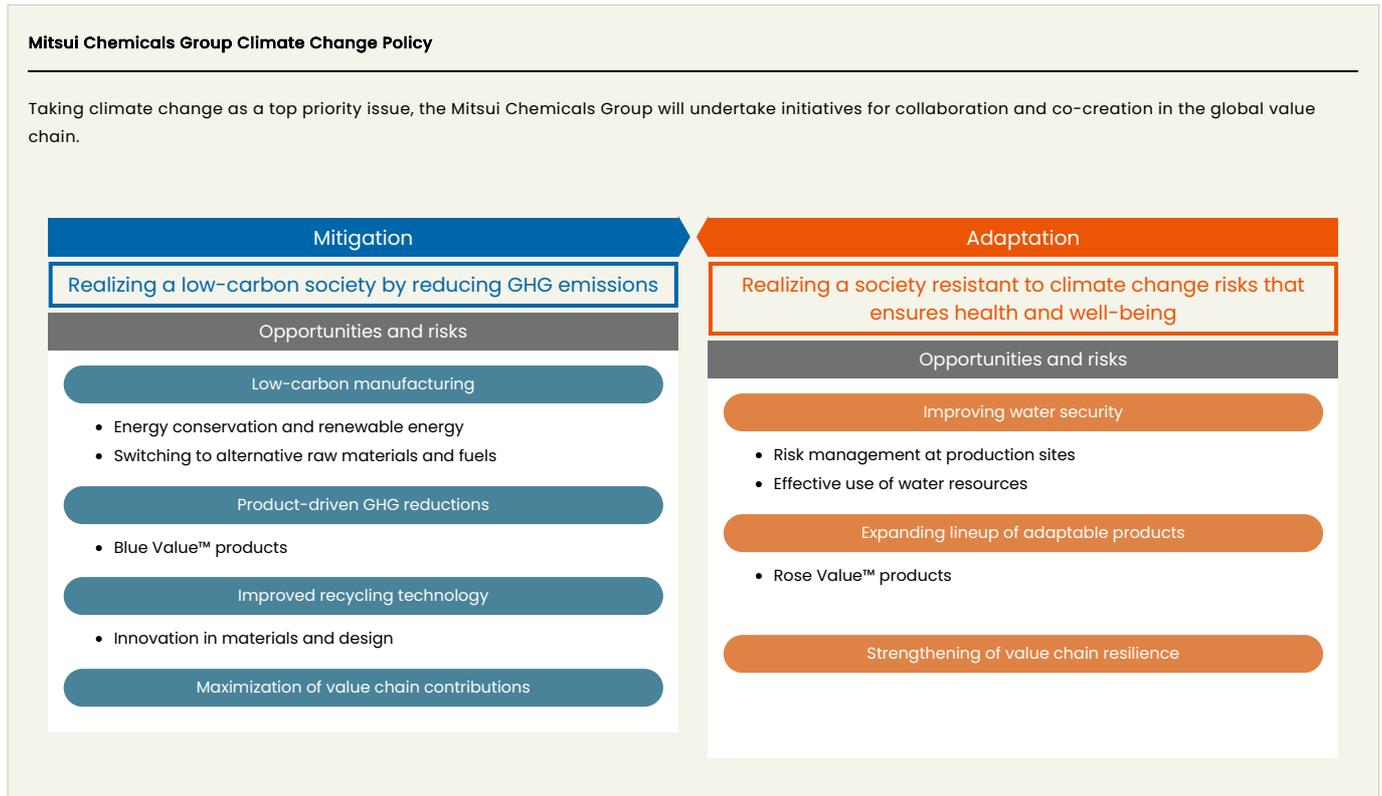
Endeavor to create a circular economy



Climate Change Policy

In order to achieve the globally shared long-term goals set forth in the Paris Agreement, the realization of carbon neutrality throughout society is imperative, and efforts to achieve a decarbonized society (climate change mitigation) must be accelerated. There is also a need to adapt to environmental changes, such as the intensification of natural disasters caused by climate change.

The Mitsui Chemicals Group considers climate change to be a top priority issue and has formulated and published a climate change policy in 2019.



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 aim to achieve carbon neutrality by 2050, by reducing greenhouse gas (GHG) emissions within our Group, and working to decarbonize the entire value chain, including all products and services. 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 mainly use fossil-derived raw materials, which emit a large amount of GHGs through manufacturing processes involving chemical reactions at high temperatures and fuel combustion at utility facilities for producing steam or electricity. 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 involved in various life stages not only in processes in which our Group is directly involved, such as raw material procurement and manufacturing, but also indirectly in intermediate processing, use of final products, and disposal. The Group certifies products that make significant environmental contributions as [Blue Value™](#) products, and evaluates the GHG reduction effect over the entire product life cycle, with "CO₂ reduction" as one of the contribution categories. 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 each region and take measures to minimize physical and human risks.

[Water Risk Assessment >](#)

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 solve social issues such as 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.

Endeavor to create a circular economy

Management System

Climate Change Policy

Carbon neutral strategy

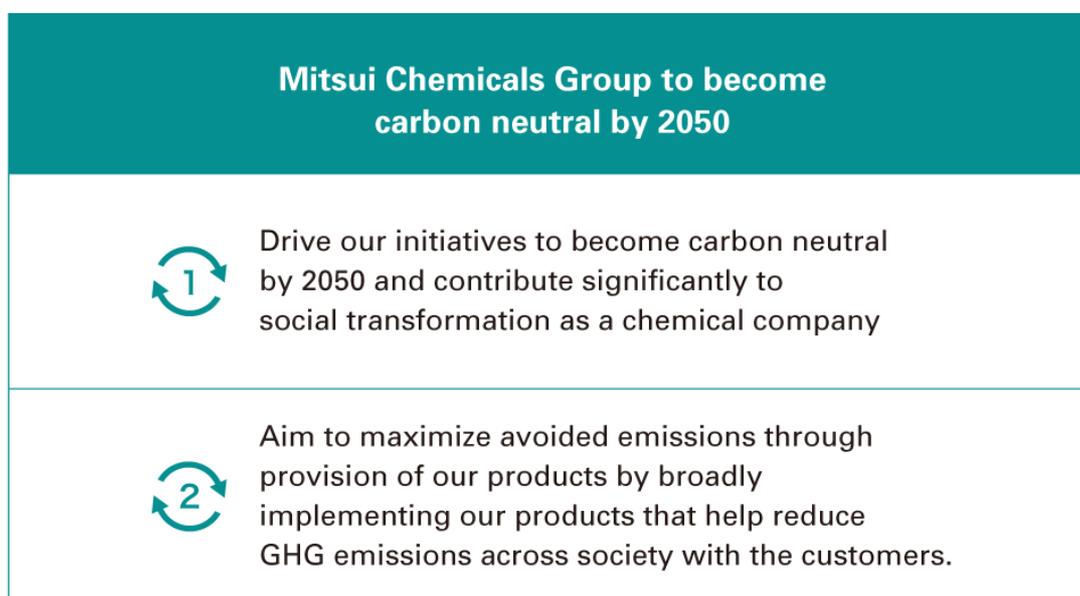
Biomass strategy and Recycling strategy

Implementing the recommendations of the TCFD

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. Our carbon neutral strategy is centered around the two pillars of (1) reducing our own GHG emissions (Scopes 1 and 2), and (2) maximizing the avoided emissions of our products over their entire life cycle. We are starting off with the purpose of contributing to the transformation of society. 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 Group.



The Mitsui Chemicals Group's carbon neutrality strategy



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

The Mitsui Chemicals Group aims to reduce its GHG emissions by 40% by fiscal 2030 relative to fiscal 2013 levels to make important progress toward the goal of achieving carbon neutrality by 2050. This is one of our non-financial targets in VISION 2030.

To facilitate progress, we have defined a clear roadmap toward carbon neutrality in full consideration of prospective plant construction (new plants and expansions) and other factors.

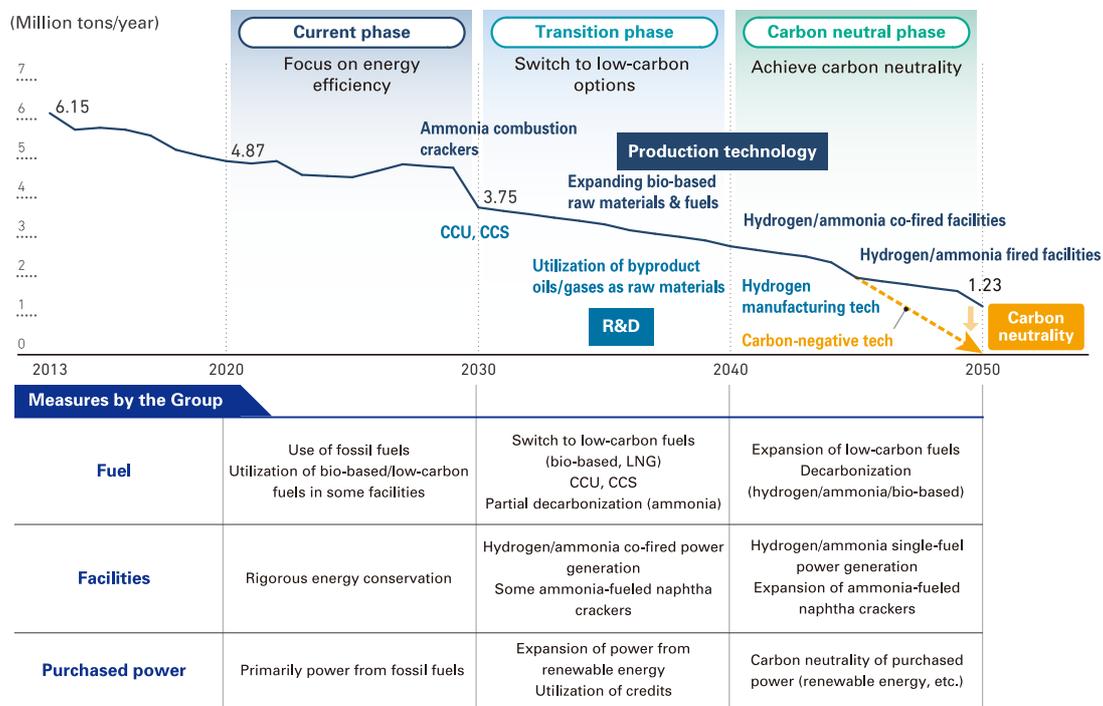
Specifically, we aim to transition to low-carbon raw materials and fuels, conserve energy by installing highly energy-efficient equipment, and adopt renewable energy.

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 markets, customers, and other aspects of the external environment falling into place or changing. We also plan to pursue policies that include the development and implementation of carbon-negative technologies, such as carbon capture, utilization, and storage (CCUS), to handle the remaining 20%.

As one measure to accelerate our strategy, we revised our internal carbon pricing (ICP) from 3,000 yen/tCO₂e to 15,000 yen/tCO₂e in April 2022.

By adding internal rate of return (IRR) that takes ICP into account (c-IRR) into our decision-making for large-scale investments, we have a system of discussing the necessity of investments not only from a profitability standpoint but also from the perspective of reducing environmental impact.

Carbon neutral roadmap



Strategy 2. Maximizing avoided emissions through provision of our products

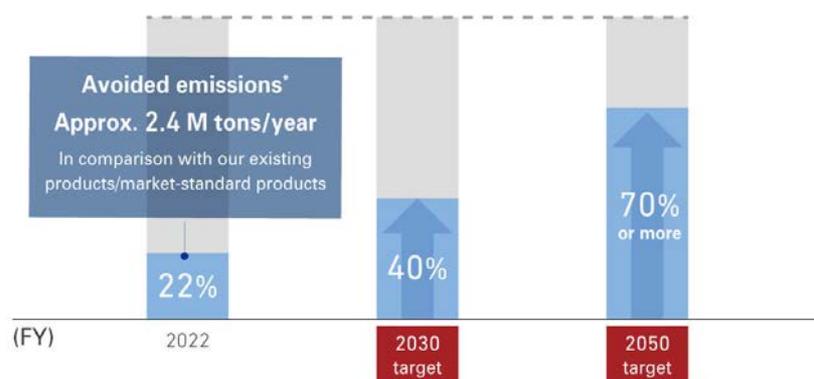
Many of the chemical products we provide go through various life stages in the hands of our customers, including processing, use, and disposal.

Through our supply of Blue Value™ products that make significant environmental contributions, we aim to maximize GHG emissions avoided over the entire product life cycle. In this way, we intend to help all of society achieve carbon neutrality.

We have set a 40% or greater Blue Value™ products sales revenue ratio as one of our non-financial targets in VISION 2030, and we have reflected this in the strategy of each business.

The calculations of our Blue Value™ product-driven avoided emissions are subject to reviews by outside experts. By sharing the results of the calculations with our stakeholders, we will continue to make our contributions easy to visualize.

Blue Value™ sales revenue ratio



*Target:

For automotive applications.

*Reference guidelines:

The World Business Council for Sustainable Development (WBCSD), GX League

Example 1: Low-carbon raw materials and fuels

Switching to alternative fuels for naphtha crackers—ammonia utilization

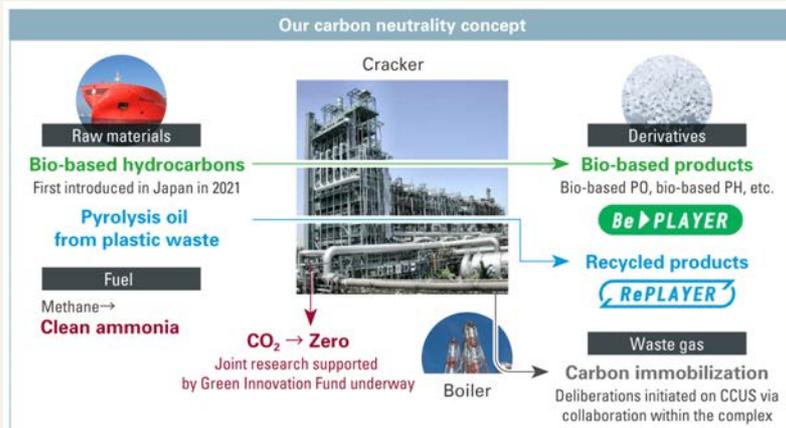
While naphtha crackers are key for a chemicals company, they also emit a large amount of GHGs. By switching from the conventional methane-based fuel to one in which ammonia is the principal component in naphtha crackers, the Mitsui Chemicals Group aims to bring the amount of CO₂ generated in combustion as close to zero as possible (as ammonia does not contain carbon) and contribute to reduction of GHG emissions across the entire petrochemicals industry.

Ammonia 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-fueled naphtha crackers by 2030.

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



Example 2: Capture and utilization of CO₂

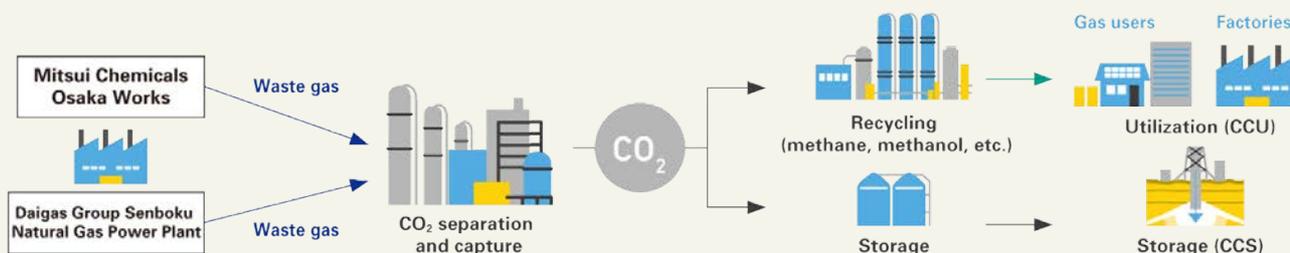
Regional and multi-company collaboration at the Senboku Industrial Complex

The Mitsui Chemicals Group generates CO₂ emissions through manufacturing processes that involve chemical reactions at high temperatures and fuel combustion at utility facilities for producing steam or electricity. Reducing the amount of GHGs in the atmosphere goes beyond adopting new raw materials and fuels to reduce emissions; another important step is taking measures to capture CO₂ and keep it from entering the atmosphere.

We are thus working with Osaka Gas Co., Ltd., which is located in the Senboku Industrial Complex with the Mitsui Chemicals Osaka Works, to separate and capture CO₂ from the exhaust gases of the manufacturing plant and utility plant at Osaka Works, as well as from the exhaust gases from the Senboku Natural Gas Power Plant of Daigas Group, the corporate group led by Osaka Gas. The idea is to utilize the captured CO₂ domestically and internationally (carbon capture and utilization, or CCU), as well as store it underground (carbon capture and storage, or CCS).

Through this joint study, both companies will promote regional collaboration in the Senboku Industrial Complex to help establish a carbon-neutral fuel supply base, an idea the Japanese government is currently exploring, and continue efforts to achieve a carbon-neutral society by 2050.

Capture and utilization of CO₂ emissions from the Senboku Industrial Complex



Example 3: Carbon-negative measures

Progress by Mitsui Chemicals, Inc. - Carbon Neutral Research Center

The Mitsui Chemicals, Inc. - Carbon Neutral Research Center (MCI-CNRC), established in November 2021, applied for two patents, published three journal articles, and made nine academic conference presentations in fiscal 2022.

Among these research outcomes, the synthesis of hydrogen and ammonia from air and water using a combination of an inorganic catalyst and a biocatalyst has a potential to produce future energy sources from familiar raw materials and under mild conditions, and is considered a major step toward achieving carbon neutrality.

Along with other outcomes such as alcohol synthesis using CO₂ as a raw material and the development of new environmental assessment tools, we are conducting a diverse range of research to help accelerate the achievement of carbon neutrality.

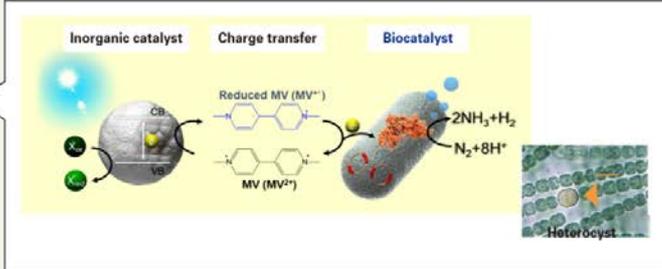
FY2022 outcomes 2 patents applications, 3 journal articles, 9 academic conference presentations

Research themes

Synthesis of hydrogen & ammonia from air & water using a biophotocatalyst at room temperature & pressure (patent applied for)
Professor ISHIHARA Tatsumi

Synthesis of alcohol from CO₂ using a metallic nanocube catalyst (patent applied for)
Professor YAMAUCHI Miho & Associate Professor KOBAYASHI Hirokazu

Conducting a consumer awareness survey regarding eco-labels, etc., with the aim of building an LCA tool connecting producers and consumers (journal article published)
Associate Professor Andrew Chapman



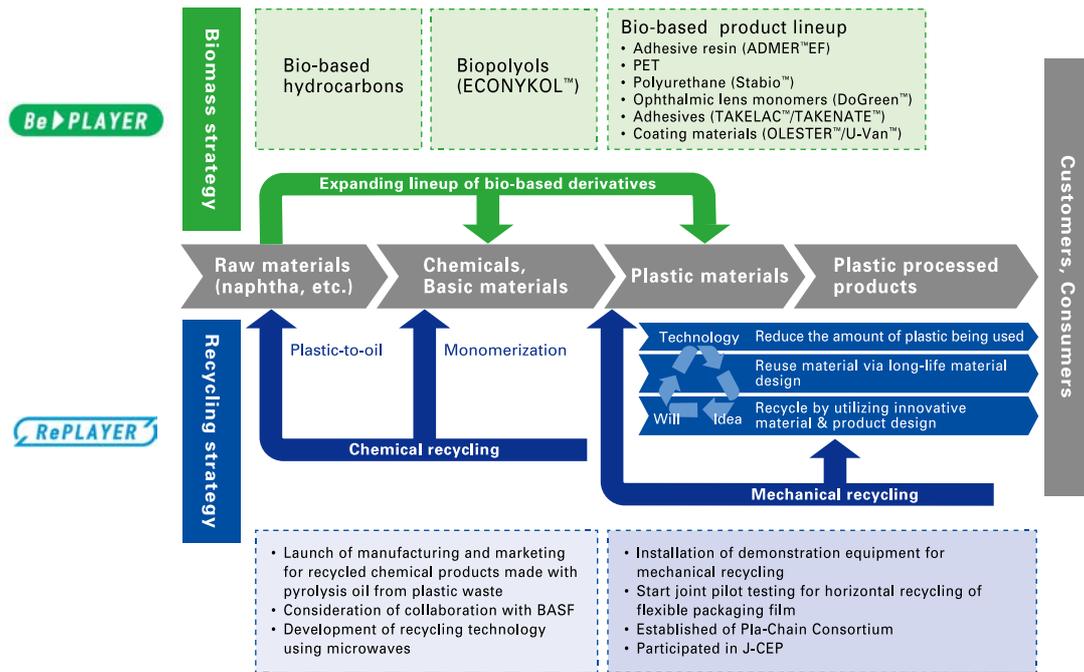
Endeavor to create a circular economy



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.

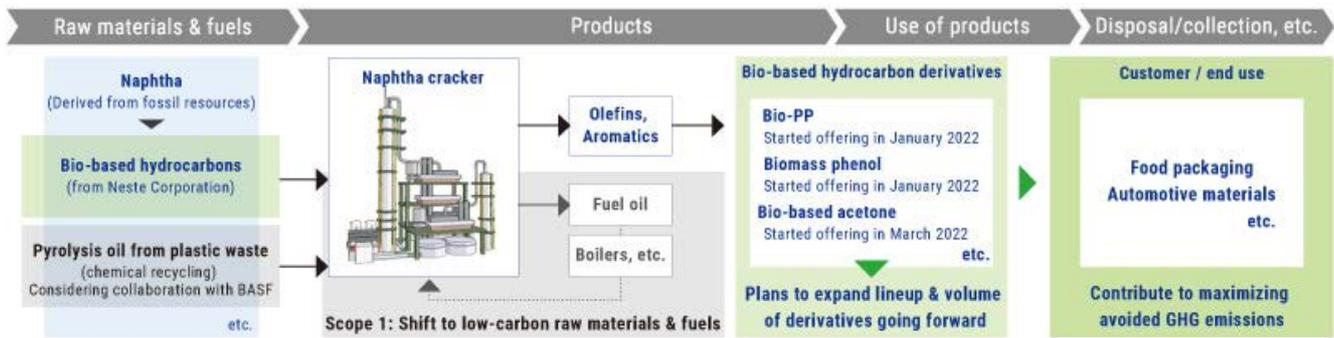


Biomass strategy: Expanding lineup of bio-based plastic products

Bio-based plastics, which are mainly made from plants and 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 bio-based raw materials 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: Production and sales of bio-based chemicals and plastics from bio-based hydrocarbons

As a materials manufacturer that supports people's life infrastructure, the Group has launched a brand 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. The new brand is another part of our efforts to bring about reductions in GHG emissions across society. The Mitsui Chemicals Group has procured and introduced bio-based hydrocarbons as feedstock for our naphtha crackers at the Osaka Works ethylene plant. At the same time, we are producing and marketing bio-based chemicals (such as phenol and acetone) and bio-polypropylene (PP) under the mass balance approach, which allows for the attribution 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 International Sustainability & Carbon Certification (ISCC) PLUS certification for a variety of our products. As of May 2023, we have received certification for approximately 40 products, including products made from naphtha and products further downstream. Through our collaborations with partners like Teijin Limited, which uses the Group's biomass-derived bisphenol A to develop and produce biomass-derived polycarbonate resins, and efforts to promote sales of BePLAYER™ products, we will establish a social foothold for biomass™ and propel the spread of both bio-based chemicals and bio-based plastics.



Case: Food packaging by Japanese Consumers' Co-operative Union using the Group's Prasuk™ Biomass PP obtains Eco Mark for the first time for its mass balance method

Prasuk™, a mass-balanced bio-polypropylene (PP) manufactured and sold by Prime Polymer Co., Ltd.—a Mitsui Chemicals Group company—has been adopted by the Japanese Consumers' Co-operative Union for use in food packaging, becoming the first plastic container and packaging using bio-attributed plastics to receive the Eco Mark*.

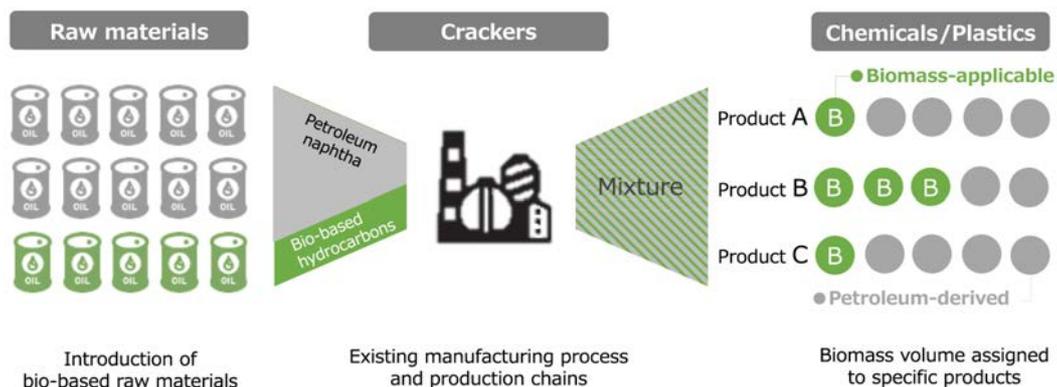
*Eco Mark:

An environmental label that is given to various products and services operated by the Japan Environment Association, which are recognized as having a low environmental impact throughout their life cycle from production to disposal and as being useful for environmental preservation. Bio-attributed plastics (i.e., bio-based plastics produced under the mass balance method) were newly added to the Eco Mark certification criteria on February 1, 2023.



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. By using this method, a portion of the finished product can be considered "100% biomass-derived" depending on the amount of biomass-derived feedstock input, thus making it possible to meet the diverse biomass product needs of customers. 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.



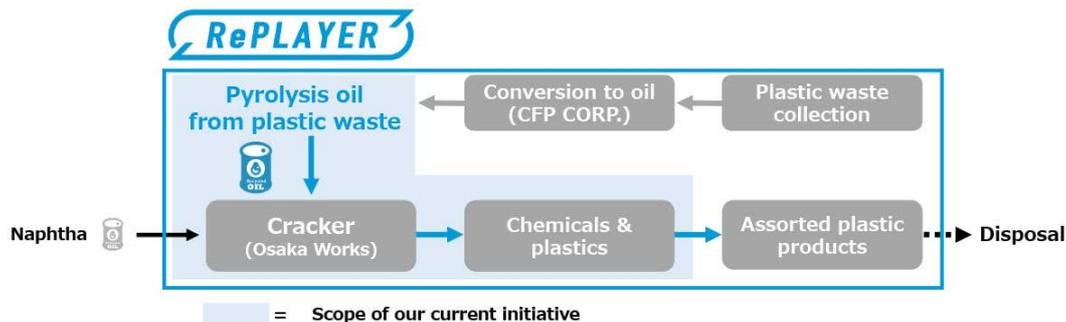
Recycling strategy: Promoting plastic recycling

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. 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. 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 material recycling of waste plastic, development of mono-material packaging, and support for startup businesses.

The Mitsui Chemicals Group will begin Japan's first manufacturing and marketing of chemically-recycled derivatives (chemicals and plastics) based on the mass balance approach. CFP CORPORATION will supply pyrolysis oil produced from plastic waste, which Mitsui Chemicals plans to start using as a feedstock for the cracker at the Osaka Works in the fourth quarter of fiscal 2023. This chemical recycling initiative will make it possible to adapt materials derived from recycling processes in applications where such materials could not conventionally be used due to quality or hygiene considerations. The move could potentially result in a substantial increase in the recycling rate of plastics, which has been low to date.

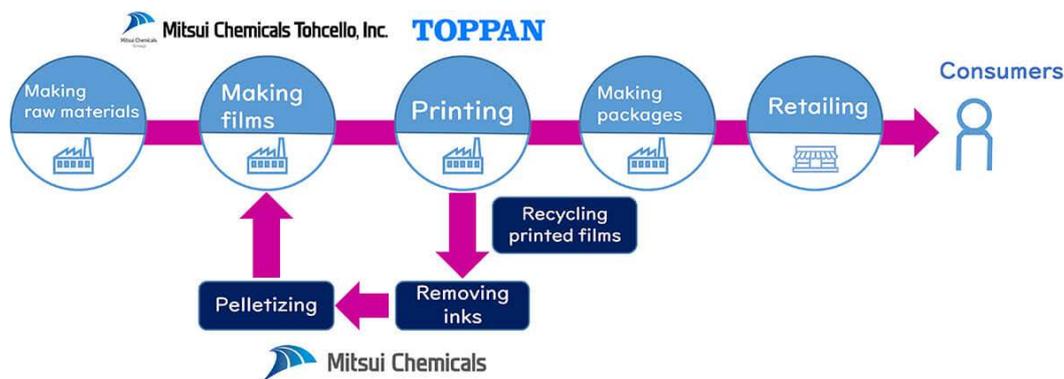
[Mitsui Chemicals to Begin Manufacturing and Marketing Recycled Chemical Products Made With Pyrolysis Oil From Plastic Waste >](#)

Cracker-related flow diagram



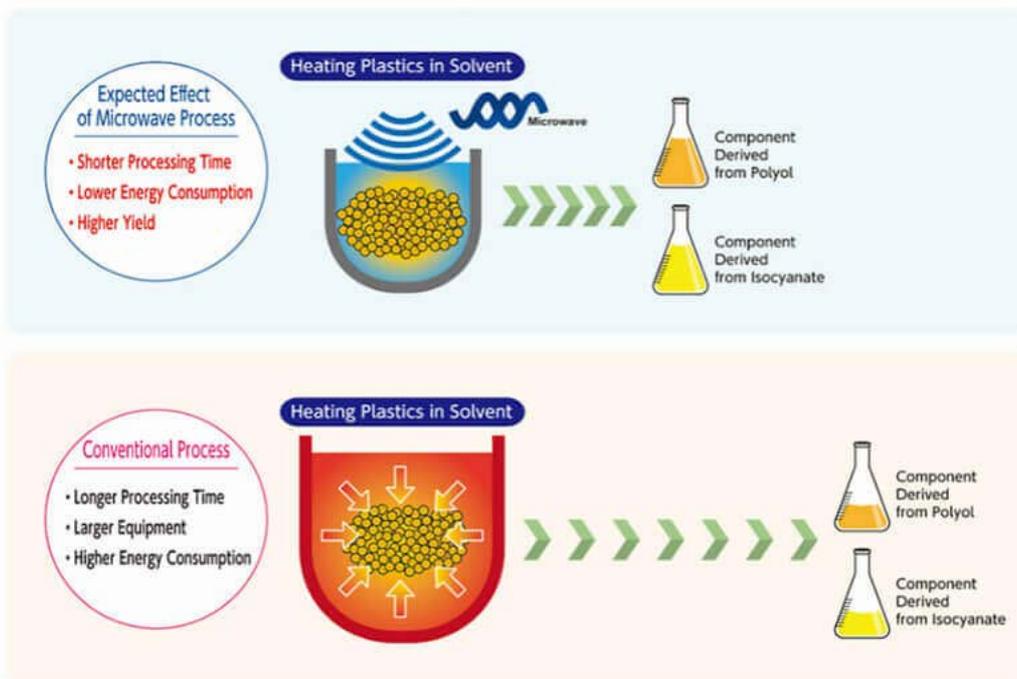
In May 2022, Mitsui Chemicals launched the RePLAYER™-Renewable Plastics Layer System, an initiative to collect waste film generated by flexible packaging converters, remove ink, pelletize it, and recycle it into flexible packaging film. In addition, by utilizing the resource circulation platform (name: RePLAYER™ blockchain platform), a digital infrastructure that utilizes blockchain technology, we have established a system that ensures the traceability and transparency of recycled materials and provides safety and security to our customers. In December of the same year, Toppan Printing, Mitsui Chemicals Tohcello, and the Company jointly began basic studies for this demonstration test, and began a joint demonstration test in August 2023 for horizontal recycling of pre-printed oriented polypropylene (OPP) film into the original flexible packaging film. Through this initiative, the three companies aim to achieve social implementation in FY2025, in line with the milestone of the Japanese government's plastic resource recycling strategy.

[Joint Pilot Testing Launches for Horizontal Recycling of Flexible Packaging Film >](#)



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 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 CO₂ 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.

[Launch a Chemical Recycling Project of Flexible Polyurethane Foam using Microwave-Based technology >](#)



Case: Verification experiment on the commercialization of material 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 "Recycle 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



Renewing the world from the material of materials. PLAYERS brand for regenerative lifestyles.

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 purpose, 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 stems from 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. 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 value chain.

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

[Alliance to End Plastic Waste \(AEPW\)](#)

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 February 2023, 80 corporations are participating.)



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

[Clean Ocean Material Alliance \(CLOMA\)](#)

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 2023, 498 corporations are participating.)



Endeavor to create a circular economy



Implementing the recommendations of the TCFD

The Mitsui Chemicals Group announced its support of the recommendations of the Task Force on Climate-related Disclosures (TCFD) in January 2019 and continues to disclose information on its efforts to tackle climate change.



Recently, we expanded our efforts to assess materiality of climate-related risks and quantify business impacts to all of our business segments and implemented a review accordingly.

Disclosure item 1: Governance

The responsible officer for the Corporate Sustainability Committee oversees our efforts to address climate change.

Policy, strategy, and planning to address climate change are discussed at the Corporate Sustainability Committee. Results of discussions 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 have established the Circular Economy Center of Excellence (CoE) under the Corporate Sustainability Committee.

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 for discussion by management are raised to the Corporate Sustainability Committee.

Disclosure item 2: Risk management

The Mitsui Chemicals Group has established a Group-wide risk management system, which also covers climate-related risks.

Regarding climate-related risks in particular, as part of risk management under VISION 2030 and the carbon neutral strategy, risks are identified and assessed by all divisions under the Group-wide risk management system, and these risks are managed centrally on a Group-wide basis.

We reflect our efforts to develop and execute responses in our budget and medium-term business plan, and we implement a steady PDCA cycle.

Disclosure item 3: Strategy

The Mitsui Chemicals Group works to understand risks posed by and opportunities arising from climate change by conducting scenario analyses with reference to the United Nations Intergovernmental Panel on Climate Change scenario (IPCC RCP8.5) and the 2022 International Energy Agency World Energy Outlook (NZE2050).

We also reflect the results of the analyses in VISION 2030—our transition plan for achieving a low-carbon society—and our carbon neutral strategy to guide progress.

1. Identifying and defining the range of scenarios

We have created views of potential worlds (scenarios) based on predictions of how climate change may affect the Group's business environment.

3-4°C world (A world where responses to abnormal weather are crucial)	1.5-2°C world (A world where bringing about a carbon-free society is the top priority)
Implementation of current climate change policies only <ul style="list-style-type: none"> Existing carbon taxes unchanged and applied to certain developed countries only Expansion in demand for fossil energy and raw materials Continuing sales of gasoline vehicles 	Implementation of ambitious climate change policies <ul style="list-style-type: none"> Large increase in carbon tax Suspension of sales of gasoline vehicles/switch to EVs Increases in expenses for policy compliance Increases in business opportunities for products that contribute to a carbon-free society
A society dependent on fossil resources <ul style="list-style-type: none"> Rises in prices of coal, gas, and oil Rises in the price of fossil-fuel generated electric power 	Circular economy society <ul style="list-style-type: none"> Renewable energies in the mainstream Decarbonization of raw materials (Spread of recycled raw materials and bio-based/CO₂-based chemicals)
Catastrophic worsening of natural disasters caused by abnormal weather <ul style="list-style-type: none"> Changes in vegetation distribution and migration ranges 	Worsening of natural disasters caused by abnormal weather <ul style="list-style-type: none"> Higher-level, farther-reaching disaster countermeasures

2. Quantifying business impacts

We have quantitatively estimated the anticipated impact in the context of implementing decarbonization measures toward VISION 2030, including the carbon neutral strategy.

Group-wide risks

Risk classification	Events	Impact calculation target	Calculation approach	Impact	
				Medium-term (2030)	Long-term (2050)
3-4°C world					
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 ^{*1*2*3}	¥-5bn	¥-40bn
1.5-2°C world					
Transition risks	Strengthened laws and regulations	Increased costs due to introduction of carbon tax ^{*4}	Cost increases calculated assuming that no decarbonization measures are taken	¥-90bn	¥-160bn
			Cost increases calculated assuming that decarbonization measures are taken ^{*5}	¥-67bn (GHG emissions reduction rate (Scopes 1 and 2) compared to FY2013: 40%)	¥0 (GHG emissions reduction rate (Scopes 1 and 2): 100%)
	Market changes	Increased cost of fuel and electricity	Cost of fuel and electricity calculated based on inflation rate ^{*6*7}	¥-60bn	¥-70bn ^{*2040}

*1 FY2020 baseline.

*2 Does not include operational impact. We plan to consider this in future.

*3 Reference: IPCC RCP8.5

*4 Carbon tax calculated based on predicted carbon price (with reference to IEA NZE2050) and FY2021 GHG emissions.

*5 Investments related to the carbon neutral strategy up to 2030 are estimated at 140 billion yen.

*6 FY2018 baseline for fuel and electricity costs.

*7 Reference: IEA WEO, EIA, and Agency for Natural Resources and Energy forecasts

Group-wide opportunities

Opportunity classification	Events	Impact calculation target	Calculation approach	Impact	
				Medium-term (2030)	Long-term (2050)
3-4°C world					
Transition opportunities	Increased demand for products and services that contribute to adaptation	Increased sales revenue of Rose Value™ products, which contribute to disaster prevention/mitigation measures and prevention of infectious disease	Set as a non-financial metric ^{*1*2}	Rose Value™ products sales revenue ratio of 40%	-
1.5-2°C world					
Transition opportunities	Increased demand for products and services that contribute to mitigation	Increased sales revenue of Blue Value™ products, which contribute to reduction of GHG emissions	Set as a non-financial metric ^{*3*4}	Blue Value™ sales revenue ratio: 40%	Blue Value™ sales revenue ratio: 70%

*1 FY2022 Rose Value™ product results: sales revenue of 390.0 billion yen, sales revenue ratio of 21%

*2 Reference: the Group's VISION 2030

*3 FY2022 Blue Value™ product results: sales revenue of 410.0 billion yen, sales revenue ratio of 22%

*4 Reference: the Group's VISION 2030

Risks and opportunities for individual business segments

We examined business risks and opportunities in the 1.5-2°C world, 3-4°C world, and scenario-independent market environment, accounting for changes in related markets.

Note	Opportunity for Blue Value™ products
	Opportunity for Rose Value™ products
	Risk

Life & Healthcare Solutions Business Sector

Changes in related markets	Risks and opportunities
3-4°C world	
(1) Stable food supply	Creation of agrochemical active ingredients and expansion of overseas operations
(2) Infrastructure service-life extension and disaster prevention/mitigation	National resilience: Expanded green-infrastructure demand for nonwovens
(3) Public health and hygiene	Development and marketing of new insecticides for malaria vector mosquitoes to help eradicate the disease
	Provision of high-performance antibacterial and anti-mold agents
	Expanded demand for hygiene supplies (masks, gowns, etc.) resulting from pandemics
	Growing needs and expanded demand for simple testing and diagnosis solutions to prevent the spread of infectious diseases
1.5-2°C world	
(1) Reduction of environmental impact in the supply chain	Expanded demand for lens materials using plant-derived raw materials (Do Green™)
	Sales promotion for highly active biocatalysts (acrylamide, etc.)
	Hollow, thin products (AIRYFA™) to meet demand for weight reduction
	Establishment of recycling business and development of products meeting recycling needs
(Reference) Scenario-independent market environment	
(1) Economic growth, population growth, and urbanized, health-conscious lifestyles in emerging countries	Further spread of high-refractive-index ophthalmic lens materials (MR™)
	Expanded demand for oral care and oral diagnostics

	Expanded demand for disposable diapers
	Pursuit of higher quality medical care and longer healthy life expectancy: Entry into new business areas (orthopedics, testing and diagnosis, nucleic acid medicine CDMO, nutrition)
(2) Changes in the mobility market	-
(3) Consideration of environmental impact	Expanded demand for agrochemicals derived from natural materials
	Waste reduction/labor saving by producing dental prosthetics through 3D printing and related products
Approaches to risks and opportunities	
	Improve production and supply capacity to cope with market changes and meet expanding demand
	Further increase the resilience of global supply chains
	Create new products and businesses that help address social challenges
Financial information	
Rose Value™ products sales revenue ratio	82% (FY2022) 85% (FY2030 target)
Strong business areas (based on FY2022 information)	Ophthalmic lens materials: 45% share of the global market (market growth rate: 3% per year) Agrochemical products: 180 billion yen in sales revenue (FY2030 target)
Financial target (FY2030 operating income before special items)	90 billion yen Significant contributions from Rose Value™ products

Mobility Solutions Business Sector

Changes in related markets	Risks and opportunities
3-4°C world	
(1) Stable food supply	-
(2) Infrastructure service-life extension and disaster prevention/mitigation	Expanded demand for concrete surface reinforcement agent
(3) Public health and hygiene	-
1.5-2°C world	
(1) Reduction of environmental impact in the supply chain	Expanded demand for parts for renewable-energy applications (highly durable TAFMER™)
	Expanded demand for products contributing to reductions in painting processes (PP compounds)
	Creation of products utilizing renewable raw materials
	Expanded demand for lithium-ion battery components
	Expanded demand for the development of materials to reduce the weight of EVs, extending their driving range (rigid and lightweight PP)
	Expanded demand for E-Axle
	Difficulties in passing on the costs of decarbonization measures
	Reduced demand for components for gasoline vehicles as the shift to EVs continues
(Reference) Scenario-independent market environment	
(1) Economic growth, population growth, and urbanized, health-conscious lifestyles in emerging countries	Development of module concepts for vehicle interiors, etc. that help enhance comfort in mobile spaces Decline in number of new vehicles being manufactured
(2) Changes in the mobility market	-
(3) Consideration of environmental impact	-
Approaches to risks and opportunities	
	Improve production and supply capacity to cope with market changes and meet expanding demand
	Further increase the resilience of global supply chains
Financial information	
Blue Value™ products sales revenue ratio	54% (FY2022) 80% (FY2030 target)
Strong business areas (based on FY2022 information)	PP compounds: Second-largest share in the world and second-largest share in the Asia Lighter/paintless bumpers, instrument panels, etc. Raw materials for battery components
Financial target (FY2030 operating income before special items)	80 billion yen Significant contributions from Blue Value™ products

ICT Solutions Business Sector

Changes in related markets	Risks and opportunities
3-4°C world	
(1) Stable food supply	Expanded demand for ICT products with spread of industrial farming (semiconductor components/gas-permeable films)
(2) Infrastructure service-life extension and disaster prevention/mitigation	Expanded demand for components for solar panels and stationary-storage batteries as corresponding needs grow (MILLET™, SOLAR ASCE™, etc.)
	Expanded demand for drinking-water filters (MIPELON™)
(3) Public health and hygiene	-
1.5-2°C world	
(1) Reduction of environmental impact in the supply chain	Expanded demand for eco-friendly packaging materials (coating materials and paper replacements for plastic)
	Horizontal recycling (mono-material packaging)
	Expanded demand for EV batteries/semiconductors and calls for their improved functionality
(Reference) Scenario-independent market environment	
(1) Economic growth, population growth, and urbanized, health-conscious lifestyles in emerging countries	Expanded semiconductor & assembly solutions market
	Imaging solutions: Expanded smartphone and XR markets
(2) Changes in the mobility market	Expanded demand for automotive lenses, sensors, and high-frequency materials

(3) Consideration of environmental impact	-
Approaches to risks and opportunities	
-	Transition to solutions business
Financial information	
Blue Value™ products sales revenue ratio	40% (FY2022) 56% (FY2030 target)
Rose Value™ products sales revenue ratio	53% (FY2022) 60% (FY2030 target)
Strong business areas (based on FY2022 information)	ICROS™ Tape: Largest share of the global market (market growth rate: 7% per year)
	APEL™ (cyclic olefin copolymer): Largest share of the global market at over 50%
	Pellicles: Largest share of the global market (market growth : 9% CAGR, 2019-2027)
Financial target (FY2030 operating income before special items)	70 billion yen Significant contributions from Blue Value™ and Rose Value™ products

Basic & Green Materials Business Sector

Changes in related markets	Risks and opportunities
3-4°C world	
(1) Stable food supply	Expanded demand for packaging raw materials that help maintain food quality
(2) Infrastructure service-life extension and disaster prevention/mitigation	Expanded demand for raw materials for polyethylene pipes, etc.
(3) Public health and hygiene	-
1.5-2°C world	
(1) Reduction of environmental impact in the supply chain	Expanded demand for the development of materials to reduce the weight of EVs, extending their driving range (rigid and lightweight PP, polyurethane materials)
	Expanded demand for eco-friendly packaging materials
	Difficulties in passing on the costs of decarbonization measures
	Expanded demand for lithium-ion battery components for EVs
	Reduced demand for components for gasoline vehicles as the shift to EVs continues
(Reference) Scenario-independent market environment	
(1) Economic growth, population growth, and urbanized, health-conscious lifestyles in emerging countries	Expanded market for ICT- and mobility-related products, including photoresists and liquid-crystal materials
	Development of module concepts for vehicle interiors, etc. that help enhance comfort in mobile spaces
(2) Changes in the mobility market	-
(3) Consideration of environmental impact	-
Approaches to risks and opportunities	
-	Provide reliable supplies of raw materials to growing businesses
-	Enhance efforts in green chemicals
-	Expand provision of products with high added value
Financial information	
Blue Value™ products sales revenue ratio	6% (FY2022) 12% (FY2030 target)
Strong business areas (based on FY2022 information)	Manufacturing of derivatives using bio-based raw materials, technological development for advanced recycling
	Provision of green materials to other business segments
	Synergy with Honshu Chemical Industry
Financial target (FY2030 operating income before special items)	50 billion yen

Toward minimizing risks

- While the medium-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.
- The business impact of increased costs due to introduction of carbon tax and increased cost of fuel and electricity will become large over the medium- to long-term. As part of our carbon neutral strategy measures, we will promote carbon-free raw materials and fuels and energy efficiency, while also pushing forward with introducing renewable energy by fiscal 2030. Furthermore, we will progress with steady reductions of GHG emissions through further considerations.
- We are projecting 140 billion yen in investments for our carbon neutral strategy through 2030. Considering that the carbon tax burden would amount to 90 billion yen per year if no carbon-neutrality measures were taken, we believe that the investment amount is appropriate in light of the impact on carbon reduction.

Toward maximizing opportunities

- The impact assessment identified many potential opportunities for Blue Value™ and Rose Value™ products. Reflecting the opportunities in our Group-wide strategy, we will work to contribute to the building of a sustainable society and seize more opportunities for the Group.
- 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 also continually examine and add further measures.
- In addition to further increasing the resilience of our global supply chain by adding to the number of our raw-materials suppliers and production sites, we will also improve our production and supply capacity to cope with market changes and meet market needs as we look to successfully seize business

opportunities.

- As capturing the opportunities listed in the table links into the growth of the Group, we have set them as VISION 2030 business targets (non-financial targets) and will continue to manage their progress.

Improving resilience

- The results of the scenario analyses validated the resilience of our strategies for the 1.5–2°C and 3–4°C worlds. We will continue to enhance the precision of our impact assessments.
- In our Group-wide strategies, including our business strategies and site strategies, we will work to improve the Group's resilience in the aim of minimizing risk and maximizing opportunities.

Disclosure item 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	FY2022 results	Target (FY2030)	Target (FY2050)
Mitigation	GHG emissions reduction (Scopes 1 and 2)	GHG emissions reduction rate (vs. FY2013)	27%	40%	100%
	Maximizing avoided emissions	Blue Value™ products sales revenue ratio	22%	40%	70%
Adaptation	Contribution to disaster prevention/mitigation measures and prevention of infectious disease	Rose Value™ products sales revenue ratio	21%	40%	–

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

(1) GHG emissions	<ul style="list-style-type: none"> • Scope 1: 3.55 million tCO₂e (FY2022) • Scope 2: 0.96 million t₂e (FY2022) • Scope 3: 10.81 million t₂e (FY2021) *1 • Per unit of sales revenue for Scopes 1 and 2: 24.0 t₂e/billion yen (FY2022)
(2) Transition risks	Outlined in "Disclosure item 3: Strategy"
(3) Physical risks	Outlined in "Disclosure item 3: Strategy"
(4) Climate-related opportunities	Outlined in "Disclosure item 3: Strategy"
(5) Capital deployment	<ul style="list-style-type: none"> • Investments related to carbon neutral strategy up to 2030 are expected to be on the scale of 140 billion yen. • Of large-scale investment projects *2 in FY2023, investments related to Blue Value™ and Rose Value™ products account for 53%, or approximately 262.4 billion yen.
(6) Internal carbon pricing (ICP)	ICP is set at 15,000 yen/t ₂ e, and IRR that takes ICP into account (c-IRR) is used as a factor in decision-making for large-scale investments.
(7) Executive compensation	<ul style="list-style-type: none"> • The attainment levels for the target GHG emissions reduction rate and Blue Value™ and Rose Value™ products sales revenue ratios, which are non-financial indicators in VISION 2030, are reflected in the bonuses for inside directors and executive officers as an "evaluation of non-financial indicators." • Executive officers are assigned to be in charge of progress in their respective areas on the GHG emissions reduction rate and Blue Value™ and Rose Value™ products sales revenue ratios, which are non-financial indicators in VISION 2030. The attainment levels for those targets are reflected in the bonuses for each executive officer in charge as an "evaluation of the performance of the division in charge." • The Blue Value™ and Rose Value™ products sales revenue ratios for each business segment are part of the business segments' budget targets for each fiscal year. The attainment levels for those targets are reflected in the bonuses for each executive officer in charge as an "evaluation of the performance of the division in charge."

*1 Mitsui Chemicals non-consolidated

*2 Not including alliances, M&A, financial assistance, etc. For FY2023–2025

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

Visualizing Contributions to the Environment and Society

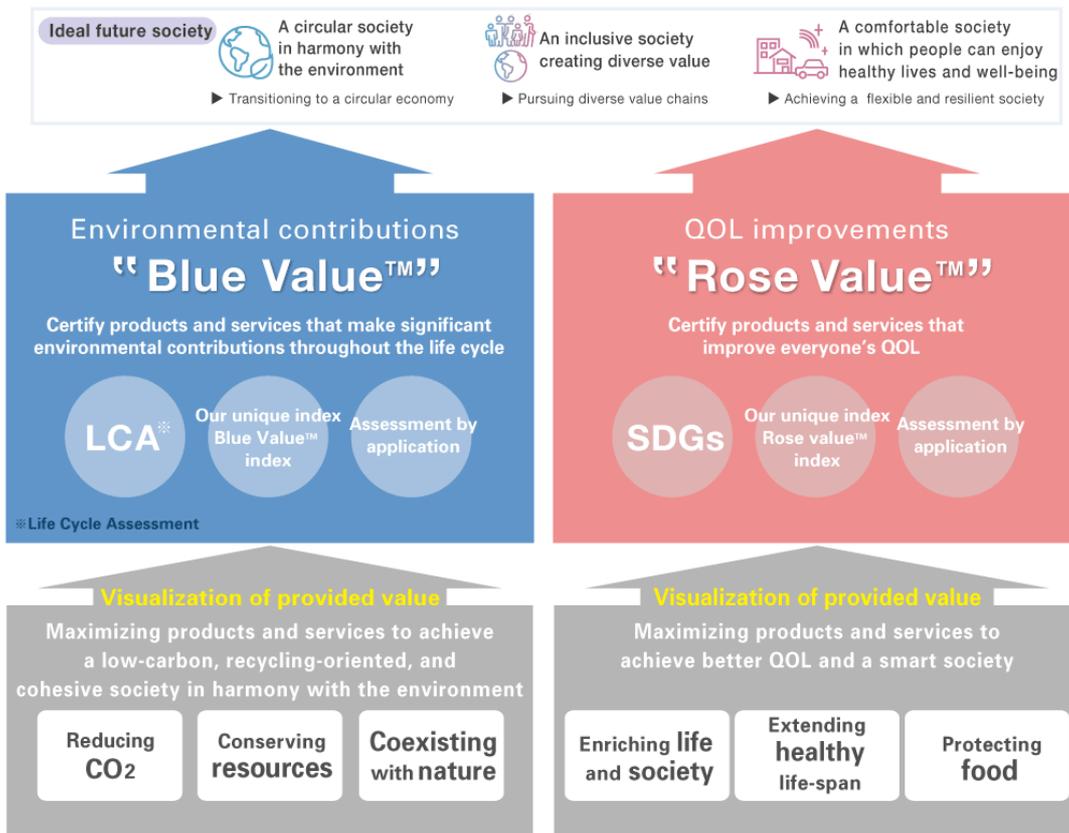
Blue Value™ / Rose Value™

Contribute to Efforts Aimed at Reducing Environmental Load and Improving Quality of Life Through our Products and Services

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 embodied by our products and services. We assess 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 achieve corporate growth for the Group and realize our ideal future society.



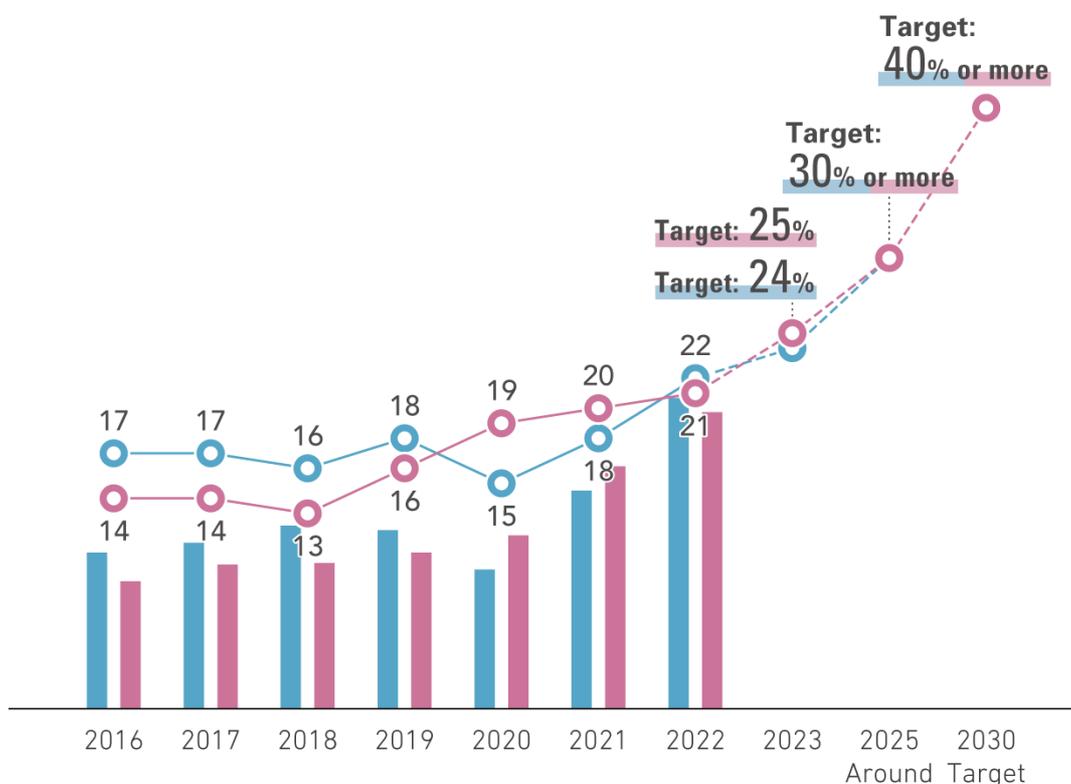
Blue Value™ and Rose Value™ Evaluation, Reviewing, and Certification Process

Evaluation and review are conducted following the process shown below.

to our group companies and further utilization of accumulated data. In addition to the development of this foundation, we will continue to expand our business to affiliates, and thoroughly pursue business development with an awareness of Blue Value™ and Rose Value™.

Blue Value™ and Rose Value™ products sales revenue ratio

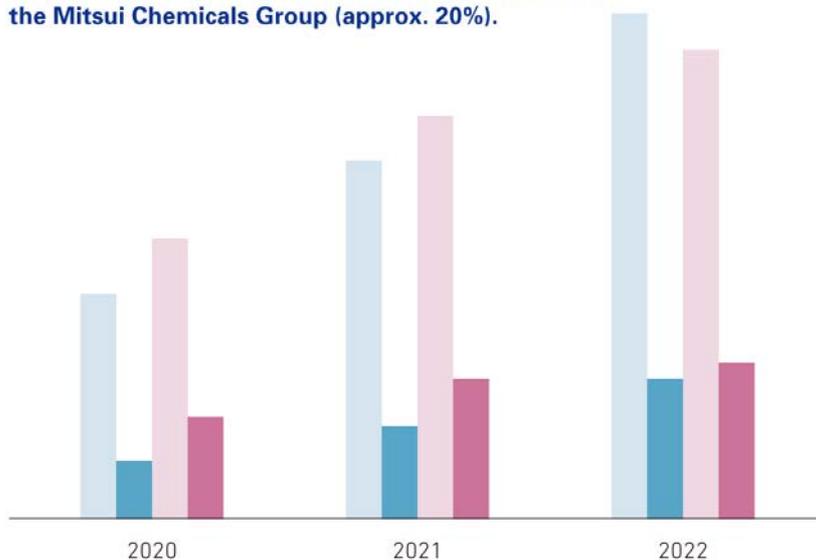
- Blue Value™ products sales revenue
- Rose Value™ products sales revenue
- Blue Value™ products sales revenue ratio
- Rose Value™ products sales revenue ratio



Gross profit from Blue Value™ and Rose Value™ products

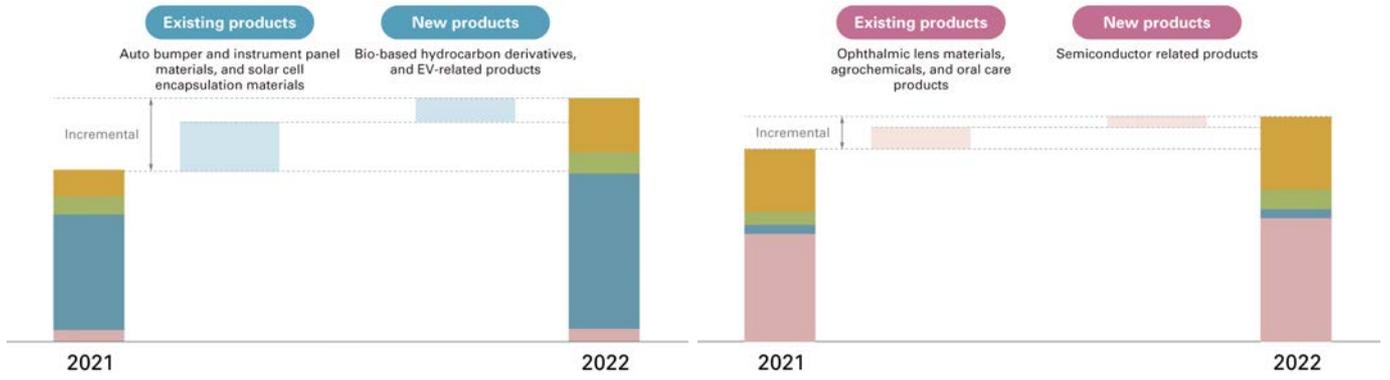
- Blue Value™ products sales revenue
- Blue Value™ products gross profit
- Rose Value™ products sales revenue
- Rose Value™ products gross profit

The gross profit margin of Blue Value™ and Rose Value™ products is higher than the gross profit margin of all products in the Mitsui Chemicals Group (approx. 20%).



Blue Value™ and Rose Value™ sales revenue and sales revenue ratio compared to the previous year

- Life & Healthcare Solutions Business Sector
- Mobility Solutions Business Sector
- Basic & Green Materials Business Sector
- ICT Solutions Business Sector



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

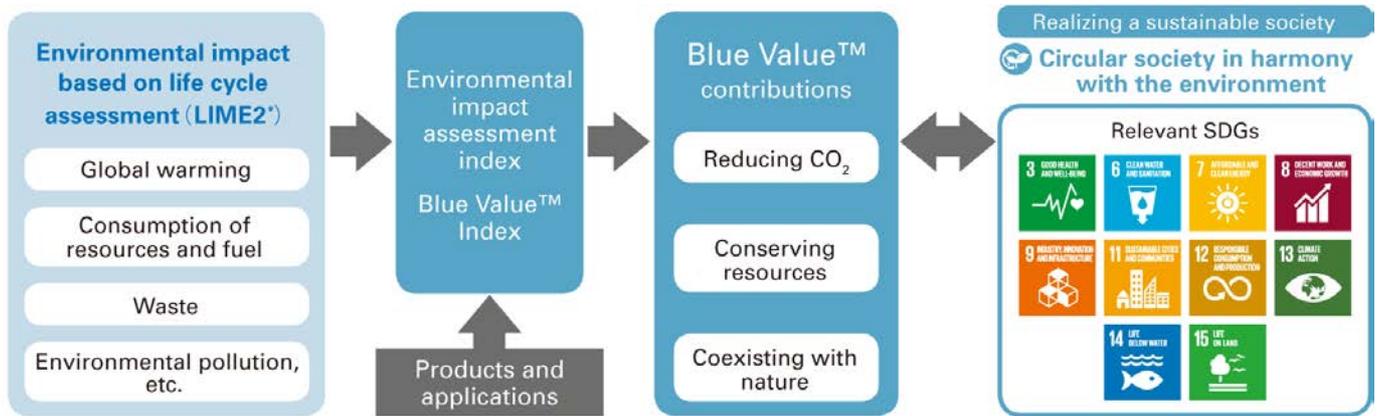
Blue Value™ – Environmental Contributions



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 in the upstream process and provides products and services broadly to a variety of industries, and their environmental impact on the society is complex and wide-ranging. That is why, in order to truly contribute to the ideal future society through business activities, the Group believes it is important to share with its various stakeholders, including direct and indirect customers, the impact on and contributions of its products and services towards the global environment 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.

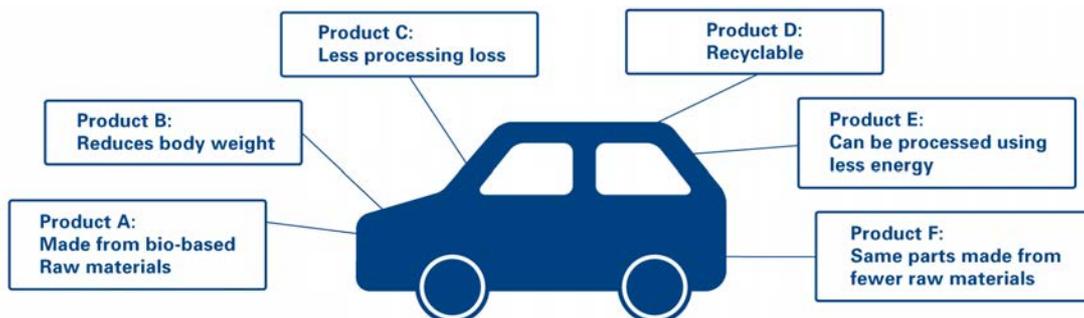


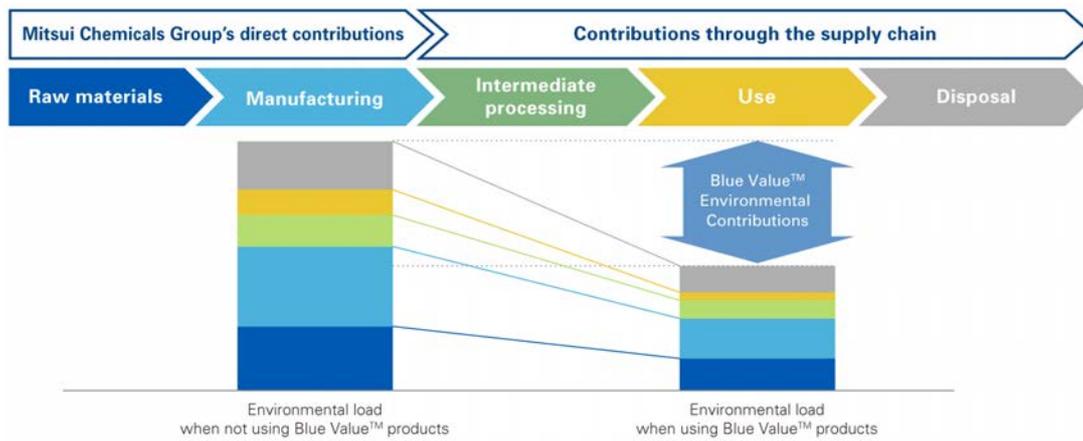
*1 Life cycle assessment (LCA): A technique to quantitatively assess environmental impacts associated with all the stages of a product's life, from raw materials, to manufacturing, processing, use, and disposal.
 *2 LIME2 (Life-cycle Impact assessment Method based on Endpoint modeling): Damage assessment-type lifecycle environmental impact assessment method based on environmental conditions in Japan.

Sharing environmental contributions through Blue Value™

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 that 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 -



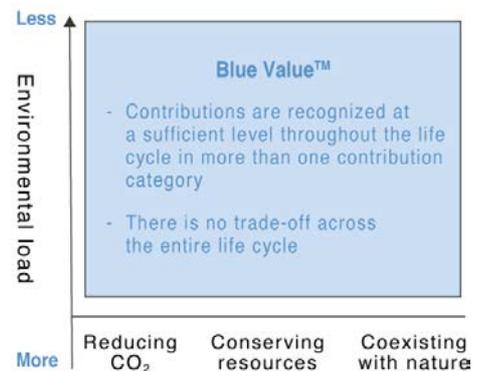


*The image is a hypothetical case and may differ from information on actual products of our Group.

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™ assessments Blue Value™ candidate products and services based on the three contributing factors of “reducing CO₂,” “conserving resources,” and “coexisting with nature.” The Blue Value™ Index, our unique assessment index that is a simplified version of LIME2, is established for each of the contribution factors, and candidate products and services are compared with general products in the market and the company’s own conventional products to evaluate their environmental impact throughout their life cycles. 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.



Environmental Impact Assessment Index – Blue Value™ Index

Contribution categories	Blue Value™ Index	
	Assessment Index	Related assessment items
<p>Reducing CO₂</p>	<ul style="list-style-type: none"> Reduction of GHG emissions Reduce GHG emissions at the raw materials acquisition, manufacturing/processing, and end products use/disposal stages. Saving of energy, electricity, fuel Reduce energy such as electricity and fuel at the raw materials acquisition, manufacturing/processing, and end products use/disposal stages. Use end products in the field of energy conservation. 	<ul style="list-style-type: none"> Weight and volume reduction Long service life Natural energy sources Non-fossil raw materials Environmental cleanup
<p>Conserving resources</p>	<ul style="list-style-type: none"> 3Rs, ease of sorting, conservation of resources Use reusable/recyclable materials at the manufacturing/processing stages for products and intermediate, and end products as well as reduce material usage. Reuse and recycle products and intermediate and end products. Possible separation at the time of disposal. 	
<p>Coexisting with nature</p>	<ul style="list-style-type: none"> Ecosystem conservation (human health) Reduce the impact on human health from chemical substances across product lifecycles; specifically, reduce the addition of chemical substances toxic to human health, curb their formation, and use chemical substances that are less toxic. Ecosystem conservation (environmental organisms) Reduce the impact on ecosystems from chemical substances across product lifecycles; specifically, reduce the addition of chemical substances harmful to ecosystems, curb their formation, and use chemical substances that are less toxic. Prevention of environmental contamination 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. 	

*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						Reduced GHG emissions		○
Reducing CO ₂	(1) Increased GHG from manufacturing AdBlue™, etc.		(2) Improved fuel efficiency Secondary effect* ²			Throughout the life cycle	Reduced GHG emissions	The product can achieve these	○
	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)

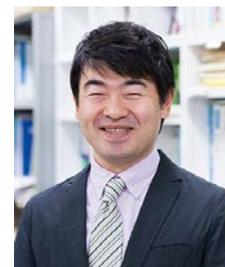
*2 Secondary effect:

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 the 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 the 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 CO₂," because 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.

Expectations from external expert (Blue Value™ advisor)

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.



Professor,
School of Creative Science and Engineering,
Waseda University
Dr. ITSUBO Norihiro

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

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

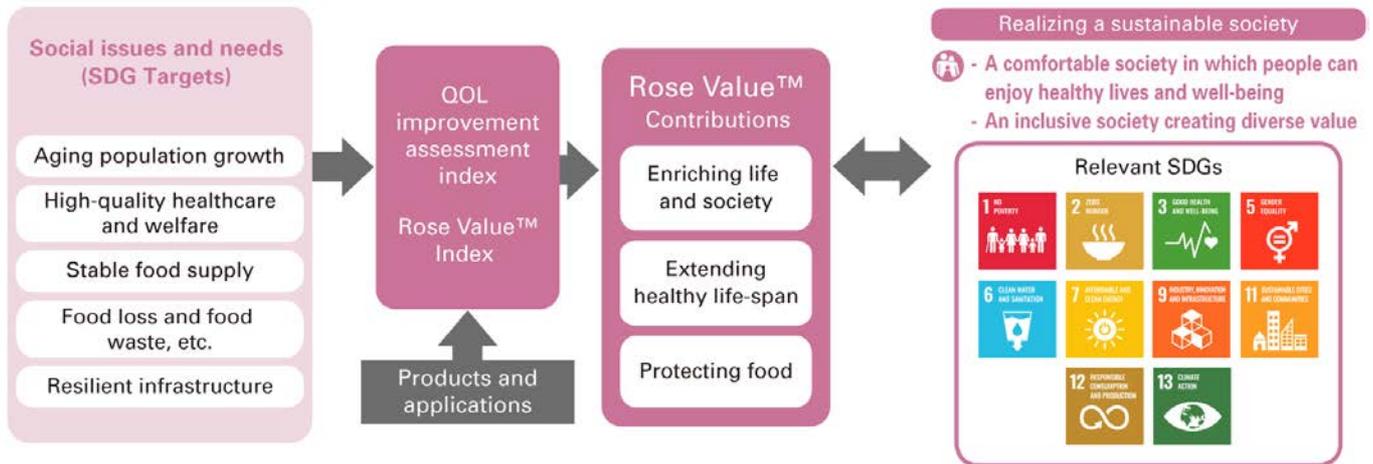
Rose Value™ – QOL Improvement Contributions

 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” and “an inclusive society creating diverse value” as its ideal future society and aims to realize this through its business activities. The Group belongs in the upstream process and provides products and services broadly to a variety of industries, which makes it difficult to grasp the roles that their features and characteristics play in the final use. That is why, in order to truly realize our ideal future society 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.

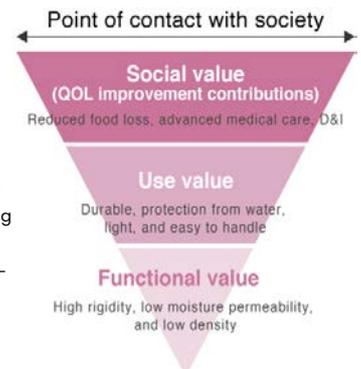


Sharing QOL improvement contributions through Rose Value™

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

Visualization can include the following: “Increasing the durability of food packages through high rigidity reduces damage during food transportation, leading to a reduction in food loss,” “Low moisture permeability of medical packaging materials protects moisture-soluble medicines, thereby maintaining the quality of medicines and leading to more advanced medical care,” and “The use of low-density materials makes products light and easy to handle, enabling easy access by children and elderly people with limited strength, leading to an inclusive society.” It clarifies how the functions and features of the Group’s products and services are linked to QOL improvement and social value in an easy-to-understand manner. We believe that by sharing our recognition of value with our stakeholders in this way, we will further expand the points of contact between our Group and society.

Through these activities, the Group aims to maximize the QOL improvements of Rose Value™ products and services through their social implementation.



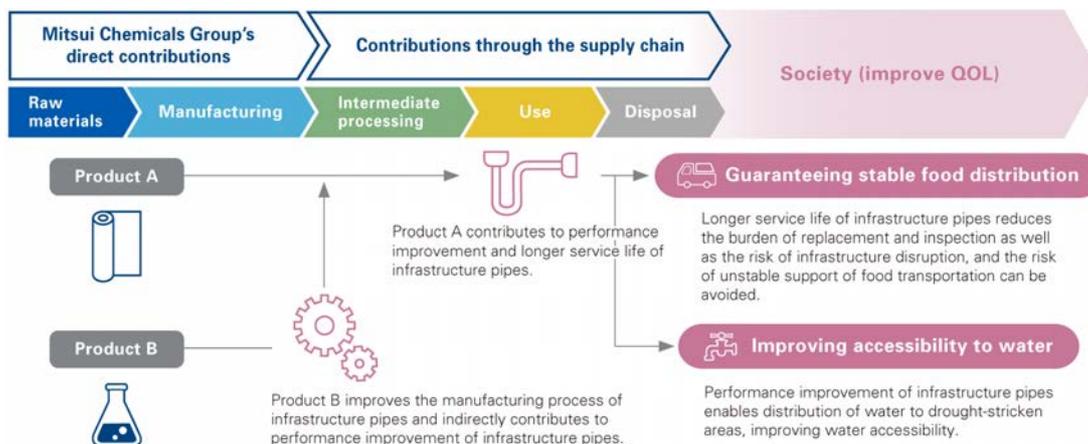
Rose Value™ Assessment Index and Certification Criteria

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 social challenges 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 we evaluate and review for certification based on these indices how the value provided by our Group’s products and services contribute to QOL improvements. The assessment index is reviewed accordingly to reflect changes in the environment. In response to the changing challenges and needs of society, we made an amendment in FY2019 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 to the supply chain. This is because we believe evaluating the value of products and services throughout their life cycle will lead to maximizing the value of their contribution to improving QOL for 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.

QOL Improvement Assessment Index - Rose Value™ Index

Contributions	Rose Value™ Index
<p>Enriching life and society</p>	<ul style="list-style-type: none"> Improving comfort in people's lives Provide products, buildings, and spaces that take into consideration the needs of a variety of people Enhancing nursing care Specialized nursing and caregiving is a component of "improving comfort in people's lives" Ensuring the sustainability of communities Promote disaster prevention/mitigation measures, longer service life of the infrastructure, and shift to ICT in communities
<p>Extending healthy life-span</p>	<ul style="list-style-type: none"> Supporting physical well-being Assist, improve, and heighten functions throughout the body, either directly or indirectly 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 Preventing and taking action against infectious diseases Prevent or take action against infectious diseases Improving accessibility to nutrition and water Simplify and/or improve production and/or the delivery of nutrition and water
<p>Protecting food</p>	<ul style="list-style-type: none"> Improving food productivity Raise food yields as well as work efficiency; improve related equipment capabilities Guaranteeing safe and stable food distribution Secure and raise the level of safety and stability in food distribution 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

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 of "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 the perspective of "Improving comfort in people's lives" due to insufficient contribution impact. 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 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 aligns 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.

Senior Counselor, Japan Research Institute, Limited

Mr. ADACHI Eiichiro

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



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

Blue Value™ / Rose Value™ Products

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

<p>Blue Value®</p> <p>Reduces CO₂ Conserves resources Coexists with nature</p> <p>Rose Value®</p> <p>Enriches life and society Extends healthy life-span Protects food</p> <div data-bbox="204 645 359 728"> </div> <div data-bbox="454 633 694 656"> <p>Reduces CO₂ Conserves resources</p> </div> <div data-bbox="454 674 794 801"> <p>Bumper and instrument panel materials PP compounds Reduce GHG emissions by roughly 13% by not requiring painting process.</p> </div>	<div data-bbox="890 629 1045 745"> </div> <div data-bbox="1157 633 1236 656"> <p>Reduces CO₂</p> </div> <div data-bbox="1157 674 1495 801"> <p>Adhesive polyolefin for plastic fuel tanks ADMER™ Lightens fuel tanks by 10-30% with the use of plastics instead of metal.</p> </div>
<div data-bbox="119 1003 343 1025"> <p>Reduces CO₂ Coexists with nature</p> </div> <div data-bbox="105 1043 343 1171"> <p>Exhaust gas reduction agent AdBlue™ Reduces NOx emissions. Contributes to fuel efficiency.</p> </div> <div data-bbox="547 1003 703 1120"> </div> <div data-bbox="105 1189 619 1211"> <p>* AdBlue is a trademark of the VDA (Verband der Automobilindustrie).</p> </div>	<div data-bbox="810 1003 1045 1025"> <p>Reduces CO₂ Conserves resources</p> </div> <div data-bbox="810 1043 1112 1171"> <p>Seat cushion material ECONYKOL™ Reduces fossil resource consumption with use of bio-based raw materials.</p> </div> <div data-bbox="1233 1003 1390 1120"> </div>
<div data-bbox="204 1413 359 1529"> </div> <div data-bbox="454 1417 694 1440"> <p>Reduces CO₂ Conserves resources</p> </div> <div data-bbox="454 1458 794 1641"> <p>Milky-white food packaging film 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.</p> </div>	<div data-bbox="890 1413 1045 1529"> </div> <div data-bbox="1157 1417 1396 1440"> <p>Reduces CO₂ Conserves resources</p> </div> <div data-bbox="1157 1451 1236 1473"> <p>Protects food</p> </div> <div data-bbox="1157 1491 1495 1753"> <p>Sealant film 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.</p> </div>
<div data-bbox="119 2040 199 2063"> <p>Reduces CO₂</p> </div> <div data-bbox="105 2080 379 2141"> <p>Encapsulant sheets for solar cells SOLAR ASCE™</p> </div> <div data-bbox="547 2036 703 2152"> </div>	<div data-bbox="810 2040 890 2063"> <p>Reduces CO₂</p> </div> <div data-bbox="810 2080 1141 2141"> <p>Diagnostics and Consulting Services for Solar Power Generation Plants</p> </div> <div data-bbox="1233 2036 1390 2152"> </div>

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

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 CO₂ Conserves resources

Enriches life and society

Nonwoven fabric for disposable diapers

AIRYFA™

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.



Enriches life and society

Food packaging materials

CMPST™

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



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 CO₂

Keep-fresh film

SPASH™

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 CO₂ 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 CO₂ 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 Management



Compliance Management



- Management System
- Initiatives
- Whistleblowing system
- Compliance Training
- Bribery Prevention

Tax



Information Management



- Management System
- Initiatives

Risk Management

Policy and Basic Approach

Risks are becoming more complex as uncertainty in the business environment increases, such as worsening climate change, geopolitical conflicts and tensions, and global epidemics of infectious diseases. Under these circumstances, the Mitsui Chemicals Group believes that it is essential to comprehensively and integrally manage "risks," which are uncertainties and changes that could affect our management and business strategies, from a medium- to long-term and continuous perspective, while covering both threats and opportunities. Therefore, we are working to establish a new company-wide risk management system to minimize threats posed by risks and maximize opportunities.

The Group will pursue sustainable growth and increased corporate value by utilizing risk management in corporate management while continuously reviewing and improving its systems.

System and Responsible Officers

The Board of Directors is responsible for the development and supervision of the overall risk management system of the Mitsui Chemicals Group. Under the supervision of the Board of Directors, the President assumes the ultimate responsibility for the risk management of the entire Group, while the Chief Strategy Officer (CSO) is responsible for overseeing the risk management system and execution of the entire Group.

In addition, the President and CSO shall establish a "Risk Management Committee" as a specialized committee for risk management of the entire Group.

As a risk owner, each executive officer with a specific title is responsible for overseeing risk management in the business areas under their jurisdiction and responsibility, and executes risk management by utilizing the various committees (Corporate Sustainability Committee, Compliance Management Committee, Responsible Care Committee and Corporate DX Committee, etc.) and other committees under their control (Company-wide Strategy Committee, investment deliberation meetings, etc.).

First Line

The head of each division (Head Office divisions, Works, R&D sites, Branches, and Affiliates) and the head of the headquarters division in charge are responsible for the day-to-day risk management, under the responsibility of an executive officer with a specific title who is the risk owner of their own line. Specifically, they identify and assess risks based on the [risk model](#) twice a year, appropriately identify risks, and design and implement organizational controls to address those risks. They also supervise and provide guidance on risk management at affiliates under their jurisdiction.

Second Line

In order to ensure that each division manages risks, the heads of headquarters functional divisions with expertise in their areas of responsibility support the risk management of first-line-of-defense divisions, their own divisions, and affiliates from a professional standpoint, under the responsibility of executive officers with specific titles who are their own risk management owners. They also implement Group-wide risk management measures in the relevant area.

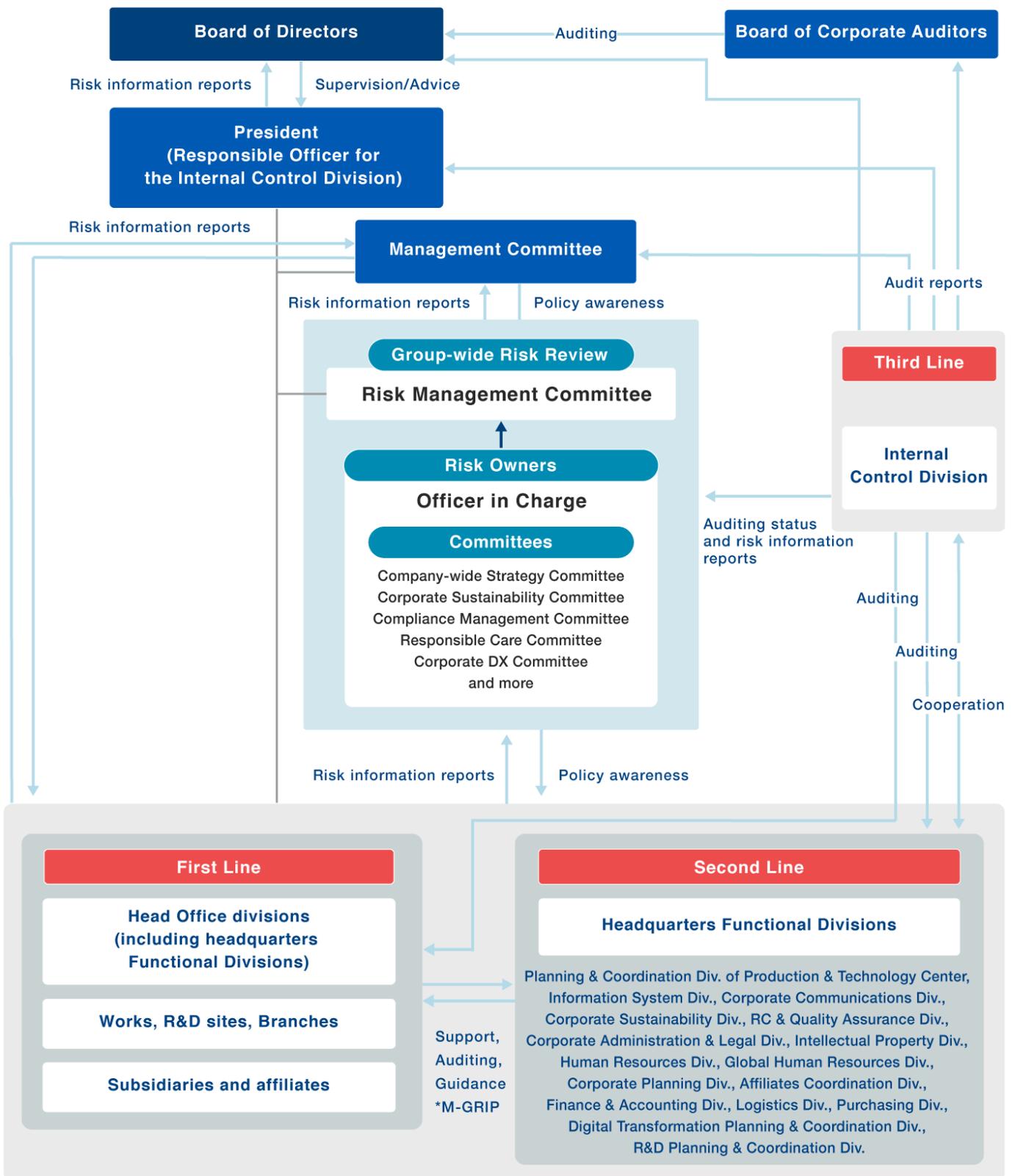
Third Line

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 headquarters functional divisions are audited on the state of their operations. Additionally, audits are conducted based on topics 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 headquarters functional divisions to determine whether they 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 infection control or other reasons.

Risk Management System



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

Role of the Risk Management Committee

- Deliberation on basic policy proposals, strategy proposals, plan proposals, various policy proposals, and other important matters related to risk management for the entire Mitsui Chemicals Group (including improvement of risk management processes and tools, and measures to enhance employees' risk management awareness and literacy)
- Discussion of proposed key risks through Group-wide Risk Review
- Discussion of individual key risks and their impact on the Group and the response policy
- Reporting and discussion of the status of risk management for the entire Group

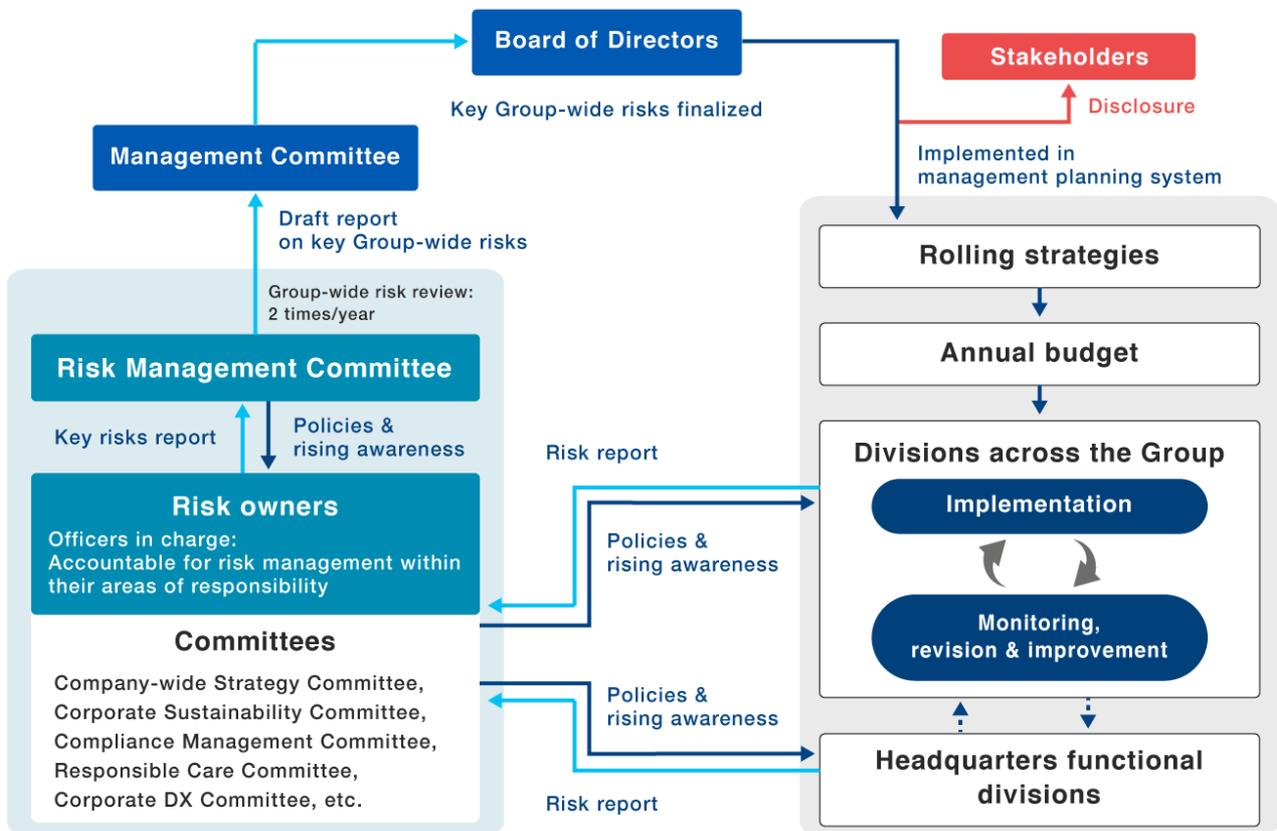
Composition of the Risk Management Committee

Chair	President
Vice Chair	CSO
Members	Executive officers with specific titles
Observer	Corporate Auditor
Secretariat	Corporate Planning Division (Corporate Sustainability Division, Corporate Administration & Legal Division, Human Resources Division, Finance and Accounting Division, Production & Technology Planning Division, RC & Quality Assurance Division)

Risk Management Process

Under the risk management system, the following process will be used to determine key Group-wide risks, and the PDCA cycle will be implemented.

- (1) Each officer in charge (risk owner) shall comprehensively and thoroughly understand the risks in their area of responsibility, prioritize them based on the degree of impact (scope, profitability/costs, credit, human resources, compliance), timing of occurrence (long, medium and short term), and potential business impact (probability of occurrence), and report to the Risk Management Committee on risks that are deemed to be of Group-wide importance.
- (2) The Risk Management Committee shall evaluate the materiality of risks reported by each officer in charge from a Group-wide perspective and formulate a draft report on key Group-wide risks.
- (3) Key Group-wide risks are deliberated by the Management Committee and determined by the Board of Directors.
- (4) The key Group-wide risks are used to develop strategies, annual budgets, and action plans. They are visualized as risks to be taken or avoided, and utilized for decision-making in business operations and resource allocation.
- (5) Changes in risks as a result of environmental changes are considered. In particular, important risks are monitored by the Risk Management Committee on a timely and continuous basis, and specific countermeasures are discussed and determined.



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

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 2022, amid the ongoing COVID-19 pandemic, we explained the details of this mechanism to all Group companies via individual online meetings. Through dialogue, we have also formulated three new G/Ps such as environmental preservation and occupational safety management, and since the start of deployment in fiscal 2020, the number of G/Ps has reached 17, and we are steadily moving toward the stage where they will become firmly established within the Group. By fiscal 2025, we plan to complete the formulation and expansion of necessary G/Ps which will mark a milestone of the deployment phase. By fostering a common awareness throughout the Group and supporting sustainability management and thorough crisis management, which helps improve corporate value, we aim to realize a corporate group that enjoys sustainable growth by working to reduce and avoid risk and improve business efficiency.

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.

In addition, Mitsui Chemicals relocated its headquarters in March 2023. The new headquarters building, equipped with high BCP functions, will provide the headquarters with better business continuity.

External Factors

1. Shareholder trends
2. Competitors
3. Customer needs
4. Fundraising
5. Technology innovation
6. Country risks
7. Financial and exchange market
8. Climate change
9. Carbon neutral strategy
10. Terrorism/Vandalism
11. Natural disasters
12. Cyber attacks
13. Infectious diseases
14. Raw material price fluctuations
15. Loss of natural capital
16. Industrial policy in Japan
17. Chemical substances control regulations
18. Economic security

Business Activities

- | | | | |
|-------------------------------------|--------------------------|--|----------------------------------|
| 19. Management resources allocation | 21. External partnership | 23. Business innovation | 25. Business cycles (Innovation) |
| 20. Investment decisions | 22. Sales channel policy | 24. New business and products (Innovation) | |

Value chain

- | | | | |
|------------------------------|----------------------------|----------------------------|-------------------------------|
| 26. Product brands | 31. Production engineering | 36. Outsourcing production | 41. Import and export control |
| 27. R & D | 32. Technical services | 37. Contract management | 42. Business processes |
| 28. Product development | 33. Marketing & Sales | 38. Customer relations | 43. Business continuity (BCP) |
| 29. Intellectual properties | 34. Sales prices | 39. Quality control | 44. Safety and prevention |
| 30. Purchasing & Procurement | 35. Logistics | 40. Production facilities | |

Management Base

- | | | |
|---|-----------------------------------|--|
| 45. Internal communication | 57. Occupational health | 65. Litigation/Disputes |
| 46. Corporate brand | 58. Human resources management | 66. Personal information management |
| 47. Management philosophy | | 67. Information systems |
| 48. Sustainable growth | | 68. Digital transformation (DX) |
| 49. Corporate culture | 59. Diversity, Equity & Inclusion | 69. Information security |
| 50. Effectiveness of the Board of Directors | 60. Human rights | 70. Insurance contracts |
| 51. Organizational structure (authority/responsibility/segregation of duties) | 61. Credit & Credit Management | 71. Public relations (external) |
| 52. Group governance | 62. Accounting | |
| 53. Corporate ethics/Code of conduct | 63. Taxation | 72. Investors (institutional and individual) |
| 54. Social issue perspective marketing | 64. Compliance | |
| 55. Business models | | |
| 56. Business portfolio | | |

External Report

73. Internal control assessment
74. Financial information disclosure
75. Non-financial information disclosure
76. Reporting to supervisory authorities

Compliance Management

Management System

Initiatives

Whistleblowing system

Compliance training

Bribery Prevention

Management System

Policy and Basic Approach

In order to continue our corporate activities and fulfill our social responsibilities while earning the trust of our shareholders, customers, local communities, and all other stakeholders, it is essential for all officers and employees of the Mitsui Chemicals Group to always act in good faith with an attitude of voluntary and autonomous compliance with laws, regulations, and rules under a unified compliance promotion system.

In February 2006, the Mitsui Chemicals Group formulated its [Action Guidelines](#), which provide the basis for the actions of all its personnel, and introduced two maxims: "always act in good faith" and "have a high regard for people and society." By acting in accordance with these action guidelines and group compliance management rules (Company Rules), we will retain the trust of our stakeholders and fulfill our corporate social responsibility.

Amid recent major changes in the social and economic environment and growing social concern about compliance, the Group has made risk and compliance management one of its material topics as "prerequisites for business continuity." The Group classifies compliance management into four phases: "prevention" and "detection" in normal times, and "initial response" and "permanent response" for emergency situations, and implements various measures at each phase on a group-wide and global basis, which will lead to the realization of VISION 2030.

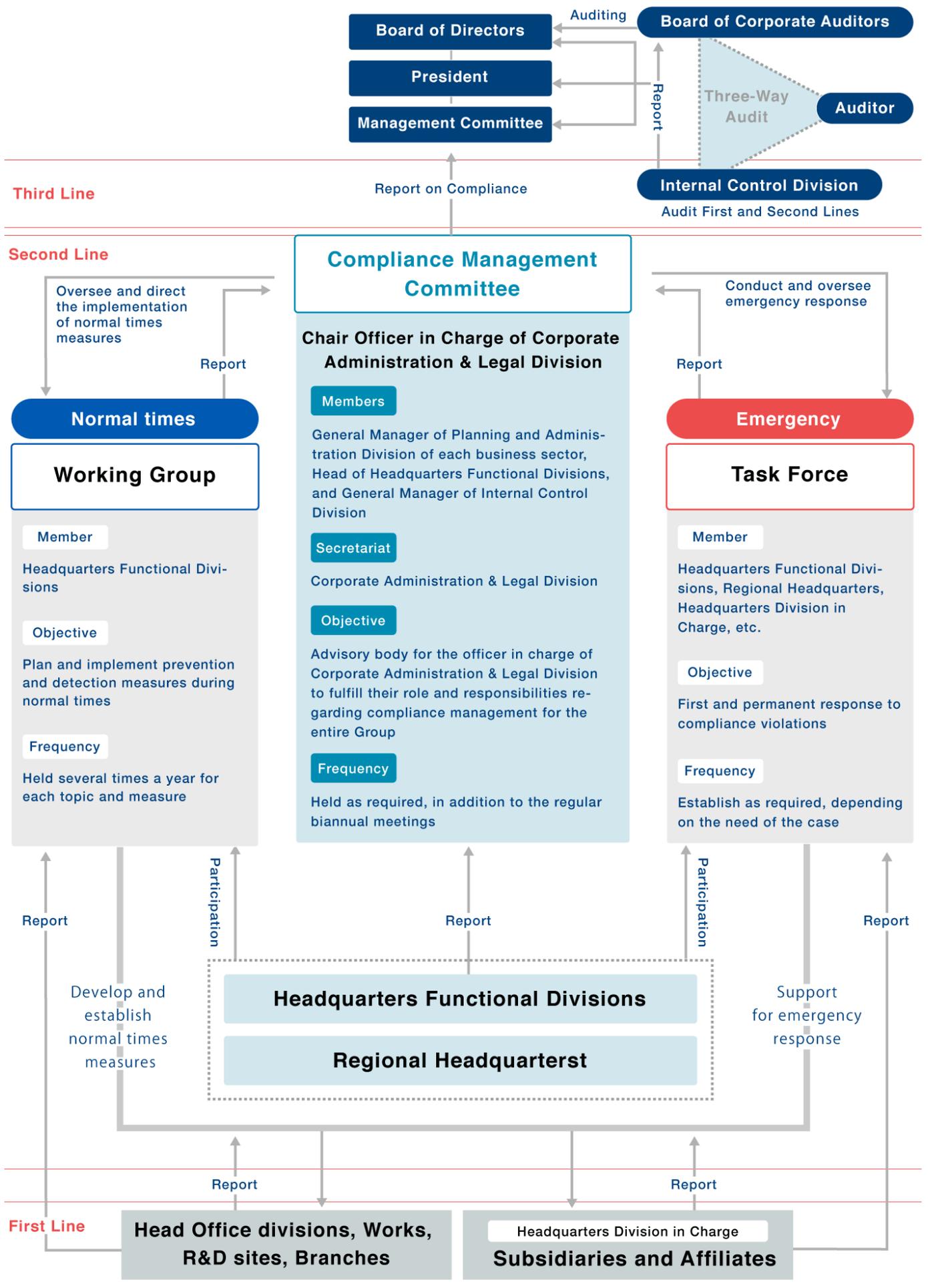
System and Responsible Officers

The Officer in Charge of Corporate Administration & Legal Division is responsible for overseeing, directing, and supervising compliance management throughout the Mitsui Chemicals Group. The Officer in Charge of Corporate Administration & Legal Division shall establish a Compliance Management Committee as an advisory body to fulfill his or her roles and responsibilities regarding the compliance management of the entire Group.

In addition, in order to develop a compliance system and ensure the efficient and effective deployment and establishment of related measures, a working group consisting of representatives from each of the headquarters functional divisions will formulate specific measures for the prevention and detection of compliance violations.

Furthermore, in the event of a compliance violation at the Mitsui Chemicals Group, a task force consisting of members selected from each division will quickly and appropriately implement initial response measures and formulate a permanent response plan, depending on the necessity of the case.

Group Compliance Management System



Role of the Compliance Management Committee

- Deliberation on basic policy, medium- to long-term plan, annual plan policy, annual plan, and various measures concerning compliance management of the entire Mitsui Chemicals Group
- Discussion of the status of the Group's compliance management

Composition of the Compliance Management Committee

Chair	Officer in Charge of Corporate Administration & Legal Division
Members	General Manager of Planning and Administration Division of each business sector, Head of Headquarters Functional Divisions, and General Manager of Internal Control Division
Secretariat	Corporate Administration & Legal Division

Role of Each Division

First Line	<p>Each Division (Head Office divisions, Works, R&D sites, Branches and Affiliates)</p> <ul style="list-style-type: none"> • Establish a compliance management system in each division and maintain and operate it on a daily basis. • Adhere to the Global Policy on Compliance Management. • Take initial response against compliance violations that occur in own division, and prevent recurrence. • The headquarters division in charge supervises and provides guidance to the affiliates under its control.
Second Line	<p>Headquarters Functional Divisions</p> <ul style="list-style-type: none"> • Implement group-wide measures for the prevention and early detection of compliance violations from a professional perspective related to the functional area for which they are responsible. • Take initial response in the event of a compliance violation, formulate and deploy measures to prevent recurrence, and implement permanent measures throughout the Group. • Support activities related to compliance management in each of the first-line divisions.
Third Line	<p>Internal Control Division</p> <ul style="list-style-type: none"> • Audit both first and second line operations from an independent standpoint and provide assurance to top management and the Board of Directors.

Goals and Results

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Incidence of major legal and regulatory violations	Mitsui Chemicals Group	0	0	○	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.

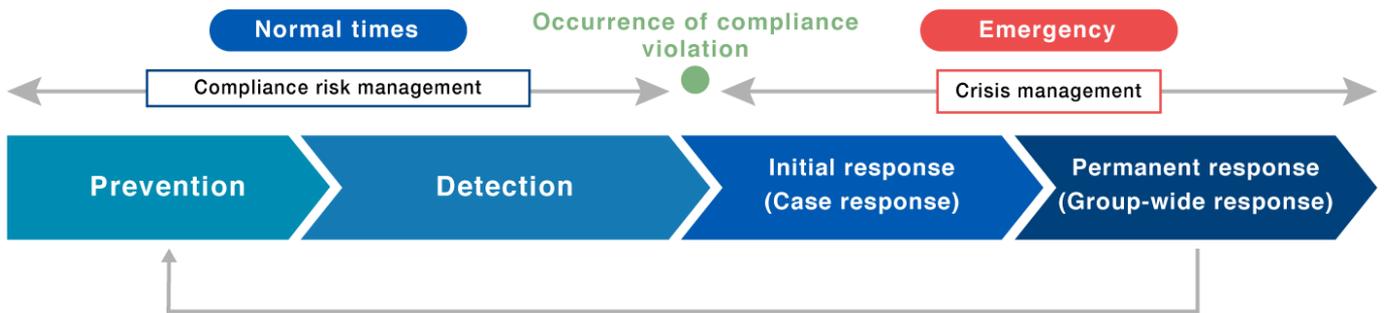
Compliance Management



Initiatives

Vision of the Group Compliance Framework

The Mitsui Chemicals Group is working to build a compliance infrastructure that is a prerequisite for achieving VISION 2030, so that each Group company can focus on its business with sufficient knowledge of how to manage compliance matters. Specifically, the Group classifies compliance management into four phases: "prevention" and "detection" in normal times, and "initial response" and "permanent response" for emergency situations, and implements various measures at each phase in a comprehensive manner. With these initiatives, we aim to develop and establish the PDCA cycle on a Group and global level, as well as to further raise compliance awareness.



Prevent compliance violations as much as possible in normal times and build a system that enables us to identify signs of violations early.

In case of an emergency, the headquarters functional divisions work together to minimize the impact. Build a system to globally implement recurrence prevention measures.

Prevention

Key control measures

In order to prevent compliance violations, the Group will analyze past cases of compliance violations that have occurred in the Group, summarize control actions and procedures that are effective in preventing frauds as key control measures, and incorporate them into the Group's overall business processes. Each Group company then verifies its own operational processes based on the key control measures and manages and oversees its operations to prevent compliance violations, thereby ensuring autonomous control. In fiscal 2022, we piloted this program at 10 Group companies and will gradually implement the program throughout the Group from fiscal 2023 onward.

Compliance Level Assessment

We have initiated a Compliance Level Assessment to help each Group company identify its own compliance issues. Each Group company implements its own improvement activities based on the assessment results, and the headquarters functional divisions support each Group company, identify challenges that need to be addressed by the Group as a whole, and develop necessary measures. Starting in fiscal 2022, we piloted the program in seven companies of the Group and will gradually expand the program from 2023 onward.

Detection

The Group has introduced a whistleblowing system to detect compliance violations as quickly as possible. From fiscal 2022 onward, we are gradually strengthening the system to accommodate multiple languages, time zones, etc.

[Whistleblowing system >](#)

Initial response (case response)

In order to implement a prompt and appropriate initial response in the event of a compliance violation, we have clearly defined the organization, roles, and response process for a task force consisting of members from headquarters functional divisions with expert knowledge of the matter.

Permanent response (Group-wide response)

For each case of compliance violation that occurs, we formulate and deploy Group-wide measures to prevent recurrence, and clearly define the roles of the task force and headquarters functional divisions, as well as the response process.

Fostering culture that respects compliance

It is essential to foster a culture where compliance is respected so that the Mitsui Chemicals Group officers and employees will voluntarily and autonomously comply with laws, regulations, and rules. In January 2023, we issued a message from the President & CEO and at the same time launched an internal portal site that consolidates compliance-related information to ensure that officers and employees have more opportunities to understand the importance of compliance.

[President & CEO's message regarding initiatives to ensure compliance \(PDF : 56 KB\)](#) 

| SPECIAL FEATURE 2 Tackling Compliance as a United Mitsui Chemicals Group |

Tackling Compliance as a United Mitsui Chemicals Group

In April 2022, a new Compliance Group was established as part of the Corporate Administration & Legal Division. We interviewed President Hashimoto and Mr. Yamasaki, our outside legal counsel, about the Mitsui Chemicals Group's compliance management.

—First, please share us your views on compliance.

Hashimoto Compliance is the cornerstone of what companies need in order to survive. As a result of changes in environment both within and outside our organization, such as regulatory changes in various countries and the transformation of our corporate portfolio, we may be required to expand the scope of compliance, or take a more sophisticated approach. It is necessary for us to review constantly whether our compliance activities match contemporary needs.

Yamasaki As you say, changes in the environment have a major impact. In general, compliance issues fall into two categories: individual and organizational. Changes in recent times have made it easier for individuals to access and disseminate information, which may lead to increased incentives for misconduct such as leaking information, in terms of organizational compliance, weakening of the sense of respect for rules and norms due to long-standing prioritization of corporate logic over social norms is leading to serious misconduct that may threaten the very survival of companies.

—What is necessary to achieve group compliance?

Hashimoto With the changing nature of companies and individuals today, it is necessary to recognize that companies and individuals are on an equal footing and operate in the larger vessel of society. In order to contribute and be useful in that context, it is necessary to embody self-initiative, autonomy, and collaboration and consciously nurture individual abilities.

Yamasaki I think that "self-initiative, autonomy, and collaboration" is a wonderful idea that encourages each person to think about what they should be doing. I also think that true to the saying "Mitsui is People", Mitsui Chemicals has cultivated a corporate culture of valuing people and observing social rules, which can be regarded as a gateway to compliance. I would like everyone to have confidence in this and pass it on to future generations.

Hashimoto Thank you. As globalization progresses, I feel that it is vital for top-level management to communicate the importance of compliance.

Yamasaki Group compliance promotion requires both a top-down approach and a bottom-up approach. Management should spread the message about the importance of compliance using a top-down approach, as the message filters down to all employees. Ideally, bottom-up activities that are eventually performed as a matter of course by all employees should be increased in the scope of compliance.

Hashimoto Yes. For my part, I wish to continue spreading the message in my role as the Group's top-level management. As another important management task, I would like to work on creating a culture where various problems can be detected as they surface.

Yamasaki Yes, it is important to create mechanisms to detect misconduct and reinforce education for employees. What is really important for Mitsui Chemicals, as a manufacturing company, is that each and every employee needs to increase their abilities. This links directly with compliance and the power of the Group's core business.

Hashimoto I agree with your point, that the issue of compliance is fundamentally linked to increasing individual abilities. If an organizational silo is created by the negative effects of the business division system, motivation will decrease, and there is a possibility that it may also lead indirectly to compliance issues. I would like us to create a cycle in which each and every individual grows as a professional, and the company grows as well.

—The Group is made up of people with a diverse range of values. What is required to achieve compliance globally throughout the Group?

Hashimoto I think we need the "4Cs" of "communication," "collaboration," "creativity," and "compelling." Communication is particularly important. Communication is the lifeblood of the company itself, which must flow to all other activities.

Yamasaki As a corporate group where people from diverse backgrounds gather, it is important to make the Mitsui Chemicals Group a group that values compliance and addresses it as a top priority. That way, even if the people change and globalization progresses, compliance will take root as a corporate culture.

Hashimoto Although the circumstances and cultures of each country are different, I would like to continue to communicate to all Group employees that they can possess a common awareness and respect of rules and norms, and together follow the compliance rules of the Mitsui Chemicals Group.



Yamasaki Ryota
Partner/Attorney at Law
Mori Hamada & Matsumoto

Hashimoto Osamu
President & CEO

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Top message from the President & CEO regarding initiatives to ensure compliance in the company newsletter

Valuing Compliance - To Be A Trustworthy Mitsui Chemicals Group

In February 2006, our company established the “Mitsui Chemicals Group Action Guideline” as part of our efforts to promote Corporate Social Responsibility (CSR) activity. The Action Guideline was established in order for our Group to continue contributing broadly to society and to be a presence trusted by all stakeholders. The Action Guideline is intended to help ensure that each of our executives and employees of our Group thoughtfully consider what is important and should be acted upon with great care, i.e., to be our norms and standards of conduct. Accordingly, the first priority of the Action Guideline given by our Group is “Compliance with laws and regulations.”

At the very beginning of the Action Guideline, our Group declares that "we will give top priority to compliance with laws and regulations over the pursuit of any profit." Should you have to make the ultimate choice between profit and compliance with laws and regulations, never hesitate to prioritize compliance over profit-seeking.

In the media, reports of incidents of product data falsification and violations of laws and regulations, including fraudulent accounting, by publicly listed companies continue to persist. Public opinion towards companies violating these laws and regulations is becoming increasingly severe, and there are cases where companies violating a single law or regulation find themselves losing in a single day, the credibility and reputation they had built up over many years. As long as social trust and prestige, and not just profit, constitute corporate value, we must be keenly aware that "compliance with laws and regulations" is a major premise of the company's existence, and that without it we cannot sustainably develop and fulfill our social responsibilities.

In recent years, our Group has regrettably confirmed multiple incidents of misconduct in our business activities, including product data falsifications, both in Japan and globally. Considering that further global business activities will progress to achieve the goals of VISION 2030 in the future, awareness of compliance within the Group at a global level will also become extremely important in order to avoid damage to our Group-wide value. We must each diligently work to "comply with laws and regulations" to eliminate misconduct within our entire Group.

There is an old proverb that says “Heaven knows, Earth knows, I know, People know” (Cf. "the day has eyes and the night has ears," "truth will out.>"). This means that, when it comes to misconduct, even if you think no one else knows, you know that you have acted wrongly; the fact of misconduct remains, and someday it will become known to others. In order to prevent misconduct, it is necessary for all executives and employees of our Group to voluntarily and independently act in good faith and accumulate good actions through an attitude of complying with laws and regulations, and to coordinate and work together within the entire Group to pursue this goal.

We are confident that compliance awareness and action will enable the Mitsui Chemicals Group to earn the trust of society and lay the foundation for our sustainable development.

2023 Jan.
Osamu Hashimoto
President & CEO

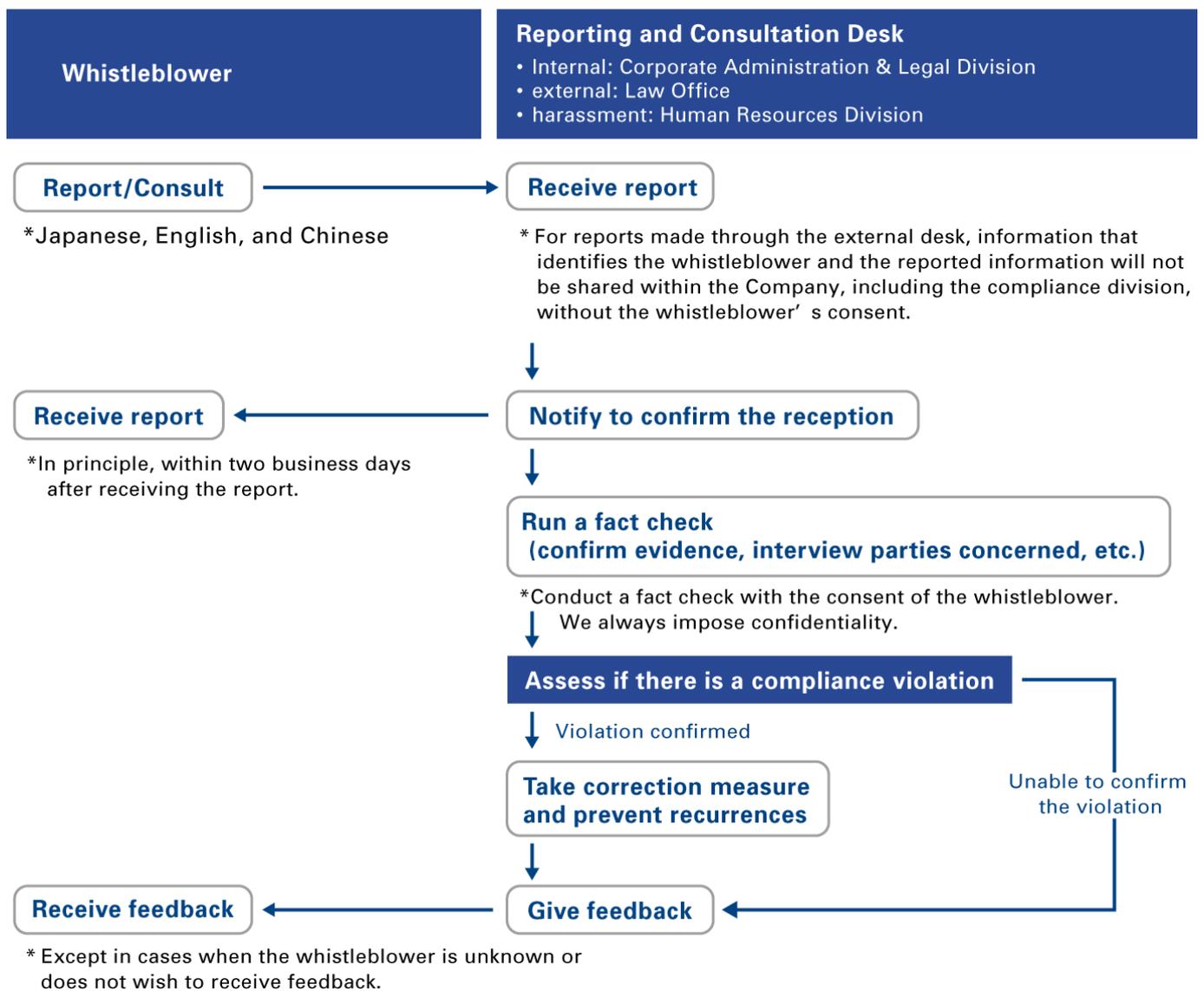
Compliance Management



Whistleblowing system

Our whistleblowing system 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 consult the Corporate Administration & Legal Division, which is our Compliance Management Committee, or an outside attorney. The system is open not only to officers, corporate auditors, and employees, but also to all parties with an interest in the Group's business activities, including the families of officers, corporate auditors, employees, retired employees, contractors at our works or other sites, and suppliers. Any and all information related to risks received through the whistleblowing system 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. Our "Whistleblower Management Regulations" clearly stipulate that whistleblowers will not be subject to penalty and retaliation because of whistleblowing. We also have established disciplinary measures and strictly enforce them for those who violate the regulations.

Whistleblowing procedure



Reporting and Consultation Desk

[Report and Consultation to the Company's Risk & Compliance Committee]
 E-mail : Risk@mitsuichemicals.com

[Report and consultation to external contact [attorney]]

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

Kasumigaseki Building 12F, Kasumigaseki, 3-2-5, Chiyoda-ku, Tokyo 100-6012, Japan
Mitsui Chemicals, Inc. Hotline
Daiichifuyo Law Office

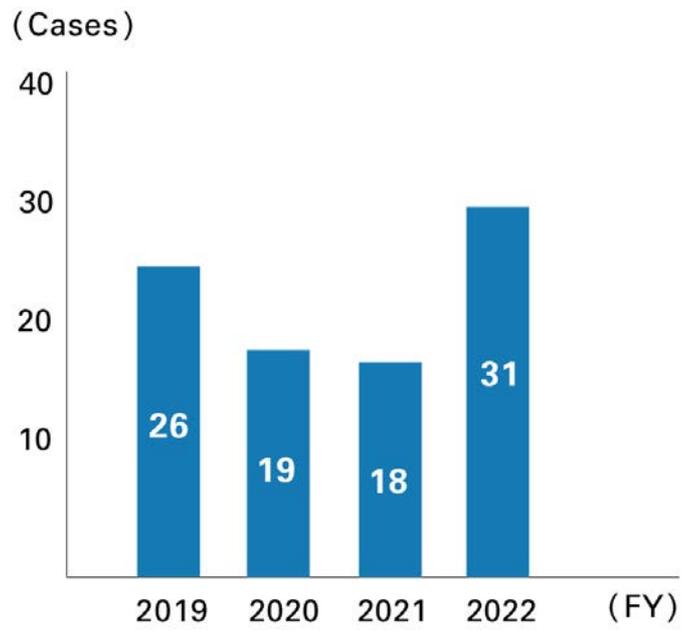
Target Case Studies

- Corruption, Bribery
 - Illicit gain
 - Quality fraud
 - Information leakage
 - Accounting and tax fraud
 - Violation of human rights
 - Problems related to the employment environment
 - Violation of safety, environment, and chemicals regulations
 - Harassment
- etc.

Operation of the whistleblowing system

- 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 officers, 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 and retaliation 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 system 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.

Whistleblowing System Operating Performance



*Breakdown of FY2022 (Harassment: 13 cases; illicit gains and bribery: 6 cases; violation of safety, environment, and chemicals regulations: 2 cases; others: 10 cases)

Compliance Management

Management System

Initiatives

Whistleblowing system

Compliance training

Bribery Prevention

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 establishing a compliance management system, we believe that it is important to thoroughly educate each and every employee that operates the system, and we will implement educational measures throughout the Group to raise awareness and promote knowledge of compliance.

Communicating top messages

In January 2023, President & CEO Hashimoto communicated a message to the directors and corporate auditors and employees of the Group regarding the importance of compliance. In addition, we featured a relevant dialogue with our corporate lawyer in an internal newsletter. We will continue to communicate top messages from the management of the Company and each company of our Group.

[President & CEO's message regarding initiatives to ensure compliance \(PDF : 56 KB\)](#)

Compliance Guidebook

The Compliance Guidebook (issued in 2006) sets out the President & CEO's ideas about the need to comply with all laws and regulations at the beginning and summarizes basic points that Group directors and corporate auditors, and employees should consider when carrying out their duties. Specifically, we have written and made timely revisions such as adding and expanding the list of cases of bribery, product data falsification, infringement of intellectual property rights, and other violations that have been identified as problems under the laws and regulations of different countries and in the domestic media coverage, as well as things to keep in mind regarding corporate 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 bribery prevention 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 \(Excerpt\) \(PDF : 86 KB\)](#)

Workplace discussions covering case studies of violations of laws and regulations

Mitsui Chemicals and its domestic subsidiaries and affiliates have been organizing workplace discussions covering case studies of violations of laws and regulations 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. We also update the examples to discuss, adding cases of quality data falsification, illicit gain, bribery, and SOGI harassment in fiscal 2022. In fiscal 2022, we conducted discussions at 68 company departments and 24 subsidiaries and affiliates.

Examples of Topics of Workplace Discussions of Violations of Laws and Regulations

- Falsification of quality data
- Illicit gains
- Bribery
- Failure to submit notifications required by the regulatory laws
- Price cartels
- Violation of the Subcontracting Law
- Insider trading
- Concealment of misconduct
- Abuse of authority
- Sexual harassment
- SOGI harassment
- Leakage of company information
- Excessive business entertainment, etc.

Stratified training on compliance

The awareness of individual directors and 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 education and 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 FY2022, we provided compliance awareness education and training to new recruits, mid-career employees who just joined the Company, and newly appointed line managers and directors and corporate auditors of subsidiaries and affiliates. In addition, we also provided training to newly appointed presidents of overseas affiliates regarding the roles that they are required to perform for compliance management and measures being promoted throughout the Group.

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 (patent, copyright, and trademark)
- Finance and taxation
- Information management
- Contracts
- Antimonopoly legislation
- Credit control
- Export control
- Purchasing rules

Overseas compliance training

A Compliance Guidebook on the competition law and bribery prevention has been published and distributed throughout the Mitsui Chemicals Group. In addition, the China regional headquarters and the Asia-Pacific regional headquarters have individually prepared handbooks on the competition law, bribery, and corruption that are considered particularly high-risk and have distributed them to local subsidiaries and affiliates. In addition, training on competition law, bribery prevention, personal information management and company information management and others by lawyers is regularly held in each region.



~For compliance with laws and rules~
Compliance Guidebook

Mitsui Chemicals, Inc.

~For compliance with laws and rules~

Compliance Guidebook

December 1, 2003	First Edition
May 30, 2006	Second Edition
December 1, 2012	Third Edition(Electronic Publishing)
February 1, 2016	Fourth Edition(Electronic Publishing)
November 1, 2016	Fifth Edition (Electronic Publishing)
July 1, 2017	Sixth Edition (Electronic Publishing)
January 10, 2023	Seventh Edition (Electronic Publishing)

MITSUI CHEMICALS, INC. Corporate Administration & Legal Division

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

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

In February 2006, our company established the “Mitsui Chemicals Group Action Guideline” as part of our efforts to promote Corporate Social Responsibility (CSR) activity. The Action Guideline was established in order for our Group to continue contributing broadly to society and to be a presence trusted by all stakeholders. The Action Guideline is intended to help ensure that each of our executives and employees of our Group thoughtfully consider what is important and should be acted upon with great care, i.e., to be our norms and standards of conduct. Accordingly, the first priority of the Action Guideline given by our Group is “Compliance with laws and regulations.”

At the very beginning of the Action Guideline, our Group declares that “we will give top priority to compliance with laws and regulations over the pursuit of any profit.” Should you have to make the ultimate choice between profit and compliance with laws and regulations, never hesitate to prioritize compliance over profit-seeking.

In the media, reports of incidents of product data falsification and violations of laws and regulations, including fraudulent accounting, by publicly listed companies continue to persist. Public opinion towards companies violating these laws and regulations is becoming increasingly severe, and there are cases where companies violating a single law or regulation find themselves losing in a single day, the credibility and reputation they had built up over many years. As long as social trust and prestige, and not just profit, constitute corporate value, we must be keenly aware that “compliance with laws and regulations” is a major premise of the company’s existence, and that without it we cannot sustainably develop and fulfill our social responsibilities.

In recent years, our Group has regrettably confirmed multiple incidents of misconduct in our business activities, including product data falsifications, both in Japan and globally. Considering that further global business activities will progress to achieve the goals of VISION 2030 in the future, awareness of compliance within the Group at a global level will also become extremely important in order to avoid damage to our Group-wide value. We must each diligently work to “comply with laws and regulations” to eliminate misconduct within our entire Group.

There is an old proverb that says “Heaven knows, Earth knows, I know, People know” (Cf. “the day has eyes and the night has ears,” “truth will out.”). This means that, when it comes to misconduct, even if you think no one else knows, you know that you have acted wrongly; the fact of misconduct remains, and someday it will become known to others. In order to prevent misconduct, it is necessary for all executives and employees of our Group to voluntarily and independently act in good faith and accumulate good actions through an attitude of complying with laws and regulations, and to coordinate and work together within the entire Group to pursue this goal.

We are confident that compliance awareness and action will enable the Mitsui Chemicals Group to earn the trust of society and lay the foundation for our sustainable development.

January, 2023



HASHIMOTO Osamu, President & CEO

~For compliance with laws and rules~

Compliance Guidebook

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Bribery Prevention

Bribery Prevention

Policy

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

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

Initiatives

The Mitsui Chemicals Group established a "Global Policy on Anti-Bribery" in 2021, which requires Mitsui Chemicals Head Office and all subsidiaries to institute internal rules and compliance systems to prevent bribery, thereby strengthening the Group's global bribery prevention system. In addition, the Mitsui Chemicals Head Office revised the existing rules for managing business entertainment and gifts, and established the new "Bribery Prevention Regulation" in March 2023. The Bribery Prevention Regulation prohibits bribery of public officials and private business partners, etc., and provides for approval processes regarding entertainment and gifts, as well as evaluation of business partners when using third parties such as agents and consultants, etc.

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.

The Mitsui Chemicals Group Tax Policy

1. Background and purpose of establishment

The Mitsui Chemicals Group (or hereinafter, "our Group" or "we") 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.

The tax regulations of countries and regions across the globe affect the business activities carried out by our 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.

2. Compliance

Our Group will not only comply with the tax laws and regulations of each relevant country and region but also respect the spirit of them, 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.

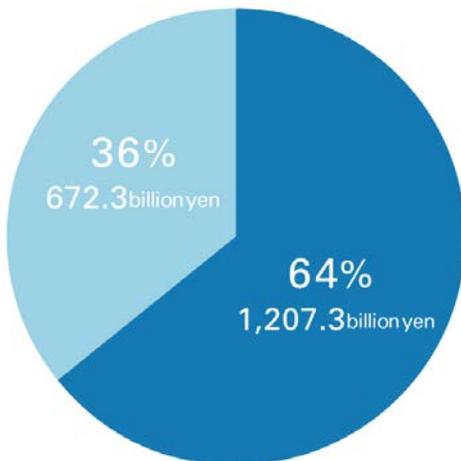
System and Responsible Officers

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 FY2022)

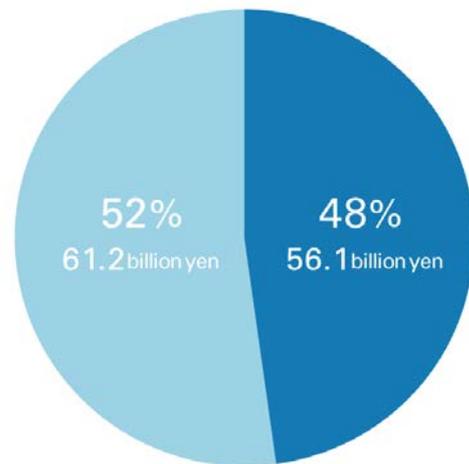
■ Domestic (Japan) ■ Overseas

Sales Revenue ratio*



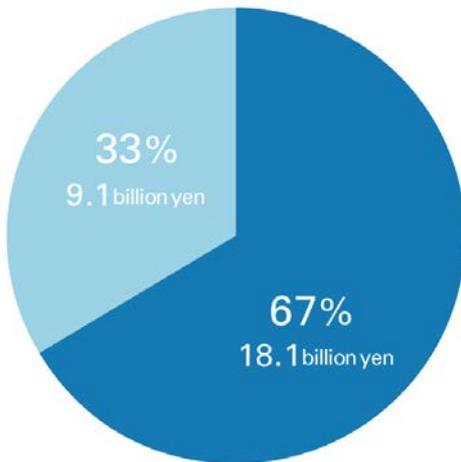
Total: 1,879.5 billion yen

Income before income taxes ratio



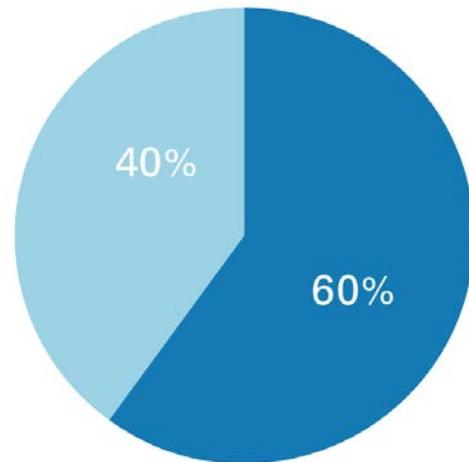
Total: 117.3 billion yen

Income tax expense ratio



Total: 27.1 billion yen

Ratio of employee



Total: 18,933 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.

Information Management

Management System

Initiatives

Management System

Policy and Basic Approach

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

In addition, we have established a Global Policy on corporate information management (information security), information system security, and personal information protection, and have extended this policy to our subsidiaries and affiliates. The Mitsui Chemicals Head Office and all subsidiaries and affiliates are obligated to ensure information system security and information security and to protect personal information through establishing company rules, etc., and are making efforts to strengthen the Group's global information management system.

In particular, with respect to protecting personal information, we respect the privacy of individuals and recognize that it is an important social responsibility to handle and protect personal information appropriately. Accordingly, we have established the "Declaration on Personal Information and a Specific Personal Information Protection Policy (Privacy Policy)" and the "Personal Information Protection Management Rules" to protect personal information and specific personal information.

[Privacy Policy >](#)

Global Policy	Main Items
Global Policy on Information Security	<ul style="list-style-type: none"> • Procedures for creating, obtaining, using, disclosing, sending, storing, and discarding information assets • Strict handling of confidential information • Confidentiality after resignation • Provision of education on information security
Global Policy on Information System Security	<ul style="list-style-type: none"> • Strict management of information system usage authorities • Prohibition of access to systems and company information that is unnecessary for business operations • Acquiring and storing access log of company information and personal information • Obligation to report security incidents when they occur • Provision of education on personal information protection
Global Policy Protection of Personal Information Protection	<ul style="list-style-type: none"> • Compliance with personal information regulations • Acquisition and procession of personal information within the scope necessary to carry out operations • Restrictions on provision of personal information to third parties • Implementation of security control measures for personal information • Retention of records regarding the processing of personal information • Response to infringement of personal information • Provision of education on personal information protection

System and Responsible Officers

With regard to information management, we are comprehensively managing risks under our risk management system. For information security on the system, the Information System Division is responsible for information security, with the responsible officer for information systems as the responsible party. The Corporate Administration & Legal Division is responsible for compliance with information management laws, covering the protection of personal information and information leaks, 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.

Information Management

Management System

Initiatives

Initiatives

The Mitsui Chemicals Group is constantly implementing initiatives to ensure information security. We will reinforce our efforts to address the important key business priorities the growing risk from cyberattacks.

Initiatives based on technology and systems

- Preventing unauthorized access to confidential information in our business systems through managed access.
- Building a system to prevent information leakage.
- Building a security operation center (SOC) that is responsible for detecting attacks and determining countermeasures.
- Establishing 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

- Conducting training on security incident handling and IT-BCP 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.
- Conducting periodic audits of personal information and specific personal information management.
- Providing education to our employees on information security and personal information protection. (mandatory e-learning course)

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 and Training
- 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

Responsible Care Management

Management System

Roll Out Globally

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 product quality as well as protect the environment throughout the entire life cycles of their chemical products, publicize the results of their activities, and engage 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).

In addition, the Group has established [guidelines](#) to disseminate this policy, which states the Group's principles and rules for safety, the environment, and product quality, throughout the entire Group. We have established individual rules and regulations in accordance with this policy for activities related to Responsible Care, such as [safety and prevention](#), [environmental protection](#), [product stewardship](#), [quality of products and services](#), [logistics](#), and [occupational health](#).

Through these 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 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 addition, to further expand Responsible Care activities at subsidiaries and affiliates, Mitsui Chemicals established [the Shiodome Manifesto](#) (in Japanese, English, and Chinese editions). 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 signed this manifesto in acknowledgement of their commitment.

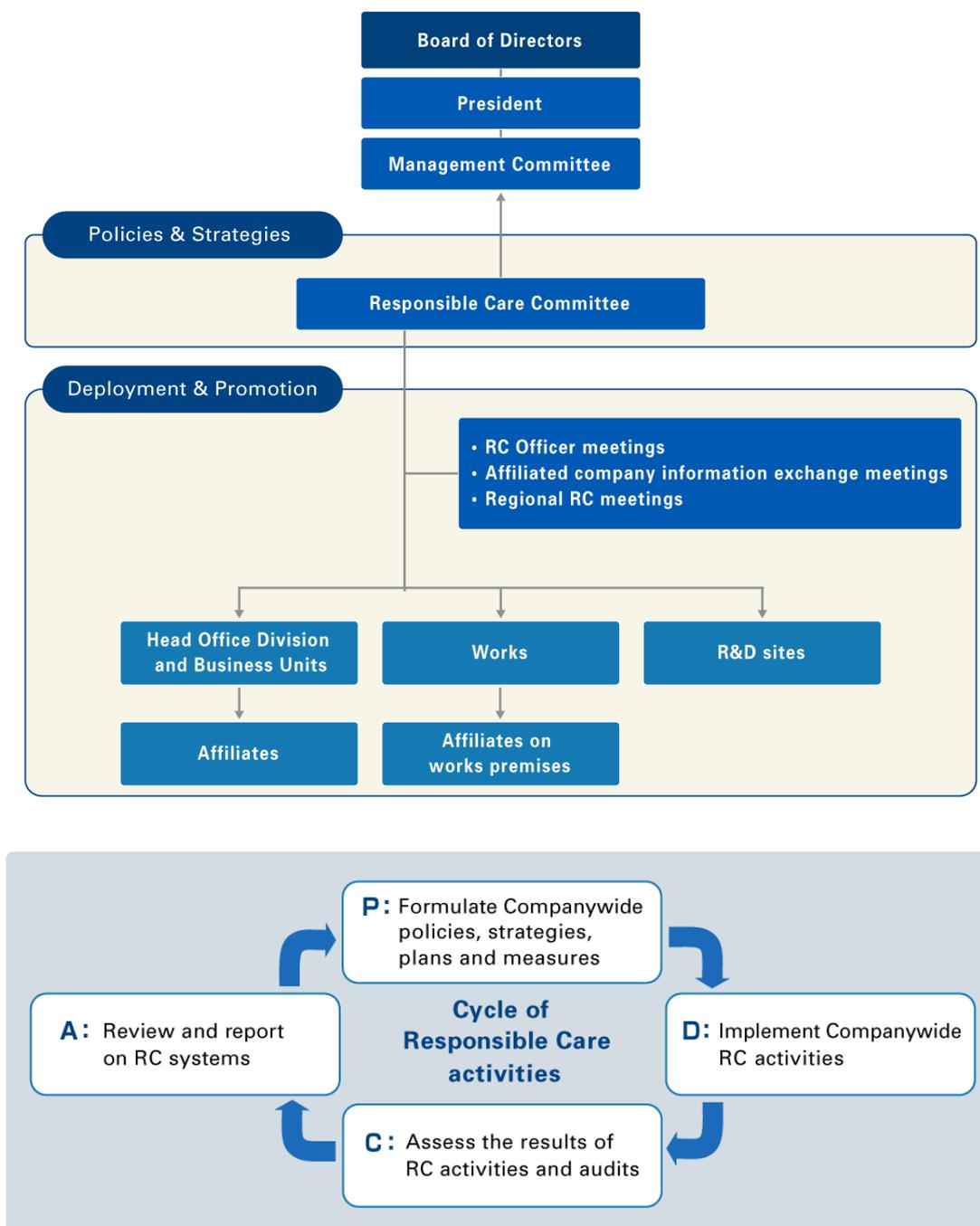
System and Responsible Officers

The Responsible Care Committee oversees the management system with 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 & Environment Technology Division, Logistics Division, and Human Resources Division), who are the Committee's permanent members, report the Responsible Care activities in their respective jurisdictions at the Committee meetings. The responsible officer for the 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 Committee and other important matters are approved by the Management Committee, thereby ensuring a senior management-level commitment to Responsible Care.

The representatives from each division hold regular meetings every month 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 division 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 divisions, including each works and business unit.

The Mitsui Chemicals Group as a whole also promotes Responsible Care, including support for specific activities for domestic and overseas subsidiaries and affiliates as well as divisions 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. For overseas subsidiaries and affiliates, RC meetings are held by region. In addition to sharing policies and strategies related to Responsible Care, every effort is made to promote Responsible Care throughout the Group as a whole.

Responsible Care Management System



Role of the Responsible Care Committee

- Deliberation on company-wide policies, strategies, plans, and measures related to RC activities (including internal publicity of RC and how to disseminate them), and other important matters such as the review of the RC system
- Reports and discussions on the status of company-wide RC activities (including performance evaluations and audit results)
- Discussions of other important matters related to RC

Composition of the Responsible Care Committee

Chair	Responsible Officer for the Responsible Care Committee
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	President of the Mitsui Chemicals Labor Union and other members appointed by the Chairperson
Secretariat	RC & Quality Assurance Division
Description of activities (FY2022)	In fiscal 2022, the Responsible Care Committee mainly discussed the development of the fiscal 2023 budget to achieve VISION 2030, while at the same time verifying whether the fiscal 2022 budget for the entire Group was actually effective. In addition, the Committee exchanged a wide range of opinions regarding carbon neutrality, circular economy, strategies that consider the entire supply chain, and other matters.

Internal Audit

Mitsui Chemicals Group conducts audits on environment and safety ([environmental protection](#) and [safety and prevention](#)), [occupational health](#), [product quality](#), and [chemicals management](#), and reports all audit results to the Management Committee and Responsible Care Committee, in order to objectively evaluate the effective implementation of Responsible Care activities.

[Risk Management System](#) >

External Certification

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 \(PDF : 106 KB\)](#) 

Participating in Chemical Industry Associations in Each Country and Region

The Mitsui Chemicals Group actively contributes to the International Council of Chemical Associations (ICCA) and Chemical Industry Association in each country and region. The president of the Company serves on the board of directors of the ICCA and reports to the associations on the results of Responsible Care activities to ensure that the chemical industry remains transparent to 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: _____

Mitsui Chemicals Group ESG Report Appendix

Status of External Certification (As of June 2023)

*If you wish to use a Mitsui Chemicals Group certificate, we apologize for the inconvenience, but please request each company to send you the latest version of the certificate.

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
ARRK CORPORATION	Head Office	ISO14001	ISO45001	ISO9001
	Tokyo Head Office	ISO14001	ISO45001	ISO9001
	Nagoya Branch	ISO14001	ISO45001	ISO9001
	Fujiyoshida Factory	ISO14001	ISO45001	ISO9001
	Saitama Branch	ISO14001	ISO45001	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	*	*	*
Hokkaido Mitsui Chemicals, Inc.	Factory			ISO9001
Honshu Chemical Industry Co., Ltd.	Wakayama Works	ISO14001		ISO9001
MC Crop & Life Manufacturing, Co., Ltd.	Utsunomiya Factory			ISO9001
	Funaoka Factory			ISO9001
	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
	Koga Manufacturing Dept.	ISO14001		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 &	Business Sites	*	*	*

CONSULTING SERVICE, INC. (Analysis & Support Department (Ichihara, Nagoya, Osaka, Iwakuni, Omuta) and Laboratory)	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
Taiwan Tohcello Functional Sheet, Inc.	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	Quality

			Health & Safety	
Mitsui Elastomers Singapore Pte. Ltd.	Factory	ISO14001	SS651	ISO9001
Prime Evolve Singapore Pte. Ltd.	Factory	ISO14001	ISO45001	ISO9001
SDC Technologies Asia Pacific, Pte. Ltd.	Factory			ISO9001
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 IATF16949
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			ISO9001
Mitsui Prime Advanced Composites do Brasil Indústria e Comércio de Compostos Plásticos S.A.	Factory			ISO9001 IATF16949

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	SS506	ISO9001
Kulzer Group	Kulzer GmbH; Wasserburg Plant			ISO9001 ISO13485
	Kulzer GmbH; South Bend Plant			ISO9001 ISO13485
	Kulzer Dental Ltd.; Shanghai Plant			ISO9001
	Scientific Glass; Usingen Plant			ISO13485
	Cavex Holland BV; Haarlem Plant			ISO9001 ISO13485
	Kulzer S.R.L.; Sacalaz Plant	ISO14001		ISO9001

* ISO 14001 certification acquisition rate: 72%

* ISO 45001 certification acquisition rate: 34%

Responsible Care Management

Management System

Roll Out Globally

Roll Out Globally

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. RC meetings have been held in China, the Americas, and the Asia-Pacific region in the past, but starting in fiscal 2022, the RC meetings will also be held in Europe, where interest in chemical regulations is growing.

China

The fiscal 2022 China Region RC Meeting was held in October and was attended by nine companies in the China region. Although the meeting was held online due to the COVID-19 pandemic, it provided an online connection between Japan and the region. In addition to sharing information related to Responsible Care with Mitsui Chemicals, the companies exchanged information on the topics of security and disaster prevention, environmental preservation, and occupational safety.

Americas

The Americas RC Meeting for fiscal 2022 was held in December through an online conference, and a total of eight affiliates in North and South America as well as Europe participated and shared the initiatives of their respective companies. Life cycle assessment (LCA) and product carbon footprint (PCF) were the main topics of this year's discussion, and participants engaged in a lively exchange of ideas.

Asia Pacific

In fiscal 2022, an Asia-Pacific RC Meeting was held online in November, with 19 companies (a total of 90 participants) participating. LCA/PCF explanation was provided with the main topic of chemicals management. Various subsidiaries and affiliates presented various issues on chemicals control and inventive ideas as solutions. Mitsui Chemicals introduced the Safety Technology Enhancement Project, reported the contents of the Responsible Care Committee, and shared information that was useful to participants in 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.

In fiscal 2022, our affiliates received awards in the areas of security disaster prevention and occupational safety/health.

Mitsui Chemicals Group's Responsible Care-related Awards

Countries	FY2022 awards	Awardees
Thailand	Excellent safety workplace, National Level / Ministry of Labor and Social Welfare	GC-M PTA CO., LTD.
	ZERO ACCIDENT 2022 Platinum level / Ministry of Labor and Social Welfare Excellent safety workplace, National Level / Ministry of Labor and Social Welfare	THAI PET RESIN CO., LTD.
Singapore	Responsible Care - Achievement Award for Employee Health and Safety Code / Singapore Chemical Industry Council (SCIC) Process Safety - Gold award / Singapore Chemical Industry Council (SCIC)	MITSUI ELASTOMERS SINGAPORE PTE. LTD.
Indonesia	Zero Accident Award / Manpower Ministry of Republic of Indonesia	P.T. PETNESIA RESINDO

Safety and Prevention

Management System

Initiatives to Prevent Major Accidents

Accidents and Occupational Injuries

Safety Education and Training

Plant Operation Technology Training Center

Management System



Safety is our top priority

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 is our 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.

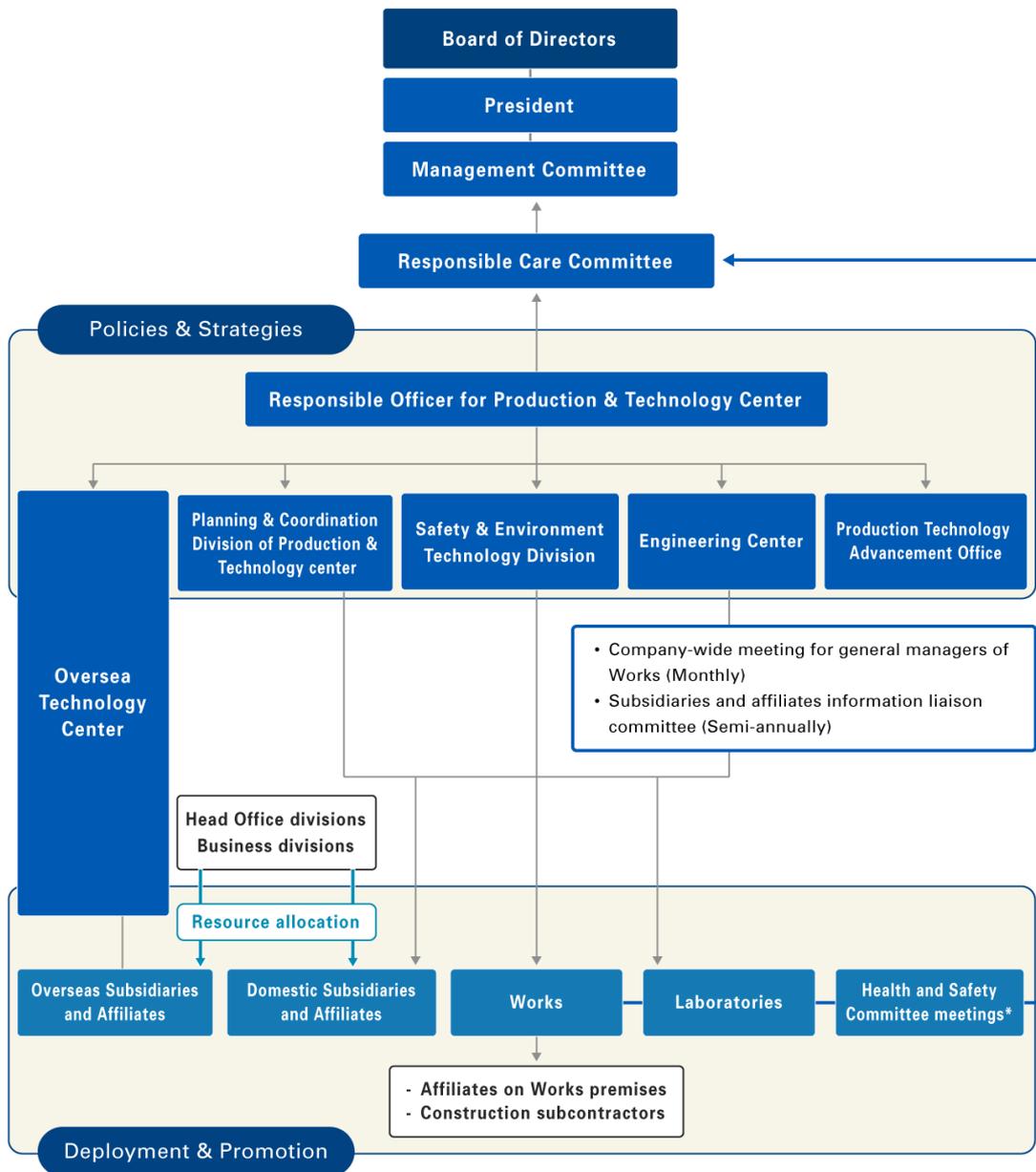
System and Responsible Officers

The 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.

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.

Safety and Prevention Management System



*Health and Safety Committee meetings: Committee composed of the head of each site and trade union members

Monitoring

The Safety & Environment Technology Division regularly monitors the achievement of the priority issue targets relating to safety and 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.

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)	Auditing Division	Internal Control Division
	Scope	Works and laboratories of Mitsui Chemicals Inc. and its subsidiaries and affiliates
	Details	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.
	Frequency	Once every one to three years (depending on size, business type, and management level of the audited organization).

Goals and Results

Accidents

Metric	Scope	FY2022	FY2023	FY2030 (Medium to Long-term)
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		Goals	Results	Level Achieved	Goals	Goals
Incidence of major accidents* ¹	Mitsui Chemicals Group	0	0	○	0	0 (over the course of VISION 2030)
Incidence of abnormal conditions/accidents* ²	Mitsui Chemicals Group	8 or less	8	○	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

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Incidence of Serious Occupational Injuries* ¹	Mitsui Chemicals Group	0	0	○	0	0 (over the course of VISION 2030)
Work-related Significant Occupational Injuries* ² frequency	Mitsui Chemicals Group* ³	0.15 or less	0.27	×	0.15 or less	0.15 or less
	Mitsui Chemicals, Inc.* ³	0.15 or less	0.25	×	0.15 or less	0.15 or less
	Domestic Subsidiaries & Affiliates* ³	0.15 or less	0.48	×	0.15 or less	0.15 or less
	Overseas Subsidiaries & Affiliates* ³	0.15 or less	0.11	○	0.15 or less	0.15 or less
	Construction subcontractors	0.28 or less	0.23	○	0.26 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.

Safety and Prevention

Management System

Initiatives to Prevent Major Accidents

Accidents and Occupational Injuries

Safety Education and Training

Plant Operation Technology Training Center

Initiatives to Prevent Major Accidents

Based on our management policy of making safety the top priority in everything that we do, we have continued to implement a range of safety activities throughout the Mitsui Chemicals Group. Nevertheless, an 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 the 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 2022 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

To keep alive the memory of the resorcinol production facility explosion and fire accident, Mitsui Chemicals has designated April 22, the day of the accident, 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 the top priority in everything they do. In addition, the President's Safety Day moral discourse was posted on the Company's internal portal to all employees are aware that safety is the top priority.



Head Office safety pledge ceremony (April 2023)



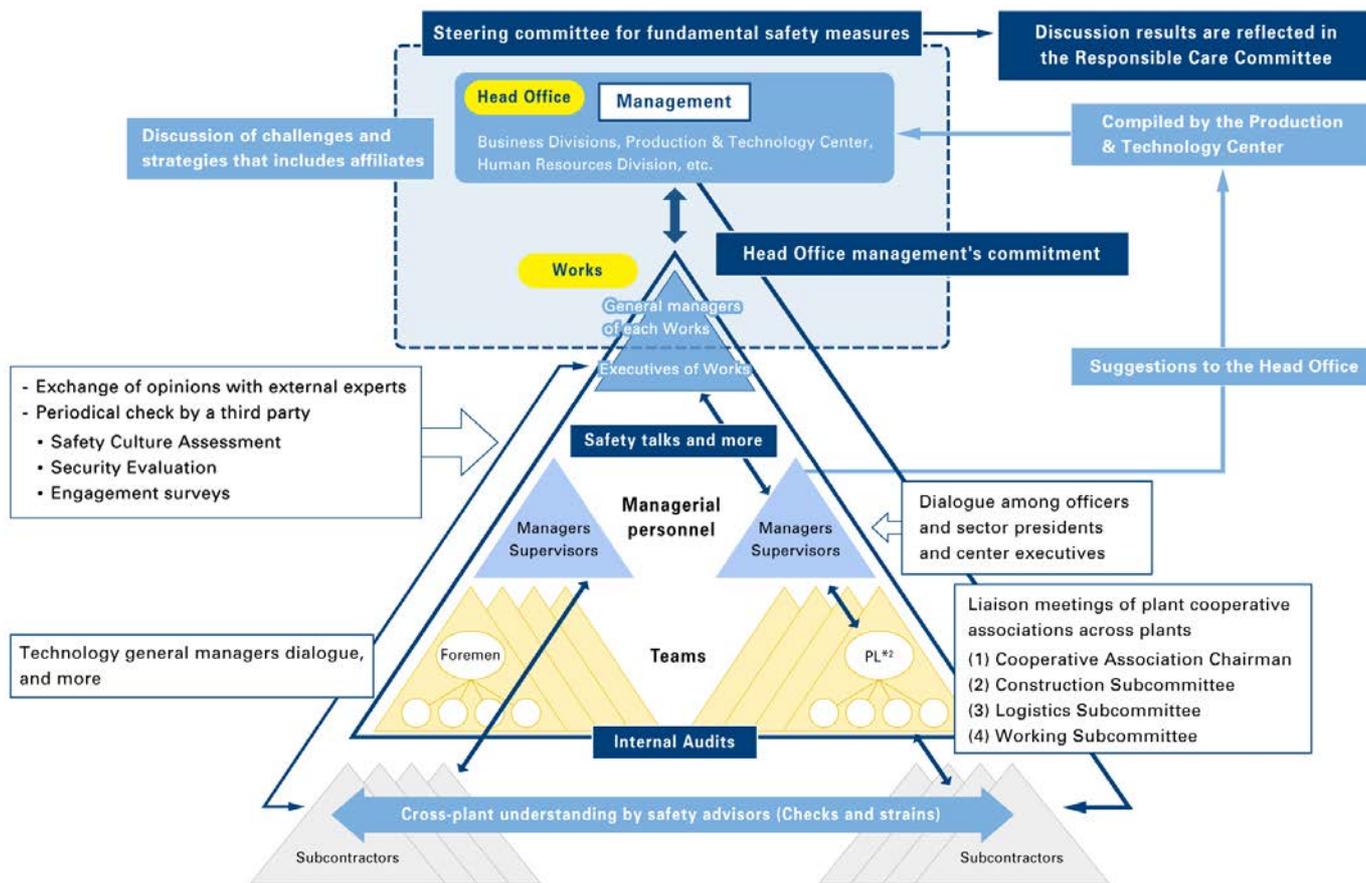
Safety pledge ceremony at Iwakuni-Ohtake Works (April 2023)

Development of Fundamental Safety Measures

Mitsui Chemicals takes the explosion and fire at the resorcinol production facility at the Iwakuni-Ohtake Works on April 22, 2012, extremely seriously. For these past 10 years, we have been introducing a series of fundamental safety measures to thoroughly review and improve safety and prevention throughout the company. From FY2022 onward, we will further develop the fundamental safety measures we have developed to date as "new fundamental safety measures" to realize the "ideal state of safety" and pursue accident-free and disaster-free operations. The entire Mitsui Chemicals Group will also be involved in this activity.

Overview of Efforts Aimed at Advancing New Fundamental Safety Measures

New fundamental safety measures are being implemented by the entire Mitsui Chemicals Group, including its subsidiaries and affiliates.



*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 PL: Part Leader

Initiatives Aimed at Advancing New Fundamental Safety Measures

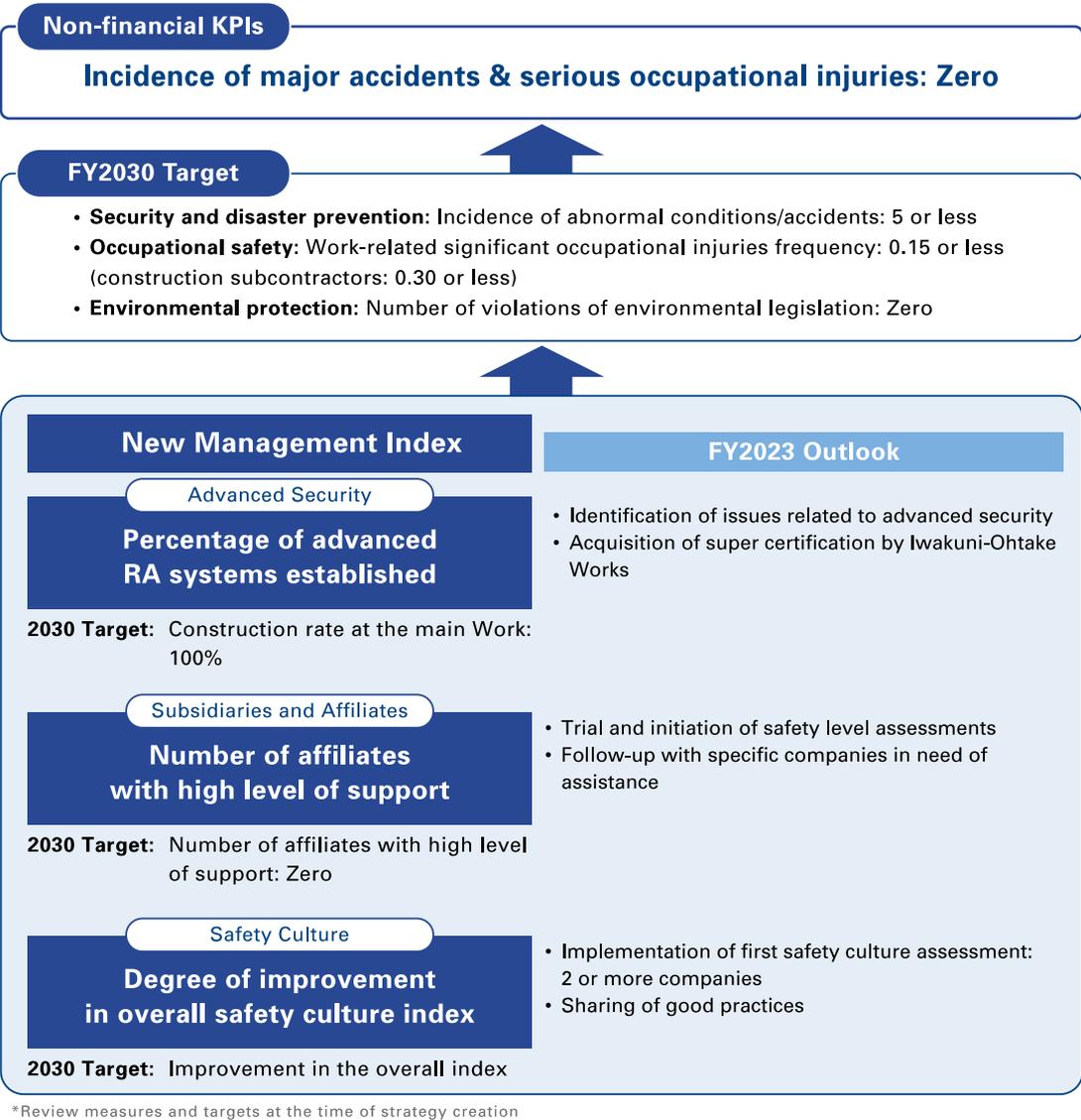
In fiscal 2022, we defined three issues and seven strategies for new fundamental safety measures, which were incorporated into specific measures at the Head Office, Works, and domestic subsidiaries and affiliates. In fiscal 2022, in addition to the dialogue between Head Office management and Works, improvement and implementation of existing activities such as education, safety culture assessment, and deployment of advanced RA, we have begun deploying new fundamental safety measures, such as work style reform at Works, training of young employees, empowerment of women in the workplace, and deployment of autonomous career measures.

"Issues and Strategies" for New Fundamental Safety Measures

<p>Challenge 1: Line managers must be able to manage generational change and work style reform.</p> <p>Strategy (1): Reduce workload in the Works.</p> <p>Strategy (2): Further strengthen line managers' management skills.</p>
<p>Challenge 2: Further improve technical skills and ensure that skills are passed down.</p> <p>Strategy (3): Strengthen the operation of the technical evaluation system and upgrade risk assessment.</p>
<p>Challenge 3: Ensure that safety is a top priority, foster a sense of professionalism, and provide a sense of accomplishment in their work.</p> <p>Strategy (4): Reinforce making safety the top priority.</p> <p>Strategy (5): Cultivate and bolster professionalism through independence and autonomy (self-discipline).</p> <p>Strategy (6): Improve teamwork, communications within organizations, and inter-organizational collaboration.</p> <p>Strategy (7): Enhance career development plans for young employees and line managers.</p>

Initiatives to Achieve VISION 2030

VISION 2030 sets a goal of "zero major accidents and serious occupational injuries." However, we believe it is important to evaluate not only the results but also the process of achieving this goal, so we have newly defined "activities that are important for achieving this goal" in conjunction with non-financial metrics and we are monitoring the progress by setting indicators. In particular, we are working on safety measures that are effective from a long-term, comprehensive perspective as an important activity.



Establish an Advanced Risk Assessment System

With the aim of establishing an autonomous advanced security system, Mitsui Chemicals has defined the ideal form of risk assessment (RA) as "identification of hazard sources from a comprehensive perspective," "appropriate risk assessment without variation," and "reliable risk reduction measures." To realize the ideal, we are working to establish RA leaders and RA advisors at each Works and to establish quantitative risk assessment methods.

Conventionally, HAZOP^{*1} has been used to identify hazardous sources, assess risks, and reduce risks in the new construction, expansion, and modification of facilities. In addition, in order to eliminate the variation in risk assessment results among RA implementers, we are training, certifying, and assigning RA leaders to promote RA implementation, and establishing HAZOP-LOPA,^{*2} a quantitative risk assessment method that has been added to the conventional risk assessment method.

In addition, in order to ensure comprehensiveness, we have prepared "Non-routine Risk Assessment Guidelines" to address potential hazard sources in non-routine operations such as startup, shutdown, and emergencies, and have deployed them throughout the company. We conduct RA based on these guidelines. The results of such RAs are evaluated by the RA Leadership Committee in addition to the RA Advisors to confirm the validity of the RA results from a third-party perspective, and the RA results are shared. Through these activities, we are working to ensure that all workers involved in the Works ultimately understand the residual risk in the business site, thereby reducing the risk.

^{*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. A method for determining additional risk reduction measures by determining the frequency [1/y] of possible impacts (fire, explosion, etc.) for each possible impact identified in HAZOP as the product of the probability of the cause and the probability that each independent protective layer, which is an existing safety measure, will be breached.

Upgrading to Smart Works (Safety and Prevention with Advanced Technology)

By effectively adopting advanced technologies, the Mitsui Chemicals Group aims to upgrade to next-generation works (Smart Works) that function in a highly efficient, safe, and stable manner.

Specifically, we are introducing wireless sensors, inspection tablets, inspection drones, and equipment abnormality detection AI to detect equipment abnormalities and leaks at an early stage, predict failures, and use equipment data and AI to formulate optimal maintenance plans in order to improve equipment reliability.

In addition, to improve safety, we are introducing gas inspection cameras and plant monitoring systems to enhance the visualization and monitoring of plant operating conditions, safety work guidance, wearable cameras to support on-site work, operation tablets, etc.

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

Constructing Infrastructure

(Digital Infrastructure, Human Resources for Production Technology, and Computerization of Technical Data)



Safety Culture Assessment

The Mitsui Chemicals Group is collaborating with Niigata University to conduct safety culture assessments with the aim of "fostering a culture of safety," 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.

Each Works conducts this assessment every three to four years. Each of the Works has confirmed that the weaknesses visualized by the first assessment have been improved by the second assessment by implementing improvement measures, such as safety training, active participation in small group activities, reduction of workload, and passing on of skills.

One Works that was assessed in fiscal 2022 was found to have a weakness in "learning transfer" in the previous assessment. To eliminate this weakness, procedures and knowledge that have become second nature to veteran employees were reorganized and shared with less experienced employees. As a result, this assessment showed significant improvement. With this improvement, we have also made a step forward in resolving the issue of new drastic measures: line managers must be able to manage generational change and work style reform.

*Eight axis model of safety culture:

Motivation, Governance, Commitment, Communications, Resource Management, Work Management, Learning, and Awareness 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 2022)

Mitsui Chemicals, Inc.*	Two works and one branch factories have been examined two times, and three works and one branch factories have been examined three times. Sodegaura Center has already been examined.
Domestic Subsidiaries & Affiliates	Of the 18 companies covered, 12 (14 works) have already been assessed. Of these, 7 companies (10 works) have already been assessed twice.
Overseas Subsidiaries & Affiliates	Of the 22 companies covered, 6 (6 works) have already been assessed. Of these, one company (1 work) has already been assessed twice.

*Including subsidiaries and affiliates within our Works, where the general managers of each Works bear the responsibility for implementing Responsible Care.

Receiving Third-party Assessments of Process Safety Capability

In addition to self-inspections based on safety culture assessment, the Mitsui Chemicals Group continuously undergoes third-party assessments of its safety capabilities by Japan Industrial 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 fiscal 2018, the Osaka, Ichihara, and Iwakuni-Ohtake Works had undergone the first assessment, and in fiscal 2021, the Ichihara Works underwent the second assessment. 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.



Safety capability evaluation in Ichihara Works

High-Pressure Gas Handling Accreditation

In 2021 and 2022, respectively, Mitsui Chemicals Osaka Works and Ichihara Works were certified as a Super Accredited Business Operator (commonly known as "Super Certified Business Site") under the Super Accredited Businesses System* established by the Ministry of Economy, Trade and Industry in recognition of these autonomous advanced security initiatives. 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.

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.

Safety and Prevention

Management System

Initiatives to Prevent Major
Accidents

Accidents and Occupational Injuries

Safety Education and Training

Plant Operation Technology
Training Center

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 rate.

Achieving Zero Major Accidents and Serious Occupational Injuries

The Mitsui Chemicals Group is promoting initiatives for safe facilities and operations with the aim of achieving zero major accidents and zero serious occupational injuries.

Risk Prediction 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 thoroughly implement risk prediction and Pointing-and-Calling.

Risk prediction trainers are chosen at each Works to become drivers of these risk prediction initiatives, and company-wide meetings are held once a year to exchange opinions and share activities.

The Safety & Environment Technology Division provides training support on an ongoing basis for our affiliates. Through this support, we are working to ensure that all of our affiliates understand the significance and necessity of risk prediction activities and Pointing-and-Calling so that they can use and entrench them in their actual work situations.

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. Specifically, 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. Relevant parties are provided with the lessons learned, and plans are put into effect that cover both concrete matters, as well as more intangible issues, in the course of operations. We then ensure that the necessary resources are still available to implement the preventive measures that we have formulated.

Small-group Activities

Our Works conducts small-group activities in which small groups of people work together to solve issues or matters such as enhancing production workplace capabilities, refining mindsets and human resources development, revitalizing the workplace, and improving the business, in consideration of the characteristics of a Works.

Through these initiatives, we are united in our efforts to improve the bottom line of plant revitalization. We also 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 presentation of small-group activities in October of fiscal 2022. Connecting the Head Office, Mitsui Chemicals Works, and domestic subsidiaries and affiliates online, those who attended actively asked questions and made comments in response to the presentations from each site. We share the contents within the Group and promote the revitalization and improvement of workplaces and Works as a whole.

Examples of Other Initiatives

In addition to the above, the following initiatives are routinely implemented.

- Thorough enforcement of basic safety rules stipulated in company rules, etc.
- 5S Activities
- Ensuring the wearing of protective equipment
- Mutual attention



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

Ensuring the Reliability and Soundness of Facilities

The Mitsui Chemicals Group introduces and maintains equipment that ensures safe and stable operation.

When introducing new facilities, we not only satisfy the relevant laws and regulations, but also design them in accordance with company rules based on our experience and accumulated technology, and introduce facilities that prevent accidents such as fires, leaks, and explosions through repeated change management based on various technical evaluations.

After an equipment is installed, we formulate maintenance plans and conduct periodic inspections and regular maintenance from the perspective of preventive maintenance.

In recent years, many of our facilities have been in operation for more than 40 years. While focusing on countermeasures against age-related deterioration, we have worked on developing appropriate maintenance plans, improving construction quality, and strengthening change management to maintain and improve the reliability and soundness of our facilities.

In addition, by [actively adopting advanced technologies](#) that are becoming practical due to recent technological advancements, we will seek to streamline and optimize our design, construction, and maintenance operations.

Furthermore, these efforts not only prevent accidents, but also contribute to environmental protection by reducing noise and odor and preventing leaks.

[Environmental Protection](#) >

The aim is to further improve the reliability and soundness of facilities by strengthening the PDCA (Plan-Do-Check-Action) cycle of maintenance operations to increase efficiency and optimization from design to maintenance operations, and by proactively introducing advanced technologies.

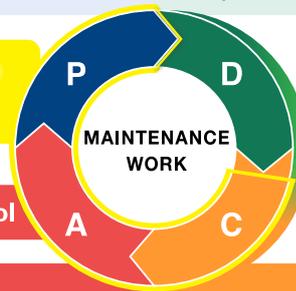
Legend - PDCA reinforcement items for maintenance operations → Enhancement items through the use of advanced technology
 - Domains where advanced technology is utilized

PLAN		DO
Basic Information <ul style="list-style-type: none"> - Plant operation plan - Process overview - Inspection cycle, importance classification and maintenance classification - Inspection items (comprehensiveness, new technology) 	Maintenance Plan <ul style="list-style-type: none"> - Priority plants and policy for addressing aging facilities - Reflecting maintenance assessment results - Mid- and long-term plan review - Collaboration with business and manufacturing divisions 	Fixed Repair Work <ul style="list-style-type: none"> - Work Safety and Quality Control - Introduction of the latest inspection technology - Introduction of the latest construction process progress management technology - Appropriate inspection / repair - Change control (under construction) - Government inspection examinations - Confirmation inspection and acceptance
Fixed Repair Work Plan <ul style="list-style-type: none"> - Construction procedure (Worksheet Standard values) - Creation of process chart - Preparation of necessary materials and equipment - Construction safety assessment - Preparation of applications to government agencies - Specification writing - Estimation and assessment 	Inspection/Repair History Fixed repair work and daily maintenance Training <ul style="list-style-type: none"> - Maintenance formulation - Diagnosis and life expectancy prediction - Maintenance review - Construction management 	Daily Management and Troubleshooting <ul style="list-style-type: none"> - Condition monitoring - Early troubleshooting and restoration - Introduction of the latest inspection technology - TAFAS operation - Cooperation with manufacturing and subcontractors

Formulation of Appropriate Maintenance Plans

Enhanced change control

Improvement of construction quality



ACTION		CHECK
Confirmation of Changes in Operating and Facility Conditions <ul style="list-style-type: none"> - Sharing information on and examining risks of operation and equipment changes manufacturing / maintenance / design (maximum use of regular meetings, etc.) - RA system - Education (Certified Plant) 	Improvement and Maintenance <ul style="list-style-type: none"> - Construction method improvement study - DR - MDR - Expert Council 	Inspection and Repair Records and Reports <ul style="list-style-type: none"> - Summary of inspection and measurement results - Evaluation of results Summary of items to be reflected next time - Report to Manufacturing Division (issue sharing)
Equipment Reliability Assessment <ul style="list-style-type: none"> - Life expectancy prediction - Failure analysis (TAFAS, AI, etc.) - Maintenance review - Inspection cycle, location, and maintenance classification, severity classification review - PM Library (weak facilities) 		Construction Performance Evaluation <ul style="list-style-type: none"> - Budget vs. performance evaluation - Subcontractor evaluation

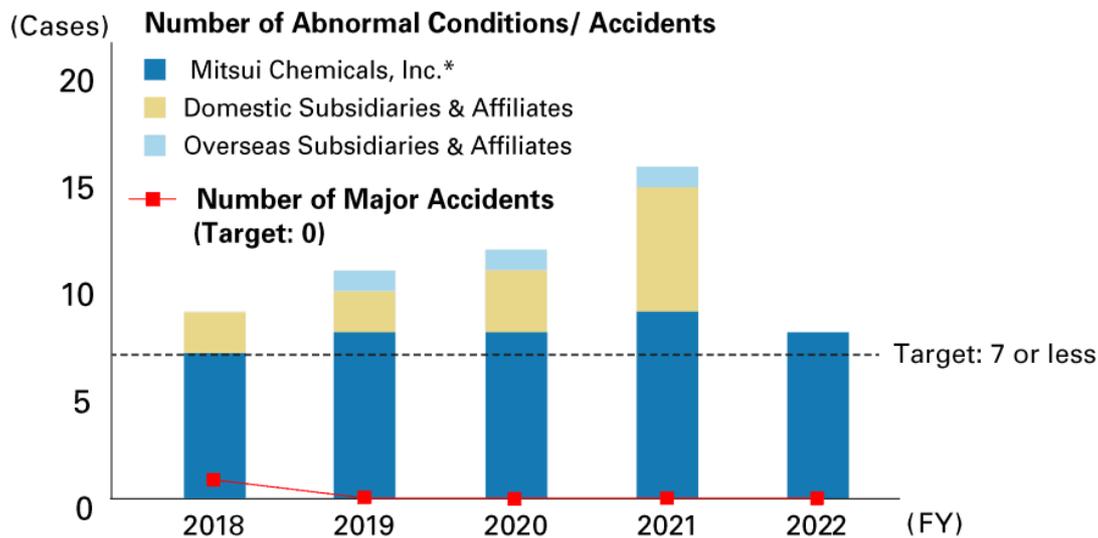
Major Accidents and Abnormal Conditions/Accidents

In fiscal 2022, the Mitsui Chemicals Group reported zero major accidents*¹ and met its target of zero. In addition, the number of abnormal conditions and accidents*² decreased from the previous year to 8, meeting the target of 8 or less. Leakage accounted for all 8 incidents, 7 of which were equipment-related, so 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. On the other hand, no fires were reported. We will continue our efforts to prevent fires 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 2022, the Mitsui Chemicals Group reported zero serious occupational injuries^{*1} that must not occur, 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^{*2}. For the frequency of such injuries for overseas subsidiaries and affiliates and construction subcontractors, we achieved the permitted target value of 0.15 or less and 0.28 or less, respectively. We believe that this comes as a result of our painstaking efforts to maximize safety initiatives, which we have continued over the years. However, the target was not met by the Mitsui Chemicals and our domestic subsidiaries and affiliates. 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:

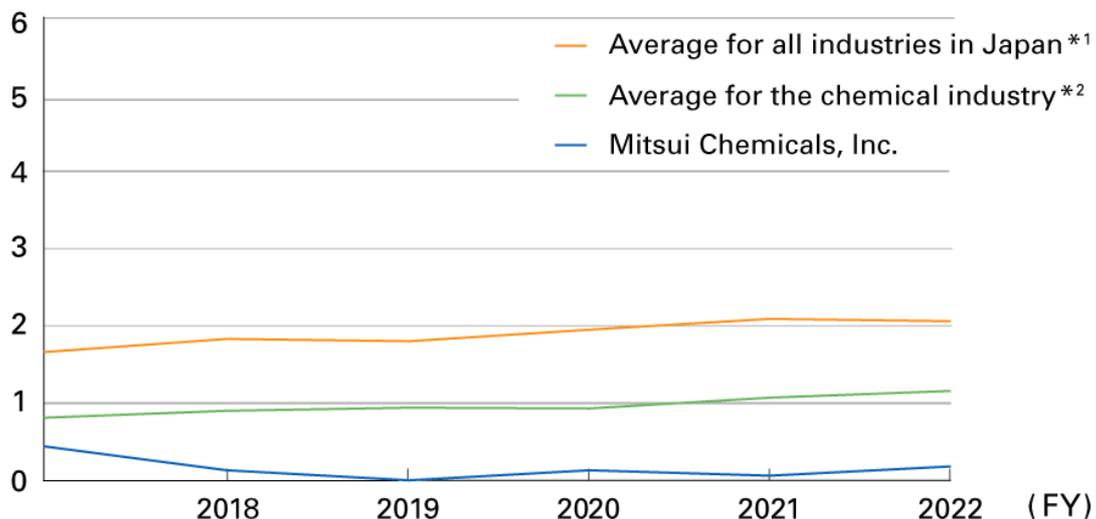
Occupational injuries that fall under disability grades 1 to 7, causing death, injury or illness.

*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.

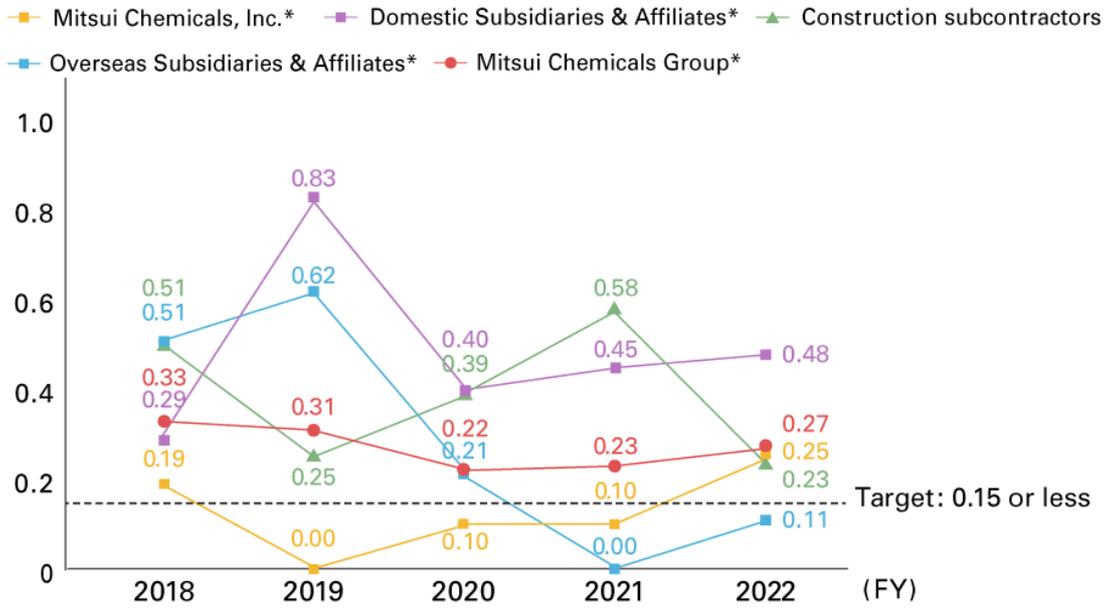
The figures for the all industries in Japan and for the Japanese chemical industry indicate the Days Away From Work Case (DAFWC) frequency.

Sources:

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

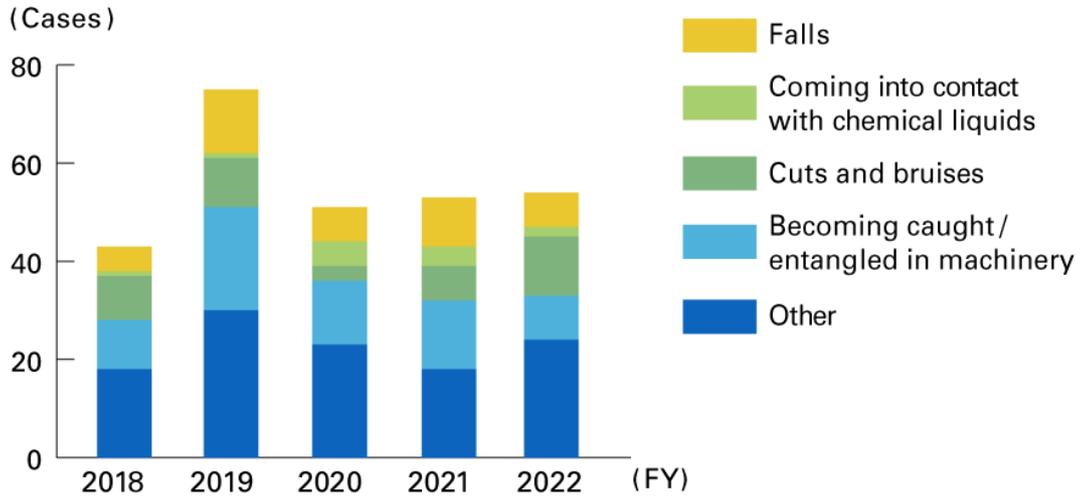
*2 Japan Industrial Safety & Health Association "General Guidebook on Industrial Safety" Significant Occupational Injury Frequency

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 and Prevention

Management System

Initiatives to Prevent Major Accidents

Accidents and Occupational Injuries

Safety Education and Training

Plant Operation Technology Training Center

Safety Education and Training

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.



Drill simulating leakage of hazardous materials and flammable gas due to earthquakes (Iwakuni-Ohtake Works)



Drill simulating leakage of hazardous materials containing toxic gases from a manufacturing plant (Omuta Works)

Skill Improvement for Self-defense Firefighting Units

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

In recognition of the results of daily training, the Osaka Works received the Minister of Internal Affairs and Communications Award (Excellence Award) and the Ichihara Works and Iwakuni-Ohtake Works received the Director-General of the Fire Defense Agency Award (Encouragement Award) in the "Skill Contest for Self-Defense and Disaster Prevention Organizations in Petroleum Industrial Complexes" held in fiscal 2022 by the Fire Defense Agency, Ministry of Internal Affairs and Communications. This skills contest has been held since fiscal 2014 to inspire self-defense 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 ninth consecutive year to receive an award since the beginning of the contest. We continue improving our firefighting skills through determined training to contribute to the safe and stable operations of our Works.



Osaka Works self-defense firefighting unit at the award ceremony and in skills contest

Risk Prediction Training

The Mitsui Chemicals Group continues to implement risk prediction training at each of its Works based on the belief that it is important to develop human resources capable of recognizing hazards as dangers and taking safety actions to prevent them.

In addition, with regard to risk prediction and Pointing-and-Calling training for domestic and overseas affiliates, the Safety & Environment Technology Division provides 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 risk prediction 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 risk prediction and Pointing-and-Calling, and the Company is encouraging their development through training.

Risk prediction training sessions

	Number of Attendees (Total Training Time)		
	FY2020	FY2021	FY2022
Mitsui Chemicals, Inc.	1,220 (2,440hrs)	1,591 (2,227hrs)	1,426 (2,096hrs)
Domestic Subsidiaries & Affiliates	31 (93hrs)	58 (116hrs)	81 (138hrs)
Overseas Subsidiaries & Affiliates	47 (141hrs)	18 (36hrs)	113 (226hrs)
Total	1,298 (2,674hrs)	1,667 (2,379hrs)	1,620 (2,460hrs)

Advanced Engineering Education and Passing on Technology

Mitsui Chemicals is actively engaged in various measures to foster engineers with specialized knowledge, technology, and skills, as well as to steadily pass on technology to the next generation, as part of its human resource development system based on the personnel system.

Specifically, the systematic passing of technology and development of human resources are stipulated in job descriptions and job classification tables for skilled employees, and the system clarifies the passing of technology as part of the job and holds employees accountable for their efforts.

In addition, we have defined our development plan up to the point where they assume key roles in Works under the "Production Engineering Human Resource Development Plan" to clarify the abilities and skills required to carry out their respective duties. We have also established an education system and the curriculum necessary for acquiring these abilities and skills as an "Annual Education Plan," and provide step-by-step education through company-wide and plant collective education, e-learning, and various other off-the-job training programs, as well as through rotations and on-the-job training.

In our training, we place particular emphasis on problem-solving and accident case study education. Through factor analyses and accident case study discussions based on actual trouble cases that have occurred at production sites, we cultivate the sensitivity to identify potential sources of danger.

Small Group Activity Leader Training

Each Mitsui Chemicals Works implements small-group activities to promote problem solving and operational improvement, and provides training to the leaders of these activities. Through training by external instructors twice a year, we strive to understand our role as facilitators of activities and how to proceed, and to acquire problem-solving techniques such as QC stories and the seven QC tools, which we use in actual small-group activities, in order to improve quality.

The Best Plants Awards

The purpose of the Best Plants 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, Mitsui Chemicals has been focusing since fiscal 2013 on not only safety performance but also on the process of safety efforts, and evaluates the efforts made by the production sections and the hardships that they face.

In fiscal 2022, 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.

The Best Plants Awards FY2022

<p>President's Award for Best Plant</p> <p>Urea Sect., Manufacturing Dept.-2, Osaka Works</p> <p>Theme:</p> <ul style="list-style-type: none"> - Promoting cost reduction through improvement activities - Promoting safety activities using hazard source extraction AI
<p>Production & Technology Center Executive's Award</p> <p>Specialty Chemicals & Utility Sect., Manufacturing Dept., Mobara Branch Factory</p> <p>Theme:</p> <p>Achieving cost reductions and increased production in cooperation with business divisions</p>
<p>Specialty Materials Manufacturing Sect., Manufacturing Dept., Nagoya Works</p> <p>Theme:</p> <p>Profit improvement and cost reduction through small-group activities</p>
<p>Ohtake Manufacturing Sect., Manufacturing Dept.-2, Iwakuni-Ohtake Works</p> <p>Theme:</p> <ul style="list-style-type: none"> - Training of young operators - Review of guide and alarm messages
<p>Section 4, Kaga Manufacturing Dept., Ibaraki Works, Mitsui Chemicals Tohcello, Inc.</p> <p>Theme:</p> <ul style="list-style-type: none"> - Project for preventing past disasters from being forgotten - Quality improvement activities
<p>Manufacturing and Engineering Division, Sunrex Industry</p> <p>Theme:</p> <ul style="list-style-type: none"> - Measures to stop the chain of industrial accidents - Capacity building and cost reduction
<p>Grand SIAM Composites</p> <p>Theme:</p> <ul style="list-style-type: none"> - Implementation of training to improve safety awareness level to maintain accident-free operations - Improvement of transportation efficiency and reduction of workload through the establishment of a unique automated truck scheduling program



President's Award Ceremony
(Urea Sect., Manufacturing Dept.-2, Osaka Works)

Safety and Prevention

Management System

Initiatives to Prevent Major Accidents

Accidents and Occupational Injuries

Safety Education and Training

Plant Operation Technology Training Center

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	FY2022
For Plant Operators	When joined Company	90 (765hrs)	5 (43hrs)	16 (136hrs)	8 (52hrs)
	Follow-up training (six months after joining Company)	134 (3,752hrs)	90 (2,520hrs)	123 (3,444hrs)	147 (3,614hrs)
	Promoted staff (3-4 years after joining Company)	95 (2,660hrs)	55 (1,540hrs)	77 (2,156hrs)	214 (2,804hrs)
	Workplace managers (8 years or more after joining Company)	42 (588hrs)	18 (252hrs)	5 (70hrs)	23 (337hrs)
For Engineers	When joined Company*	32 (336hrs)	0 (0hrs)	32 (112hrs)	102 (510hrs)
	3-5 years after joining Company	28 (588hrs)	7 (147hrs)	23 (483hrs)	23 (449hrs)
For Researchers		60 (630hrs)	25 (263hrs)	81 (851hrs)	55 (413hrs)
Other		92 (414hrs)	119 (1,592hrs)	102 (459hrs)	67 (162hrs)
For employees of affiliates					
		Number of Attendees (Total Training Time)			
		FY2019	FY2020	FY2021	FY2022
Domestic Subsidiaries & Affiliates		353 (2,824hrs)	199 (1,592hrs)	326 (2,608hrs)	291 (2,680hrs)
Overseas Subsidiaries & Affiliates		45 (630hrs)	0 (0hrs)	0 (0hrs)	21 (254hrs)
Total					
		Number of Attendees (Total Training Time)			
		FY2019	FY2020	FY2021	FY2022
		971 (13,187hrs)	518 (6,893hrs)	785 (10,319hrs)	951 (11,275hrs)

*Switched to web training in fiscal 2021

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

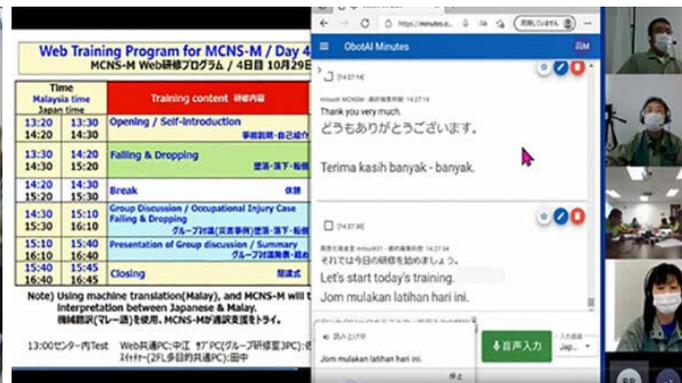
Concept	Hybrid (lectures, demonstration images, and pre-recorded videos) and interactive (questions and group discussions) simulations of physical training programs.		
Program contents	Programs made to date	In addition to contents on safe operations, such as pointing and calling, static electricity and 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"> - Curriculums designed to meet the needs of individual domestic and overseas affiliated companies are provided. - Currently, we provide training programs in local languages utilizing AI-based simultaneous translation intended for overseas affiliates. - We also provide training sessions related to safety, equipment trouble, and work-related accidents. 		

Domestic and Overseas Web Training

	Number of Attendees (Total Training Time)			
	FY2019	FY2020	FY2021	FY2022
Mitsui Chemicals, Inc. and Domestic Subsidiaries & Affiliates	—	143 (40hrs)	748 (2,992hrs)	782 (3,552hrs)
Overseas Subsidiaries & Affiliates	—	10 (3hrs)	174 (696hrs)	211 (513hrs)



Web training: Questions from the trainer
Encourage attendees' thinking and discovery



Screen showing training utilizing real-time AI-based translation
(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 and affiliates. In fiscal 2022, approx. 840 employees at our five Works took the course. The programs are particularly effective in preventing occupational injury and raising safety awareness among new employees. We will further expand the target audience with additional content for our contractors and R&D divisions in the future.

VR Safety Training

Objective	Enhance training curriculum and improve training effectiveness through the utilization of VR		
Expected Effects	(1) Increase sensitivity to danger by experiencing accidents in a virtual space that cannot be experienced under normal circumstances (2) Less restrictions on training location and time, and training can be conducted with a large number of participants		
VR tools	Mobara Training Center	3 sets	
	Nagoya Training Center	1 set	
Program contents	Forward-facing crash/fall, conveyor belt pinch, fall while descending stairs, roller entrapment, crash and fall (customized version), vent clogging, blowout ignition, dust explosion, residual pressure blowout during piping maintenance, power panel electric shock, forward/backward movement of forklifts, disk grinder kickback, cutter operation, reaction explosion in a flask, glass tube assembly cut, etc., are provided.		

On-site Training (VR Training)

For Our Group employees				
	Number of Attendees (Total Training Time)			
	FY2019	FY2020	FY2021	FY2022
On-site Training (VR Training)	1,255 (10,040hrs)	283 (2,264hrs)	1,287 (5,148hrs)	1,093 (4,682hrs)

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." In fiscal 2022, the number of external visitors remained low due to COVID-19, but the number of training participants has almost recovered to pre-COVID-19 levels. We continued to provide training outside the company while implementing thorough measures to prevent COVID-19.

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

	FY2019	FY2020	FY2021	FY2022
Number of Training Attendees	274	109	106	221
Number of Center Visitors	456	35	51	99

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 Shimibun and the "Factory Management" magazine from Nikkan Kogyo Shimibun. 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

Policy and Basic Approach

The Mitsui Chemicals Group believes that it is important to understand and minimize the negative impacts on the global environment and ecosystems caused by GHG emissions, water resource consumption, and chemical substance emissions into the air, water, and soil in our business activities. 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.

In its [Responsible Care Policy](#), the Mitsui Chemicals Group states that it will "assess risks to people and the environment from our products throughout their life cycles, while working to ensure the health and safety of all persons and to reduce the environmental impact of those products," and will actively develop and provide society with products, services, and technologies that contribute to improving people's quality of life and protecting 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.

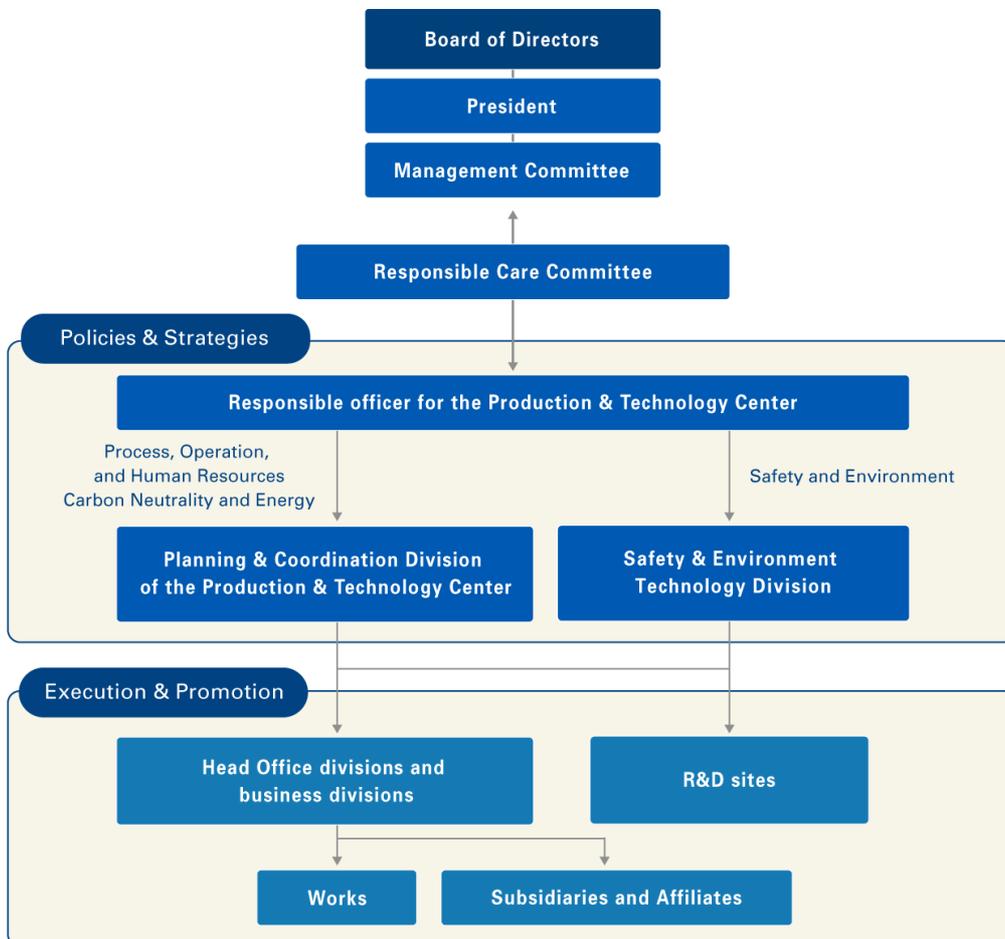
*Please visit [here](#) for information about our climate change policy.

*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 responsible for promoting environmental conservation in the Mitsui Chemicals Group under the supervision of the Planning & Coordination Division of the Production & Technology Center and the Safety & Environment Technology Division, in cooperation with business divisions, production sites, and affiliates.



Role of the Planning & Coordination Division of the Production & Technology Center

Formulate, deploy, promote, and manage production and technology (process and operations, human resources, carbon neutrality, and energy) strategies for the Group, as well as execute and support various cross-company functions. The division also oversees the Company's process and operating technologies.

Role of the Safety & Environment Technology Division

Formulate, deploy, promote, and manage strategies related to production and technology (safety and environment), as well as execute and support various cross-company functions. It is also responsible for overseeing safety and environmental technologies, as well as training and education related to the maintenance and enhancement of safety and environmental technologies and production technologies.

Role of the Head Office divisions and business divisions

In line with the policy decided by the Responsible Care Committee, it examines and implements environmental measures when reviewing business plans and executing business activities, and confirms that environmental measures are implemented by other divisions such as Works. In addition, it provides advice, guidance, and other support to subsidiaries and affiliates under its jurisdiction regarding environmental and safety issues.

Role of the Works

Ensure environmental preservation (raise employee awareness, maintain proper operations, keep equipment in sound condition, and improve the work environment). In addition, the Safety and Health Committee examines matters related to environmental preservation, and assesses important matters related to environmental preservation and deliberates on countermeasures when planning and designing new or expanded facilities or remodeling. It also assesses the eligibility of contractors for production, logistics, maintenance, etc., with respect to environmental preservation.

Monitoring

The Planning & Coordination Division of the Production & Technology Center and the Safety & Environmental Technology Division are responsible for checking the status of achievement and monitoring the progress of key issue targets related to environmental conservation in the Group. In addition to collecting (once a year) and analyzing data related to environmental preservation, such as GHG emissions at each site, and sharing this information with the entire group, the [Responsible Care Committee](#) regularly evaluates and improves the environmental and safety status.

Internal Audit

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

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

Goals and Results

GHG / Energy

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
GHG emissions reduction rate (Scopes 1 and 2) *compared to FY2013	Mitsui Chemicals Group	21%	27%	○	26%	40% (FY2030)
Reduction in GHG emissions ^{*1} 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	-0.7%	×	—	—
Energy intensity index (FY2009 = 100) ^{*2}	Mitsui Chemicals, Inc.	—	97.1	—	(92.0% or more)	—
Energy consumption per unit production of ethylene, etc., at ethylene, etc., production facilities ^{*2}	Mitsui Chemicals, Inc.	—	—	—	(11.9 GJ/t)	—

*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 Reference index

Substances Subject to the PRTR Act

Metric	Scope	FY2022			FY2023	FY2030 (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	○	Addition and revision of measures to reduce emissions	Continuous promotion to reduce emissions of substances subject to the PRTR Act

Industrial Waste

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Landfill rate for industrial waste	Mitsui Chemicals Group	1% or less	0.28%	○	1% or less	1% or less

Air

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Volatile Organic Compound (VOC) emissions	Mitsui Chemicals, Inc.	3,000 t or less	1,473 t	○	3,000 t or less	2,000 t or less

General measures to preserve the environment notwithstanding the above

Metric	Scope	FY2022			FY2023	FY2030 (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

Environmental Protection



GHG and Energy

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

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

[Climate Change-Related Verification Opinion \(PDF: 682 KB\)](#)

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 in increasing the adoption of low-carbon raw materials and fuels, promotion of energy efficiency, conversion to renewable energy, and creation of process innovation technologies to build a decarbonized society.

Since fiscal 2007, Mitsui Chemicals has set a target of reducing GHG emissions through energy conservation, and is continuing thorough energy conservation activities at its plants, such as step-by-step enhancement of heat recovery and streamlining of the refining process. In fiscal 2022, we achieved a reduction of 28,000 tons, exceeding our target (a reduction of at least 20,000 tons from the previous year).

GHG emissions reduction rate (Scopes 1 and 2)

*Compared to FY2013

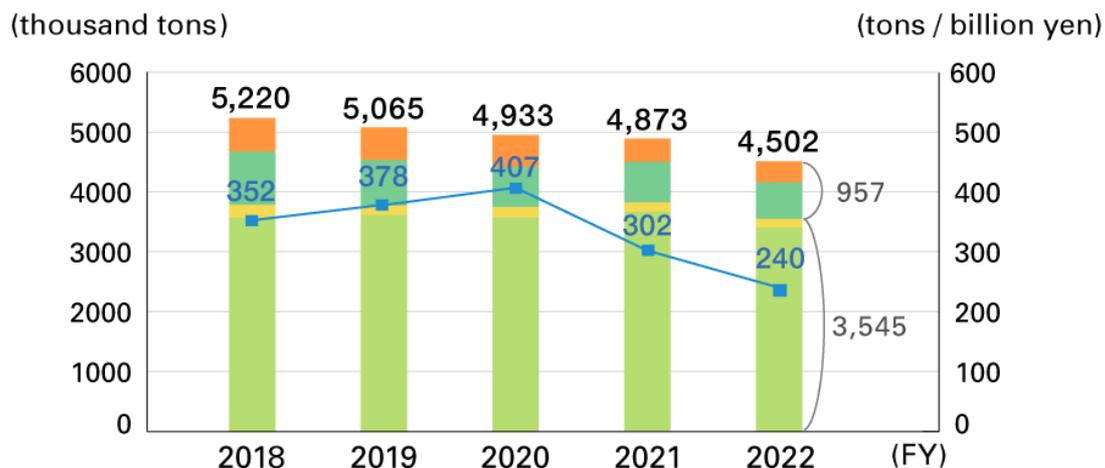


Mitsui Chemicals Group's GHG emissions (Scopes 1 and 2) in fiscal 2022 decreased compared to fiscal 2021 due to lower plant utilization rates resulting from lower demand. With regard to energy consumption, our target was to achieve a five-year average reduction rate of 1% or more in energy intensity, but despite various energy conservation measures in fiscal 2022, we were unable to offset the deterioration in energy intensity due to low capacity utilization, which increased by 0.7% in fiscal 2022. We will continue to aim to achieve a five-year average reduction rate of 1% or more, which is the target of the Energy Conservation Law. However, since it is difficult to evaluate long-term reduction efforts with a five-year average reduction rate because the base year shifts, we will use the benchmark target of the Energy Conservation Law (11.9 GJ/t or less energy consumption per unit production of ethylene at ethylene production facilities) and an energy consumption intensity of 92% or less, which is based on fiscal 2009, as reference indicators for our initiatives to reduce energy consumption.

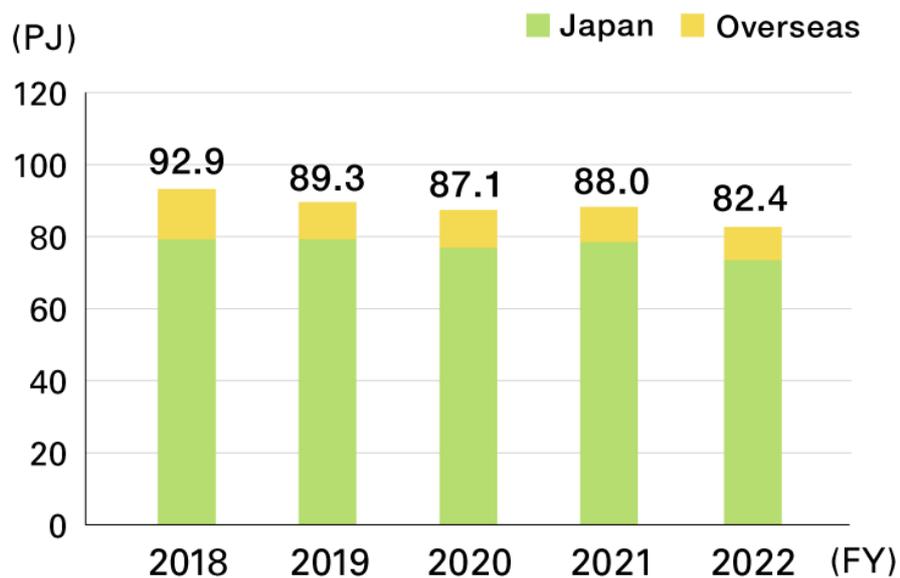
In addition, we calculate GHG emissions regarding Scopes 1 and 2 emissions generated from in-house operations and production activities as well as Scope 3 for indirect emissions in order to identify GHG emissions throughout the entire supply chain, extending from purchasing raw materials to customer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

GHG Emissions (Scopes 1 and 2)

Scope1 (Japan Overseas) Scope2 (Japan Overseas)
 ■ GHG emissions intensity per sales revenue



Energy Consumption



*Scope of Japan and overseas affiliates: Consolidated subsidiaries

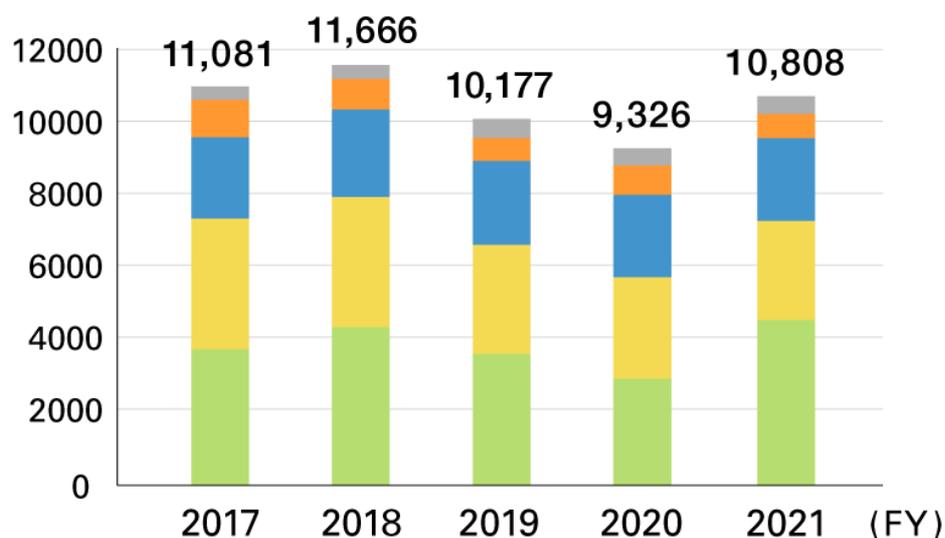
*GHG emissions calculated in accordance with Japan's Law Concerning the Promotion of Measures to Cope with Global Warming based on energy consumption figures for overseas consolidated subsidiaries.

*The gases used to calculate GHG emissions are CO₂, CH₄, N₂O, HFC, PFC, SF₆, NF₃

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 CO₂eq)



Breakdown of GHG Emissions (Scope 3) (Mitsui Chemicals, Inc. Fiscal 2021)

Category	Emissions (Thousands of tons CO ₂ eq / year)
01: Purchased goods and services	4,603
02: Capital goods	116
03: Fuel- and energy-related activities (not included in Scopes 1 and 2)	265
04: Transportation/distribution (upstream)	52
05: Waste generated from operations	49
06: Business travel	1
07: Employee commuting	5
08: Leased assets (upstream)	1
11: Sold product specifications	2,749
12: Sold product disposals	2,297
15: Investment	672
Total	10,808

[Calculation Method]

Based on "Basic Guidelines for Calculating Greenhouse Gas Emissions Via Supply Chains (Ver. 2.4)" by the Ministry of the Environment and the Ministry of Economy, Trade and Industry and "Emission Intensity Database Ver. 3.2 for Calculating Greenhouse Gas Emissions of Organizations Via Supply Chains." by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, we used emission factors from IDEA, the calculation, reporting, and publication system of the Act on Promotion of Global Warming Countermeasures, and emission intensities prepared by the Ministry of the 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.

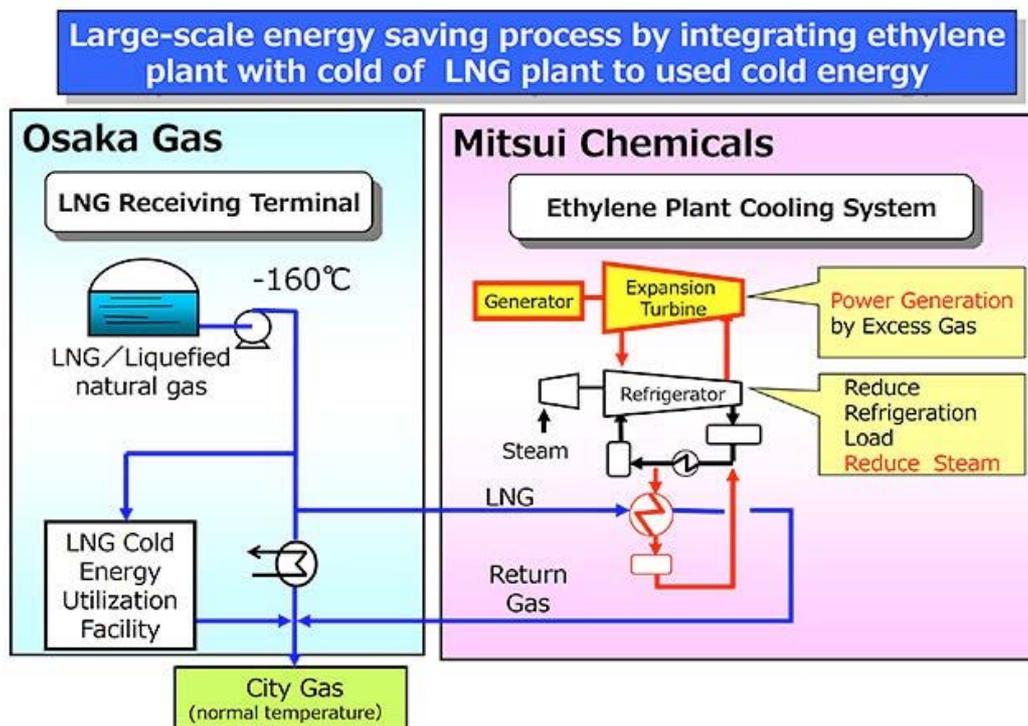
The system increases the Works' self-sufficiency in power. It also reduces fuel usage by the naphtha cracking furnaces in the ethylene plant by taking the high-temperature exhaust gas generated by the power generation facilities for use as the combustion air in the furnaces. This is reducing CO₂ emissions 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 consolidated subsidiary, 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 CO₂ emissions was possible.



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 CO₂ which was contained in the exhaust gases. We have confirmed the conversion ratio from CO₂ 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.

Other Initiatives

[Low-carbon raw materials and fuels: Switching to alternative fuels for naphtha crackers—ammonia utilization >](#)

[Capture and utilization of CO₂: Collaboration with other companies and community members at the Senboku Industrial Complex >](#)

Environmental Protection



Industrial Waste

The Mitsui Chemicals Group aims at minimizing the landfill rate for industrial waste to 1% or less. We promote waste recycling, waste reduction by incinerating it using recovered energy, and reduction of industrial waste emissions outside of our plants in order to reduce the amount of waste ultimately disposed of. We have continuously succeeded in minimizing the volume of industrial waste, reaching another landfill rate target for industrial waste in fiscal 2022.

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

In accordance with the Waste Disposal and Public Cleaning Law, we report our waste through electronic manifests.

Industrial Waste Minimization Initiatives

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 companies to which we outsource work.

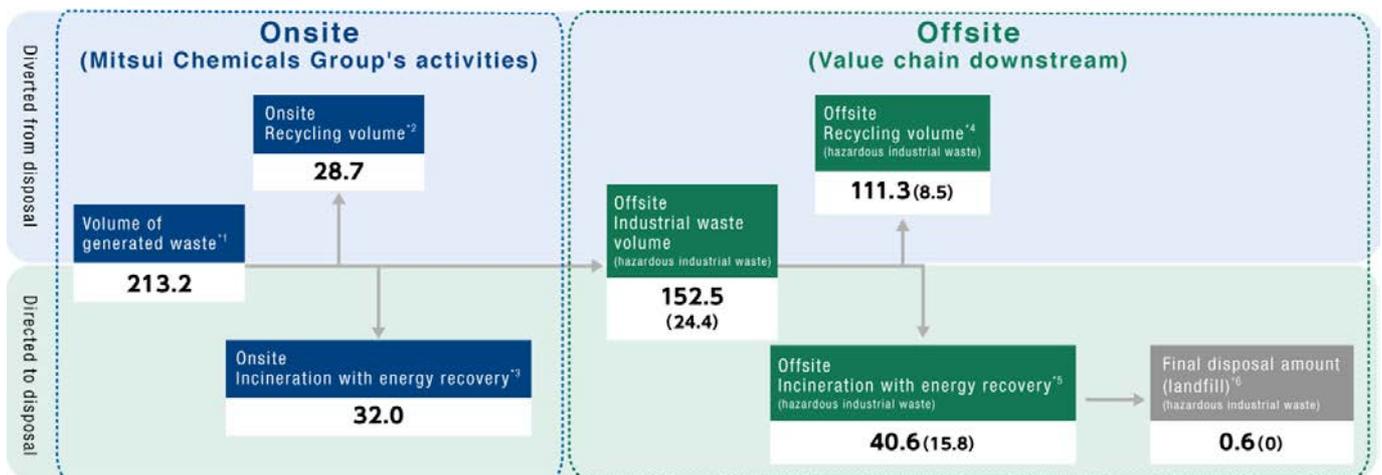
On-Site Initiatives

- Raw polymers generated in the manufacturing process are returned to the ethylene cracker and recycled. (Chemical recycling)
- Incineration of waste oil, including fuel use and energy recovery.
- Reduction of waste emissions outside the plant by neutralizing and dehydrating waste acid.

Off-Site Initiatives

- Reuse as solid material for fuel.
- After incineration, the ash is recycled into concrete materials and roadbed materials.
- Fuel use and energy recovery from waste oil.

Industrial Waste Treatment Process (FY2022)



*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 Onsite Recycling volume:

Recycling within plant facilities.

³ Onsite Incineration with energy recovery:

Amount of reduction in waste discharged outside the plants from within plant facilities. All incinerated ash after incineration is included in the total amount of offsite industrial waste volume.

⁴ Offsite Recycling volume:

Amount recycled off-site, including waste reused as cement raw material, etc.

⁵ Offsite Incineration with energy recovery:

Volume disposed of by incineration off-site. The figures assume total loss and incinerated ash is counted as landfill waste.

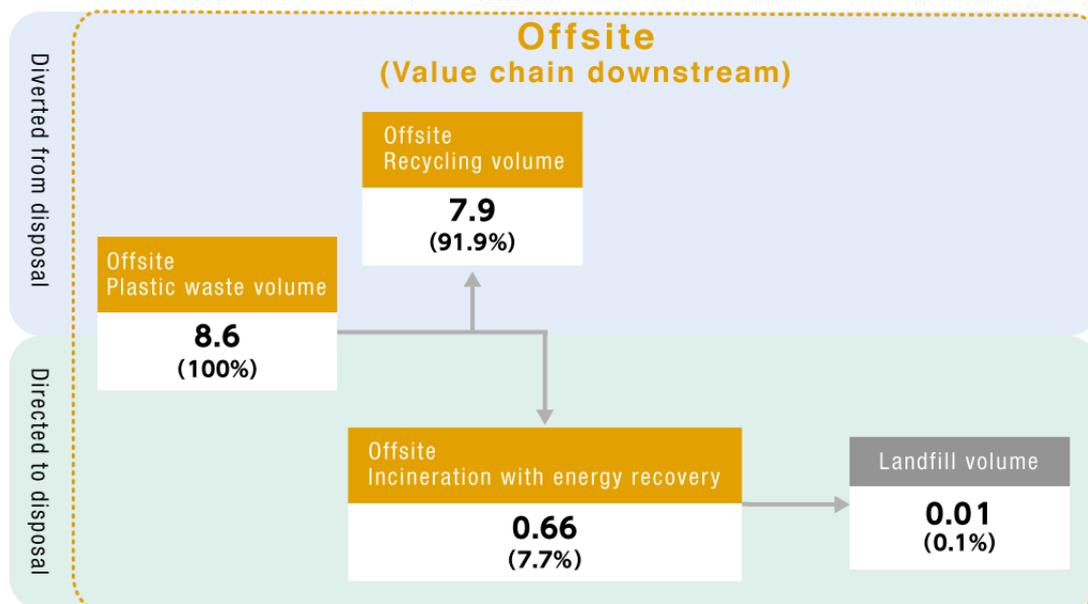
⁶ Final disposal amount (landfill):

Includes landfill of incinerated ash after incineration.

Recycling of Waste Plastics

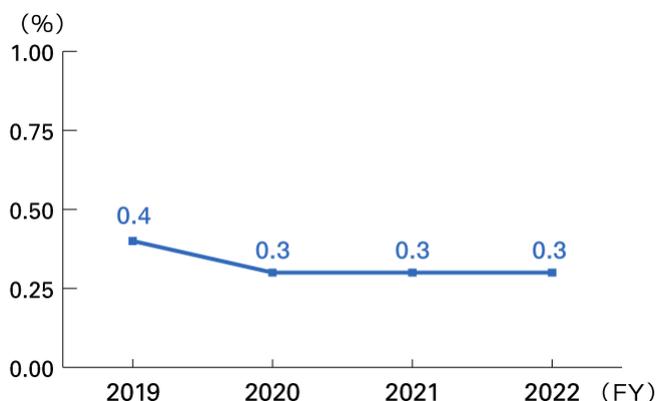
Among waste materials, the Mitsui Chemicals Group maintains a recycling ratio of more than 90% for waste plastics discharged outside its plants. In particular, in response to the Law for Promotion of Recycling of Plastic Resources, we are striving to maintain a high recycling rate, targeting an annual waste plastic volume of 20,000 tons or less and a recycling rate of 95% or higher in fiscal 2030. In fiscal 2022, our waste volume was 16,200 tons and the recycling rate was 95.8%, achieving the target.

Processing of plastic industrial waste (Mitsui Chemicals, Inc. : FY2022)



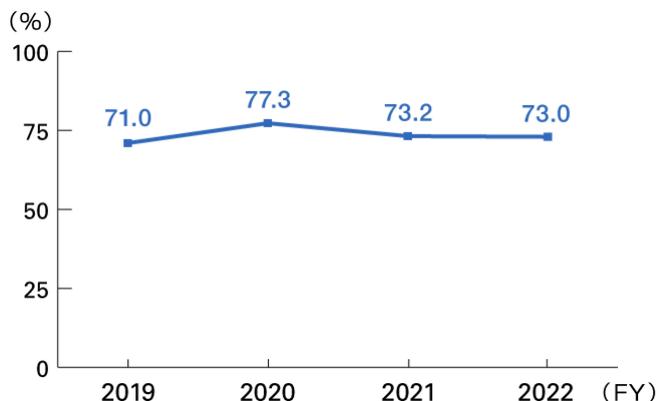
*Unit: Thousand tons

Landfill Rate for Industrial Waste (Mitsui Chemicals Group)



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

Recycling Ratio (Mitsui Chemicals Group)



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

Initiatives to Reduce Disposal of Hazardous Waste

The Mitsui Chemicals Group has established disposal rules for waste containing hazardous substances as industrial waste to be disposed of as specified controlled industrial waste. This is in accordance with company rules, and strict management is in place to ensure that the waste is disposed of appropriately. First of all, the Mitsui Chemicals Group is eliminating hazardous substances by incineration or detoxifying them to the extent possible. For example, acidic toxic gases are alkalinized (neutralized) through a detoxification facility and converted to other non-toxic substances before disposal.

In addition, off-site hazardous waste is disposed of at a specified controlled disposal facility and reported in an electronic manifest.

In accordance with the "Act on Preventing Mercury Pollution of the Environment," no new mercury-containing substances will be used. Mercury contained in fluorescent lamps, etc. in use is disposed of appropriately as specified controlled industrial waste in accordance with company rules.

Environmental Protection



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

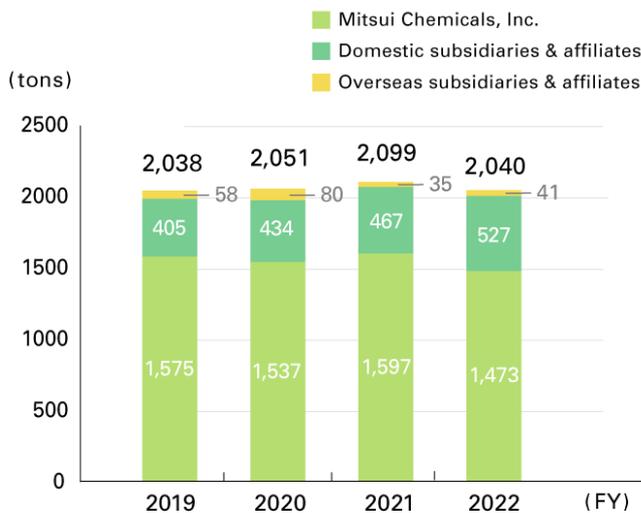
Among the hazardous air pollutants specified in the Air Pollution Control Act, we monitor emissions of priority substances that are believed to pose a high risk to human health and strive to reduce the emissions.

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.

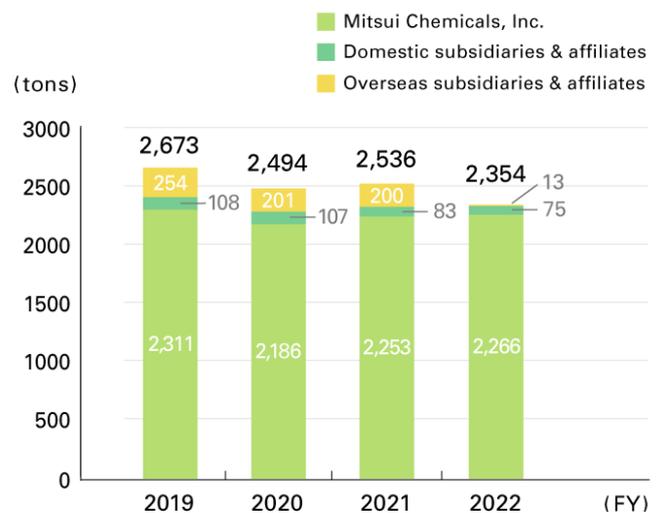
Because the Mitsui Chemicals Group produces various chemical products, a wide range of VOCs are emitted. We use various methods to reduce VOC emissions into the air, including absorption by activated carbon and other filters, neutralization by acid or alkaline water, combustive decomposition, and Pressure 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

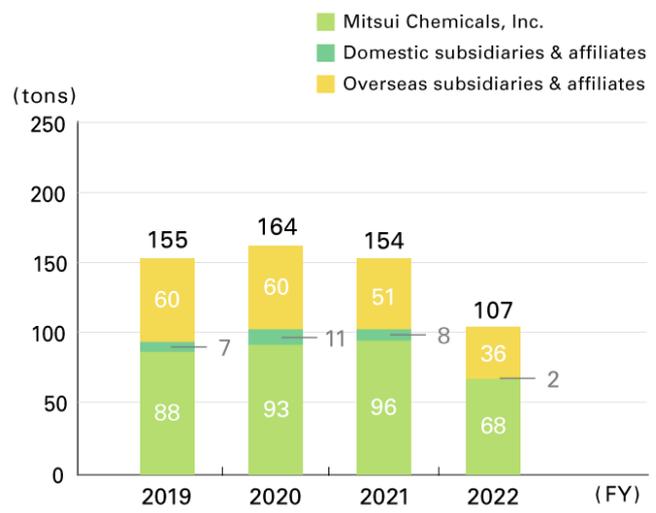
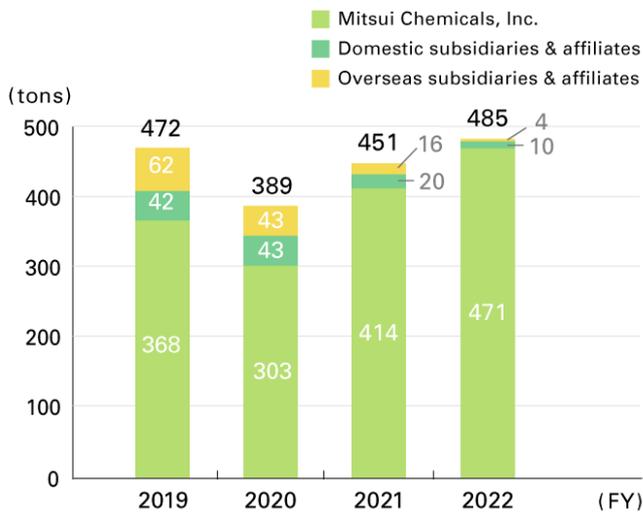


NOx Emissions

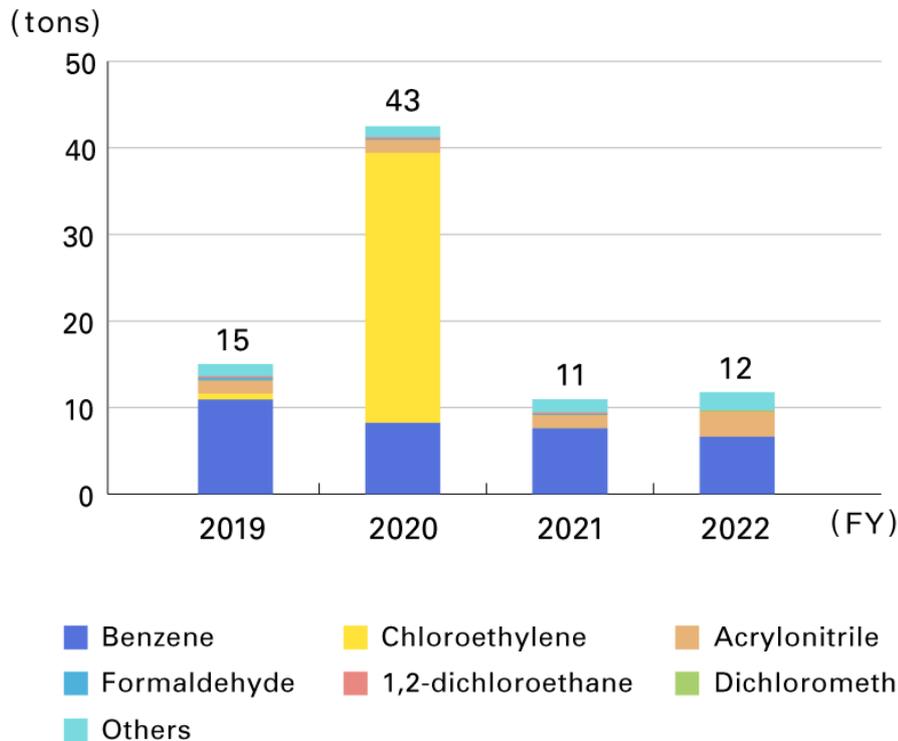


SOx Emissions

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.

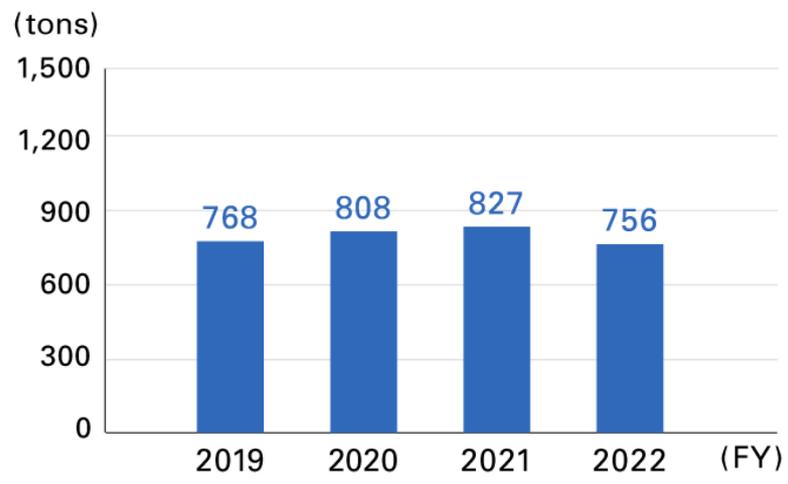
We are further reinforcing our management while also seeking other ways to reduce annual emissions 450 tons or less.

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 \(PDF: 601 KB\)](#)

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 (FY2022)

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	159.20	0.00	0.00	159.20	0.00	25.49
Toluene	300	21.61	0.01	0.00	21.62	0.00	6.13
Xylene	80	10.34	0.01	0.00	10.34	0.00	0.14
Cumene	83	9.59	0.01	0.00	9.59	0.00	0.00
Ethylbenzene	53	6.14	0.00	0.00	6.14	0.00	0.41
Epichlorohydrin	65	4.54	0.00	0.00	4.54	0.00	0.00
Benzene	400	2.48	0.01	0.00	2.49	0.00	0.82
Phenol	349	0.77	0.15	0.00	0.91	0.00	0.27
1,2,4-Trimethylbenzene	296	0.39	0.00	0.00	0.39	0.00	0.00
Dicyclopentadiene	190	0.38	0.00	0.00	0.38	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	9.73
Methyl methacrylate	420	0.12	0.00	0.00	0.12	0.00	37.52
N-Butyl acrylate	7	0.02	0.00	0.00	0.02	0.00	0.38
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	0.38
Xylene	80	0.01	0.00	0.00	0.01	0.00	80.77

Nagoya Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Acrylonitrile	9	0.01	15.96	0.00	15.97	15.96	67.71
1,2-Epoxypropane	68	1.03	1.35	0.00	2.37	1.35	0.17
Poly (Oxyethylene) Alkyl ether (Alkyl C=12-15)	407	2.33	0.00	0.00	2.33	0.00	0.05
Toluene	300	1.35	0.00	0.00	1.35	0.00	67.73
Styrene	240	0.29	0.10	0.00	0.39	0.10	2.88
Ethylbenzene	53	0.29	0.00	0.00	0.29	0.00	5.69
Xylene	80	0.29	0.00	0.00	0.29	0.00	5.69
Ethylene oxide	56	0.12	0.10	0.00	0.22	0.10	0.04
N,N-Dimethylformamide	232	0.01	0.00	0.00	0.01	0.00	5.17
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	14.77	0.00	0.00	14.77	0.00	0.00
Dicyclopentadiene	190	7.01	0.00	0.00	7.01	0.00	0.17
Acrylonitrile	9	0.00	3.27	0.00	3.27	0.00	0.15
Styrene	240	2.85	0.00	0.00	2.85	0.00	2.80
α-Methylstyrene	436	2.04	0.00	0.00	2.04	0.00	7.71
Toluene	300	1.89	0.00	0.00	1.89	0.00	0.11
Methyl methacrylate	420	1.84	0.00	0.00	1.85	0.00	3.72
Benzene	400	1.44	0.01	0.00	1.45	0.00	6.25
Phenol	349	1.45	0.00	0.00	1.45	0.00	11.81
Ethylbenzene	53	0.72	0.00	0.00	0.72	0.00	0.00
Dioxins	243	0.00	0.02	0.00	0.02	0.00	0.01

Iwakuni-Ohtake Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
N-Hexane	392	108.23	0.00	0.00	108.23	0.00	0.00
Toluene	300	23.42	0.06	0.00	23.48	0.00	0.00
Xylene	80	22.77	0.00	0.00	22.77	0.00	0.00
1,4-Dioxane	150	0.00	5.37	0.00	5.37	0.00	0.00
Bromomethane	386	4.37	0.00	0.00	4.37	0.00	0.00
Benzene	400	2.64	0.00	0.00	2.64	0.00	0.00
Acetaldehyde	12	0.85	0.00	0.00	0.85	0.00	0.00
Cumene	83	0.46	0.00	0.00	0.46	0.00	0.00
Phenol	349	0.01	0.39	0.00	0.40	0.00	0.00
1,3,5-Trimethylbenzene	297	0.23	0.00	0.00	0.23	0.00	0.00
Dioxins	243	0.02	1.26	0.00	1.27	0.00	0.00

Tokuyama Branch Factory

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
1,2-Epoxypropane	68	3.60	0.00	0.00	3.60	0.00	0.00
Ethylene oxide	56	0.11	0.00	0.00	0.11	0.00	0.00
Methylnaphthalene	438	0.09	0.00	0.00	0.09	0.00	0.00
Ethylenediamine	59	0.02	0.00	0.00	0.02	0.00	0.00
Styrene	240	0.00	0.00	0.00	0.00	0.00	5.00
Toluenediamine	301	0.00	0.00	0.00	0.00	0.00	0.00

Omuta Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Toluene	300	240.07	0.27	0.00	240.34	0.00	665.17
Dichlorobenzene	181	33.75	0.40	0.00	34.15	0.00	337.05
Toluene	300	16.72	0.00	0.00	16.72	0.00	0.00
Dicyclopentadiene	190	14.46	0.00	0.00	14.46	0.00	5.94
Formaldehyde	411	0.00	12.13	0.00	12.13	0.00	0.70
3-Chloro-2-Methyl-1-Propene	131	11.48	0.00	0.00	11.48	0.00	6.90
Epichlorohydrin	65	6.98	0.00	0.00	6.98	0.00	0.00
Triethylamine	277	2.69	0.00	0.00	2.69	0.00	8.54
Phenol	349	1.61	0.00	0.00	1.61	0.00	0.86
Acetonitrile	13	0.00	0.55	0.00	0.55	0.00	0.00
Dioxins	243	0.00	1.59	0.00	1.59	0.00	0.00

Sodegaura Center

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Dichlorobenzene	181	0.12	0.00	0.00	0.12	0.00	1.43
Dichloromethane	186	0.06	0.00	0.00	0.06	0.00	1.01
Toluene	300	0.01	0.00	0.00	0.01	0.00	1.19
Toluene Diisocyanate	298	0.00	0.00	0.00	0.00	0.00	1.08
Methylenebis(4,1-phenylene) diisocyanate	448	0.00	0.00	0.00	0.00	0.00	1.67

Environmental Protection



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](#) >

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.

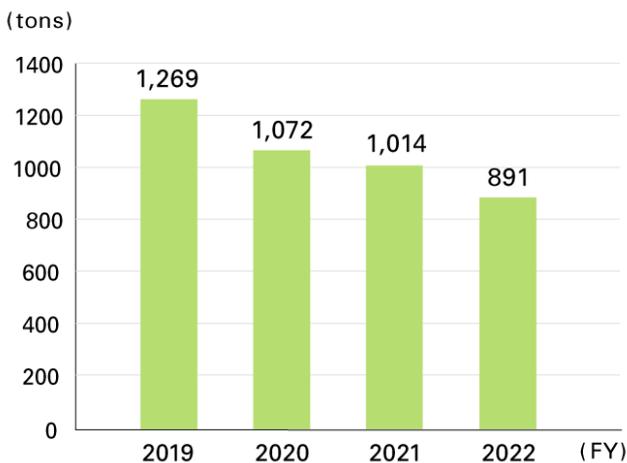
Reduction in water quality contaminants

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.

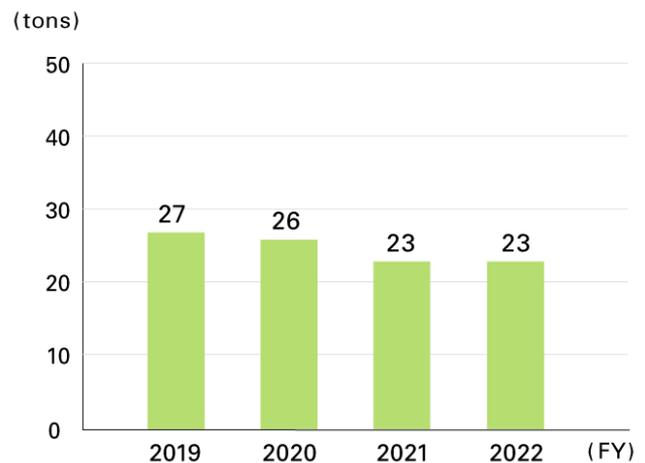
In domestic production sites with high water usage, the wastewater from different plants is collected together before it is treated by neutralization, oil separation, and removal of solids. We also pass the wastewater through an activated sludge process to remove organic substances using microorganisms. 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.

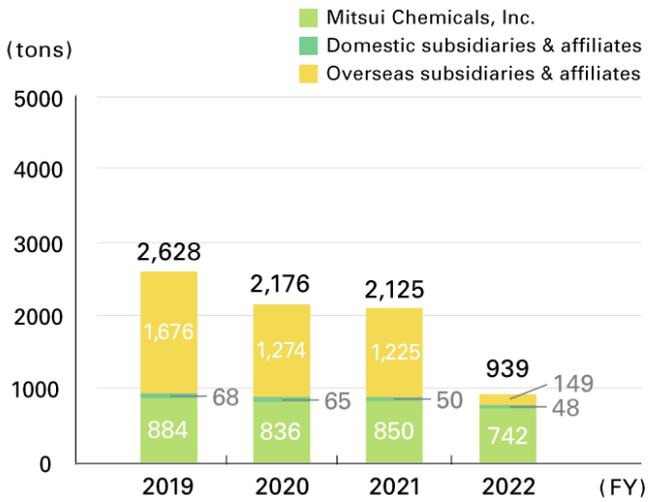
Total Nitrogen Emissions (Mitsui Chemicals, Inc.)



Total Phosphorous Emissions (Mitsui Chemicals, Inc.)



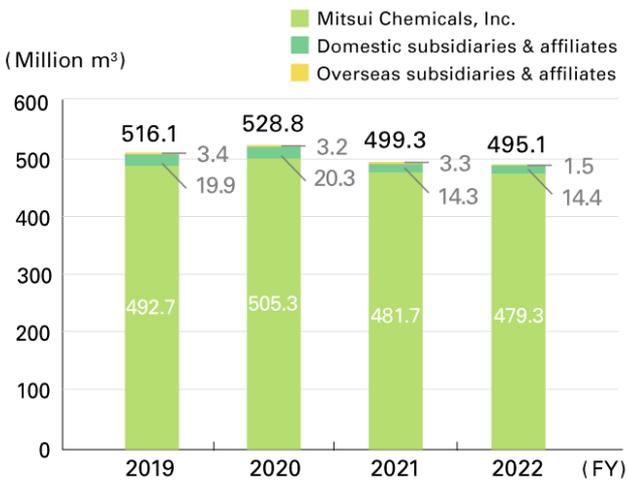
COD, BOD Emissions



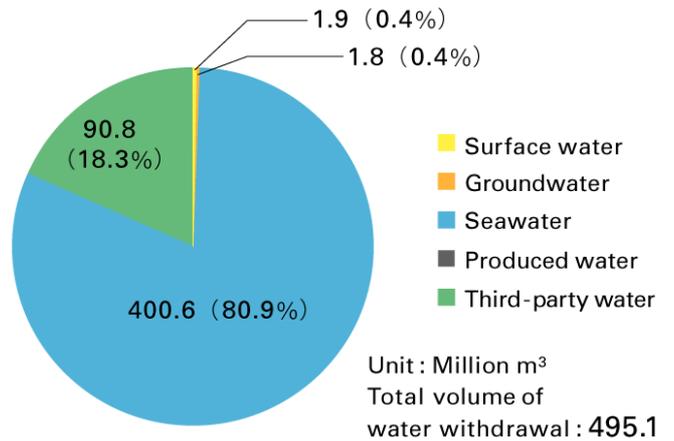
Efficient Use of Water

To grasp its water consumption and to use water efficiently, the Mitsui Chemicals Group monitors the amount of water intake, water discharge, and water recycled. The Group proactively engages in water recycling such as using circulating cooling water systems, particularly at production sites that use large amounts of water, in an effort to reduce water withdrawal.

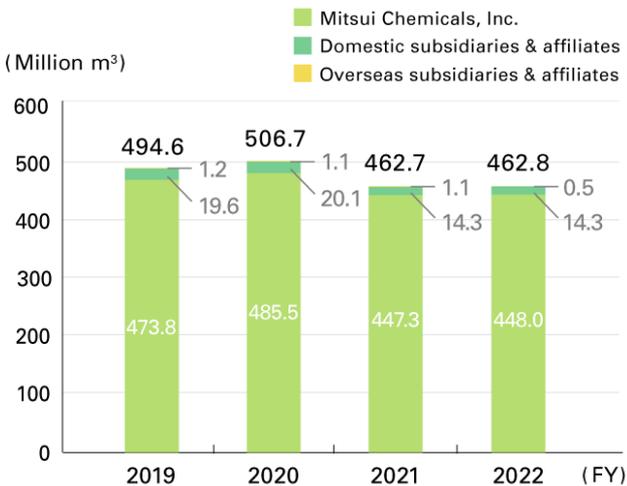
Water withdrawal
(surface water, ground water, seawater, produced water, third-party water)



Breakdown of Volume of Water Withdrawal
(Mitsui Chemicals Group: FY2022)



Discharge Water Volume

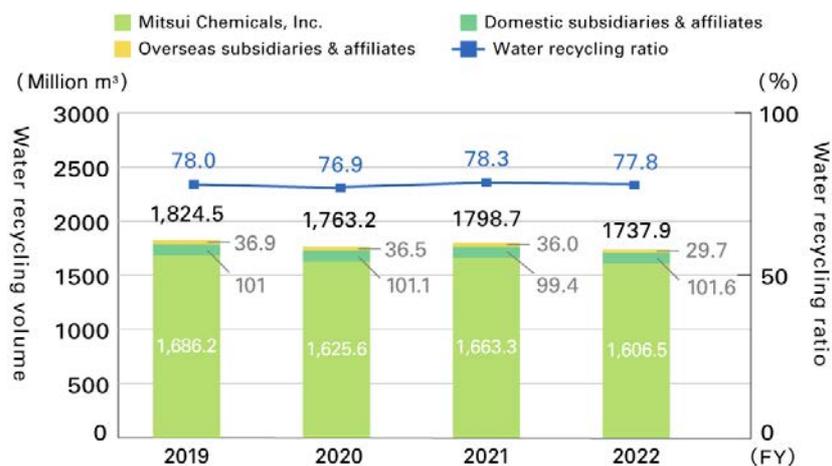


Water Consumption*



*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)

Water Risk Assessment

The Mitsui Chemicals Group conducts water risk assessments for its production sites from the present up to the year 2050. As assessment tools, we use the AQUEDUCT Water Risk Atlas from the World Resources Institute (WRI) and the Water Risk Filter from the World Wide Fund for Nature (WWF). The Group defines regions with a baseline water stress of "Extremely High" in AQUEDUCT and a "Quantity - Scarcity" level of 4.0 or higher in the Water Risk Filter as regions with a high level of water stress. In addition, a detailed assessment is made based on the water intensity of products manufactured in these areas, water consumption, local information, and other factors. In FY2021, we confirmed that our affiliates in India are located in areas of high water stress, but a detailed assessment confirmed that the water risk at each of our production sites, including India, is not high. 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 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 tends 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. In conjunction with the further development of the physical risk assessment in the recommendations of the TCFD, we plan to further expand the number of production sites subject to impact assessment, determine whether actions need to be taken based on the impact assessment results, and reflect the necessary actions in our business strategy.

Environmental Protection



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 "Reducing CO₂", "Conserving resources", and "Coexisting 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™:

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™

[NAGORI™ Wins Good Design Award 2018, Makes Good Design Best 100 >](#)

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



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.

Environmental Protection



Environmental Accounting/Compliance

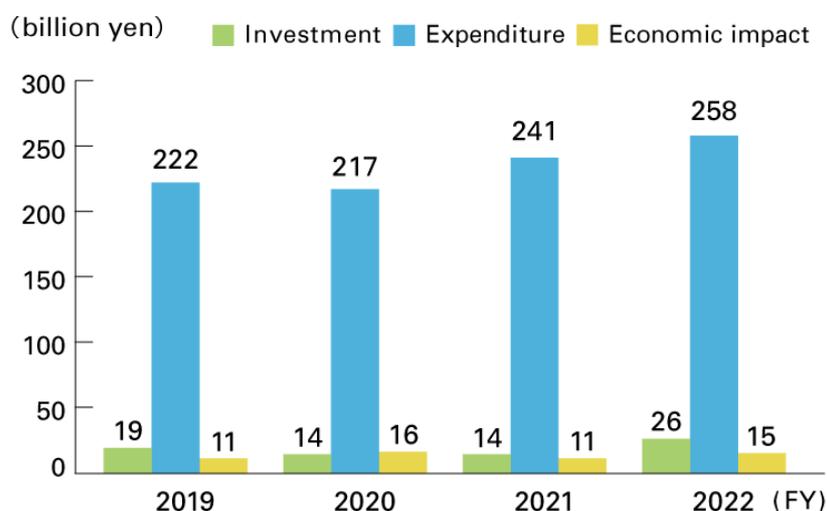
Environmental Compliance

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 Whistleblowing System](#) 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 2022. 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 (FY2022 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)		2,626	16,533
1-1 Pollution prevention cost	Measures to prevent VOC air pollution, odors, reduce wastewater, etc.	(2,011)	(13,507)
1-2 Global environmental conservation cost	Energy saving equipment	(486)	(87)
1-3 Resource circulation cost	Recycling waste plastics, etc.	(129)	(2,940)
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	595
4. R&D costs (Cost of environmental research and development activities)	Developing products and processes to protect the environment, reduce environmental impact, etc.	0	7,758
5. Social activity costs (Cost of environmental social activities)	Increasing greenery, funding measures to combat pollution, etc.	0	195
6. Environmental remediation cost (Cost of remediating environmental damage)	Remediating pollution, etc.	0	720
Total		2,626	25,802

Environmental Accounts Breakdown of Economic Impact (FY2022 Mitsui Chemicals, Inc.)

Unit: million yen

Category	Main benefits	Economic impact
1. Income from recycling	Recycling waste into resources	628
2. Income from saving energy	Saving energy	577
3. Income from saving resources	Improving our raw material intensity index	293
Total		1,498

*Scope of Mitsui Chemicals, Inc.: Parent company production sites and the Sodegaura Center

Product Stewardship

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 life cycle, 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 product life cycle. 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.

We will implement chemicals management in a planned manner based on the following Basic Strategy for long-term targets.

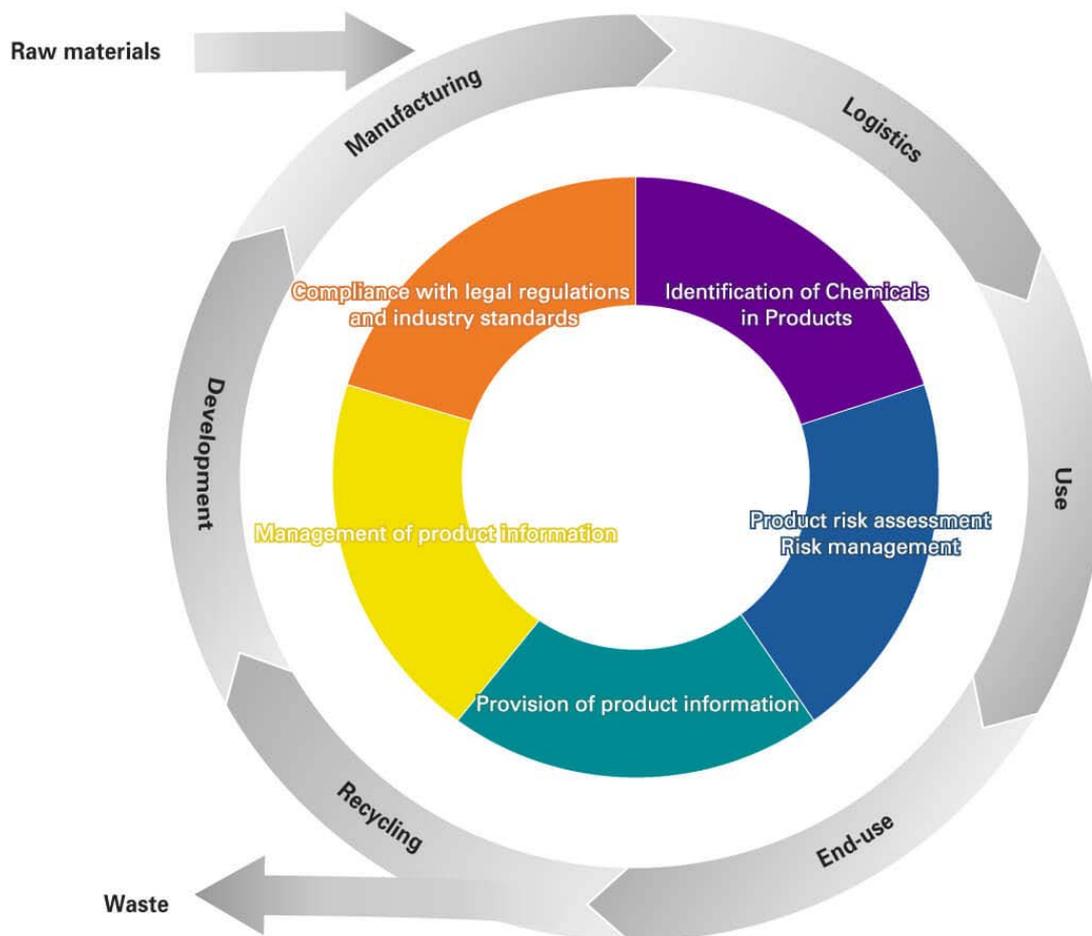
Long-Term Goals (Our Ideal Vision for 2030)

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. Transforming our management structure into one that can encompass the entire supply chain, ranging from development to disposal (process assurance)
2. 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



The Mitsui Chemicals Group assesses the risks to humans and the environment posed by chemical substances by considering the entire product life cycle, from the planning stage of the business, through development, manufacturing, distribution, use, recycling, and final consumption to disposal. The Group provides safety information based on the assessment results for appropriate risk management at each stage of the product life cycle to ensure people's health and reduce the environmental impact. In addition, we will promote product design to improve resource recycling and management of chemical substances contained in products, and work to build a circular economy business model through the supply chain. In fiscal 2020, we established a Global Policy on chemicals management and are working with domestic and overseas affiliates to improve the chemicals management system for the entire Group.

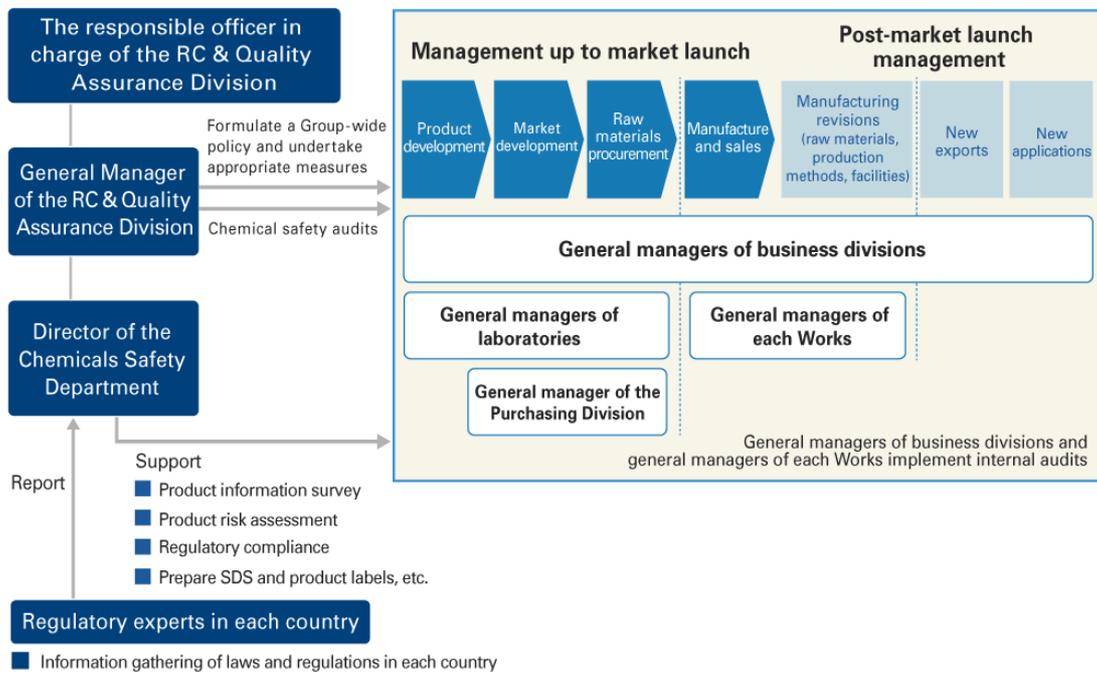
System and Responsible Officers

Policies and measures related to chemicals management are discussed by [the Responsible Care Committee](#) as part of Responsible Care.

The responsible officer for the RC & Quality Assurance Division, who is responsible for this task, reviews and establishes the group-wide chemicals management policy, and ensures that the policy is understood and put into practice in Mitsui Chemicals. The officer also provides advice, instructions, and guidance to the responsible officers for the business sector. The general manager of the RC & Quality Assurance Division combines the latest trends in chemicals management 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, the director of the Chemicals Safety Department supports the implementation of concrete actions, which include conducting product information surveys and product risk assessments, complying with chemical regulations and standards, and creating SDSs and product labels.

Based on these company policies, the general manager of the business division that owns the product and the responsible officer for the business sector responsible for that division are responsible for the chemicals management of each product. In addition, the general manager of laboratories is responsible for human- and environment-friendly product development; the general manager of the Purchasing Division is responsible for raw material procurement; and the general manager of each Works is responsible for managing the chemical products handled at Mitsui Chemicals' Works.

Product Stewardship System (Mitsui Chemicals, Inc.)



Internal Audit

The RC & Quality Assurance Division conducts chemicals management audits of each business division and affiliated companies of the Mitsui Chemicals Group.*

Audit on chemicals management	Auditing Division	RC & Quality Assurance Division
	Scope	Business divisions of Mitsui Chemicals Head Office, branch offices, laboratories, and domestic and overseas affiliates
	Details	The management system for chemicals management, its operational status, and the status of compliance regarding the manufacture, import, and sales of chemicals are checked.
	Frequency	In principle, once every three years

*The Internal Control Division, as the third line of risk management, conducts audits from an independent standpoint to ensure that the audits are properly carried out.

Goals and Results

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Number of legal and regulatory violations	Mitsui Chemicals Group	0	0	○	0	0

Product Stewardship

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. Ensuring compliance in a scheduled manner is needed for the Act on Registration and Evaluation of Chemical Substances in Korea, 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. We will register properly before the deadline.

Global Network for Legal Compliance

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. The Regulatory Experts in different countries and Mitsui Chemicals also exchanged the latest information and issues in the Regulatory Experts Meetings (once a year).

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 operation since 2020 and has been deployed to group companies since 2023. We intend to further expand the scope of utilization of this system by concentrating the Group's knowledge of legal compliance judgments on this system for learning.

Centralized Chemicals Information and Providing the Safety Information

Thorough data management is important for chemicals management. Mitsui Chemicals manages chemical substance information for all products, raw materials, etc., handled centrally through the Mitsui Chemicals Safety Information System (MiCSIS). This system quickly and reliably confirms compliance with domestic and overseas laws and regulations, manages manufacturing and import quantities, creates SDSs and product labels in compliance with Japanese, European, American, East Asian, and Thai laws and standards, and complies with chemSHERPA*. We then work to inform our customers about our legal compliance and the hazards and safe handling of our products. We continue to reinforce chemicals 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 use the latest SDSs and chemSHERPA, and to submit the 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 its efforts to shift its operation towards information dissemination to ensure that it can respond to various post-launch changes and provide customers with the latest information promptly and proactively.

*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.

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) and the International Council of Chemical Associations (ICCA).

[International Council of Chemical Associations \(ICCA\) and Chemical Industry Associations in Each Country >](#)

Product Stewardship

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 assesses the potential risks of all our products for workers who handle them, for general consumers who anticipate the final use of our products, and for the environment.

We also assess risks for new products at the time of development, and for 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.

For risk assessment for workers, we prioritize risks based on qualitative assessment using the Control Banding Method^{*1} and proceed to quantitative assessment utilizing methods such as ECETOC TRA^{*2}, which is used for risk assessment in the European REACH regulation. 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 developing alternative products, or doing both.

Going forward, we will also assess risks that support recycling in light of shifting to the circular economy.

^{*1} Control Banding Method:

A chemical substance management method created by the International Labour Organization (ILO) with the aim of protecting workers from chemical substances.

^{*2} ECETOC TRA:

A targeted risk assessment (TRA) tool developed by the European Centre for Ecotoxicology and Toxicology of Chemicals (ECETOC).

^{*}For risk assessment and management in works and distribution, see the following sections:

[Occupational Health, Safety and Prevention](#); [Environmental Protection](#); and [Logistics](#).

The risk assessment of a product or 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.

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 ↓ Implement product risk assessment ↓
IV	Full-scale market development	Hold product safety conference ^{*1} → Change ^{*2} / cease development ↓ Implementation of risk management measures ^{*3} Submission of application for approval
V	Commercialization, release to market	Implement 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, 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 74% 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 (17) 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 I 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. (China) Measures for the Restriction of the Use of the Hazardous Substances of the Electrical and Electronic Products (China RoHS) Hazardous Substances.
16. Global Automotive Declarable Substance List (GADSL).
17. IEC 62474 DB Declarable substance groups and declarable substances.

In addition, the Group has a policy for reducing certain substances of concern through substitution. Examples of alternative approaches are shown in the table below.

Target	Examples of Substances of Concern	Policy
Reaction solvents in the manufacturing of various products	Toluene, Xylene DMF (N,N-dimethylformamide)	Substituted with less toxic substances
Additives for specific product groups	Diethanolamine	Substituting long-chain alkyldiethanolamine, etc. for additives that are concerned about the inclusion of diethanolamine
Urethane curing agent	MOCA (4,4'-Methylenebis(2-chloroaniline))	Substituted with less toxic substances

Safety Assessment and Animal Testing System

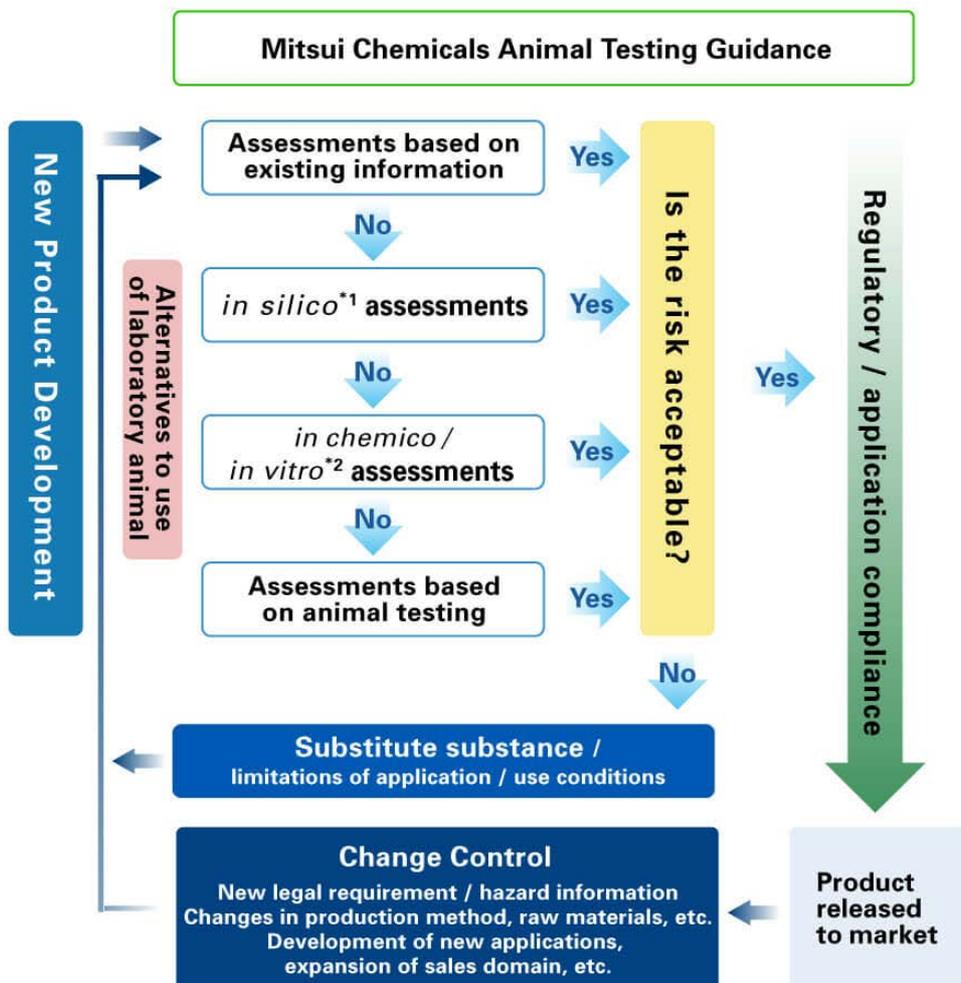
In the development and management of chemical products, animal testing may be unavoidably required in order to confirm safety and functionality as required by laws and regulations. Mitsui Chemicals established internal regulations compliant with various laws and regulations, such as "the Act on Welfare 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. Based on this, the Institutional Animal Care and Use Committee ensures appropriate animal testing by examining our animal experiments not only from the perspective 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), but also from ethical and scientific perspectives. Furthermore, we conduct annual self-inspections to ensure compliance with various laws, regulations, and internal institutional rules. Third-party certification by the Japan Medical Information Center* for these initiatives has been obtained since March 2020 (certification will be renewed in March 2023).

*The certification program was transferred to the Japan Pharmaceutical Information Center in April 2021 due to the dissolution of the Japan Health Sciences Foundation.

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 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 participate in the Long-range Research Initiative of the Japan Chemical Industry Association and JaCVAM^{*2}, contributing to the development and dissemination of alternative methods to animal testing.

^{*1} ADRA:
Amino Acid Derivative Reactivity Assay, *In chemico* alternative method for skin sensitization.
^{*2} JaCVAM:
Japanese Center for the Validation of Alternative Methods.



^{*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.

Product Stewardship

Management System

Regulatory Compliance and
Providing the Safety Use
Information

Providing Safe Products

Training

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.

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.	
	Scope	All employees in business divisions and laboratories and all line managers of Works and indirect departments
	Details	I. Basics of laws and regulations on chemicals management II. Basics of chemicals management in Mitsui Chemicals <ul style="list-style-type: none"> Mitsui Chemicals Responsible Care Policy Basic knowledge specified by corporate rules on chemicals management
Basic course	Introductory education for new employees	
	Understanding of the background and overall picture of chemicals management work.	
	Scope	New employees assigned to laboratories
	Details	<ul style="list-style-type: none"> What is chemicals management? Laws and Responsible Care (RC) Risk assessment and risk management for chemical substances, and basic knowledge on "safer product development"
	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.	
Advanced course	Scope	Employees responsible for practical handling in the business division, laboratories, etc.
	Details	Part 1: Chemicals management in Mitsui Chemicals <ul style="list-style-type: none"> Identification of chemical substances contained in products, and investigation and collection of safety information Product risk assessment in Mitsui Chemicals Providing safety information (SDS, labels, etc.) Compliance before product market introduction, and chemicals management after product market introduction Part 2: Domestic and overseas legal trends
	Learning about chemicals specific to a certain product or application, such as food packaging materials.	
Advanced course	Scope	People involved in specific products and applications, and people responsible for practical chemicals management
	Details	Events held in FY2022 (example) <ul style="list-style-type: none"> Explanatory Meeting on Chemical Substances Control Law Explanatory Meeting on Trends Related to Chemicals Regulations Food Packaging Seminar Seminars on Legal Regulations in Various Countries (Japan, US, EU, China, Korea, Taiwan, etc.)

Quality of Products and Services

Management System

Initiatives

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. In addition, 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" ^{*1}) and quality assurance ("activities that win over customers' trust" ^{*2}). 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

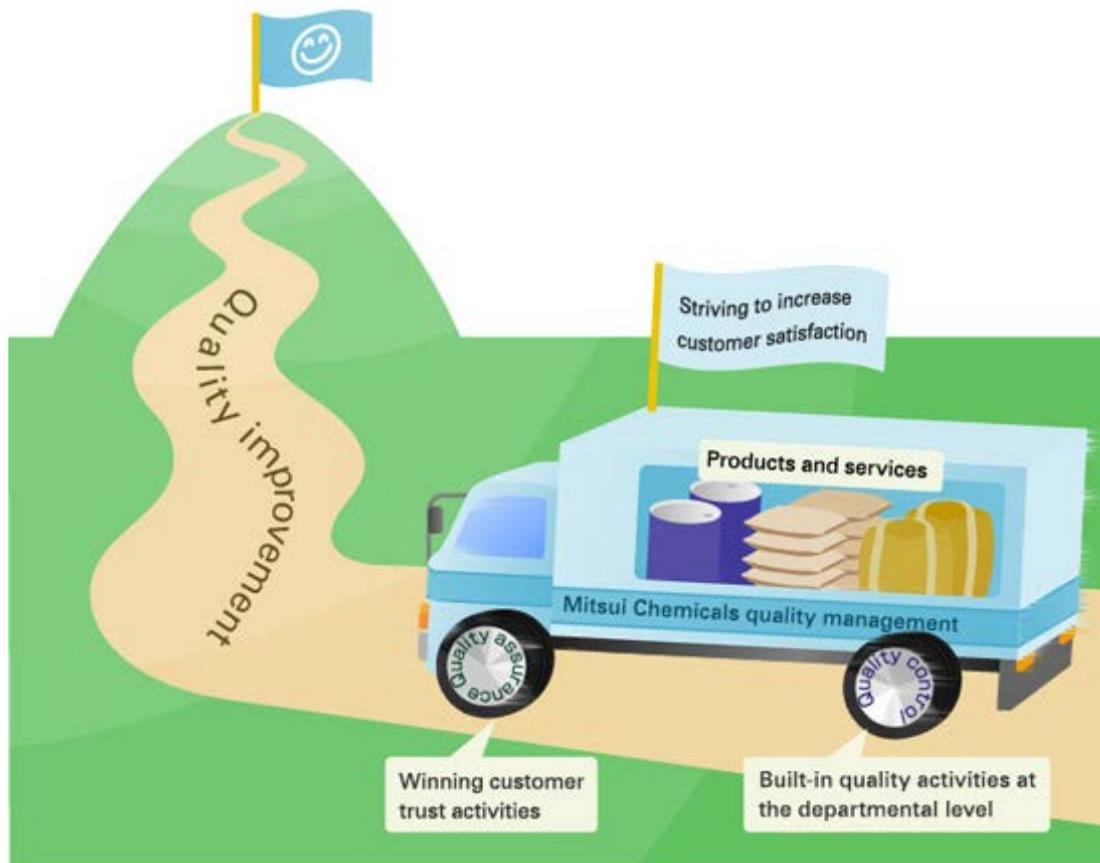
^{*1} Built-in quality activities:

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



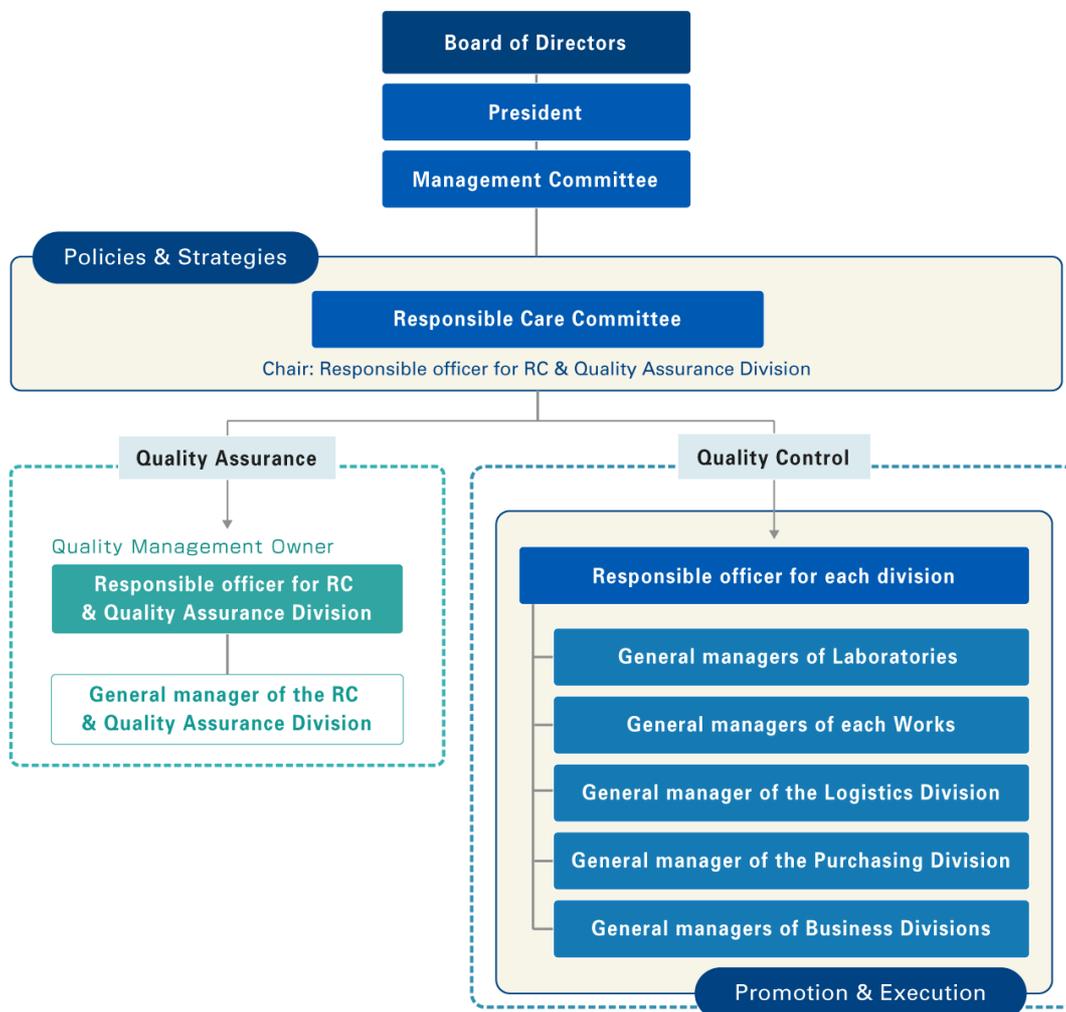
Reference: ISO9000 (Quality management systems - Fundamentals and vocabulary)
 Quality assurance: Part of quality management, focused on providing confidence that quality requirements will be fulfilled
 Quality control: Part of quality management, focused on fulfilling quality requirements

System and Responsible Officers

The President bears the ultimate responsibility for quality management. Based on the [Responsible Care Policy](#), we have established company rules and determined basic items for quality management, and the RC & Quality Assurance Division oversees quality management for the entire Mitsui Chemicals Group under the direction of the responsible officer for the RC & Quality Assurance Division. Each business sector president is responsible for the quality control of their division, and each division, logistics division, purchasing division, Works, and laboratory promotes quality control based on the policies and strategies of the RC & Quality Assurance Division.

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 product quality audits of each division of the Mitsui Chemicals Group.*

Quality audits	Auditing Division	RC & Quality Assurance Division
	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.
	Details	Confirms using the actual records, forms, etc., used at the worksite that product quality compliance is observed, and a quality management system that assures customers of the quality is established and operated. Creates the audit program for the following year after reviewing the current year's audit findings and risks inside and outside the Company. The integrity of product audits was also checked. In recent years, remote audits were also utilized.
	Frequency	Once every one to three years (depending on size, business type, and management level of the audited organization).

*The Internal Control Division, as the third line of risk management, conducts audits from an independent standpoint to ensure that the audits are properly carried out.

Goals and Results

No PL accidents or serious product quality incidents occurred in FY2022.

PL accidents & serious product quality incidents

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Incidence of PL accidents & serious product quality incidents	Mitsui Chemicals Group	0	0	○	0	Zero (over the course of VISION 2030)

Quality of Products and Services

Management System

Initiatives

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

We implement a variety of quality training programs. For example, as a human resource development program, we conduct product quality training for each level of employees from new hires to management, hold product quality lectures on the topic of "creating value that satisfies customers," and utilize teaching materials that prevent human error. 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	FY 2022 participants (hours) (Mitsui Chemicals, Inc.)
Compliance of quality with laws and rules	6,186 (2,577hrs)
Basic Training for quality management	1,279 (746hrs)
Basic training for quality control methods	966 (483hrs)

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 2022

General Manager's Prize of the RC & Quality Assurance Division	Description of activities
Prime Polymer Co., Ltd. (Japan)	Establishment of a food brand safety management system based on HACCP ^{*1} that anticipates customer needs
Excellence Prize	Description of activities
SUN MEDICAL CO., LTD.	Obtained the European Medical Device Regulation (MDR) certification
Nagoya Works	Improved customer satisfaction through continuous product quality improvement activities for PLGA ^{*2} products
Mitsui Chemicals Tohcello, Inc.	Continuous activities to reduce complaints and improved slip defects in response to process requirements
CHEMOURS-MITSUI FLUOROPRODUCTS CO., LTD.	Improved quality management system in digitalization (DX promotion) activities
Mitsui Prime Advanced Composites do Brasil Indústria e Comércio de Compostos Plásticos S.A.	Company-wide initiatives for RC activities

*1 HACCP:

Abbreviation for Hazard Analysis and Critical Control Point. A method of sanitation management in which food business operators themselves identify hazards, such as food poisoning contamination and foreign material contamination, and then control particularly important processes to eliminate or reduce such hazards in all processes, from receiving raw materials to shipping products, in order to ensure product safety.

*2 PLGA[™]:

Mitsui Chemicals Products. High-quality additives (sustained release drug substrates) used to control drug release.



The RC & Quality Assurance Division General Manager Award
(Prime Polymer Co., Ltd. Awarded workplace)

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

We have established a project to promote quality management for the solutions business and new businesses from the social issue perspective, and are taking action. In addition to strengthening quality management at the development stage to prevent defects from occurring at the customer's site, we aim to perform "aggressive" quality assurance to create new customer value based on our dialogues with customers. The Mitsui Chemicals Group takes steps to ensure compliance with all applicable statutory, regulatory, and certification requirements for each product purpose and conducts risk assessments before bringing a particular product to the market. We established a designated group to address compliance issues in connection with laws, regulations, and certification related to pharmaceutical affairs, including the medical instruments business. 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.

Logistics

Management System

Safety and Quality in Logistics

Stable Transportation (Sustainable Logistics)

Management System

Policy and Basic Approach

The Mitsui Chemicals Group Responsible Care Policy states that the Group implements activities designed to ensure safety, health, and quality, as well as protect the natural environment throughout the entire life cycle of its chemical products, including the logistics.

The environment surrounding the logistics industry is becoming even more challenging due to the increasing risk of disruptions to logistics networks caused by climate change, earthquakes, and other natural disasters, as well as a serious shortage of logistics labor. In this severe and dynamic social environment, the stable supply of our Group's products, which play a fundamental role in society, is not only our social responsibility but also our mission.

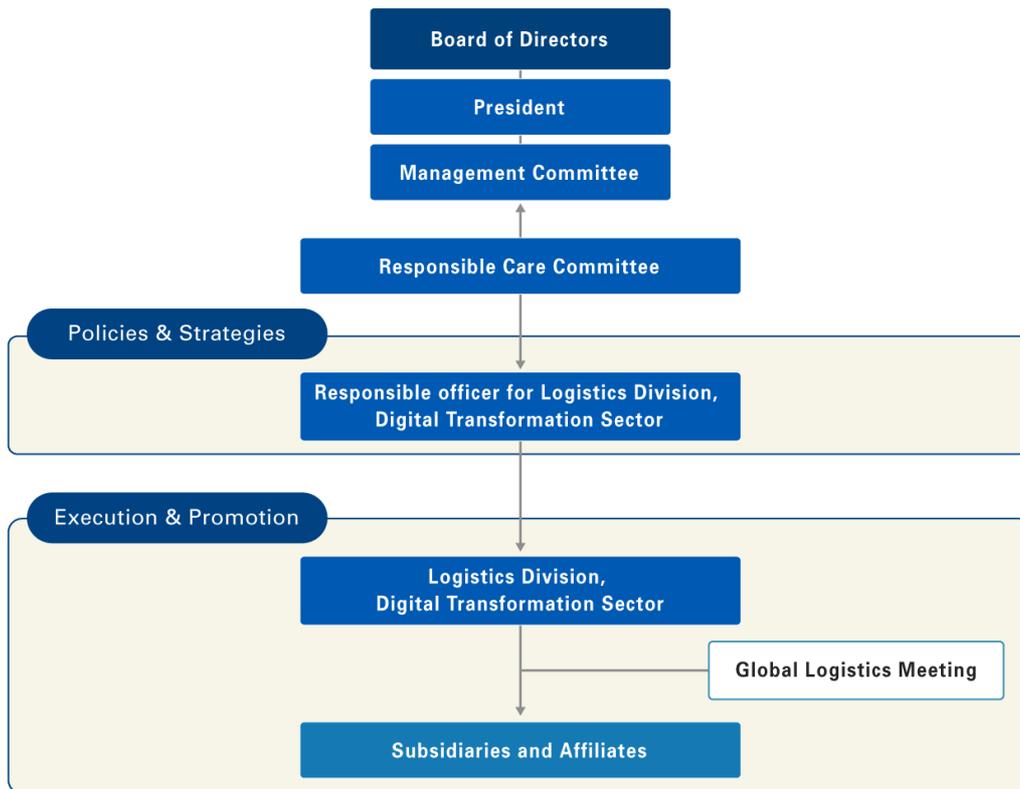
In VISION 2030, we defined the ideal state of our group's logistics in 2030 as "fulfilling our social responsibility as a shipper by ensuring safety, reducing environmental impact, and improving the logistics labor environment, and establishing a system that strongly supports business development and innovation through 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

Under the supervision of the responsible officer for the Digital Transformation (DX) Sector, who oversees the Logistics Division, we are working to improve and promote logistics RC throughout the entire logistics supply chain, including at affiliates and partner companies.

Logistics RC Management System



The Logistics Division, as the department responsible for promoting logistics RC, 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. In order to ensure safe, environmentally sound, and quality logistics system, we believe it is important to collaborate with our logistics partners. For this reason, our annual logistics RC plan includes measures such as audits, educations, worksite dialogues, and campaigns for the logistics partners under our jurisdiction.

Progress in implementing the plan is checked at monthly meetings held by logistics RC promoters appointed from the departments in charge of logistics at the Head Office and each Works.

In addition, in order to horizontally deploy the Group's accumulated knowledge and experience throughout our global organization, we have established a Global Policy on logistics to prevent accidents during the transportation and storage of dangerous goods and to ensure transparency and prevent fraud in logistics management operations. We are also promoting penetration of the policy and its implementation in practice.

Furthermore, we regularly hold a Global Logistics Meeting with the heads of the logistics division of our overseas affiliates. The purpose is to share information on logistics issues and countermeasures at each site and to promote understanding of the company-wide policy toward a sustainable logistics supply chain.



Global Logistics Meeting held for the first time in four years, bringing together logistics managers from India, Singapore, and the U.S. (2023)

Monitoring

Monthly meetings of logistics RC promoters from the Head Office and each Works check the status of the Group's annual plan targets and monitor progress, and at the [Responsible Care Committee](#) meetings, logistics performance and plan progress are reported and opinions are exchanged. The Logistics Division also conducts audits and worksite dialogues with logistics partners, and the results are shared at monthly meetings.

Internal Audit

The Logistics Division conducts logistics RC audits for each Mitsui Chemicals Group business site and logistics partner. *1

Logistics RC audit	Auditing Division	Logistics Division
	Scope	The Mitsui Chemicals Logistics Division groups and logistics partners
	Details	Logistics RC, including the correct and proper delivery of products to customers, is maintained and improved by checking and providing instructions on the management status of the logistics environment, safety, and quality based on onsite audit or document audit.
	Frequency	Once every one to three years (depending on size, business type, and management level of the audited organization).

*1 The Internal Control Division, as the third line of [risk management](#), conducts audits from an independent standpoint to ensure that logistics RC audits are properly carried out.

Goals and Results

Safety

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Number of serious occupational injuries in logistics*1	Mitsui Chemicals, Inc.	0	0	○	0	0
Number of major accidents in logistics*2	Mitsui Chemicals Group	0	0	○	0	0

*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 partners.)

*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

Metric	Scope	FY2022			FY2023	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	0.11%	×	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.	Established measurement method	○	Building a trade digital platform for on-demand GHG visualization	100% (FY2025)
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*Marine container transportation:
Transportation projects arranged by the Mitsui Chemicals Logistics Division

Quality

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals*4	Goals
Number of spillage problems in logistics*3	Mitsui Chemicals Group	15 or less	23	×	12 or less	11 or less
Incidence of spillage problems in logistics*3	Mitsui Chemicals Group	35 ppm or less	58 ppm	×	30 ppm or less	—

*3 Spillage problems in logistics:
Troubles with a significant impact on society and customers (complaints, accidents, etc.).

*4 Goals:
Goal for the fiscal year set at 90% or less of the average results for the past three years

In FY2022, in addition to changes in the environment surrounding logistics, the number of spillage problems increased due to confusion at logistics sites caused by the COVID-19 pandemic. We see this as largely due to our inability to fully grasp the situation at logistics sites, including troubleshooting, follow-up, and auditing, in order to prevent infection. In FY2023, we will actively engage in direct dialogue with logistics sites based on the "three actuals" principle (actual worksite, actual part, actual situation) to help improve the working environment, which will lead to trouble prevention.

Logistics

Management System

Safety and Quality in Logistics

Stable Transportation (Sustainable Logistics)

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 recent years, in particular, the chronic shortage of logistics personnel on a global scale, combined with the 2024 issues^{*1} in Japan, has made the lack of experience and insufficient transfer of skills an extremely important issue in maintaining the safety and quality that are the foundation of logistics. Therefore, the Company focuses on joint education with its logistics partners to improve logistics safety and quality.

Specifically, the logistics RC promoters appointed from the divisions in charge of logistics at the Head Office and each Works conduct mutual plant patrols as well as training to improve technical capabilities. 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.

Furthermore, we believe that in order to achieve logistics that ensures safety, environment, and quality, it is important for the logistics field to be fully aware of logistics RC, and we conduct logistics RC education and training jointly with our logistics partners. In addition, we instruct and confirm that our logistics partners conduct the same management when they re-consign the operations to their partners. Third-party logistics (3PL)^{*2} companies take the lead in managing 3PL products. The aforementioned activities are also undertaken with the logistics division at each of our Works playing a supporting role.

Initiatives that include logistics partners

- Sharing of logistics trouble and near-miss cases at logistics council meetings, worksite patrols at own Works, and education on trouble prevention using a collection of trouble cases
- Group education and training on the handling of hazardous materials
- Raise awareness of logistics safety and quality through the monthly reports on safety and quality for logistics RC and RC News, which provide easy-to-understand information on examples of logistics-related problems, the importance of protective equipment, and seasonal considerations (heat stroke prevention, etc.).
- Safety talks (interviews) with worksite personnel

^{*1} 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.

^{*2} Third-party Logistics (3PL):

A form of logistics operation where other companies undertakes all or a portion of logistical tasks.



Drills with affiliates (disaster drills)

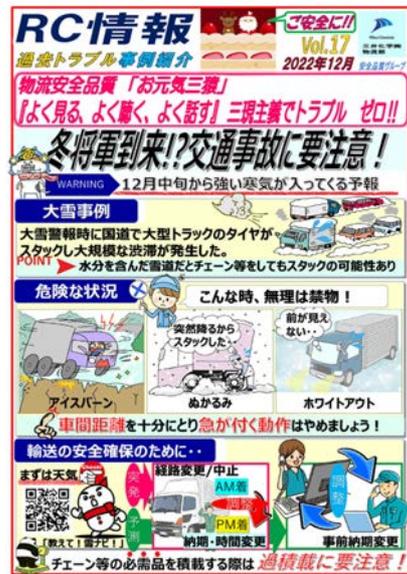


Trainings with affiliates (vehicle width sensory demonstration)



"Monthly reports on safety and quality for logistics RC"

Call for safety measures, including the use of appropriate protective gear



"RC News"

Closer communication with logistics partners on Responsible Care



Cross-checking patrol

Safety Measures for Product Transportation

Provision product information

The Mitsui Chemicals Group products include hazardous substances specified by the United Nations Recommendations on the Transport of Dangerous Goods^{*1} and Japan's Fire Service Act and other domestic laws. In order to ensure the safe handling and transportation of products, the Group provides information on safe handling and storage precautions through Safety Data Sheets (SDS) to its subcontractors, regardless of whether or not the products are hazardous or toxic. We also submit a Yellow Card,^{*2} which specifies the emergency response procedure and contact details in case of an accident, and mandate the logistics partners to carry the card during transportation. We have also developed a system to manage the distribution status of provided SDSs and Yellow Cards in a ledger and to swiftly provide the latest information when it is renewed.

^{*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

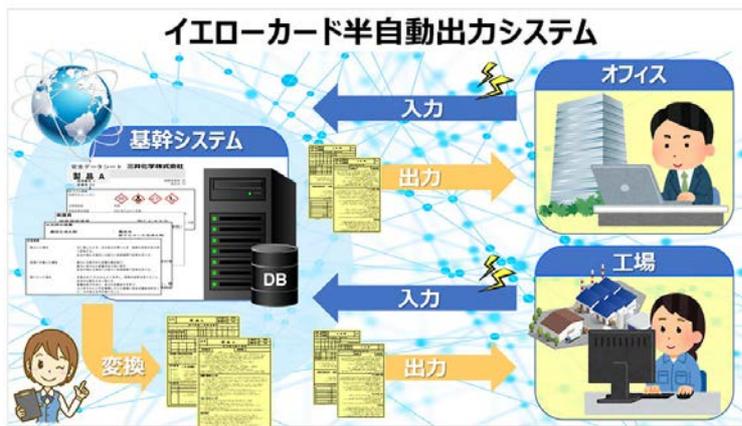


Image of the Yellow Card semi-automatic output system

Collaboration with other companies in the same industry

The Mitsui Chemicals Group is keen to maintain safe and secure goods logistics 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 2022, information exchanges on problems with transporting hazardous goods and other issues took place remotely. We are also considering DX initiatives to strengthen safety measures in the transportation of high-risk products.

*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

As a shipper, the Mitsui Chemicals Group is taking steps to respond promptly and flexibly in the event of an accident during product transportation.

Preparing for logistics accidents in Japan

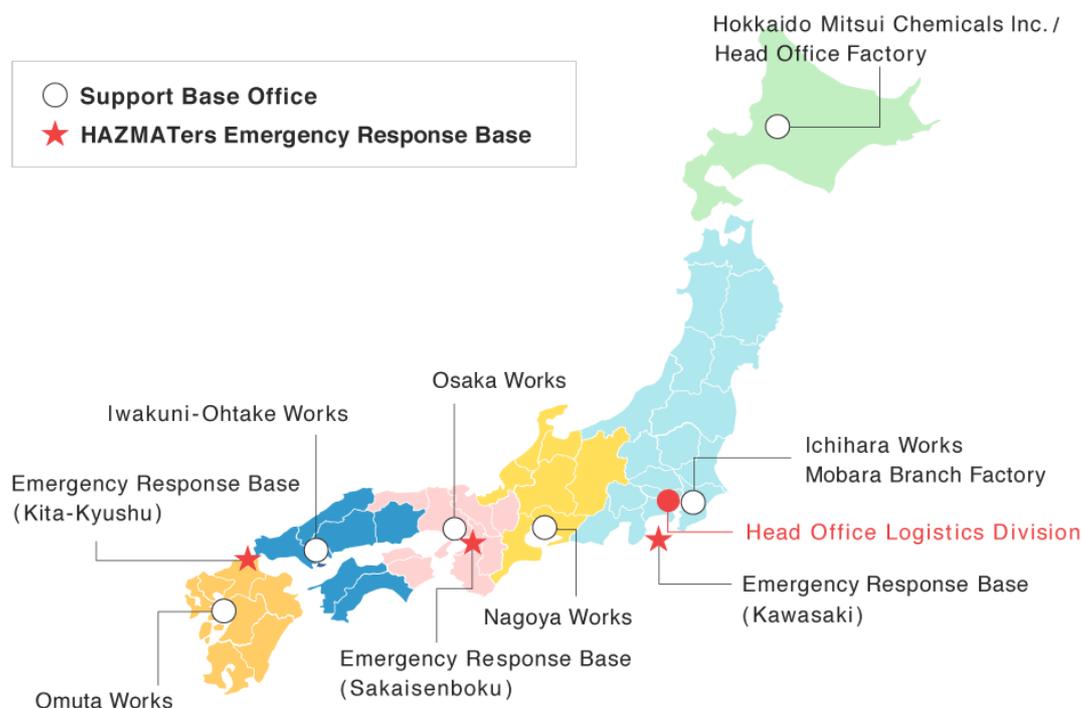
- Security and disaster drills by each plant to prepare for emergencies and disasters**
 As part of our emergency response training, we regularly conduct drills that simulate accidents involving the leakage of hazardous materials during transportation, as well as drills conducted in cooperation with our logistics partners.
- Establishment of the Mitsui Chemicals Group Offsite Logistics Accident and Emergency Contact Network and Support System (MENET)**
 The network and support system (MENET) 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.
- Contract signing for HAZMATers : Hazardous material accident response services with the Maritime Disaster Prevention Center**
 In addition to MENET, we are further strengthening our accident response system by utilizing specialized teams and specialized equipment and materials at the Maritime Disaster Prevention Center.
- Maintenance of equipment in case of vehicle accidents**
 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. In fiscal 2021, we deployed a portable abatement system that is needed to extract high-pressure liquefied gas at Osaka Works. When deploying this system, we provide instructions on how to use it and group training on safety, including to our logistics partners.

Preparing for global logistics accidents

• Introduction of Chemicals 24-hour Emergency Response Service (Carechem24)

By utilizing the emergency telephone response service provided globally by the National Chemical Emergency Centre (NCEC), we are able to respond promptly and accurately to overseas distribution accidents and inquiries about our Group's products, and we are also promoting the strengthening of the global logistics RC management system.

MENET Support Providers and HAZMATers Emergency Response Bases



Demonstration using the portable abatement system for liquefied high-pressure gas at the Osaka Works

Initiatives by Logistics DX

Improvement of logistics quality using digital technology

For greater efficiency in inventory control and shipment management, we have introduced the use of portable terminals. Inventory and shipping management is performed by reading QR codes attached to packages when receiving and shipping using a handy terminal; reducing the amount of work compared to conventional manual entry or input into spreadsheet software; and achieving a paperless operation. In addition, the introduction of the handy terminal has been effective in preventing erroneous shipments, whereas the previous method of visually checking brand names and lot numbers posed the risk of erroneous shipments due to misreading. Full-scale operation began at the Nagoya Works in fiscal 2019, with installation completed at the Ichihara Works in fiscal 2022.

In fiscal 2021, we also 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). Actual operation began in fiscal 2022. The addition of this functionality has standardized and greatly reduced the

workload of yellow card creation. This allows for speedier and more accurate communication of safety-related information throughout the logistics supply chain, leading to enhanced safety management.



Handy Terminal

Initiatives for supply chain optimization (SCM optimization PJ)

We are working to optimize the supply chain by promoting the visualization of actual logistics conditions using business intelligence (BI) tools. In order to solve the problems of data sharing, frequency of data collection, data granularity, and infrastructure for analyzing logistics data, we have established a common data infrastructure within the Company, and are developing an environment that enables regular analysis in the business and logistics divisions to visualize logistics costs and identify logistics issues. In the future, due to the logistics 2024 issues, it will be more difficult to transport goods over longer distances than before, so it is necessary to improve transportation efficiency by reviewing public warehouses and other measures. To improve the working environment for drivers, we will promote the reorganization of our logistics network.

Logistics

Management System

Safety and Quality in Logistics

Stable Transportation (Sustainable Logistics)

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 human resources shortages in the logistics industry. In addition, improving logistics efficiency is an urgent challenge as we work to address the 2024 issues* and achieve carbon neutrality by 2050. The Mitsui Chemicals Group, together with its partners involved in logistics, is working beyond the boundaries of the company to improve the working environment and build efficient transportation schemes to ensure logistics human resources and logistics safety, and to reduce GHG emissions.

*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.

Project to Reduce Driver Standby Time

The Mitsui Chemicals Group is 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. The Ichihara, Osaka, and Iwakuni-Ohtake Works have introduced an advance booking system for loading operations, which has reduced the need for drivers to wait early in the morning for their turn. The Group is currently promoting further improvements to the work environment of truck drivers, including updating the booking system to cover all loading operations.

Participation in Initiatives

Mitsui Chemicals announced its support for the sustainable logistics initiative proposed by the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Economy, Trade and Industry and the Ministry of Agriculture, Forestry and Fisheries, and submitted a declaration of its relevant independent activities. The sustainable logistics initiative aims to address the growing driver shortage and ensure logistics stability by improving truck transportation productivity and logistics efficiency, and by creating a comfortable working environment for women and drivers over 60 years old. 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 returnable box, cargo handling can be sped up.
Advance 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.
Modal shift to sea and rail transport	Mitsui Chemicals will strive to reduce GHG emissions by making active use of sea and rail transport for long-distance shipments.
Compliance with the law when selecting Logistics partners	Mitsui Chemicals will take into account the compliance status of Logistics partners when selecting.
Safety measures for cargo handling operations	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

The Mitsui Chemicals Group has been promoting modal shifts, starting with a joint effort by five companies including Mitsui Chemicals, which was certified by the Ministry of Land, Infrastructure, Transport and Tourism as a "Modal Shift Promotion Project" in fiscal 2017.

Modal shift from trucking to rail container transportation

In 2017, we switched the product transportation between our Ichihara area (Chiba Prefecture) and the Ohtake area (Hiroshima Prefecture) of DOW-MITSUI POLYCHEMICALS CO., LTD., our affiliate, from truck to rail. Furthermore, in August of the same year, 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 CO₂ 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 partners.

* 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."



To realize container round use

Mitsui Chemicals has been certified as an Eco Rail Mark company by the Administration and Screening Committee of Japan's Ministry of Land, Infrastructure and Transport.



Modal shift from trucking to marine transportation

In 2019, we made a modal shift in the transportation of products using 500-kg flexible container bag from the Ichihara area to the Chugoku area from trucks to marine transportation by coastal vessels. For this purpose, a special 20-foot-high cube container (the utility model right obtained) and a special rack (the design right obtained) have been manufactured to create two-tiered flexible container bag, which could previously only be placed flat, thereby improving loading efficiency, further reducing CO₂ emissions, and saving driver labor. We received the Award for Eco-Friendly Logistics Technology at 20th Logistics Environment Award of the Japan Association for Logistics and Transport. As a result of the development of this initiative, we are converting to domestic vessels in the Kyushu area from March 2021.



Dedicated racks enable flexible container bag to be stacked

In 2021, we collaborated with Asahi Kasei Corporation on a modal shift from trucks to ships for long-distance transportation between Chiba and Yamaguchi/Hiroshima. In this initiative, container round use was also realized by using ocean container vessels and liner vessels, with Mitsui Chemicals using the outbound vessels and Asahi Kasei using the inbound vessels. This has contributed to a roughly 40% reduction in annual CO₂ emissions and contributed significantly to solving the driver shortage issue. Furthermore, by using side-end open containers, cargo handling work has been reduced by approximately 80% compared to conventional containers. This has resulted 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.

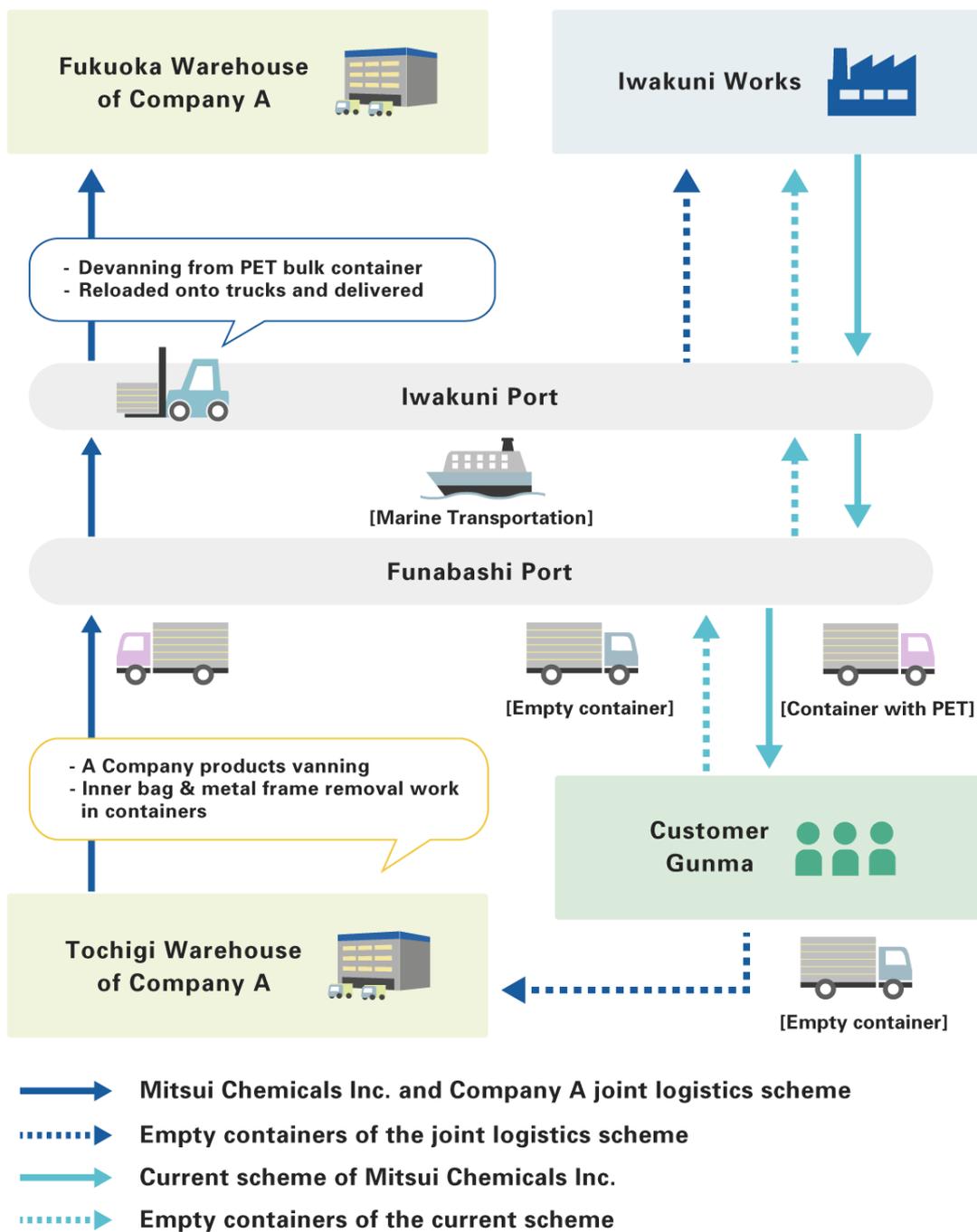


Side-end opening containers

Container round use with appliance manufacturers from different industries

In 2022, in collaboration with a home appliance manufacturer from a different industry (hereinafter referred to as "Company A"), we have started adopting container round use by loading Company A's products on the return trip of our dedicated bulk containers managed by our logistics partner, Sankyu Co. This made it possible for Mitsui Chemicals to avoid the return of empty containers between Gunma and Iwakuni, and for Company A to achieve a modal shift between Funabashi and Iwakuni out of the overland transportation between Gunma and Fukuoka. This is expected to improve loading and reduce CO₂ emissions.

Joint Logistics Flow



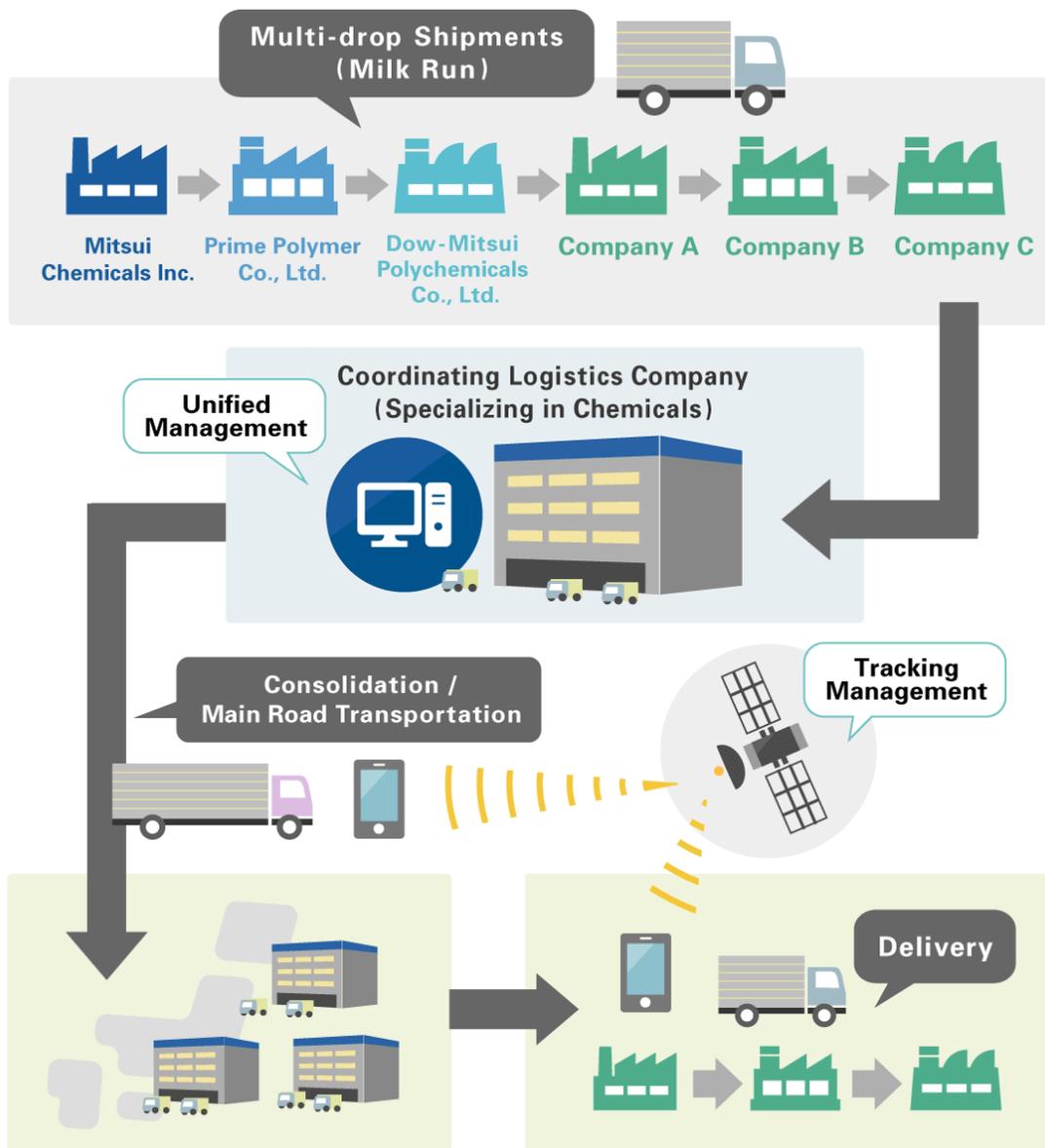
Joint logistics with other companies

The Mitsui Chemicals Group aims to build a robust supply chain that can flexibly respond to changes in the logistics environment by collaborating with other companies to standardize and streamline the logistics of chemicals.

Shared Logistics System for Small-lot Products by Other Companies in the Same Business

Since 2016, Mitsui Chemicals has been engaged in joint logistics with neighboring companies in the Keiyo area. Previously, the transportation was mixed with general merchandise and had to go through multiple transshipment bases. However, by using a logistics partner specializing in chemicals, we have achieved more specialized and efficient transportation by consolidating trunk line transportation from pickup to delivery bases and consolidating delivery from the delivery bases to each company's customers. This contributes to solving the driver shortage issue and reducing CO₂ emissions and quality problems such as damage. 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 partners 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



Joint study for standardizing and streamlining the chemical logistics

The Mitsui Chemicals is working with other companies in its industry to solve the extremely important issue of insufficient logistics transportation and storage capacity in the logistics of the chemical industry.

In fiscal 2022, we have launched a joint study with the Mitsubishi Chemical Group^{*1} to standardize and optimize the chemical logistics. In addition to joint transportation and mutual utilization of transportation networks, we will also use DX technology to study transportation routes and matching for the expansion of joint logistics projects.

In July 2023, a Chemicals Working Group was established^{*2} within the Physical Internet Realization Council led by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, with Mitsui Chemicals, Inc., Mitsubishi Chemical Group, Tosoh Corporation, and Toray Industries, Inc. serving as its secretariat. Through the activities of this working group, we aim to realize sustainable logistics that balances productivity and safety with reduction of carbon dioxide emissions through measures such as reforming and standardizing business practices in logistics, formulating action plans for DX promotion, and disseminating and implementing these plans to stakeholders.

^{*1} Mitsubishi Chemical Group and Mitsui Chemicals Inc. begin discussions on joint distribution between the two companies.
^{*2} Establishment of the Chemicals WG in the Physical Internet Realization Council

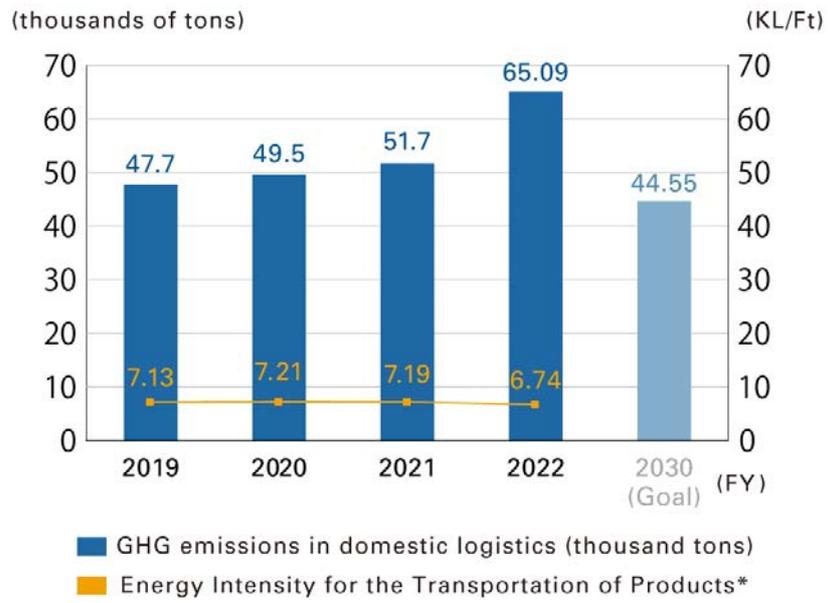
Setting Logistics GHG Emission Reduction Targets

In its climate change policy, Mitsui Chemicals Group aims to “maximize of the value chain contributions,” and has also been working to reduce GHG emissions in the logistics process for product transportation. However, due to its characteristics, 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. Nevertheless, in our initiatives to reduce GHG emissions, we have set separate targets for domestic logistics (mainly transport by rail, truck, ship, and air) and international logistics (mainly container transport by ship) from fiscal 2022 in order to monitor the progress based on quantified information and to improve our efforts. We are working to manage and monitor the progress according to each situation.

In particular, in international logistics, we are collaborating with Mitsui-Soko Holdings to identify GHG emissions from container transport by container vessel^{*}, and the GHG emission calculation values are then validated by DNV, an international third-party organization. In the future, we will work to reduce GHG emissions

throughout the entire value chain, including taking into consideration GHG reduction efforts and contribution to GHG reduction when selecting vessels to be chartered.

*Mitsui Chemicals Partners With Mitsui-Soko Holdings to Calculate CO₂ Emissions From International Transport of Products Leveraging digital transformation to visualize CO₂ emissions in real time with a new calculation method



*Energy Intensity for the Transportation of Products:
Amount of energy consumed (crude oil equivalent in kiloliters) / Volume of product shipments (thousands of tons).

Occupational Health

Management System

Health-focused Management

Preventing Exposure to Harmful Substances

Management System

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 occupational physician who heads the Health Management Department (supervising occupational physician) in the Human Resources Division implements concrete measures.

Leading by the supervising occupational physician, we hold regular Group-wide occupational 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

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.

In addition, the general occupational physician periodically visits Works of overseas affiliates in each country, and provides training on occupational health and employee health to employees and staff in charge of occupational health.

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 occupational physicians, nurses, and hygiene managers, and promotes health measures through an annual occupational health plan created to suit each site. Conferences for occupational physicians are regularly held and hosted by the supervising occupational 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	Audit Division	Internal Control Division
	Scope	Works and laboratories of Mitsui Chemicals, Inc., and its subsidiaries and affiliates (excluding particular areas, such as Europe and the US).
	Details	Confirms that the working environment is correctly maintained and initiatives for health promotion are being undertaken.
	Frequency	Once every two to five years (depending on business size, business type, and management level, etc. of the audited organization).

Goals and Results

Health and Productivity Management

Metric	Scope	FY2022			FY2023	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 0.73	0.83	×	Less than 0.73	0.5
Frequency of absences from work due to mental health disorders	Mitsui Chemicals, Inc. registered employees	Less than 0.50	0.55	×	Less than 0.47	0.25
Average rate of lifestyle-related disease	Mitsui Chemicals, Inc. registered male employees	Less than 9.5%	9.7%	×	Less than 9.25%	≤8.0%
Ratio of smokers	Mitsui Chemicals, Inc. registered employees	20.5% or less	19.9%	○	≤19.5%	≤15.0%

Preventing Exposure to Harmful Substances

Metric	Scope	FY2022			FY2023	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%	—

Occupational Health

Management System

Health-focused Management

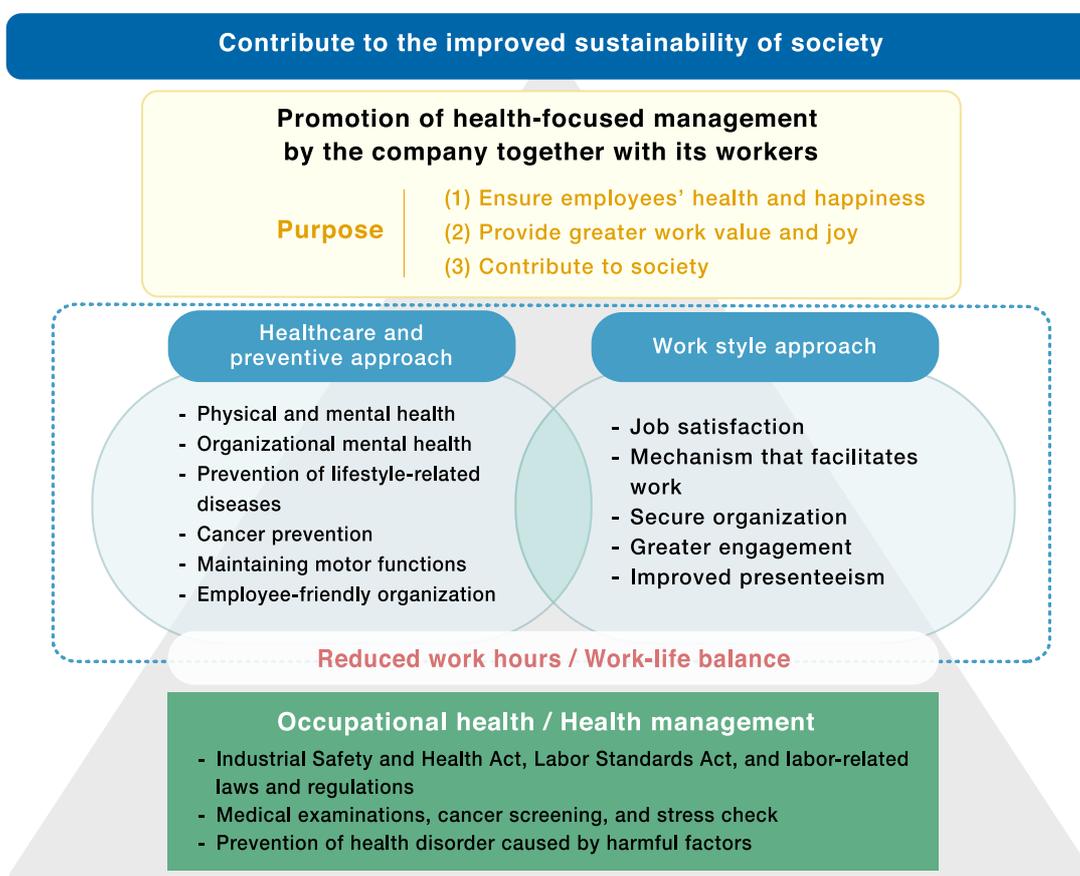
Preventing Exposure to Harmful Substances

Health-focused Management

The Mitsui Chemicals Group has set forth the promoting of the happiness and fulfillment of employees in the Corporate 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)



Health Management

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

Since 2008, we have been conducting comprehensive medical check-ups for employees (combining regular medical examinations with special medical check-ups and cancer screening), with a coverage in fiscal 2022 of nearly 100% for regular medical check-ups, nearly 100% for lung cancer screening, approx. 80% for colon cancer, approx. 60% for gastric cancer, approx. 70% for abdominal ultrasound scans, approx. 90% for prostate cancer screening, approx. 70% for breast cancer, and approx. 60% 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 2022, 69% of cancers were identified through these examinations, and about half of all cancers detected were found to be curable.

In addition, to encourage employees to voluntarily manage their health and raise health awareness, stool antigen tests for helicobacter pylori bacteria are conducted for those who wish to undergo the test early in their employment. Prompted by previous gastric cancer risk screenings, a growing number of

employees have rid themselves of helicobacter pylori bacteria or have undergone gastroscopies for gastric cancer screening and more. 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

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. Continuing in fiscal 2022, we conducted health improvement activities by offering medical examination follow-up guidance and health guidance, encouraging health examinations, and providing online access. In addition, we used online and on-demand delivery to share information (such as tips on weight loss and health promotion from various perspectives), provided guidance using an app, and conducted “Laugh Education (learn to laugh)” seminars, a program to improve communication by comedians. We encourage many employees to participate by making the seminars available to the entire company and again by e-mail on the day of the seminar. A body balance measurement session was also held, providing an opportunity to assess one’s own condition. Through these activities, a company-wide system has been established to implement new health promotion plans proposed by each business site and to share the effectiveness verification results after implementation. As a result of these various activities in fiscal 2022, we confirmed that the obesity rate is under control and that the hypertension and cholesterol levels have improved. However, as a result of the obvious increase in obesity and sugar, we have not reached the target for the average prevalence rate of lifestyle-related diseases, partly because we have set a stretch goal based on the recent downward trend in lifestyle-related disease risks. In fiscal 2023, we plan to continue devising programs and methods to conduct seminars and provide health guidance and other activities that are useful for promoting good health.

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. Each business site has begun taking action to ban smoking on Company premises or during work hours by fiscal 2025 to protect the health of our employees. In addition, starting in fiscal 2021, we opened a personal portal site (MCI Health Navi) 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 their medical examination results and work history, graphs to confirm changes based on past test data, recommendations to take medical examinations, and notifications regarding healthcare guidance, etc. In fiscal 2022, some functions were modified to allow individuals to manage their own health information and to make it easier for them to view their own health information. We will continue to support the program to foster health awareness and improve health literacy among employees.

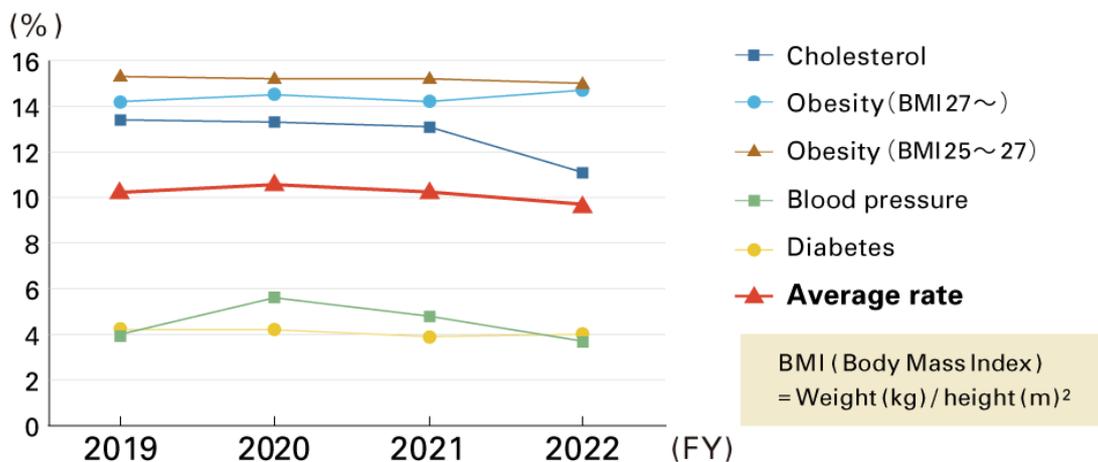


Work that is subject to medical examination

MCI Health Navi home screen: Recommendation to take a medical examination and notification on health guidance

Changes in past test data

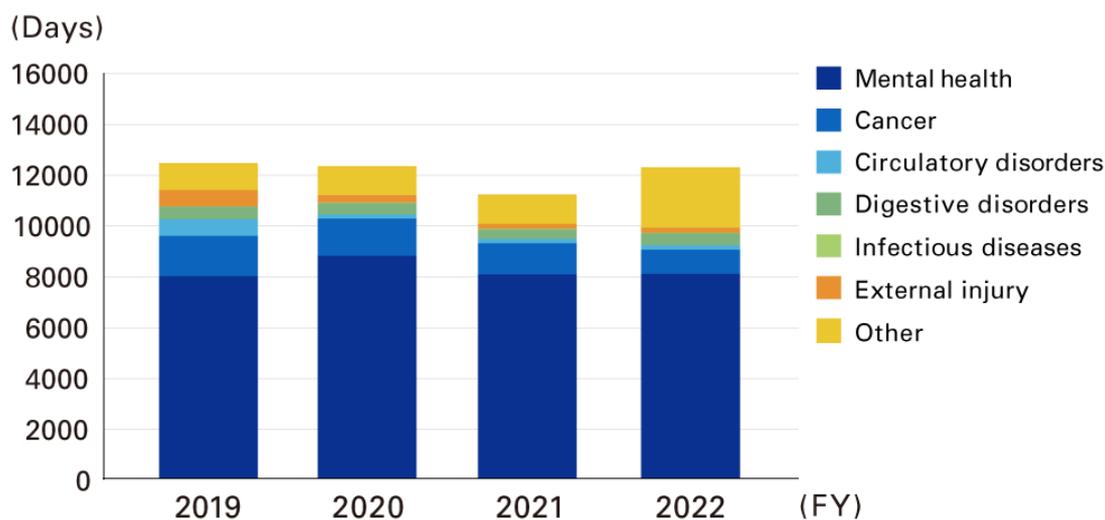
Lifestyle-related Disease Rates (Mitsui Chemicals, Inc. Registered Male Employees)



BMI (Body Mass Index)
= Weight (kg) / height (m)²

*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 continue to help balance work and disease treatment with the support of occupational physicians. We offer a health consultation and guidance for employees who are worried about their illness, such as not knowing the best action to take or when they are unable to fully understand the explanations 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 occupational physicians go overseas every year to make the rounds, conducting health interviews with all employees working overseas, including their families if they so desire. Until the first half of fiscal 2022, we were responding online and by e-mail due to the spread of COVID-19, but in the second half of the year, we resumed overseas patrols and conducted in-person interviews. We continue to provide information regarding infection and health improvements.

Mental Health Initiatives

Mental health can also have a significant influence on maximizing work performance 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. Although the number of new cases of mental illness decreased in fiscal 2022, the percentage of those with six months or more of absence from work increased, pushing up the overall number of days of absence from work. This also increased the overall frequency of absences from work due to health disorders. Although the condition of the employee depends largely on the individual, we will continue to support their recovery and return to work through various training programs (e.g., self-care training for new employees, managers, line managers, etc.), interviews with occupational physicians, counseling, and stress surveys, while steadily promoting improvements in the workplace environment.

In fiscal 2022, face-to-face interviews and consultations were conducted in consideration of infection risk reduction and working conditions, while continuing to utilize online video calls. In addition, creative ways of working are becoming more widespread at each workplace thanks to the use of the results of stress surveys conducted last year and the year before (including a summary of the effects of telework on the mind and body and key points of health management during telework), good practices (sharing of presentations and examples of specific improvements made at workplaces), and telework guides for employees, which are posted on the intranet.

Training, interview, and counselling

In addition to training, e-learning on communication is provided to new hires (not only new graduates, but also career and temporary hires). For two years after entering the Company, we also continue to provide appropriate support. Occupational physicians, etc., interview all new employees every six months to determine the status regarding their lifestyle, health, communications with their supervisor, and colleagues, and provide advice as needed. We also offer trial counseling to make it easier to take advantage of counseling services.

In addition, [inclusion study sessions](#) have also been held. These sessions 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

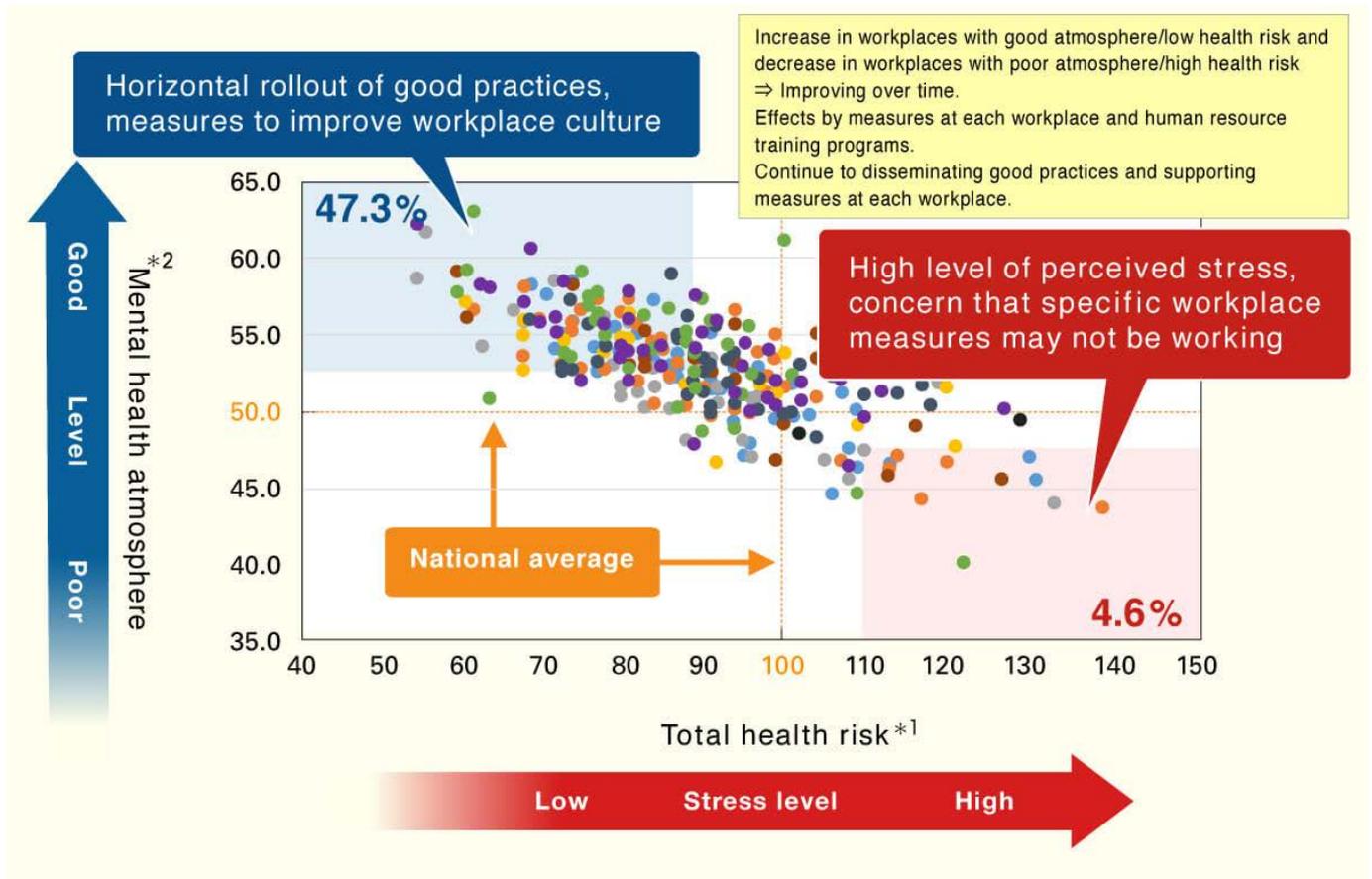
In addition to our simple occupational stress survey, since 2011 we have conducted a workplace stress questionnaire (occupational stress and mental health) to provide hints for improving the workplace, with nearly all employees replying to. Beyond providing individuals with feedback, managers in each 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 we are improving work conditions over time. Interviews with, and documents released by, representatives of these workplaces are 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. The survey results revealed that in fiscal 2022, “there was low sensory stress and the various functions in the workplace were good” for 47.3% of workplaces and “there were high sensory stress and concerns about the functioning of the system” for 4.6% of workplaces.

With regard to human resource management, we are enhancing the contents of our leadership development programs and mental health training for new management employees and line managers. We believe that this has contributed to improving the working environment and creating a better workplace atmosphere. In fiscal 2023, we will try to improve the workplace culture by collecting good practices according to environmental changes.

Fiscal 2022 New Workplace Stress Survey Results (Mitsui Chemicals, Inc. and Contracted Affiliates)



*Each dot in the graph represents a workplace (department level at the Head Office, section level at business site).
 *1 Total health risk:
 A measurement on the subjective sensory scale of workload, sense of control, and empathy from superior and co workers.
 (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.

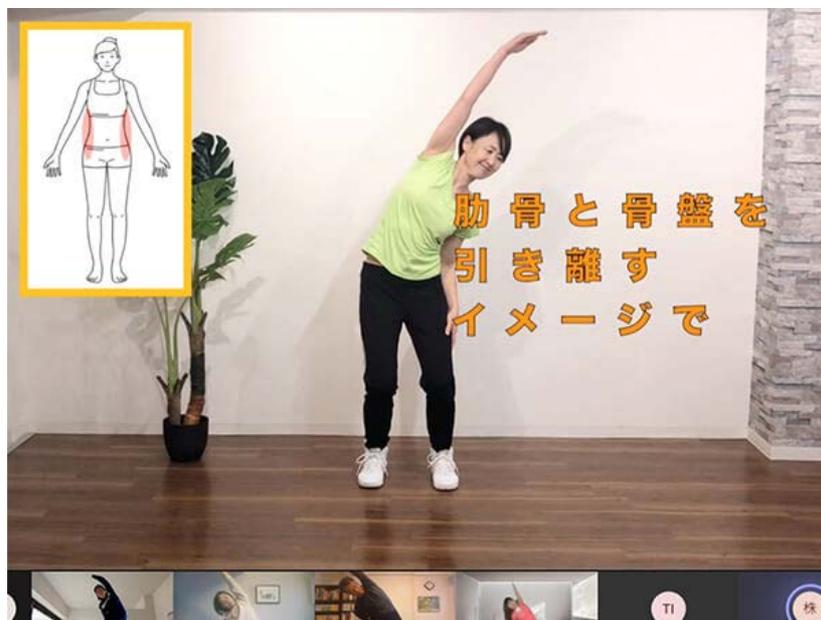
- Established the COVID-19 Action Headquarters.
- Promoted awareness of infection prevention measures.
- Prepared, revised, and distributed an instruction manual when a person is infected, has suspected symptoms, or has been in close contact with an infected person (at Works and corporate dormitories, 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.
- Shared messages and health information from the Chairman, the President, and General Manager of the Health Management Department.
- Teleworking Guide Website launched.
- Considered infection prevention measures during events.
- Started an online fitness program.
- Provided COVID-19 vaccinations (1st to 3rd vaccination) in the workplace.
- Sent surgical face masks stored as a flu countermeasure to affiliated companies in China.
- Donated N95 and other types of masks that we had stored as a flu countermeasure to medical facilities near each business site.

Since COVID-19 became a category 5 infectious disease on May 8, 2023, we have continued to take measures to prevent the spread of infection according to the situation, based on the infection prevention measures taken at the discretion of each individual. In addition, we have begun to consider how to prepare for new emerging infectious diseases in the future.

A Wide Range of Health Management Programs

The Mitsui Chemicals Group 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 2022, in addition to the healthy mileage competition, fitness classes, smoking cessation challenge, healthy menu at the company cafeteria, physical measurements, and body balance measurement sessions that have been held in previous years, we have also held health checks to learn about one's own body and "Laugh Education." We have also planned a series of six online seminars on health, which can be viewed in real time or on demand.

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. Employees can enter their achievements on the web or via smartphone, and approximately 45% of all employees, including those overseas, participate in the program. We prioritize their autonomy so that we can motivate people as much as possible and they can enjoy participating in 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)	

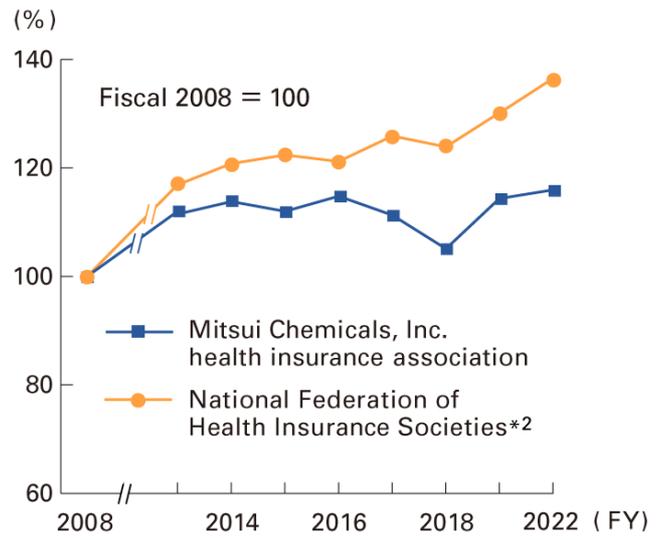
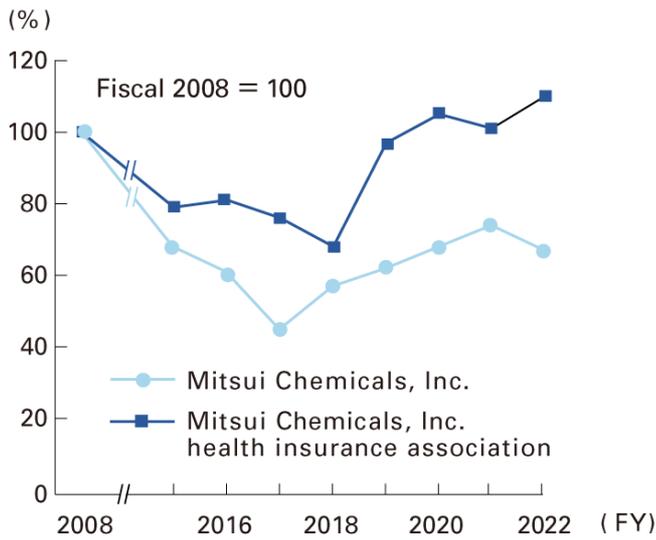
Reducing Medical Costs

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 2022 were 67% of the fiscal 2008 levels, showing a long-term decrease for cancer and cardiovascular diseases. There was also an overall decline in fiscal 2022 when compared to the Mitsui Chemicals Health Insurance Association.

The legal benefit cost (medical care cost) per capita for both Mitsui Chemicals Health Insurance and the National Federation of Health Insurance Societies increased slightly in 2022 from the previous year, returning to the situation before the spread of COVID-19, but the Mitsui Chemicals Health Insurance Association was able to control the rate of increase to about 44% compared to general health insurance associations when the legal benefit cost (medical care cost) per person insured by Mitsui Chemicals Health Insurance and the National Federation of Health Insurance Societies is viewed as an index with fiscal 2008 as 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

Continued "silver certification" for outstanding health promotion

We are committed to working on improving health across the whole company and aim to be an outstanding health promotion company. As a result of its screening, we received the silver certification from the Tokyo Federation of the National Federation of Health Insurance Societies in December 2020. The certification is based on the recognition of our daily efforts (utilization of health checkup results, maintenance of a health promotion environment, and activities related to diet, exercise, smoking cessation, and mental health), and we are currently working on continuing the certification for the third time.



Certification No. 1444 (2) (Certification period: until December 2023)

Mitsui Chemicals Receives Highest Rating for Employee Health Management from the Development Bank of Japan

In fiscal 2021, Mitsui Chemicals was 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.



Occupational Health

Management System

Health-focused Management

Preventing Exposure to Harmful Substances

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 occupational physicians and health supervisors as well as by means of internal audits. Regarding autonomous chemical substance management, we will steadily promote measures to prevent exposure mainly through hazardous risk assessment and facility improvements, while systematically preparing for the establishment of a new chemical substance management system, including the appointment of a chemical substance manager and a person responsible for managing the wearing of protective equipment from fiscal 2024.

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 2022 marked 13,653, and we have finished all qualitative risk assessments. Of these, 3,435 cases were identified to be of high risk and we have completed quantitative assessments on 3,099 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 these assessments and have completed the assessments of all 4,091 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. In fiscal 2023, a qualitative assessment will be conducted on the new work. In addition, we plan to address 336 of the 3,099 cases with high risk levels for which quantitative assessments have not yet been conducted.

Example of improving the working environment (1) Transfer of organic solvent

Before

There was a risk of exposure to organic solvents when feeding organic solvents into the drum inlet.



After

The method of transferring liquid directly from drums to the drum facility using a transfer hose has been changed, eliminating the work of feeding liquid into the drum inlet.



Example of improving the working environment (2) Organic solvent extraction work

Before

There was a risk of exposure when extracting solvent into pails and disposing of liquid waste.

After

A lid with a window for visual confirmation was installed on the pail so that extraction work can be performed in a nearly airtight condition. In addition, a nozzle with a cock is attached to the pail, which enables liquid waste to be discharged into a waste drum while maintaining distance from the source.



Time of draining



Time of draining



Waste liquid

Onsite Inspections Conducted by Occupational 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 occupational physicians make their rounds at overseas bases. Although overseas tours were suspended in fiscal 2020 and 2021 due to the COVID-19 pandemic, occupational physicians resumed overseas tours in the second half of fiscal 2022.

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
- Comfortable Work Environment and Maximization of Achievements
- 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

Respect for Human Rights

Policy and Basic Approach

Initiatives

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 revised its Human Rights Policy on June 24, 2022, after obtaining approval from the Board of Directors. The Policy will continue to be reviewed. 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

[Mitsui Chemicals Group Human Rights Policy \(PDF : 466 KB\)](#) 

System and Responsible Officers

We deliberate on policies, strategies, and plans for human rights activities in the Corporate Sustainability Committee with the responsible officer for the committee. The deliberation results are reported to the Management Committee, further deliberated in the Company-wide Strategy Committee and the Management Committee where necessary, and finalized and supervised by the Board of Directors.

The Group lists "respect for human rights" as one of the prerequisites for business continuity 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. With the "identification & correction of risks by setting up a human rights due diligence system for all of our bases, both domestic and abroad" set as a target under VISION 2030, the Human Resources Division, the Purchasing Division, the Corporate Administration & Legal Division, and other related divisions collaborate to collect information and formulate measures in order to build a human rights due diligence system.

We also define human rights issues (including labor conditions, sexual harassment, and abuse of authority) as risk items that should be verified when considering investments plans and we confirm such items.

Internal Audit

The business audit conducted by the Internal Control Division also includes an internal audit process based on self-assessment of internal controls utilizing the compliance checklist. The compliance checklist includes items for verifying human rights violation risks and other risks, and the included items are reviewed every year.

Business Audit	Details	The effectiveness of risk management and control, as well as governance, are evaluated and improvements are suggested.
	Scope	Mitsui Chemicals divisions and Mitsui Chemicals Group subsidiaries and affiliates
	Frequency	Once every one to five years (depending on the size, business type, and management level of the audited organization)

In FY2022, we confirmed with 12 domestic and overseas subsidiaries and affiliates about their understanding of the Human Rights Policy, status of dissemination of the Policy among business partners, progress of the creation of a grievance mechanism, status of their efforts toward human rights, and more.

Goals and Results

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Response to human rights risks	Mitsui Chemicals Group	<ul style="list-style-type: none"> Revised & announced Human Rights Policy Implementation of human rights due diligence Start of a survey on the actual situation Formulation of a mid- to long-term plan 	<ul style="list-style-type: none"> Revised & announced Human Rights Policy Started a survey on the actual situation 	△	<ul style="list-style-type: none"> Implementation of human rights due diligence Establishment of internal structure for addressing human rights risks Formulation of a mid-term action plan Implementation of a survey on the actual situation 	Identification & correction of risks by setting up a human rights due diligence system for all of our bases, both domestic and abroad

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.

Mitsui Chemicals Group Human Rights Policy

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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

Respect for Human Rights

Policy and Basic Approach

Initiatives

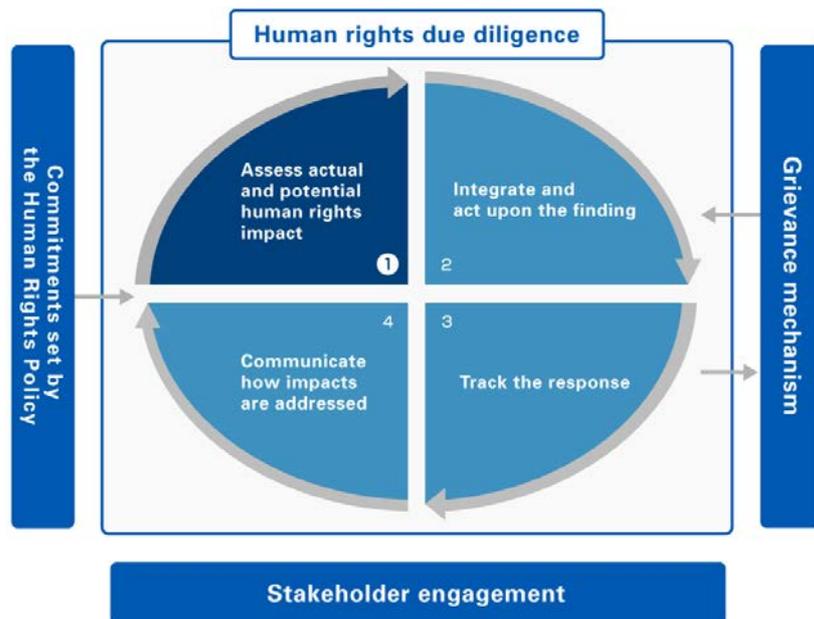
Initiatives

The Mitsui Chemicals Group lists “respect for human rights” as one of the “prerequisites for business continuity” as part of the Group’s [material topics](#) and is working to put this into company-wide practice.

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 prevent and mitigate any adverse human rights impacts that our business activities may have on the rights holders.

Initiatives for Human Rights Due Diligence



Assessment of actual and potential human rights impacts

In the countries in which the Mitsui Chemicals Group maintains a business presence, there are a number of challenges pertaining to human rights, reflecting the conditions of local politics, the economy, and society. The Mitsui Chemicals Group conducts human rights risk assessments to identify challenges concerning human rights that we should consider in various regions. While collaborating with external experts, we started confirming the situation and organizing the business status in fiscal 2021 while taking into account the impact of climate change, waste, etc., on human rights as a new point of investigation, in addition to the conventional viewpoints on human rights challenges. We did desk research on these matters and identified human rights challenges in our business sites that we should consider and their rights holders based on the results. Since the circumstances surrounding human rights are constantly changing, we will continue to review human rights challenges as needed.

Examples of research references for our human rights risk assessments

Country Reports on Human Rights Practices, Trafficking in Persons Report, and other data provided by the United States Department of State, Human Rights Watch World Report, Transparency Corruption Perceptions Index, and other research materials provided by NGOs and other organizations related to human rights, etc.

Examples of human rights indexes assessed in the human rights risk assessment

Child labor, fair wage, working time, discrimination at workplaces, education, forced labor, freedom of association and collective bargaining, freedom of expression, rights of indigenous people, human trafficking, land ownership and rights of migration, rights of migrant workers, modern slavery, occupational safety and health, susceptibility to pandemics, poverty, privacy rights, rights of sexual minorities, rights of women and girls, rights of young workers, impact on climate change, deforestation, impact on water resources, air and marine pollution, production of waste and harmful substances, utilization of natural resources, impact on ecosystems and biodiversity, product safety, responsible marketing, customer remediation process, responsible tax payment, corruption prevention, relationship with the government, etc.

Examples of potential human rights risks in our business activities	Examples of rights holders that our business activities may affect	Examples of human rights indices to consider
Human rights risks pertaining to workers	Workers of our suppliers, business partners, the Group, etc.	Fair wage, working time, discrimination at workplaces, forced labor, freedom of association and right to collective bargaining, rights of migrant workers, modern slavery, occupational safety and health, susceptibility to pandemics, privacy rights, rights of sexual minorities, etc.

In FY2022, we started by conducting the following human rights impact assessment focused on those working in our manufacturing sites, which are the foundations of our business, with cooperation from Caux Round Table Japan (CRT Japan)* to confirm the situation of human rights risks pertaining to workers identified in the desk research.

*Caux Round Table Japan: CRT Japan. A global network of business leaders on a mission to make the society more free, fair, and transparent through business activities. Help companies with their initiatives to respect human rights.

Overview of Mitsui Chemicals human rights impact assessment (FY2022)

Background

In 2021, we identified and assessed the potential human rights risks in the Mitsui Chemicals Group (human rights risk assessment) in collaboration with CRT Japan. One of the findings was that the indirect employees (dispatch workers and contractors) of our Works may be in a vulnerable position, and they require particular attention.

Considering that the working environment for non-Japanese workers is one of the most prominent human rights challenges in Japan, we decided to conduct a survey on the actual condition at our domestic Works located in areas with a large number of non-Japanese workers* to confirm the situation of indirect employees in FY2022.

*Reference: [Summary of the filing situation of "Employment Situation of Non-Japanese People" \(as of the end of October 2021\)](#) | Ministry of Health, Labour and Welfare (mhlw.go.jp)

Objective

To identify and assess our evident negative impact on the human rights of rights holders (human rights impact assessment) with the aim of preventing and mitigating it.

Procedure

(1) Select interviewees.

We selected and grouped dispatch workers and contractors while taking the shift schedule of each workplace into consideration.

(2) Conduct a preliminary survey.

We conducted a paper-based survey for the interviewees on their working environment.

(3) Conduct interviews.

We followed the steps below.

- ① We created interview questions by referring to the preliminary survey responses, the Dhaka Principles for Migration with Dignity* and other international guidelines.
- ② CRT Japan conducted the interview as a third party to ensure objectivity and neutrality.
- ③ We made sure to protect the interviewees' privacy and that they would not suffer negative consequences for their remarks.
- ④ After interviewing the workers, we conducted management interviews for their managers (business partners).

*The Dhaka Principles: Created by the Institute for Human Rights and Business (IHRB) in the U.K., it has been endorsed by businesses, governments, trade unions, and civil societies as an important principle that serves as a roadmap for the entire journey of workers, from recruitment to employment and contract termination. They consist of ten principles around the two core principles of "equal treatment no discrimination" and "all workers enjoy the protection of employment law."

Interview questions

Introduction		How did you find this job?
		Describe your job.
		Where did you work before you began to work here?
		How long have you been working here?
Questions	Human rights	Do you receive training on human rights?
	Appropriate working hours	How many hours of overtime do you work?
		Can you rest well on your days off?
	Fair wage	Are you compensated for overtime work?
		Are you compensated for late night shifts?
	Occupational safety and health	Have you received guidance and training on occupational safety?
		Does your workplace take appropriate safety measures?
		Do you get health checkups?
		Do you take evacuation drills?
	Communication	Do you have someone to speak to when you have a work or personal problem?
		Do you ask someone for advice in case of an issue, problem, etc.?
	Other	Is there anything you think should be improved about your workplace?
Are you happy with your job?		

Currently confirming employment types (employment contract), types of housing, and means of commute.

© CAUX Round Table Japan

CAUX ROUND TABLE 10

Results

① Based on these interviews, we did not identify evident negative impact on the human rights of our dispatch workers and contractors. However, we were able to identify the following potential human rights risks* requiring our attention.

*Human rights risks: Potentially negative impacts that a company may have on human rights and risks for rights holders. (Refer to 17 of the Guiding Principles on Business and Human Rights)

Fair wage

- Some of those working in harsh working environments have requested additional pay.

Occupational safety and health

- Education other than on safety is not prevalent enough, especially among contractors.
- Although evacuation drills are conducted periodically, there was none for night shifts.

Right to collective bargaining

- It is suspected that the right to collective bargaining of contractors and dispatched workers do not enjoy sufficient consideration.

Access to remedies

- We need to establish a functional grievance mechanism for contractors and dispatched workers.

Other

- We identified many instances where contractors, in particular, did not have a full understanding of the situation. Example: Concerns about insufficient handover of tasks, dissatisfaction with workload.
- Some contractors reported negative impact on their work and stress caused by an increase in the workload of small-group activities.
- Many said that it is impossible to maintain their living wages due to the decrease in overtime and work.

② The survey showed that the surveyed Works had very few non-Japanese employees. In addition, they were very proficient in the Japanese language, and we did not identify human rights risks specific to non-Japanese workers, such as language barriers for work.

Although the results of the human rights impact assessment are limited in scope and subject coverage, we acknowledge the identified human rights risks as challenges that the entire Group should recognize and we will work to prevent and correct them on a Group-wide basis. Specifically, we aim to fulfill our responsibility to respect human rights throughout our supply chain by expanding measures to further promote understanding of the Group's human rights policies and creating opportunities for communication with business partners on the subject of human rights. We have reported the results of the impact assessment to the Corporate Sustainability Committee.

Grievance mechanism (correction)

The Group not only continues to directly maintain dialogue with rights holders in human rights due diligence, but also aims to build a system to receive concerns and complaints from rights holders.

Whistleblowing system

The Group has a whistleblowing system for the prevention and early detection of compliance violations. It 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 consult the Corporate Administration & Legal Division, which is our Risk & Compliance Committee, or an outside attorney. The system is open not only to officers, corporate auditors, and employees, but also to all parties with an interest in the Group's business activities, including the families of officers, corporate auditors, employees, retired employees, contractors at our Works or other sites, and suppliers. Any and all information related to risks received through the whistleblowing system 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. Our "Whistleblower Management Regulations" clearly stipulate that whistleblowers will not be subject to penalty and retaliation because of whistleblowing. We also have established disciplinary measures and strictly enforce them for those who violate the regulations.

Harassment hotline

The Group has appointed several harassment counselors at each business site to fairly ascertain the facts in the event of an occurrence and to take prompt action to solve the issue. We have both male and female counselors. This hotline is available for everyone working for the Company (including employees, contract employees, part-timers, and dispatch employees), our customers, and employees of our business partners.

[Whistleblowing system](#) >

Engagement of stakeholders related to human rights

Employees of the Mitsui Chemicals Group

Based on [the Mitsui Chemicals Group Action Guidelines](#) and [Mitsui Chemicals Group Human Rights Guidelines](#), we educate our employees on issues on discrimination and harassment through various trainings. To facilitate a deeper understanding of the basic principles of business and human rights, in FY2019, we introduced the "Business and Human Rights e-Learning" series published by the Asia-Pacific Human Rights Information Center and Amnesty International Japan (compulsory participation once every three years). A total of 13,538 employees, including those from domestic affiliates, participated in this program between FY2020 and FY2022. We plan to expand the scope of this program across the entire Group. In FY2022, as we updated our human rights policy, in order to help our officers better understand human rights, we invited a lawyer specializing in business and human rights to teach a workshop titled "International Trends in Business and Human Rights and the Responses Required of Japanese Companies." We distributed the video of this lecture to the Group's division heads and others.

The Group's employee rules stipulate that if an employee is found to have engaged in harassment (sexual harassment, abuse of authority, pregnancy discrimination, etc.) or discrimination that offends the dignity or character of an individual, the employee may be reprimanded, suspended from work, placed on disciplinary leave, or dismissed on disciplinary grounds, depending on the circumstances of the case.

[Human Resources Management](#) >

[Occupational Health](#) >

[Safety and Prevention](#) >

Supply chain

The Mitsui Chemicals Group conducts business activities with emphasis on respecting human rights of all stakeholders in the entire supply chain. For example, we have clearly set out our expectations of suppliers in 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 and social norms, and considerations for those in the supply chain. When we begin a business arrangement with new or 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 are also expanding our [whistleblower system](#) so that it will be available to our suppliers.

[Supplier Evaluation and Guidance for Improvement](#) >

Participation in external programs

The Mitsui Chemicals Group has appointed personnel in charge of human rights to the Corporate Sustainability Division and other related divisions to better understand contexts where human rights challenges arise and the relationship between business activities and human rights by talking with NPOs/NGOs, academic experts, other companies, etc.

The Group has continued to participate in [the Human Rights Due Diligence Workshop](#) organized by Caux Round Table Japan (CRT Japan) since FY2015. 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. For the FY2022 program, we utilized the Human Rights Guidance Tool developed under the United Nations Environment Programme Finance Initiative (UNEP FI) to identify key human rights challenges by industry.

In FY2022, we also served as co-chair of the Global Compact Network Japan's subcommittee on human rights, and participated in the "Business and Human Rights Academy" program sponsored by the UNDP.

[2022 Stakeholder Engagement Programme \(Human rights due diligence workshop\)](#) 

Sustainable Procurement

Management System

Supplier Evaluation and Guidance
for Improvement

Participating in Initiatives

Management System

Policy and Basic Approach

In order to fulfill our environmental and social responsibilities throughout the supply chain from a global perspective in sustainable procurement, it is essential to collaborate not only with the Mitsui Chemicals Group but also with our business partners.

In addition to conducting fair and honest transactions, the Group has established the Mitsui Chemicals Group Purchasing Policy, which incorporates items that we consider important when selecting suppliers, in order to build strong partnerships and implement purchasing activities.

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.

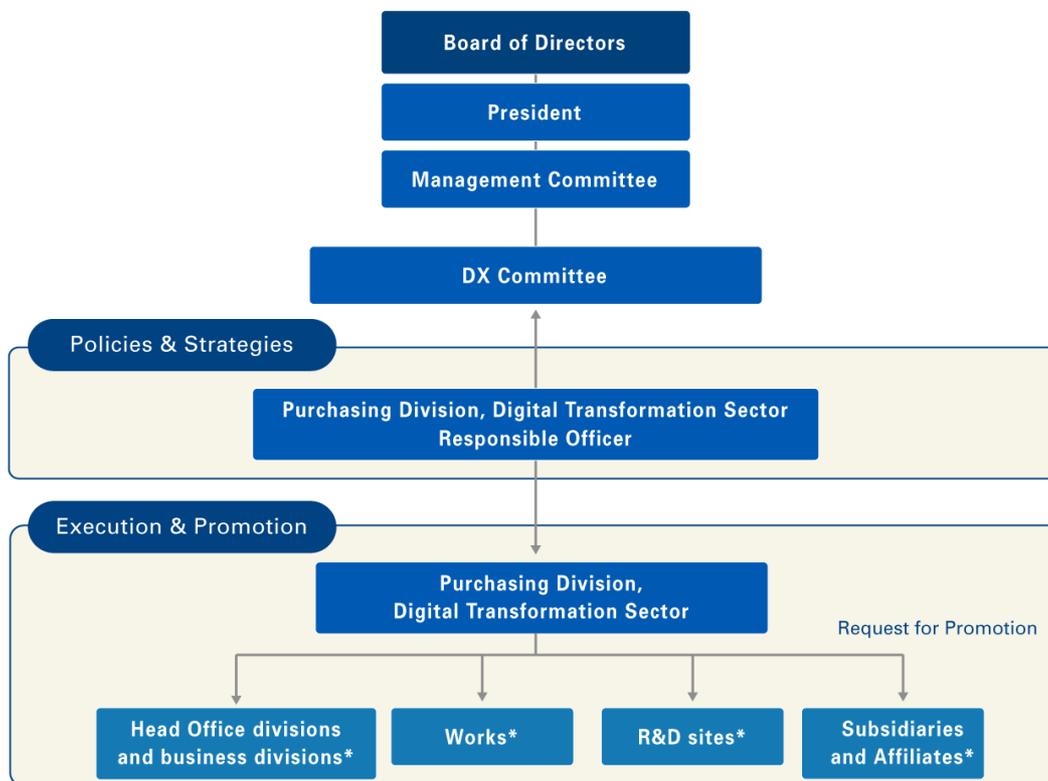
- (1) Suppliers that respect human rights, prohibit discrimination, and do not engage in any acts which violate human rights
- (2) Suppliers that ensure fair working conditions and provide a safe and healthy working environment
Suppliers that prohibit forced labor, prohibit child labor and discrimination 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

Revised on February 1, 2019

In addition, we have compiled a list of items that we would like our suppliers to work on together with the Group to achieve sustainable procurement as "[Mitsui Chemicals Group Sustainable Procurement Guidelines](#)". We will make sure our business partners understand the intent of these guidelines and build strong partnerships with them.

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).



* Each purchasing representative

Monitoring

We verify the status of sustainable procurement activities during annual audits conducted by corporate auditors and the Purchasing Division. To realize sustainable procurement, the Purchasing Division regularly verifies the status of our suppliers by conducting sustainable procurement SAQ surveys and audits. The progress of these activity plans and results are monitored at monthly departmental meetings and reflected in next year's plan, and the status is reported at the Responsible Care Committee.

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%. In fiscal 2022, we provided feedback (interviews) to suppliers based on the fiscal 2021 survey results to request and support improvements in order to firmly establish sustainable procurement. In fiscal 2023, in addition to strengthening communication with suppliers to achieve the fiscal 2030 target, we will work to inform our Group companies and request their cooperation so that sustainable procurement can be achieved throughout the Mitsui Chemicals Group.

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Sustainable procurement ratio*	Global	Engaged communications with partners to solidify our efforts in this area	Improvement request meetings: 9 companies	○	Promotion of sustainable procurement; opinion exchange held with partners to build shared vision: 12 or more companies	80%

*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.

Sustainable Procurement

Management System

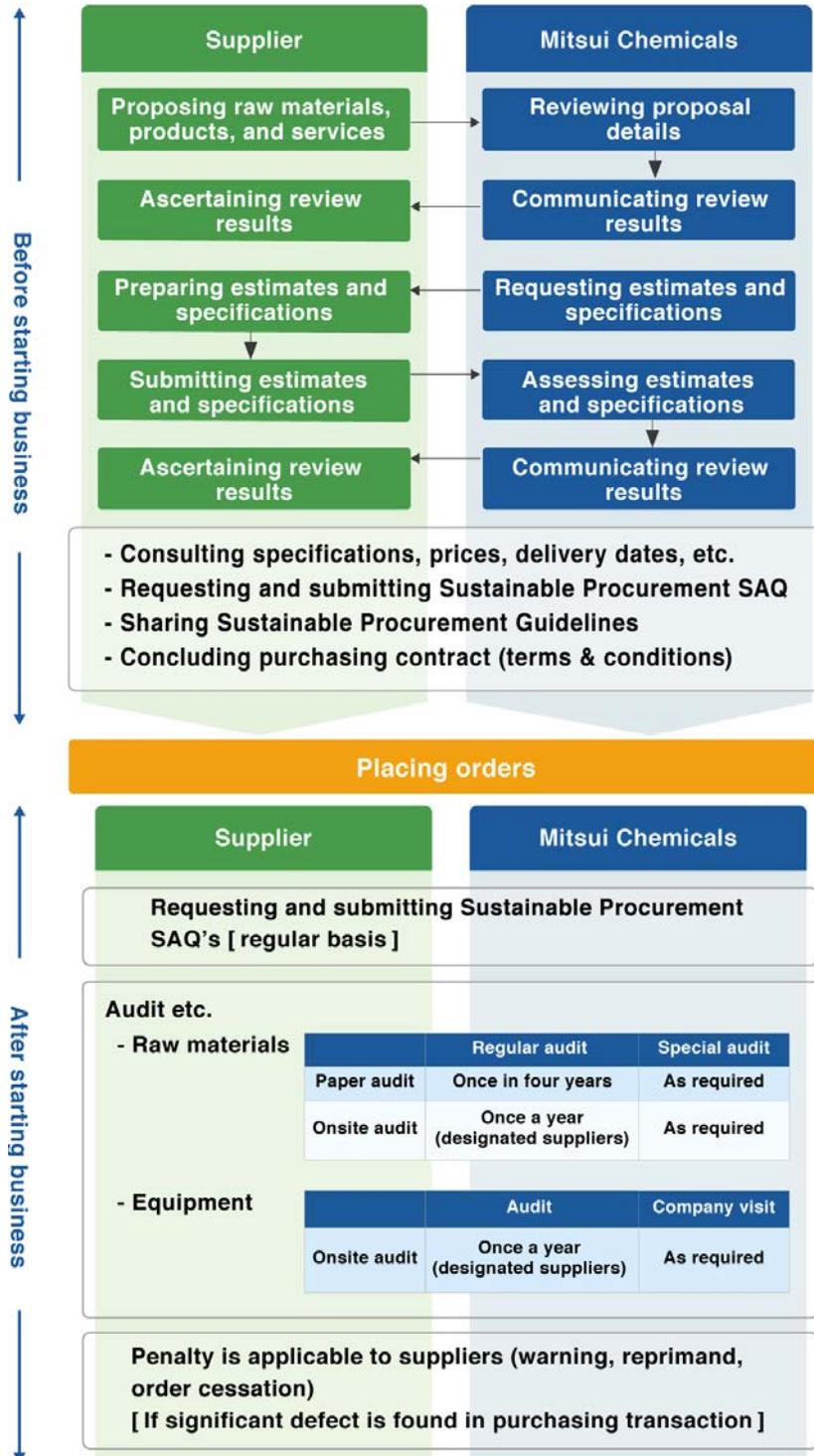
Supplier Evaluation and Guidance for Improvement

Participating in Initiatives

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 for creating a sustainable society. In addition to items related to environmental preservation, occupational safety, and quality assurance, we also have specific check items that cover a wide range of topics, including corporate governance, fair trade, 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 subsidiaries and affiliates in Japan, and the sustainable procurement ratio in fiscal 2022 was 61% for Mitsui Chemicals and 70% for its domestic subsidiaries and affiliates (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. We also strive to strengthen two-way communication with suppliers with large transaction amounts through regular information exchanges where we explain our sustainable procurement policy and exchange information on the results of SAQ responses.

Sustainable procurement ratio : Value of transactions with suppliers who responded to the SAQ / Value of all transactions

	FY2017		FY2020	FY2021	FY2022	FY2030 (Goals)
Mitsui Chemicals, Inc.	39%	—	45%	61%	61%	80%
Domestic Subsidiaries and Affiliates*	—		—	70%	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 and fiscal 2022, a similar document was distributed again to continue sharing 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 reminder for the establishment of a [whistleblowing system](#)

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 have been working together to identify tin catalysts, etc., within all Group product compositions registered in the chemical safety information system. We conduct conflict mineral surveys of our suppliers using CMRT* and confirm 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.
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 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. The workshop was attended by Purchasing Division employees across the nation (participation rate: 90%). In fiscal 2022, a Game Of Choice was held for new transferees to the Purchasing Division. This allowed each participant to express their opinions as their own and to deepen their understanding of each other.



取引先から調達できないと、
当社品が製造できない！



メッセージ：
“あなたならどうする”の
複眼的なマインドセットが重要



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 :	

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 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.

***When using this list of questions, please confirm in advance on GCNJ's website (<https://www.ungcgn.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 establishment 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	<p>1. Basic attitude toward human rights</p> <p>Companies should respect and protect human rights as declared in international standards and frameworks and ensure that they are not complicit in (or contributing to) human rights violations.</p> <p>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.</p>	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.
	<p>2. Respect for human rights and prohibition of discrimination</p> <p>Companies should respect human rights and have a responsibility to conduct decision-making and business activities without discrimination based on race, nationality, gender, sexual orientation, age, ancestry, religion, ethnicity, or immigration, etc., or against children, senior citizens, persons with disabilities, indigenous populations, the poor, or persons with HIV/AIDS, etc.</p>	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.	Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.	Yes, and it is reviewed properly in a timely manner.
	<p>3. Avoidance of complicity in (or contribution to) human rights abuses</p> <p>Companies should ensure that the company's decision-making, business activities, and products and services do not lead to complicity in (or contributions to) human rights abuses of consumers or members of the local community.</p>	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.	Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.	Yes, and it is reviewed properly in a timely manner.
	<p>4. Respect and consideration for the life and culture of the local community and indigenous people</p> <p>It is important for companies that conduct business in regions where indigenous peoples and ethnic minorities live to respect their unique cultures and histories, to abide not only by local laws and ordinances but also international standards, and to give consideration to the rights of indigenous peoples. Also, 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.</p>	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.	Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.	Yes, and it is reviewed properly in a timely manner.
	Comments	Use the right column if there is anything you would like to add, such as initiatives your company is taking in regards to this theme.						

Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4	Response Level 5
III. Labor	1. Basic attitude toward labor practices Companies should recognize and comply with the labor principles presented in international norms, etc., and to apply basic workplace principles as universal values. Main international frameworks and norms: 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.	Legal awareness	Are you aware of legislation as well as social norms/ industry norms and standards at home and abroad related to this category?		No		Yes, but the existence of violations is not checked.		Yes, and the existence of violations is checked.
		Policy	Do you have a policy and guidelines related to this topic?		No		Yes, we have one or both.		Yes, we have one (or both), and it is reviewed properly in a timely manner.
		System / Responsibility	Do you have a designated person or structure assuming responsibility or promotion of this topic?		No		Yes, we have.		Yes, we have designated one, and it is reviewed properly in a timely manner.
	2. Prohibition of discrimination in the workplace Companies should not discriminate at the workplace, including during recruitment process, based on race, nationality, gender, sexual orientation, age, ancestry, religion, ethnicity, immigration, the existence of a disability, etc., or any factors other than factors such as the applicant's abilities and aptitude.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	3. Provision of equal opportunities to employees regarding human resources development and career advancement, etc. Companies are expected to play a critical role in ensuring that opportunities, such as for promotion and training, are provided equally without undermining fairness on the grounds of race, nationality, gender, sexual orientation, age, ancestry, religion, ethnicity, immigration, the existence of a disability, marital status, or the condition of health, etc.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	4. Prohibition of inhumane treatment Companies should respect employees' human rights. Inhumane treatment, such as abuse, physical punishment and harassment, is prohibited. Example: Systems such as an internal whistle blower system	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	5. Payment of fair wages Companies should abide by the legal minimum wage of the country and region in which they are operating, and ensure that an appropriate collective agreement is concluded regarding matters such as overtime, and that extra pay and payment methods, etc., are applied fairly.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	6. Fair application of working hours, time off, and paid time off, etc. Companies should abide by working hours designated by law or agreed to in advance. They should ensure that employees' working hours are managed appropriately and that they are given the right to take paid time off. Employees should be given at least one day off per week.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	7. Prohibition of forced labor Companies should avoid making people work against their will and making people do work that restricts their freedom to leave their jobs. Work coercion using unjustified means of restraint and compulsion of overtime work, etc., should not be practiced. In addition, unjustified retention of identification documents, etc., and unjustified collection of deposit (money) should not be practiced.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	8. Prohibition of child labor Companies should avoid employing children under the legal working age in that country or region. In addition, children should not be made to perform work that could harm their health, safety, or morals. Example: Age check when employing people	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	9. Respect for the religious traditions and customs of the country of operation Companies should respect the traditions and customs of the country and region in which they are operating, and respect their employees' religious traditions and customs. Care should be taken through uniform employment regulations, etc., to not hinder them.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	10. Recognition of and respect for freedom of association and the right to collective bargaining Companies should respect their employees' freedom of association, freedom to join a labor union, and freedom to protest without being subject to retribution, threats, or harassment and should provide opportunities for labor-management dialogue.	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?		No		Yes, but we have no mechanism for checking results.		Yes, we have both.
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?		No		Yes, we have.		Yes, and it is reviewed properly in a timely manner.
	Intent of question: To question whether work environments are provided that are safe and healthy for workers,	11. Proper management of employee safety and health Companies should take steps so that the risk of accidents occurring during work and the risks of harmful chemical substances, noise, and odors on the human body are understood and that appropriate safety measures, etc., are taken (including statutory	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.	

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 services. [In-house quality management system, use of a third-party certification system, etc. (S mark, SG mark, ST mark, JIS mark, JAS mark, etc.)]	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No			Yes, but we have no mechanism for checking results.		Yes, 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	<p>1. Basic attitude toward the supply chain</p> <p>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.</p> <p>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</p>	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.		
	<p>2. Use of raw materials not involved in conflict or crime (initiatives against conflict minerals)</p> <p>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.</p> <p>Major laws and regulations related to conflict minerals: Dodd-Frank Act</p>	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No		Yes, but we have no mechanism for checking results.	Yes, we have both.		
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?	No		Yes, we have.	Yes, and it is reviewed properly in a timely manner.		
	Comments	Use the right column if there is anything you would like to add, such as initiatives your company is taking in regards to this theme.							
	Theme	Topic	Approach	Question	Answer	Response Level 1	Response Level 2	Response Level 3	Response Level 4
IX. Harmonious coexistence with local communities	<p>1. Initiatives to reduce damage to the health, safety, and sanitation of local communities and residents</p> <p>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.</p>	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No		Yes, but we have no mechanism for checking results.	Yes, we have both.		
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?	No		Yes, we have.	Yes, and it is reviewed properly in a timely manner.		
	<p>2. Initiatives with contribute to the local community and residents and collaborate towards sustainable development</p> <p>Companies are expected to carry out initiatives with local communities aimed at sustainable development.</p> <p>Examples of initiatives with local communities: Job creation, skills development, priority purchasing of local products and services, supplier development, etc.</p>	Checking initiative results	Do you have initiatives related to this topic? In addition, do you have a mechanism for checking initiative results?	No		Yes, but we have no mechanism for checking results.	Yes, we have both.		
		Corrective actions	Do you have a mechanism for corrective actions related to this topic as necessary?	No		Yes, we have.	Yes, and it is reviewed properly in a timely manner.		
Comments	Use the right column if there is anything you would like to add, such as initiatives your company is taking in regards to this theme.								

GCNJ CSR/Sustainable Procurement SAQ - Explanation of Terms

No.	Term	Meaning
1	Corporate governance	A mechanism for companies to practice transparent, fair, swift, and resolute decision-making while taking into consideration the standpoints of shareholders, customers, employees, local communities, and other stakeholders.
2	CSR	Corporate Social Responsibility. Refers to a company's attitude and initiatives to contribute to society by giving consideration to its impact on society as a whole, not just its own profit. It is thought that companies should give consideration not only to generating earning, maintaining dividends, and observing the law, but also to their economic, environmental, and social impacts, bearing in mind the various social groups connected to the company—that is, stakeholders.
3	Internal controls	Mechanisms for controlling organizations to ensure proper and efficient performance of operations in a company or administrative body, etc. They are established by prescribing and applying operational rules, standards, and processes and by continually conducting assessments of their effectiveness and risks in order to prevent wrongdoing, illegal acts, and errors in organizations and ensure that organizations are run effectively. Adoption of IT is also required, including the establishment of information systems.
4	Business continuity planning (BCP)	Planning that organizes routine activities and emergency actions (e.g., methods and means) in order for a company that has fallen into a state of emergency (due to natural disaster, major fire, terrorism, etc.) to minimize damage suffered, continue its core business, and recover quickly.
5	Non-financial information	Refers to information about a company other than financial information such as financial statements. In order to understand corporate activities, there is now a demand for the disclosure of non-financial information that has an impact of any kind on the financial state, in addition to financial information.
6	Stakeholders	Individuals or groups that could have an impact on the decisions or activities of an organization, that could be impacted by those decisions or activities, or that are recognized as being impacted by those decisions or activities. Examples include customers, owners, shareholders, bankers, regulators, suppliers, employees/ labor unions, contractors/partners, and society including the government and residents (sometimes including competitors or opposition lobby groups).
7	Universal Declaration of Human Rights	A declaration adopted by the third United Nations General Assembly on December 10, 1948, as a universal standard for all people and all nations to achieve. It arose from reflection amidst the devastation following World War II that, "this mistake must never be repeated." The Declaration, which consists of a preamble and articles 1 to 30, clearly expresses liberty rights and social rights. Liberty rights include personal liberty, prohibition of torture and slavery, freedom of thought and expression, suffrage and so on. Social rights include the right to education, the right of workers to unionize, the right to lead life with human dignity and so on.
8	Ten Principles of the UN Global Compact	The UN Global Compact is an initiative that was advocated by then UN Secretary-General Kofi Annan to the World Economic Forum (Davos meeting) in 1999 and officially launched at UN Headquarters the following year. It fulfills its role as a forum (a place for the exchange and practice of opinions) for addressing various issues arising from globalization through the implementation of activities based on 10 principles established in the four domains of human rights, labor standards, environment, and anti-corruption. At present, 12,480 organizations (of which about 9,456 are companies) in around 160 countries have signed the Compact (as of May, 2017). Principle 1: Support and respect the protection of human rights; Principle 2: Make sure that one is not complicit in human rights abuses; Principle 3: Freedom of association and recognition of the right to collective bargaining; Principle 4: Elimination of forced labor; Principle 5: Effective abolition of child labor; Principle 6: Elimination of discrimination in employment and occupation; Principle 7: Precautionary approach to environmental challenges; Principle 8: Initiatives to promote environmental responsibility; Principle 9: Development and diffusion of environmentally friendly technologies; Principle 10: Work against corruption in all its forms, including extortion and bribery. (UNGC website: https://www.unglobalcompact.org/)
9	UN Guiding Principles on Business and Human Rights	Principles conceived as the "Protect, Respect and Remedy" framework by Harvard University professor John Ruggie, who served as a UN Special Representative from 2005. The UN unanimously endorsed the principles on June 16, 2011. The objective is to strengthen standards and practices related to business and human rights, in order to contribute to sustainable globalization. The principles are applicable to all states and businesses.

No.	Term	Meaning
10	OECD Guidelines for Multinational Enterprises	Guidelines established by the OECD in 1976 to recommend multinational corporations to voluntarily act in the responsible manner that is expected of them. The Guidelines consist of principles related to responsible corporate activities in a wide range of areas including general policies; disclosure; human rights; employment and industrial relations; environment; combating bribery, bribe solicitation and extortion; customer interests; science and technology; competition; and taxation. The Guidelines are legally nonbinding. Participating nations besides OECD member countries are Argentina, Brazil, Columbia, Costa Rica, Egypt, Jordan, Lithuania, Morocco, Peru, Rumania, and Tunisia.
11	UK Modern Slavery Act	Enacted in the UK as of March 2015. It is a law requiring commercial organizations and companies operating in the UK with annual turnover exceeding £36 million to disclose annual statements and report to ensure that slavery and human trafficking are not taking place in the business.
12	Social norms	Rules that people must observe when interacting within social life. These include manners, morals, customs, role models and so on.
13	Industry norms	Self-imposed rules established through the cooperation of companies and organizations in an industry that serve as standards for behavior and judgments that must be observed.
14	Sexual orientation	Refers to the concept of showing the direction of a person's romantic or sexual attraction. These include heterosexuality, homosexuality, bisexuality and so forth. In recent years, some of these have started to be widely recognized as LGBT*. *Lesbian, gay, bisexual, and transgender
15	International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work	Refers to the ILO Declaration of the Fundamental Principles and Rights at Work adopted by the International Labor Organization (ILO), which is one of the ILO's most important key documents alongside the ILO Charter and Declaration of Philadelphia. It establishes the minimum standards related to labor. It consists of eight articles in four areas related to the basic human rights of freedom of association, prohibition of forced labor, elimination of child labor, and elimination of discrimination in employment and occupation.
16	Career advancement	The acquisition of higher qualifications and abilities. The improvement of one's career.
17	Collective agreement	A written agreement concluded between a labor union or representative of workers and an employer.
18	Unjustified retention of identification documents, etc.	In developing countries and elsewhere, there are instances of employment intermediaries forcing migrant workers from neighboring countries to hand over their work permits and passports to prevent them from running away and withholding unreasonable sums from their wages (e.g., migrant workers from neighboring countries in Southeast Asia losing their freedom of movement when their passports are confiscated by employment intermediaries). However, the safekeeping of documents such as passports and alien registration cards is an obligation of the person whose documents they are; forced retention of such documents by employment intermediaries and employers is illegal. This also applies to foreign technical intern trainees in Japan.
19	Deposit	A general term for a certain amount of money placed interest-free by a borrower into the keeping of the lender when making a rental agreement; also called a security deposit or key money. In terms of CSR, refers to unjustified costs collected from foreign workers by employment services in the sending country and is regarded as a primary factor leading to debt labor and forced labor.
20	Freedom of association	The ability of anyone to form a group or association. It includes the right to join or leave a group and the right to disband.
21	Safeguards	Measures to prevent workers from having work-related accidents. These include employers providing for the safety of equipment and working environments, etc., and workers themselves engaging in work with an understanding of dangers and hazards of that work and a thorough familiarity with the appropriate ways to cope with those dangers and hazards. See Chapter VI of Japan's Industrial Safety and Health Act.
22	Danger signals	Reducing envisioned dangers through warning labels by directly posting stickers, signs and so on and around dangerous spots.
23	Business processes	The series of activities conducted to achieve a business objective, such as the production and sale of a product or provision of a service.

No.	Term	Meaning
24	Rio Declaration on Environment and Development	Rio Declaration on Environment and Development. An agreement made at a UN Conference on Environment and Development held in June 1992. Consists of 27 principles on environment and development, for example that States have, in accordance with the Charter of the United Nations, etc., the sovereign right to exploit their own resources, and the responsibility to ensure that their own activities do not cause damage to the environment of other States.
25	ISO 14001	A certification standard for an Environmental Management System (EMS), issued by the International Organization for Standardization (ISO) in 1996. It requires the establishment and implementation of the Plan-Do-Check-Act (PDCA) cycle aimed at objectives such as the reduction of environmental load, in line with an environmental policy drawn up by management. A review by a third party is needed to acquire certification.
26	Paris Agreement	A multilateral agreement concerning climate change, adopted at the 21st Conference of the Parties of the UN Framework Convention on Climate Change (COP 21) held in Paris in December 2015. A stated goal is to achieve net zero emissions worldwide by the second half of this century. It requires all countries to independently establish reduction targets and to take domestic measures aimed at their achievement.
27	Basel Convention	Officially the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal. A treaty that requires as a matter of principle processing hazardous wastes by the country that produced it, as well as ensuring international safety standards when moving hazardous wastes across borders, giving advance notice to countries receiving the waste and/or through which the waste passes and obtaining their consent, preventing illegal transfer, and establishing punishment measures, etc.
28	Major laws and regulations related to the environment	National laws related to the control and regulation, etc., of chemical substances and chemical substances used in products, enacted by Japan, the US, EU, South Korea, China, and Taiwan to ensure the health and safety of workers. <Explanation of abbreviations> <ul style="list-style-type: none"> • Chemical Substance Control Law (Japan): Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. • TSCA (US): Toxic Substances Control Act • REACH Regulation (EU): Registration, Evaluation, Authorization and Restriction of Chemicals
29	Sludge	The mass of the final inorganic and organic products from the treatment process of a sewage treatment plant or the waste liquid treatment process of a factory, etc. It is buried in final landfill sites as industrial waste or recycled.
30	GHG (greenhouse gases)	A general term for gases that warm the atmosphere near the surface of the Earth by absorbing infrared rays. Regarded as substances that cause global warming (climate change). The Kyoto Protocol, which was adopted at the third session of the Conference of Parties to the UNFCCC (COP 3), specified six gases, including carbon dioxide, methane, chlorofluorocarbons, and dinitrogen monoxide, to be reduced. The Intergovernmental Panel on Climate Change (IPCC) has nearly concluded that rising surface temperatures are an anthropogenic result of an increase in GHG emissions since the Industrial Revolution of the 18th century.
31	Responsible disposal	Japan's Waste Management and Public Cleansing Act, for example, stipulates that in Article 3 that "business operators must take responsibility for the proper disposal of wastes generated in connection with their business activities." This makes it explicit that emitters are responsible for disposal. It is also stipulated that "business operators strive to reduce the amount of waste generated in connection with their business activities through means such as recycling," and "business operators must cooperate with the policies of local public bodies in relation to the reduction of waste and the ensuring of its proper disposal, etc."
32	Biodiversity	Biological diversity can be perceived on three levels: ecosystem, species, and genetic diversity. The Convention on Biological Diversity is a treaty whose goals are the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of benefits arising out of the utilization of genetic resources. The 10th Conference of the Parties to the Convention on Biological Diversity (COP 10), held in 2010, adopted the "Aichi Targets," which is a strategy for reducing the speed of biodiversity loss by 2050, and the "Nagoya Protocol" on the handling of genetic resources.
33	Antisocial forces/ organizations	A general term for groups and individuals who pursue economic benefits through unreasonable demands using violence, power, or fraudulent means.

No.	Term	Meaning
34	United Nations Convention against Corruption	A treaty for preventing economic crimes including corrupt practices (including corruption by public officials, foreign public officials, and officials of a public international organization), bribery, embezzlement, and money laundering. It plays a complementary role to the United Nations Convention against Transnational Organized Crime and is incorporated into the principles of the UN Global Compact.
35	Domestic laws regarding competition: Antimonopoly Act (Japan), antitrust laws (US), European Union competition law (EU)	"Competition law" is a general term for laws and regulations with the purpose of preventing monopolistic, coordinated, or unfair practices as a means of competition, in order to maintain sound and fair competition in a capitalist market economy. Below are some domestic laws. Antimonopoly Act (Japan): A law aimed at sound market development and the protection of consumer interests by maintaining free competition among companies. Antitrust laws (US): Antimonopoly laws in the United States. A general term for the basic laws of the Sherman Act, the Clayton Act, and the Federal Trade Commission Act plus a series of laws and regulations that amend and supplement these statutes. European Union competition law (EU): Antimonopoly law in the EU.
36	Prevention of competition law violations	When competition laws such as an antitrust law have been violated, the violator may face civil (e.g., an injunction) and administrative (e.g., payment of a fine) measures and, in some offense, criminal charges. Furthermore, as violators may lose social credibility through press coverage, it is important to prevent violations and, toward that end, it is important to have correct knowledge.
37	Bid rigging	Illegal behavior to ensure that a certain bidder wins a bid as a result of an agreement among relevant bidders.
38	Cartels	A form of alliance in which companies and business operators in the same industry, which is in a state of oligopoly, strike a deal on matters such as price, production volume, and sales outlets to avoid competition, with the aim of obtaining exclusive benefits. Also called syndicates, cartels are prohibited in Japan by the Antimonopoly Act.
39	Abuse of dominant bargaining position	Causing disadvantage to a trading partner through unjust behavior in light of normal business practices by using the dominant bargaining position of one's own company (e.g., making burdensome requests such as delayed payment of bills, demand for price reductions, and demand for support money, and making demands for the dispatch of employees). The Antimonopoly Act prohibits these behaviors in Japan.
40	Unfair trading	Acts that could impede fair competition, which are prohibited by Japan's Antimonopoly Act. There are 16 types of unfair trade practices applicable to all categories of business, including "concerted refusal to deal," in which companies refuse to deal with a certain vendor, and "discriminatory pricing," in which products and services are provided and received unfairly at discriminatory prices.
41	Patent rights, copyrights, and trademark rights	Patent right: A set of exclusive rights granted by a sovereign state to an inventor or assignee for a limited period of time in exchange for detailed public disclosure of an invention. Copyright: The right to exclusive control of works that creatively express one's own thoughts and feelings through forms of expression such as language, music, and graphic arts. Trademark rights: The right to protect as an asset trademarks attached to products and services, where "trademark" refers to a mark (including letters, graphics, symbols, three-dimensional shapes, and combinations thereof) used to differentiate the products and services of one's own company from those of other companies.
42	ISO 9001, ISO/IEC Guide 51, EU New Approach Directives, and HACCP	ISO 9001: A certification standard for quality management systems, issued by the International Organization for Standardization (ISO) in 1987. It is used to improve quality through the implementation of the Plan-Do-Check-Act (PDCA) cycle aimed at increasing quality. A review by a third party is needed to acquire certification. ISO/IEC Guide 51: An international standard that stipulates guidelines for the inclusion of safety aspects in standards. It is positioned at the top of various safety standards. EU New Approach Directives: A new EU legal structure and means of regulation implemented with the integration of Europe as the EU with the purpose of reducing "technical trade barriers" that impede the flow of goods within the EU. HACCP (Hazard Analysis and Critical Control Point): A system for analyzing health and quality risks that could occur in the production process of foods, specifying the critical control points that should be monitored to ensure safety, and practicing rigorous control and record keeping.

No.	Term	Meaning
43	Major laws and regulations related to quality and safety	<p><Explanation of abbreviations></p> <ul style="list-style-type: none"> • LP Act: Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas • PMD Act: The Law on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical device • Housing Quality Act: Housing Quality Assurance Act • Premiums and Representations Act: Act against Unjustifiable Premiums and Misleading Representations
44	Supply chain	A series of activities or stakeholders related to the chain of all business processes (including development, procurement, production, delivery, and sale) leading from the stage of raw materials to the delivery of products and services to the customers. The business approach for cohesive management of the supply chain is called supply chain management.
45	EU RoHS Directive	EU legislation restricting the use of hazardous substances in electrical and electronic equipment and promoting the collection and recycling of such equipment, enacted in February 2003. Target hazardous chemical substances include lead, mercury, cadmium, and hexavalent chromium, and flame retardants such as polybrominated biphenyls (PBB) or polybrominated diphenyl ethers (PBDE).
46	California Transparency in Supply Chains Act	A law that went into effect in January 2012 that requires companies with worldwide annual revenues of \$100 million or more to report on their specific actions to eradicate slavery and human trafficking in their supply chains.
47	Conflict minerals	A general term for minerals produced in conflict-torn regions where the purchase of those minerals could lead to the funding of local armed groups and, it is feared, could result in complicity in conflicts in those regions. (See No. 48 Dodd-Frank Act)
48	Dodd-Frank Act	A US financial regulatory reform act established in 2010 with the aim of preventing a recurrence of the financial crisis. One part of the act imposes an obligation on companies listed in the US to report to the Securities and Exchange Commission (SEC) matters related to their use of minerals including tantalum, tin, gold, and tungsten produced in the Democratic Republic of the Congo and surrounding regions, out of concern that mineral resources in those regions have become a source of funds for armed groups.
49	Local community	The people or groups living or working in an area impacted economically, socially, and environmentally by a business.

Sustainable Procurement

Management System

Supplier Evaluation and Guidance
for Improvement

Participating in Initiatives

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 \(valid until Dec. 31, 2023\)](#)

[EcoVadis Sustainability Rating certification Gold \(valid until Apr. 2024\)](#)



Participation in Global Compact Network Japan Supply Chain Working Group

Mitsui Chemicals supports the [United Nations Global Compact](#) (UNGC) and has been a member of the Global Compact Network Japan (GCNJ, the local network of the UNGC in Japan) since fiscal 2013, participating in various GCNJ working groups. The Supply Chain Working Group within that group is working with other participating companies to improve sustainable procurement in the supply chain. In addition to promoting the use of the industry-wide Common Self-Assessment Questionnaire (SAQ), exchanging opinions with NGOs and experts, preparing outputs to promote sustainable procurement, and introducing our own initiatives at seminars, we are also involved in activities to raise awareness and promote sustainable procurement (CSR procurement) among other organizations and companies.

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 February 2020 and a signed contract, Control Union (Malaysia) Sdn Bhd herewith certifies that the facility(s) listed below are found to be in compliance with the RSPO Supply Chain Certification Standard, version February 2020 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.

Name certified company	Mitsui Chemicals, Inc
Full address certified company	6, Takasago 1-chome 592-8501 Takaishi Osaka JAPAN
RSPO number (if applicable)	2-1139-20-000-00
Other sites certified	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
RSPO registered parent company (if applicable)	
RSPO member number parent company	

Scope of Certification	Procurement and processing of Fatty Acid Methyl Ester, including storage and selling as nonionic surfactant through mass balance supply chain module.
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Certificate Start Date	21-12-2020
Certificate Expiration Date	20-12-2025
Date of first RSPO certification	21-12-2015
Certificate number	CU-RSPO SCC-842870
Supply chain model	<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

Certifier

Date of issue: 31-10-2022



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

0060-3-33771600/1700/1277

certifications@controlunion.com

Control Union (Malaysia) Sdn Bhd is accredited by Assurance Services International 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.





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

13th March 2023

Date

14th March 2022

Member Since

Authorized Signatory
(Sustainable Castor Association)

31st Dec 2023

Validity Until



MITSUI CHEMICALS INC (GROUP)

has been awarded a

Gold medal

as a recognition of their EcoVadis Rating

- APRIL 2023 -



You are receiving this score/medal based on the disclosed information and news resources available to EcoVadis at the time of assessment. Should any information or circumstances change materially during the period of the scorecard/medal validity, EcoVadis reserves the right to place the business' scorecard/medal on hold and, if considered appropriate, to re-assess and possibly issue a revised scorecard/medal.

Valid until: April 2024

Human Resources Management



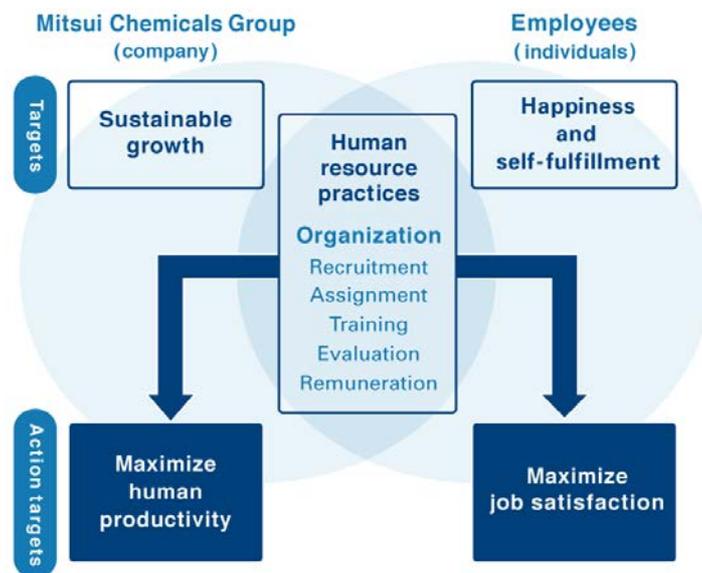
Management System



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 "Promoting the happiness and fulfillment of employees" as stated in our Corporate Mission. We plan to build an organization that always keeps learning and pushing its boundaries, driven by making the most of individual employees' potential abilities. This is how we will create a sustainable competitive edge.

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 in Good Faith"

- (1) The Mitsui Chemicals Group will require employees to "Always in good faith" as stipulated in "The Action Guidelines," highly appreciate such employees and offer an appropriate environment for them to give full rein to their strengths.
- (2) Mitsui Chemicals will comply with all labor and employment laws wherever it operates.

(3) Mitsui Chemicals will disclose its rules and operate fairly and with justice according to the rules regarding recruiting, assignment, training, evaluation and compensation of employees without any discrimination against gender, race, nationality, age, religion and disabilities.

2. "For people and society"

- (1) Mitsui Chemicals will require employees to "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 promoting the happiness and 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.
One Team	To unite our minds and efforts regardless of different positions, generations, genders, nationalities, organizations, and regions.

System and Responsible Officers

The Mitsui Chemicals Group has established the position of CHRO^{*1} as part of its efforts to strengthen the chief officer system and clarify executive responsibility in order to strengthen the executive system and promote reforms in the Group and globally.

The CHRO will strengthen the linkage between business plans and human resources strategies from a medium- to long-term perspective, and boldly invest and reallocate human capital toward business portfolio transformation in a more timely manner at the group and global levels. At the same time, the CHRO is responsible for effectively and proactively communicating these initiatives and human capital values to internal and external stakeholders.

As for head office functions, we have established a Senior HRBP^{*2} 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 annually reviewing our human resources strategies.

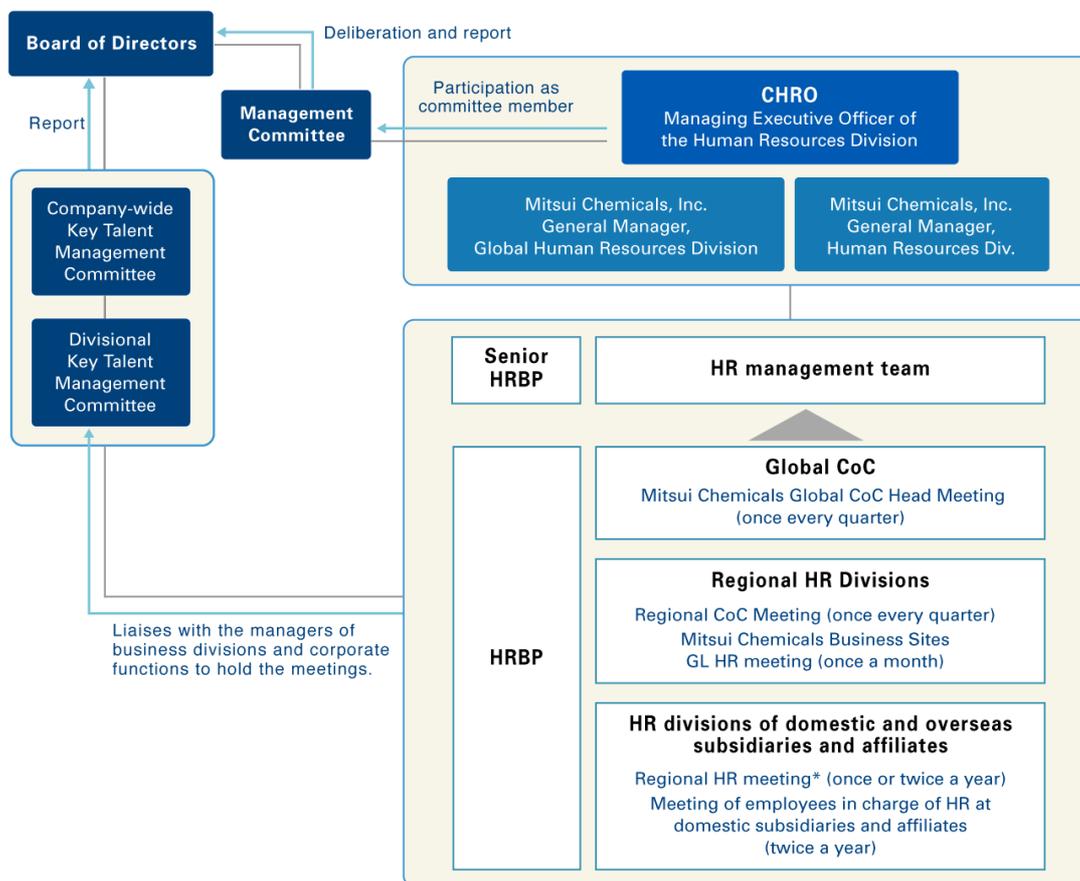
We have also organized a global CoC^{*3} system that includes HR representatives from Japan, Europe, the Americas, and Asia to devise and launch human resources strategies and HR practices on global Group-wide levels, revolving around five functions: 1) Talent management, 2) Organizational and human 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 of domestic and overseas subsidiaries and affiliates, HR department, and HRBPs. We also periodically share and discuss the progress of mutual HR practices with the representatives of Regional HR Divisions with domestic and overseas subsidiaries and affiliates.

In addition, the HR management team under the CHRO is responsible for human resources strategy decision-making, including HR issues at each business/functional headquarters, region, 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 executives, as stipulated by the Management Committee and described in the Corporate Governance Guidelines.

*1 CHRO: Chief Human Resource Officer. As a member of the management team, plans and executes human resource strategies.
 *2 HRBP: Human Resources Business Partner. As the partner to the divisions and corporate heads, CHRO will drive the formulation and execution of human resources strategies and HR practices integrated with various business strategies and functional strategies.
 *3 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.

Monitoring

The state of compliance of human resources management at business sites and subsidiaries and affiliates is being checked regularly through internal audits conducted by the Internal Control Division.

Goals and Results

Key Talent Management

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Successor coverage rate for critical positions	Mitsui Chemicals Group	235%	21%	X	235% or more	250%

Diversity

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Number of executive officers with diverse backgrounds (women, non-Japanese, mid-career hires)	Mitsui Chemicals	Diversity rate of future executives: 20%	17.8%	X	Diversity rate of future executives: 20% or more	10 or more (including at least 3 women)
Ratio of women in management positions (manager-level or above)	Mitsui Chemicals	6%	5%	X	7% or more	15%

Percentage of women among regular recruitment	Career-track administrative positions	Mitsui Chemicals, Inc. registered employees	40%	52%	○	40%	40% or more
	Career-track technical positions		20%	21%	○	20%	25% or more
	Skilled staff (mainly factory operators)		10%	9%	×	10%	10%
Ratio of employees with disabilities		Mitsui Chemicals, Inc. registered employees	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 Promotion on Women's Empowerment in the Workplace IV, which shows the overall number of employees expected to join the company in the next fiscal year.

Improvement of Employee Engagement Score

Metric	Scope	FY2022			FY2023	FY2030 (Medium to Long-term)
		Goals	Results	Level Achieved	Goals	Goals
Engagement score	Mitsui Chemicals Group	Implementation rate for improvement plans from our FY2021 survey: 100%	100%	○	36% or more	50%

Human Resources Management



Talent Management

Human Resource Strategy

The Mitsui Chemicals Group has been devising and implementing human resource strategies based on long-term business 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 165 consolidated subsidiaries and 18,933 employees (as of the last day of March 2023, excluding contract employees). Furthermore, the overseas sales revenue ratio has expanded to 49%.

In order to implement VISION 2030, we have also identified (1) acquisition, development, and retention of human resources, (2) improvement of employee engagement, and (3) strengthening of group and global HR governance and proactive disclosure of human capital value as the ideal state of our HR strategy, in view of changes in the external environment, and have defined the priorities and measures that must be implemented.

Priority Issues and Measures in Human Resources Strategy

Our Ideal State in 2030



Human resources who can work with customers and partners to create businesses that address social challenges are being acquired, developed, and retained.



Transformation to a corporate culture that increases the engagement of human resources and converts it into organizational strength has been achieved.



Human resources governance has been established, and the value of Group human capital is being communicated both internally and externally.

Priority issues and measures for our human resource strategy

- **Strategic recruiting, development, and retention of future executives with diverse backgrounds**
 - Key talent management
 - Advancing job-based HR management
- **Design of human resources portfolio aligned with the ideal business portfolio**
 - DX personnel development
- **Embodiment of 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
- **Upgrading of human resources governance to accommodate for mergers and acquisitions (M&As), etc.**
 - Competitive compensation design
- **Creation of an Integrated Group-wide human resources platform**
 - Promoting analytics

In order to promptly formulate and implement various HR measures for these "measures to be implemented" at a Group and global level, the Global Human Resources Division will play a central role in the CoC functions of Talent Management, Talent Development, Total Rewards, the HRIS (Human Resources Information System) & People Analytics, etc., thereby strengthening the regional HR functions including Japan.

Key Talent Management and Critical Position Successor Planning

The Mitsui Chemicals Group defines "Key Talent" as candidates for critical positions in the company, including future executive who will lead the next generation in pursuit of business portfolio transformation from the social issue perspective, as well as people who can simultaneously conceive new ideas and bring about change by building solutions-based business models through global expansion, M&A, and other means. Key Talent Management is a core initiative of Mitsui Chemicals' human resource management, which has established a culture within the organization of discussing each candidate's career, personal interests and aspirations, and development plan. The system has been operating since fiscal 2016 as a common system for the Group and globally.

Key Talent Management System

Our corporate governance guidelines place "Key Talent Management" at the center of the system for succession planning, which covers senior management (such as sector presidents and CXOs). After clarifying the qualities necessary for management, we conduct early selection and strategic training of candidates for senior management positions. Every year, all members of senior management, including the president, CXOs, sector presidents, and general managers of each business division and office, participate in Divisional and Corporate Key Talent Management Committees as consultative members, select candidates from the Group and global management who will lead the next generation, formulate development plans for each candidate, and spend time discussing their contents. Based on the contents of these assessments, we conduct assessments and create development opportunities and assignments, etc., to help each individual develop their careers. In particular, with a view to achieving VISION 2030 in FY2022, we have redefined the human resource requirements and necessary qualities required for the executive management level. Significant efforts are also underway to select more suitable personnel and develop more effective training plans. We have also set as non-financial KPIs in VISION 2030 the ratio of diversified executive officers (at least three women and at least ten non-Japanese and mid-career recruits), and are working to enhance the diversity of our management team executive candidates.

Successor selection and development for critical positions

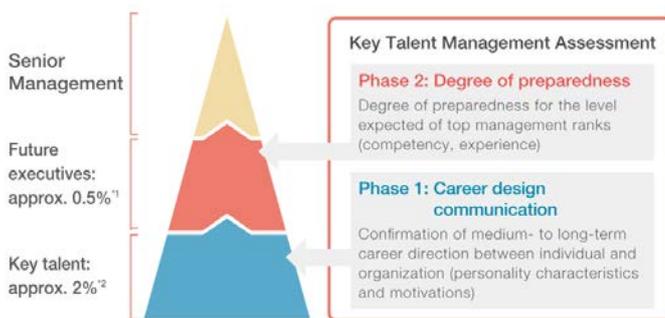
Strategically critical positions for implementing each strategy (mainly general managers and higher, and presidents of major affiliates) and positions for which assignment should be promoted (to train next-generation management candidates) are being identified and approved by the Corporate Key Talent Management Committee, and successors are being planned for such positions. The committee also creates career development plans for these positions. We have identified some 100 strategically critical positions and development positions across the world, and are actively acquiring suitable human resources from inside and outside the Group to fit them.

The progress of key talent management and succession planning for strategically critical positions is periodically reported to the Board of Directors. Doing so enables the Board to periodically and objectively monitor the progress of talent pipeline development. We are also proactive in making suggestions from the aspect of strengthening the pool of human resources who will be considered by the Director Nomination Committee, thus creating a framework with strong capabilities for the whole Group.

Key Talent Management Processes



Key Talent Management Assessment 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	- PL in multiple business divisions (business responsibility in different areas) - Management of subsidiaries, etc.
(2) Business restructuring	- Restructuring of at-risk businesses
(3) New business development	- Planning and execution of new business models - Novel business creation (market, products, or customers) etc.



(4) Company-wide projects	- Staff management in relation to company-wide issues - Creating long-term plans - Major M&A and alliance management, etc.
(5) International experience	- Managing overseas companies

Progress and Future Prospects

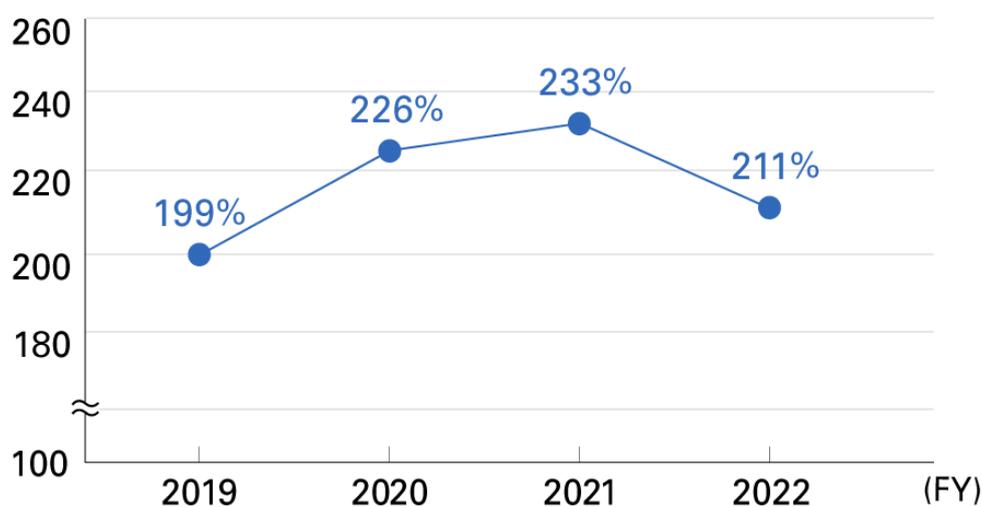
FY2022 progress
<ul style="list-style-type: none"> • Redefine the HR requirements for future management (CxOs) (associated with VISION 2030) Clarify the competencies, skills, experience, and credentials required for each management position to elaborate the succession planning and the selection process 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 metric 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.
Plans for FY2023
<ul style="list-style-type: none"> • Further enhance assessments for future executives to optimize training and succession planning. • Promote external recruitment and improve training plans for existing employees in order to diversify the pool of management candidates.

Successor coverage rate/number of diverse executive officers

The successor coverage rate* shows the percentage of secured successor candidates versus the number of strategically critical positions to achieving company-wide strategies. The rate is regularly monitored. Today, many companies are working on succession plans and succession planning in order to avoid the risks associated with the absence of successors. We have established the successor coverage rate as a non-financial metric in VISION 2030, and publish it externally so that we can quantitatively grasp its status and ensure its effectiveness. We have also set the number of diversified executive officers as a non-financial metric (executive officers in 2030: at least three women and at least ten non-Japanese and mid-career recruits), not only to ensure continuous and stable development of successors, but also to manage the effectiveness of key talent management from the perspective of diversity. In April 2022, women, non-Japanese, and mid-career recruits were added to the executive board. Going forward, we will continue to work on talent management, accelerating it with business measures that meet 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

Diversifying executive officers
(woman, non-Japanese,
and mid-career recruitment):

Total 10
(including at least 3 women)

FY2022
Diversity of our executive officers

Women: 1 , Non-Japanese: 1,
Mid-career recruitment: 1

Total 3

Woman



MATSUE Kaori

Executive Officer
General Manager,
Planning & Coordination Div.
of Production & Technology
Center

Non-Japanese



Antonios Grigoriou

Executive Officer President,
Representative in America;
President,
Mitsui Chemicals America

Mid-career recruitment



SAMBE Masao

Managing Executive
Officer Sector President,
Digital Transformation Sector

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

Human Resources Management



Diversity



*Updating Facebook!

The Mitsui Chemicals Group positions diversity as one of its core values, based on the belief that promoting diversity is essential not only for fulfilling our social responsibilities but also for the sustainable growth of our Group. Diverse ideas from a diverse range of people are sources of innovation, essential for sustainable continuity, and the promotion of diversity is an important management 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

The Mitsui Chemicals Group's diversity promotion system started with forming the Promotion of Women's Empowerment team in fiscal 2006. As diversity continues to expand, we have continued to change our structure, and in FY2019, strengthened our structure as a department that oversees and supports the activities of all minorities within the company. Furthermore, in 2022, the organization was renamed the Diversity, Equity & Inclusion Group, and is committed to achieving equity.

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 on its progress and measures to the Management Committee for approval.

History of the Promotion System

2006	The Promotion of Women's Empowerment team was formed with the aim of fostering female managers and creating a pleasant working environment for women.
2015	The Diversity Promotion Office was established in the Human Resources Division to further focus on 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.
2016	Expanded the scope of responsibilities and support of the Diversity Promotion Office from women to all minorities in the company.
2019	Changed the name of the organization to the Diversity & Inclusion Department, with the aim of spreading the importance of inclusion.
2022	Changed the name of the organization to the Diversity Equity & Inclusion Department to emphasize and promote equity initiatives.

Encouraging Women's Advancement

Even before the launch of the Promotion of Women's Empowerment team, the Mitsui Chemicals Group had been working to actively promote women in its business activities by assigning female employees to Works and actively hiring women in career-track technical positions. Since establishing this team, the Company has been working to enhance its systems, and has focused on fostering a corporate culture in which women can build their careers. As a result, the Company has reached a point where very few women leave their jobs due to lack of systems to support childcare. Our initiative for empowerment of women in the workplace is in its third phase, and currently the biggest challenge is to increase the number of women in decision-making positions. To achieve this, the pipeline of female employees needs to be filled, and the ratio of Company-wide female employees needs to be increased in order to raise the number of women who are candidates for management positions. Therefore, we have set the ratio of female managers and the ratio of female hires as indicators for the empowerment of women, and are promoting these initiatives.

Increasing the Ratio of Women in Management Positions

We have set short-, medium-, and long-term targets for the ratio of female managers in the Company, and are promoting efforts to achieve them. Specifically, the goal is to raise the rate to 7% by the end of FY2023, 10% by the end of FY2025, and 15% by the end of FY2030.

To achieve these goals, we believe it is necessary to further deepen accurate knowledge about 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. This is because the women currently falls behind their male colleagues in this regard.

Based on this belief, we have conducted training and activity on the theme of unconscious bias for department managers and newly appointed line managers to promote correct understanding that, even during childcare, opportunities for advancement should be given based on communication with the employees on childcare leave and that appropriate consideration should be given not only to women but also to men during the childcare period. We are striving to spread correct understanding about this. Other lectures on the theme of empowerment of women in the workplace are given by responsible officer for human resources and outside directors.

Increasing the Ratio of Female Recruits

Regarding the target values for the ratio of female employees, we have set a target of at least 40% for administrative positions and 25% for technical positions in FY2023 for career-track positions. We will aim to have at least 30% of new hires be women and to build a talent pipeline that retains that ratio.

In addition, we have set a goal of 10% of female employees in 2023 for skilled positions. 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%.

In order to achieve these goals, we are proactively introducing female employees who are keen to build their careers, and providing a comfortable working environment for women in our recruiting activities.

*Employees Hired through the Regular Recruitment 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 Promotion on Women's Empowerment IV, which shows the overall number of employees expected to join the company in the next fiscal year.

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 caregiving, 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 contributing to a sustainable society and create corporate value through its business model transformation and business portfolio reform.

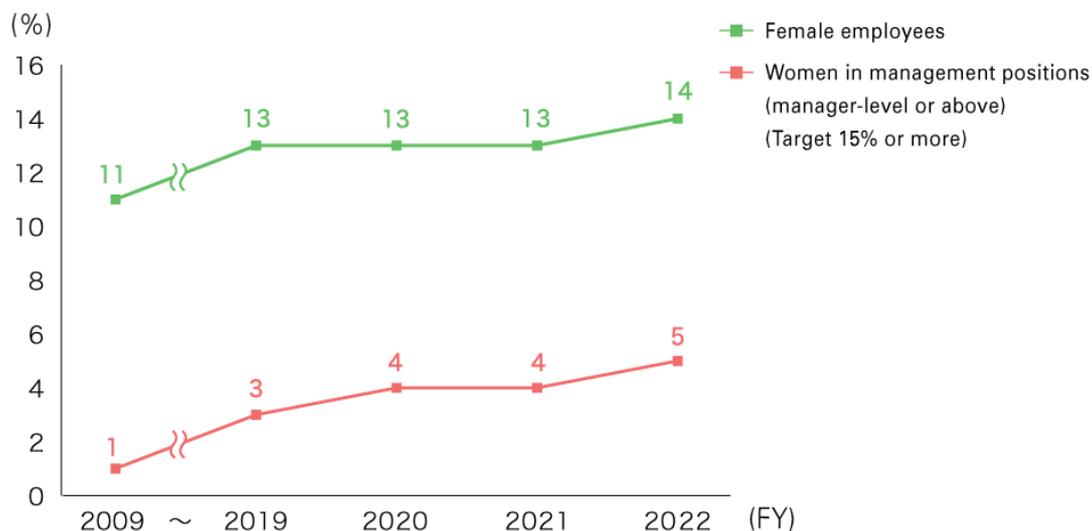
The Company lists "Diversity" as one of its Core Values, and is committed to permeating the true value of diversity throughout its organizations to further improve its capabilities as a whole. Empowerment of women in the workplace is the first step to achieve this diversification and its progress is 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.

*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.

Ratio of Female Employees (Mitsui Chemicals, Inc. registered employees)



Percentage of Women among Regular Hires (Mitsui Chemicals, Inc. registered employees)

	FY2020	FY2021	FY2022	FY2023 (Target)
Career-track Administrative Positions	50%	47%	52%	40% or more
Career-track Technical Positions	15%	18%	21%	25% or more
Skilled Positions (mainly plant operators)	7%	5%	9%	10% or more

TOPICs (1)

Women's Empowerment Promotion by Management and Initiatives Joined by Employees

The Mitsui Chemicals Group is also making efforts to create an organizational culture that promotes the empowerment of women in the workplace. One of the measures to disseminate management's thoughts on diversity was second executive dialogue held in FY2022 and disseminated through an internal portal. On that occasion, we deepened the conversation using an issue book to discuss what diversity and gender equality are, and delivered top management messages such as "Let's talk more deeply while considering the other person's position and area" to advance diversity as a source of innovation, "Receiving support from the people around us is important" for inclusion of minorities, and "Let's cultivate the strength to hold discussions" at the same time.



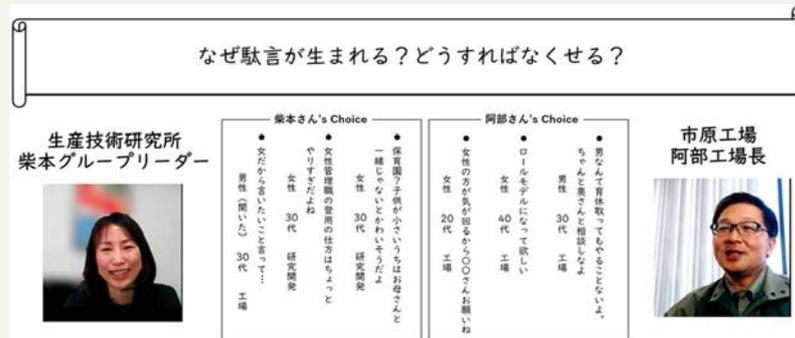
From left, HAYASHIDA Hiromi, Deputy Business Sector President of Life & Healthcare Solutions Business Sector, MATSUE Kaori, General Manager of Planning & Coordination Division, Production & Technology Center, HASHIMOTO Osamu, President & CEO, NAKAMURA Kosei, General Manager of Performance Compound Division

TOPICs (2)

For International Women's Day in FY2022, we collected a wide range of *Dagen* from our employees to create the Mitsui Chemicals *Dagen* Collection, and held a dialogue event between executives and female managers on the contents of the collection.

Dagen is a coined word that refers to words that are not offensive to the person who says them, but that do not consider the abilities or individuality of the other person due to unconscious prejudice, discrimination, etc., and that offend the other person's mind. Our version is created with reference to "#*Dagen* words that should go out of print soon | Nikkei xwoman." We solicited words from within the Group, and received various *Dagen* uttered in a wide range of situations.

The event focused on the topic of *Dagen* related to gender awareness, with talk topics such as "Thoughts on the Mitsui Chemicals *Dagen* Collection," "Why are *Dagen* directed toward women?" and "How can *Dagen* be eradicated?"



From left,
SHIBAMOTO Hiroko, Director, Integrated Process Technology Department, Process Technology Laboratory
ABE Shinji, General Manager, Ichihara Works

Non-Japanese national Employees' Active Participation in the Workplace

The Company began the full-scale hiring of non-Japanese employees in Japan in 2005. In order to help foreign nationals working in Japan maximize their abilities regardless of race or nationality, we provide dedicated consultation services for non-Japanese employees working in Japan. In addition to supporting work and life styles, we are committed to maintaining a workplace that provides all employees, including non-Japanese employees, with a good work environment and employing talented people.

Specific Examples of Assistance Provided to Non-Japanese Employees

- Assisted with Japanese language training
- Assisted with visa procedures
- Addressed daily inquiries about HR systems, initiatives, company rules such as work regulations, etc.
- Conveyed information required for working in Japan in English and Japanese
- Conduct inclusion seminars (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)

Enabling Employees with Disabilities to Reach Their Full Potential in the Workplace

In hiring employees with disabilities, the Company goes beyond achieving the statutory 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 a 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, 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.

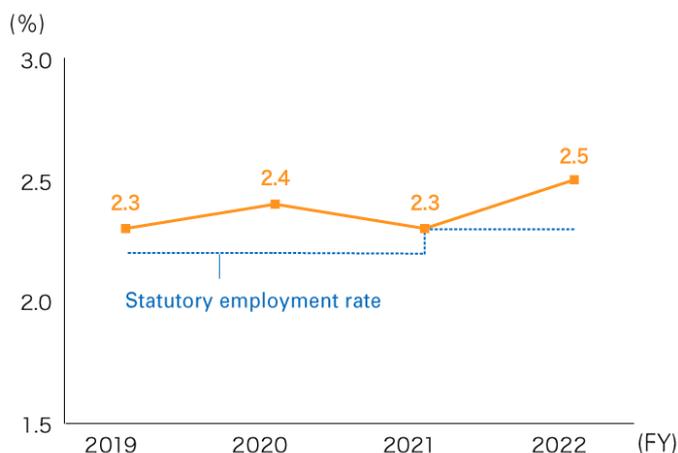
Participation in Initiatives

The Mitsui Chemicals Group 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 people with disabilities. 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 I can improve myself"

I feel that my workplace is "a place where I can make the most of my strengths and refine myself through my work." I had no working experience, so when I first joined the company, I didn't know anything, and was simply anxious, but with the support of the people around me, I was able to settle in. Currently, the main part of my job is to assist with accounting. I originally came from a science background, and did not know the first thing about accounting when I joined the company. But from my first year I was involved in accounting work and was able to learn accounting knowledge not only through classroom learning but also through practical experience. In FY2022, my third year, I was able to participate in project meetings with people from other companies, and I feel that my work is not only rewarding but also that I am growing through it.

In the future, I would like to work with ambition and positive attitude, and grow together with Mitsui Chemicals, unbound by the framework of employment of people with disabilities.

Joined the company in 2020
(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	FY2022
87.6%	85.5%	87.1%	86.6%	89.8%

LGBTQ Awareness

The Mitsui Chemicals Group Human Rights Policy prohibits all forms of discrimination whatsoever, including discrimination against sexual orientation and gender identity. In 2021, we launched a project involving business sites and began studying initiatives to improve the ease of working for the LGBTQ community, leading to the current measures. Many of the early project members are promoting the initiative as LGBTQ contact persons at their business sites.

Gender Non-Response in Recruitment

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 when applying for a job.

Mitsui Chemicals LGBTQ Ally Declaration and Establishment of Dedicated Contact Point

The "Mitsui Chemicals LGBTQ Ally Declaration" is aimed at increasing the number of "allies (supporters)" who show an attitude of understanding the LGBTQ community. The Declaration demonstrates a desire to actively learn to understand LGBTQ on their own and to be there for the LGBTQ community. President Hashimoto was the first person to sign the Declaration, and others are also promoting activities to increase the number of Allies.

In addition, a dedicated LGBTQ consultation service has been established to respond to LGBTQ-related harassment and coming out cases (consultation requires the consent of the person who has come out), as well as inquiries regarding the use of company-provided benefits.



Benefits Coverage for Same-Sex Partners

Effective October 2022, employees who inform the company of their same-sex relationship will have their same-sex partners viewed in the same way as opposite-sex partners with respect to certain leave, leave of absence, and benefit programs. In order to create a climate conducive to the use of the system, the Company is working on the development of an environment in which LGBTQ employees can work with peace of mind, and on the consideration of measures to facilitate their use of the system.

Application Overview

Company systems affected	Paid leave relating to marriage, bereavement, caregiving or nursing Unpaid leave relating to childcare or nursing Rental of company housing
Applicable to*	Mitsui Chemicals, Inc. registered employees (working within Japan) Contract employees (temporary, permanent, or those entering re-employment), depending on the scope of each individual system

*The coverage of the system will be expanded in stages.

Training

- Education on the subject of harassment (e-learning):**
 As part of legal compliance education, we provide a workplace "harassment" course, which included prohibition of discrimination and harassment based on sexual orientation, in addition to sexual harassment and power harassment (abuse of power). All employees take the course every year.
- Workplace discussion on Sexual Orientation Gender Identity (SOGI) harassment:**
 We have added Sexual Orientation Gender Identity (SOGI) harassment as an option for the topics to be discussed during the Workplace Discussion, where employees talk about various topics related to legal compliance at their workplaces.
- New line manager training program (Diversity Seminar)**
 In the Diversity Seminar, employees are educated through group work on harassment related to SOGI and the actions to take when consulted by LGBTQ employees.
- Training for LGBTQ Contact People**
 Practical education is provided for contact people at each business site, including role-plays of actual cases in which external experts pretend to be facing an issue and consult the contact people.
- Education for personnel in charge**
 Since some of our benefit programs began to apply to same-sex partners of employees in 2022, we have been educating relevant application category information handlers and company housing staff about promoting LGBTQ understanding and to deepen their understanding of how to operate the programs.

Participation in Initiatives

In the PRIDE Index*, the Company received "Silver" certification in 2023, following its "Bronze" certification in 2022, which evaluates the Company's efforts to address issues facing LGBTQ+ and other sexual minorities, established by "Work with Pride," a general incorporated association that supports the promotion and establishment of diversity management related to the LGBTQ community.

work with Pride



*PRIDE Index: Japan's first index for the evaluation of LGBTQ+ initiatives in the workplace, created by the general incorporated association "Work with Pride." Initiatives are categorized into five assessment indices that match each letter of "PRIDE" (Policy: declaration of action; Representation: network of LGBTQ+ parties; Inspiration: awareness-raising activities; Development: HR systems/programs; and Engagement/Empowerment: social contribution and external relations activities).

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 Started benefits coverage for same-sex partners

Training and Lectures Related to Diversity Promotion

Unconscious Bias Training for General Manager-level

In order to build a pipeline that extends to the appointment of female employees as directors, we provide training on unconscious bias to general managers based on the belief that it is important for executives to understand unconscious bias and face the challenges of organizations for which they are responsible. In FY2021, the program included an e-learning course and feedback on the results of an analysis that quantified the unconscious bias of the participants and compared them by organizational category. In FY2022, the results of the bias analysis for each organizational category were further discussed in an online workshop, where a heated debate ensued. At the beginning of the training, the president's message was delivered to clarify top-level commitment, and to raise awareness about the need to recognize unconscious bias and the importance of seriously tackling issues in the divisions for which they are responsible.

Unconscious Bias Workshop for General Manager-level (1.5 hrs.)

Program	Details
Sharing the results of unconscious bias analysis	The bias figures for each person in the e-learning course taken beforehand were analyzed as a trend for each organizational category, and the results were shared. The characteristics of each organizational category were expressed.
Group sessions	The participants discussed in small groups what causes characteristic bias tendencies in each organizational category to exist, shared information about the current situation and challenges in their own organizations, and discussed what difficulties the Company faces.
Summarize	The opinions expressed by each group were shared. Finally, each person declared one action in their respective organizations for which they are responsible.

Diversity Seminar in the New Line Manager Training Program

The New Line Manager Training Program is mandatory for all newly appointed line managers who will be responsible for other staff members. The program will teach them about the roles and necessary skills of a line manager and nurture their work awareness.

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.
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Training at the Omuta and Osaka Works

Training for Female Skilled Staff (factory operators engaged in technical work)

Training is provided for women in key technical positions who work as operators at Works, with the aim of providing opportunities to interact with female operators at other Works and to think about their careers. In FY2022, we held two social events, one in the summer and one in the winter, to provide opportunities for exchange. We listened to stories about the career paths of senior female operators, engaged in active dialogue, and shared our concerns. We are studying the personnel issues identified at the exchange meetings so that they can be reflected in our systems and policies.

Women's Careers and Health

Although we have an extensive leave system to cover various life events, we launched a project in FY2022 to examine support for balancing work and life, based on our awareness that there may be room for further consideration in terms of support for continuing to work. We have implemented the following measures after listening to and considering the opinions of our employees.

- **Fertility treatment seminar**

To dig deeper into what support is needed during infertility treatment, we began by inviting interested participants to attend a seminar on infertility treatment to learn about the current situation. Ms. Asuka NAGAIKE from Toray Corporate Business Research, Inc. was invited to speak on such topics as "What is infertility treatment?," "The actual flow of treatment," "Schedule and cost of treatment," "Possibility of balancing work and treatment," and "Regarding changes since the insurance coverage started in 2022"

- **Introduction of online health consultation service for obstetrics, gynecology, and pediatrics**

We have introduced an online consultation service for women-specific concerns such as menstrual pain, PMS, pregnancy, and menopausal disorders, etc., as well as children's health. The purpose of this service is to reduce the time needed and emotional burden of child and obstetric health issues for employees and their families, and to create a time of peace of mind for them.

Dispatching Female Employees to External Career Training Programs

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 programs designed to help female candidates for general manager and director positions learn about business management and building 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

Management Strategy Course for Female Leaders

"What do leaders need to know when they make decisions? What should be done for this purpose?" The six-day camp-style course, in which we thought about this issue in earnest, was a rich experience for me to expand my thinking horizontally and deepen it as well, which is necessary when making a decision.

The course took the form of case studies selected by Harvard Business School professors, in which participants were asked to relive how they would have responded to the challenges they faced as managers, and then gaining a wide variety of perspectives through group work discussions. The format of the lectures was to lead us to a discussion in which we realized the importance of thinking through the responsibilities that companies should fulfill and that ultimately, decision makers are expected to come up with their own answers.

The course brought together 65 women in leadership positions from all over Japan, many of whom are already in management positions. Between lectures, the participants had plenty of opportunities to talk about their everyday problems at work and to build a broad network of contacts.

When I finished the course, which I attended with tremendous support from my supervisor and colleagues, I was filled with a sense of accomplishment, but now I realize that the knowledge and

experience I gained in the course have diversified my thinking patterns. And I am confident that it will become a cornerstone of my work in the future.



TADA Yumi, Director, Public Relations Department, Corporate Communications Division

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

Understanding Multiculturalism

Since fiscal 2014 we have provided Global Business Skill Training, which teaches 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, and 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. Participants learn about the religions, cultures, and ways of thinking of people in various countries and regions, and their backgrounds, through specific case studies under the theme of business communication.

Inclusion Study Session

With the aim of fostering an organizational culture that embraces diversity, we hold "Inclusion Study Sessions" to deepen understanding of people with disabilities, racial and national minorities, LGBTQ community, different cultures, and other issues. Employees with disabilities or illnesses serve as lecturers to talk about their disabilities and their own experiences, and we also invite external experts to conduct online study sessions with participants from business sites across the country. In FY2022, there was a seminar on depression to learn how supervisors can prevent mental illness in their staffs, a meeting to understand the diversity of food from different cultures such as halal and vegetarian, and a meeting to hear about the experience of a person with developmental disabilities who started a business and have a discussion about it based on questions from the participants. We also offer a hands-on "Gramma" game that can be played with the visually impaired.

All of these serve to deepen understanding of diversity and inclusion, which will lead to product innovation and ultimately to enhancing corporate value.

Training and lectures for diversity promotion

Fiscal 2022 Results (Total participants: 1,035 people) Themes	Lecturer	Scope
Unconscious bias	External lecturers	General managers
Joint Leader's Dialogue with AGC: "Working Abroad"	External/Internal lecturer	External/Internal employees
International Women's Day "Aim to Eradicate <i>Dagen!</i> " Talk Event	Internal lecturer	Employees
Organizational management respecting diversity for line managers	Internal lecturer	Training for new line managers
Nationwide dialogue session with seniors for women on shift work	Internal lecturer	Women working in shifts
Leadership programs for mentees	External lecturers	Employees
Seminar on balancing infertility treatment and work	External lecturers	Employees
Workshops on balancing work and caregiving	External lecturers	Employees
Understanding developmental disabilities: "Understanding disabilities together with supporters and parties concerned"	External lecturers	Employees
What supervisors need to know about how to prevent mental illness in the workplace	External lecturers	Employees
Skill development seminars	Internal lecturer	Employees with disabilities
LGBTQ basic training for staff in charge of company housing and other benefits	External lecturers	Employees
LGBTQ consultation and response training for business site contact personnel	External lecturers	Employees
Cross-cultural understanding: "Learning about Halal, Vegetarian, and other food diversity"	External lecturers	Employees

Lean In Mitsui Chemicals Initiatives

Diversity in Leadership! Lean In Circle celebrated its first anniversary with 80 members under the mission "Diversity in Leadership." It provides a place to learn and practice new skills through dialogue, and promotes horizontal communication among members while ensuring psychological safety and confidentiality. Monthly sessions are conducted in small groups of three to five people online during lunchtime for dialogue, with participants preparing for assignments such as by reading, watching videos, and self-analysis in advance of the session. In addition, monthly special events include lectures by internal and external speakers and exchange events with outside companies, providing a place where members can explore their own unique leadership styles and abilities. We will continue to contribute to Lean In's philosophy of "creating a society where all genders are able to take on challenges with ambition," and will work to create a sustainable corporate culture and develop leadership.



Monthly Session

Reading circle	<ul style="list-style-type: none"> - Sheryl Sandberg, "Lean In" - Matthew Syed, "The Science of Diversity"
Movie Viewing	<ul style="list-style-type: none"> - Brené Brown, "The Power of the Hurting Heart," TED Talk - ISHII Ryosuke, "How to Create Psychological Safety" Author Commentary Video
Self-Assessment	<ul style="list-style-type: none"> - Identity and unconscious bias (dialogue with board members & supporters) - Self-assessment through the Enneagram - #IamRemarkable Workshop - Self-awareness through a partiality map - Sharing 100s of things I want to do - Work on knowing who supports you

Special Projects

	Theme	Lecturer
Internal	Dialogue: "How to Create Your Own Leadership & Career"	Internal lecturer
	Dialogue: "International Men's Day Celebration! A Real-Life Talk by Four Men and Four Women on Balancing Family and Career"	Internal lecturer
	Dialogue: "Maternity Leave is Not the Goal! Male Childcare to Further Fulfill Your Work and Life"	Internal lecturer
External	Workshop: "Self Compassion" (5 sessions)	External lecturers
	Workshop: "The Secret to Leadership that is True to Yourself: Trust in Yourself and Self-Affirmation"	External lecturers
	Workshop: "Lean In Docomo & Lean In Mitsui Chemicals Joint Project" "#IamRemarkable"	Internal and external lecturers

Human Resources Management



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 Performance Evaluation and Compensation

At Mitsui Chemicals, performance is evaluated based on the achievement of predetermined job targets and actions, and the results are reflected in the compensation.

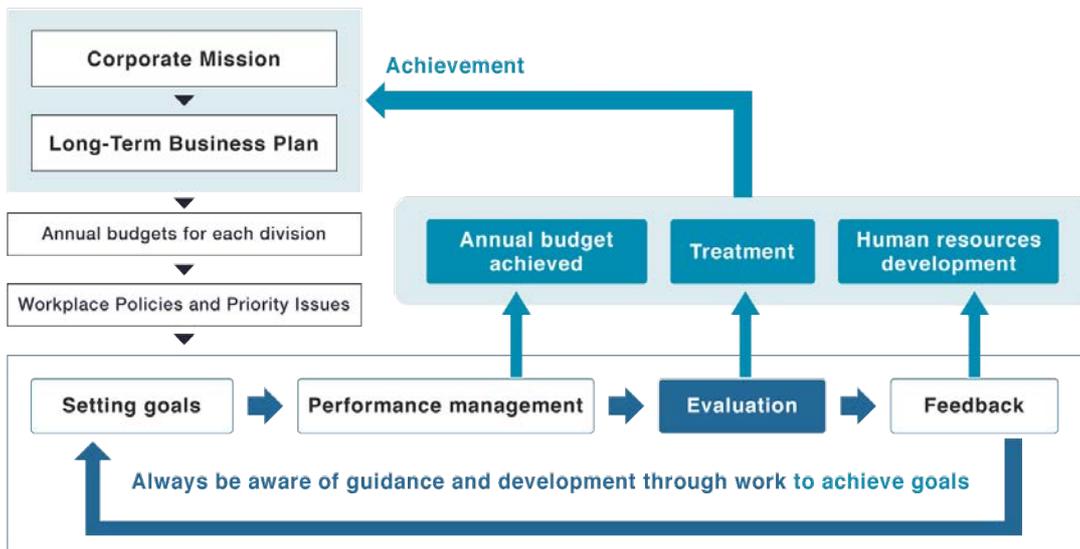
We systematically ensure that in setting job goals, individual employees can recognize that achieving their goals will help achieve company-wide goals by rolling out business plans aligned with the Corporate Vision at each workplace, incorporating them into workplace policies, and ensuring that important challenges are reflected in job goals for individual employees. At all employee levels, the Company has systemized annual interviews and meetings to set goals with supervisors.

In the goal-setting meetings, job goals for each fiscal year and behaviors to be strengthened or developed are shared. If the individual makes a request, a "career dialogue" is held with the supervisor during the term to confirm the work they would like to experience in the short term (within three years) and long term, as well as the skills they would like to acquire. This allows employees to proactively think about their own careers, and supervisors to deepen their understanding of their subordinates' career perspectives, strengths, weaknesses, and future goals.

Regarding performance evaluations, feedback interviews on the assessment results are also conducted once a year. During these interviews, supervisors share the results of job goal achievement evaluations and behavioral evaluations, as well as reasons for evaluations, and strengths and areas for improvement based on each individual's characteristics, in order to provide appropriate support for the employee's development. For behavior evaluation, we have introduced the Global Core Competency Assessment, in which supervisors evaluate the behavior of their subordinates and provide feedback after the employees themselves review their own behavior based on specific facts to see if they are taking the actions stipulated in the Action Guidelines and core values. Through these efforts, we aim to instill and establish our Action Guidelines and core values.

Mitsui Chemicals has been using its Talent Management System (Workday) to manage activities from setting goals to performance evaluation, and this has improved the accuracy and efficiency of HR management. Using the system, we constantly update goals and achievement status, and refer to past information to ensure effective goal management and consistent skill development for each individual.

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.



Revising the Personnel System in Line with VISION 2030

To realize VISION 2030, we revised our human resource system in April 2022 to improve employee engagement and further encourage growth and proactive challenges. When making the revisions, we used the results of the [engagement survey](#) to revise the individual performance management system, including goal setting and evaluation, and to improve the transparency and specificity of evaluations.

Specifically, when setting goals, we stipulated that directors and corporate auditors and general managers should take the initiative in setting transformation goals that were back-cast from VISION 2030 and disclose them to their subordinates for the purpose of collaboration. In order to encourage employees to persevere in pursuit of higher goals without fear of failure, points were awarded for achievements. The transformation goals will be introduced in stages, starting with those in higher positions, with plans to expand them to section managers and lower positions in the future.

In addition, the bonus allocation, which used to be uniform for each evaluation category, has been changed to a system that allows detailed adjustments according to each employee's performance, directly rewarding the contributions of each individual. The bonus calculation method is based on the amount of consolidated operating income before special items in addition to individual performance. However, in order to further motivate employees to achieve the performance goals of VISION 2030, we are revising the system to provide additional payments for high operating income.

We also reviewed the global competencies that have been used as the basis for behavioral assessment. It reflects the "promoting challenges," "strengthening of execution," "strengthening of commitment," and "promoting internal and external collaboration," which have been discussed as necessary elements for the realization of 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, our goal is not only to understand diversity, but also to provide opportunities for people to speak and act fairly, and to encourage people to make use of others with rich individuality, which will lead to new ideas and results. In addition, specific behaviors and levels required for each job grade are newly defined as "Leadership Competencies" and evaluated to promote actions for the realization of VISION 2030.

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 the legally required minimum wages and granting compensatory time off or extra wages for work hours that exceed the prescribed or legal working hours. We then 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, in fiscal 2023, the compensation system for directors was revised in June, and base increases for non-management and managerial employees were implemented in July.

Furthermore, we operate a fair and equitable system that reflects performance results by eliminating age and seniority factors as much as possible, and disclose the salary, bonus, evaluation, and pay raise systems to employees in our company rules and handbooks.

In fiscal 2023, one of the key themes for the Human Rights Working Group to consider is living wages (i.e., whether employees are paid enough to maintain an adequate standard of living for themselves and their families), which is important in realizing decent work (work that is fulfilling and satisfying to human beings).

Clarification of evaluation and compensation in the group and globally

When acquiring, developing, and retaining excellent human resources across the Group beyond national borders, the Mitsui Chemicals Group has developed the "Group Global Evaluation Guidelines" and "Global Policy on Position Management" to promote the broad and fair application of evaluation indicators standardized within the Group, visualization of positions, and clarification of the compensation process.

Global Evaluation Guidelines

In 2016, we formulated and distributed the Global Evaluation Guidelines, which outline the evaluation schemes, approaches, design, etc., across the group companies. These guidelines consist of two concepts: (1) management by objectives (MBO) and (2) global core competencies. These guidelines enable 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 competencies are used as a shared index within the Mitsui Chemicals Group's HR management, and they are used as the basis for the 360-Degree feedback and assessments provided in [the leadership development program](#).

Global Position Management

Since 2004, the Mitsui Chemicals has established job descriptions for management employees and introduced a job evaluation system in which employees are treated according to the size of the duties of each position. However, as we expand globally, it is necessary to appropriately design an organization and job descriptions for the entire group that are consistent with our long-term business plan. For this reason, "the Global Policy on Position Management" was rolled out to the Group in fiscal 2020. At present, there are approximately 18,000 job positions in the Group, of which roughly 40% are overseas-based positions. The policy clarifies the basic philosophy, structure, decision-making authority, and processes to create and abolish these positions within the group. Along with this development, we have introduced global job grades. We are currently working to ensure visibility and transparency for job positions within the Group based on standardized job evaluation criteria.

Policy on Executive Appointments, Dismissal and Compensation at Subsidiaries and Affiliates

In fiscal 2021, we rolled out a Global Policy on executive personnel governance for the Mitsui Chemicals Group. This Policy 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. Based on this Group-wide policy, the Mitsui Chemicals Group will implement integrated executive compensation management throughout the Group, ensuring transparency in the appointment and dismissal process and the determination of appropriate compensation linked to the Group's overall performance.

Human Resources Management



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. 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 the society.

Initiatives and Results

Recruitment data (Mitsui Chemicals, Inc.)

Unit: people

	FY2019	FY2020	FY2021	FY2022
Total regular recruitment	245	195	203	244
Career-track administrative positions (number of women)	105 (27)	82 (17)	78 (19)	102 (29)
General positions (number of women)	140 (16)	113 (8)	125 (6)	142 (13)
Total mid-career recruitment	66	68	129	215
Career-track administrative positions (number of women)	39 (7)	37 (5)	92 (9)	156 (32)
General positions (number of women)	27 (11)	31 (11)	37 (12)	59 (18)

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.

- (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.

In addition, training is provided to employees in charge of selection to ensure fairness.

Strengthening Mid-career Recruitment by Utilizing Various Approach Channels

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 is actively recruiting personnel with experience and expertise in relevant areas from outside the company, in addition to training and utilizing its employees. In fact, in fiscal 2022, we hired approx. 1.7 times as many mid-career recruitment 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. We have implemented referral hiring, where hiring was done through referrals by our employees, and 14 employees were hired under this system in fiscal 2022. Some of them are employees who have worked with us in the past, so-called "alumni" from the framework of our company, and have returned to work for us again. We will continue our efforts to acquire the talent essential for our growth through various approaches.

Training Programs for New Graduate Recruitment in Career Development

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 the 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.

Training Programs in Career Development

Unit: people

	FY2019	FY2020	FY2021	FY2022

Number of participants	40	33	35	33
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Recruitment Marketing with LinkedIn

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 April 2023, we have gained more than 28,000 followers. We plan to reinforce our global recruitment by coordinated action through the entire Group.

Human Resources Management



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 participants more aware and visualize the impact that they are unconsciously having on the organization, 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 for Future Executives

To train future executives who are expected to be active in the Group on a global scale, the program aims to acquire management literacy and develop a global network. We invite next-generation future executives 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.

Module #1 started online in February 2021, and the final Module #3 was conducted face-to-face at our Head Office in November 2022. In Module #3, participants made proposals to top management on VISION 2030, which was the theme of the action learning session, and a lively exchange of ideas took place.

Global Manager Seminar

This program provides local leaders of the Group and its global companies with the opportunity to gain a better understanding of the Group's strategy and culture, and to acquire leadership skills. Manager candidates from major sites around the world work together at each region through discussions. It was postponed during the COVID-19 pandemic, but it is scheduled to resume in fiscal 2023.

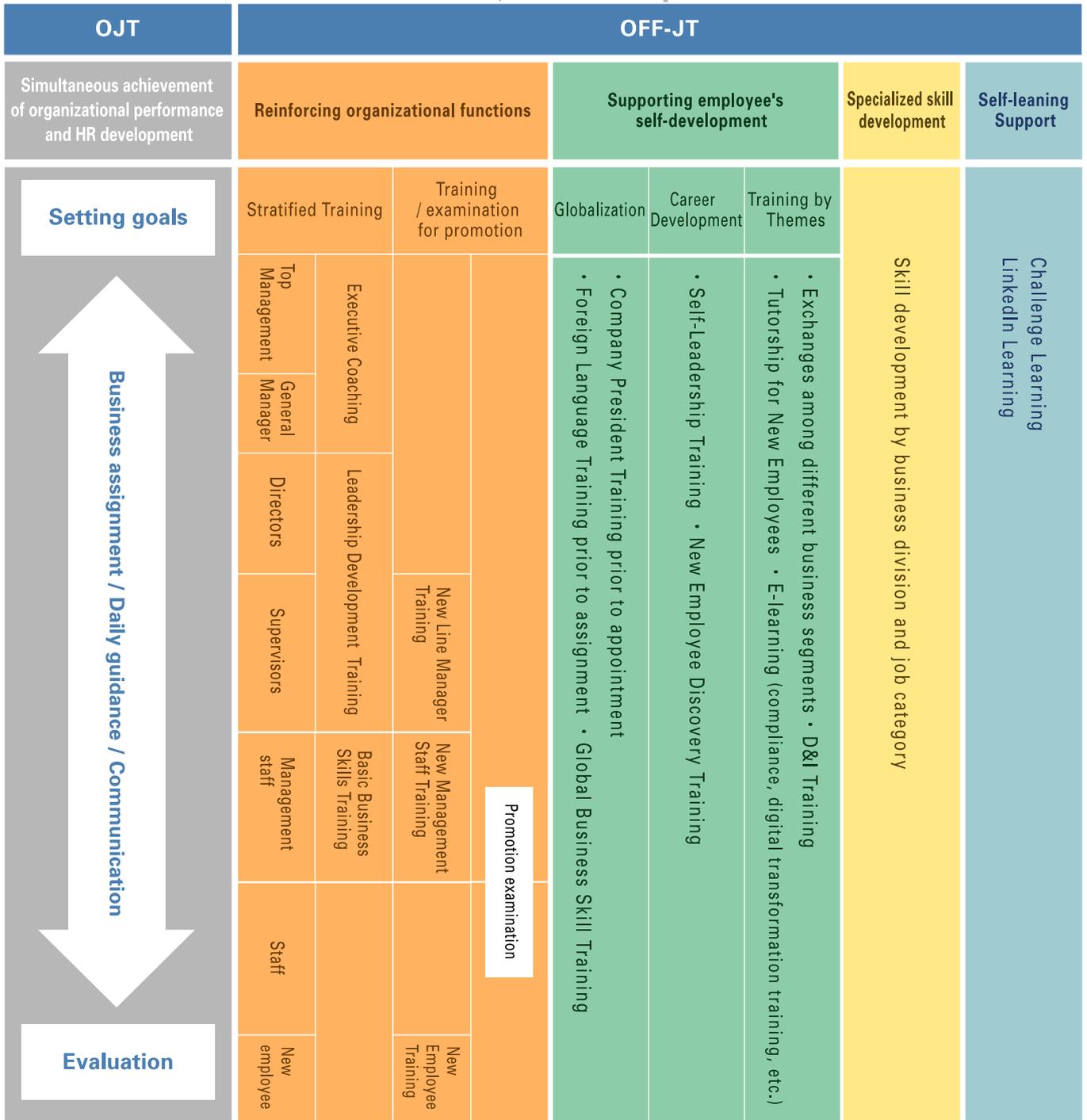
Name of Training Program	Number of Attendees in FY2022	Cumulative Total
Executive Coaching (For General Managers and higher positions of Mitsui Chemicals Group)	6 (Males: 6, Females: 0)	66 (From FY2011)
Global Leadership Program (For future executives of Mitsui Chemicals Group)	19 (Males: 16, Females: 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)

Ideal image: Self-initiative, autonomy, and collaboration.



Training policy: Thinking on one's own, acting on one's own & continuous study

Leadership Development Program

In order for talented human resources to demonstrate their abilities, regardless of time constraints caused by life events, such as childcare and nursing care, or differences in nationality, race, ethnicity, or religion, line managers need to improve their management skills. 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 actions 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.

Strategic Thinking Leadership Training

As a result of reviewing the requirements by position for the start of VISION 2030, we have newly introduced a “Strategic Thinking Leadership” training, because group leaders are required to have the ability to lead change and have a managerial perspective to manage the company and its businesses as a whole beyond the organization. To achieve VISION 2030, we will develop leaders who will draw a strategic story from new perspectives and promote and execute the strategy.

Number of Leadership Development Training Participants (Mitsui Chemicals, Inc. registered employees)

Name of Training Program	Number of Attendees in FY2022	Cumulative Total
Strategic Thinking Leadership Training (New) (Directors)	34 (Males: 31, Females: 3)	34 (From FY2022)
Leadership Development Training (For Supervisors and Plant Managers)	20 (Males: 20, Females: 0)	320 (From FY2013)
Leadership Development Training (For Plant Assistant Managers)	43 (Males: 41, Females: 2)	469 (From FY2016)

Key Achievements of Stratified Training (Mitsui Chemicals, Inc. registered employees in FY2022)

New Employee Training (Online and on site program)	
Details	The program was live-streamed online to eight business sites across Japan so participants could attend completely online from their offices or home. 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 7 Habits of Highly Effective People,” which focuses on developing professionals with roots (mind) and leaves (skills), and they learned about each division along with its strategy for VISION 2030, 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.
No. of Trainees	120 (Males: 72, Females: 28)
Total Training Hours	15,333hrs
Basic Business Skills Training Programs (Online)	
Details	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. Thinking, project management, interpersonal skills, accounting and management skills “Apple & Orange,” and global business skills training.
No. of Trainees	202 (Males: 143, Females: 59)
Total Training Hours	1,885hrs
Training for Newly-promoted Management Staff (Online)	
Details	Message from the management, understanding each role, and strength finder (leadership development utilizing strength)
No. of Trainees	160 (Males: 145, Females: 15)
Total Training Hours	1,226hrs
Line Manager Training Program (Online)	
Details	(1) Awareness of one’s roles, labor management, mental health management, compliance, and diversity (understanding diversity such as LGBTQ, harassment, women’s empowerment, etc.), (2) Subordinate development skills
No. of Trainees	172 (Males: 154, Females: 18)
Total Training Hours	(1) 1,032 hrs (2) 1,262 hrs

Training by Theme

Career Training

The role of companies in the era of the 100-year lifespan is shifting from “continued employment” to “career development.” In order to improve employee engagement, it is essential to create a framework for further career and growth opportunities. Based on our basic human resource development policy of “self-initiative, autonomy, and collaboration,” we launched the “Autonomous Career Development Promotion” in fiscal 2022 to embody the independence and autonomy of each and every employee.

Name of Training Program	Program objectives	Number of participants	Male participants	Female participants	Training Hours (hrs)
Self-Leadership Program (The Seven Habits)	Based on Stephen R. Covey’s “The 7 Habits of Highly Effective People,” learn perspectives and attitudes that will help you achieve long-term and effective results.	33	23	10	473
Self-Leadership Program (Self Empowerment)	To recognize one’s own leadership, to think about the meaning of work and one’s own guiding principles, and to connect them to actions to be taken tomorrow.	41	33	8	615
One-day Career Workshop (Prime)	For those who have been in the workforce for seven years or more, to reflect on their past work experience and reevaluate themselves to pursue their own potential and design their future careers.	31	25	6	222
One-day Career Workshop (Professional)	Aimed at people who are 45 years of age and older, this program provides a career vision for the era of the 100-year lifespan as they turn the corner in their professional life.	45	32	13	321
One-day Career Workshop (Entry)	For those who have less than seven years of working experience, to learn what autonomous career development means, understand themselves, and envision where they want to be in the future.	9	6	3	64
Ear-only Participation Career Seminar	Feel free to attend (anonymous, only observe). Easy-to-understand tips and ideas for thinking about their careers.	499	274	225	748

Digital transformation training (E-Learning)

As a basic strategy for promoting digital transformation under VISION 2030, Mitsui Chemicals aims to improve our digital literacy and shift to a data-driven organizational culture by improving the literacy of all employees and training them 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.

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.

Global Employee Engagement Survey

We believe that improving the engagement of each and every employee is necessary to achieve VISION 2030, and we have conducted a global employee engagement survey of all Mitsui Chemicals Group employees since 2018, which is also set as a non-financial goal. A second employee engagement survey was conducted in fiscal 2021 (response rate: 88%). Despite significant changes in the environment since the last survey due to the spread of COVID-19, the Group's employee engagement score* was 34%, a 3% improvement over the previous survey. In addition, organizations that were particularly vigorous in addressing the organizational issues that emerged from the survey improved their scores by more than 20% compared to the previous survey.

Currently, we are planning and implementing post-survey actions to further improve engagement scores at the Head Office level organization, at each Works, and at each subsidiary and affiliate. The registration rate for post-survey actions in the Group is 100%.

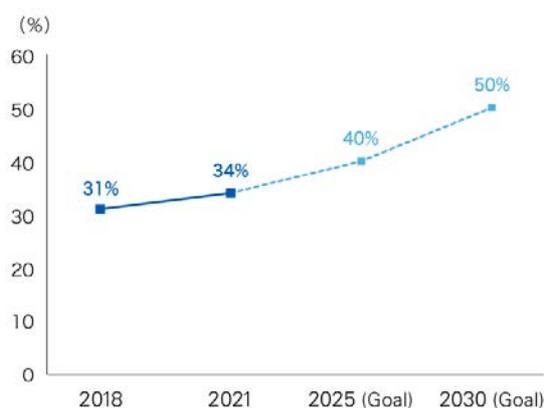
In addition, from fiscal 2023 onward, we will conduct an annual engagement survey, increase the frequency of monitoring, and promote specific initiatives to achieve an engagement score of 50% by 2030.

*Engagement score:

Shows the percentage of employees who indicate a high degree of agreement (4: somewhat agree, 5: agree, 6: strongly agree) with an average of 4.5 or more on the six engagement-related questions. The company is promoting these initiatives not only to improve scores, but also to increase the number of employees with a strong sense of engagement.

Engagement surveys

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%

Human Resources Management



Comfortable Work Environment and Maximization of Achievements

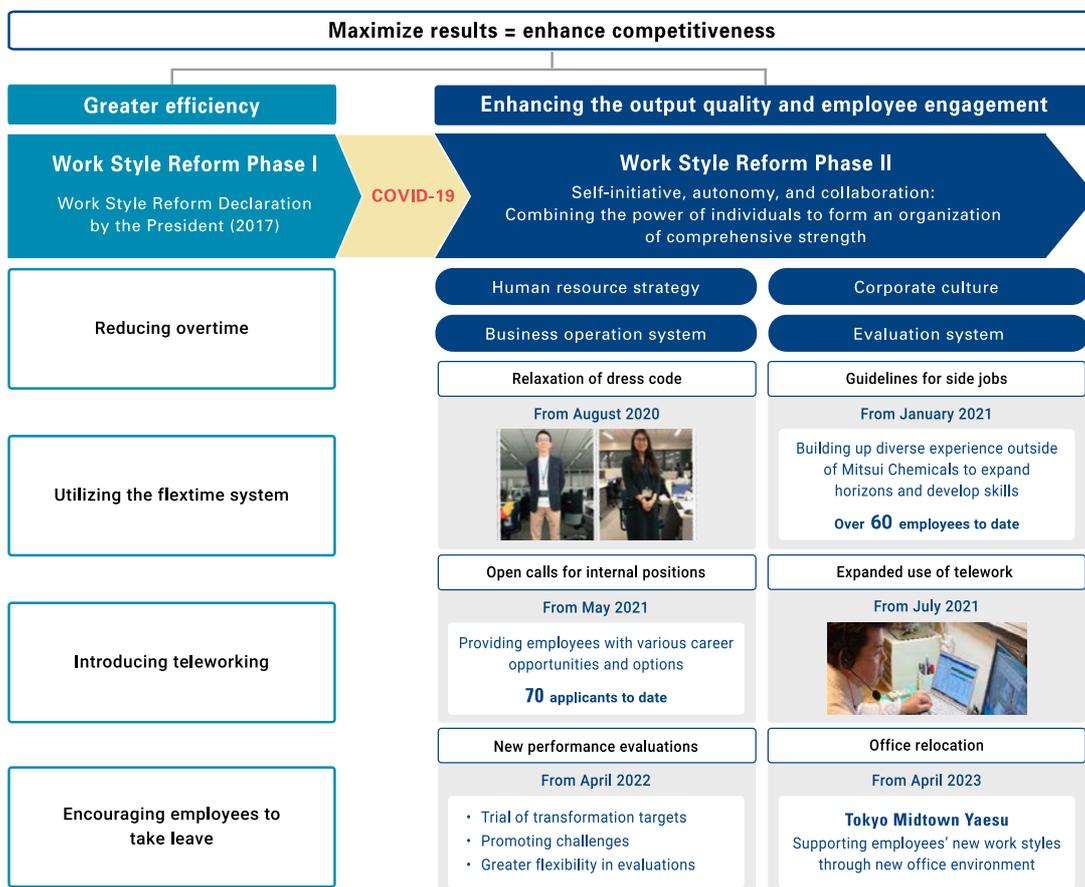
In addition to pursuing sustainable growth for the Mitsui Chemicals Group and promoting the happiness and fulfillment of employees, we are working to develop better, more motivating working environments that will maximize achievements.

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.

On the other hand, in the era of the so-called VUCA^{*1}, where the world is changing rapidly and the future is difficult to predict, individual employee autonomy and organizational collaboration are needed more than ever.

Therefore, in recent years, we have been focusing our efforts on "Work Style Reform Phase II," which is directed toward having diverse work styles, improving employee engagement, and maximizing performance values.



^{*VUCA}: An acronym for Volatility, Uncertainty, Complexity, and Ambiguity. Indicates a state of uncertainty and difficulty in predicting the future.

Teleworking

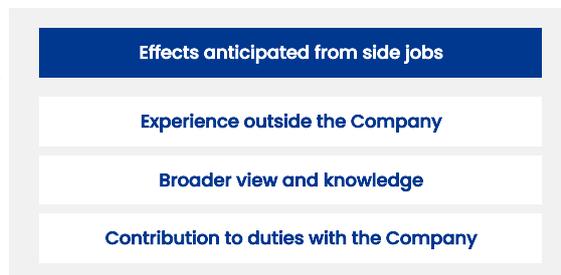
Mitsui Chemicals introduced a teleworking program in April 2019. However, the number of days allowed was limited, with very few employees using the program. However, in response to the outbreak of the COVID-19 pandemic in 2020, we temporarily eliminated the maximum limit for the number of teleworking 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 has resulted in the expansion of IT tools and the accumulation of IT literacy, etc., expanding the range of work that can be performed during telework. Telework has spread not only in terms of health and safety, such as infection prevention, but also in terms of new working styles that make it easier to work and maximize results. 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 has greatly increased the flexibility of combining telework with attendance, and we encourage employees and the organization to think more independently about their own work styles in order to maximize results.

In December 2021, we conducted a survey of employees regarding work styles such as telework, and found that telework users are using the telework system to their advantage in both their daily lives and work, such as increased non-work time and the ability to hold meetings without worrying about location, and that team management is functioning well even under telework. On the other hand, it was also confirmed that there are still issues to be addressed in terms of current digital tools, office environment, and human resource development.

In March 2023, the Head Office will be relocated to Tokyo Midtown Yaesu (Chuo-ku, Tokyo) and equipped with high-speed communication facilities to support DX promotion measures and other office environment. The use of an office environment that promotes good communication inside and outside the company and supports new challenges for VISION 2030 will allow even greater freedom and respect for diverse work styles when combined with telework, supporting the growth of employees and the company in the next stage of its development from the office environment as well.

Establishing Guidelines for Working Side Jobs

Mitsui Chemicals established the guidelines for 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. The same procedure will also be applied to general employees on a trial basis from January 2022, allowing them to perform side jobs. As of June 2023, over 60 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 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. The trial for general employees is scheduled to end at the end of the first half of 2023. After the completion of the program, we will examine operational issues, etc., and study the possibility of formalizing the program.



Relaxation of dress code

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 external business partners. With this outline, we aim to further foster a culture that allows for change and encourages employees to think and act on their own initiative while increasing the number of options available to them.



Open calls for internal positions

In 2004, Mitsui Chemicals launched open calls for internal positions 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 domains, and we recruit talent four times a year according to the needs of each department. In fiscal 2022, we received 70 applications for a total of 76 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 2022, this program helped reassign 17 employees to positions that match their career aspirations.

Initiatives for Reducing Overtime

The Mitsui Chemicals has been promoting activities aimed at reducing to zero the number of employees whose overtime and holiday work hours total 80 hours or more each month, and in recent years, the number of employees who do 80 hours of overtime work per month or more has significantly reduced. Initiatives include skills 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.

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. In order to avoid the concentration of work at certain times of the year due to this scheduled maintenance, we reviewed the work and strengthened our workforce, including alumni and contract workers, which resulted in a significant reduction in the number of employees doing over 80 hours of overtime work a month.

Number of Employees whose Overtime Hours Exceeded 80 Hours/Month (Mitsui Chemicals, Inc. registered employees)



Time Management Training



Visualizing Overtime and Hours Worked on Designated Holidays

To visualize overtime and hours worked on designated holidays, the managers share the monthly records of overtime and hours worked on designated holidays for each division and each employee. Each manager is working to establish a comfortable working environment by comparing the overtime and hours worked on designated holidays of other divisions and their own division, and by confirming that work is not concentrated on specific individuals. When an employee is found to have worked more than 80 hours of overtime each month, the Human Resources Division conducts an interview with the 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 an 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 ^{*1} . Male employees are encouraged to take childcare leave.
Part-time working option (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 ^{*2} .
Family care leave	Up to one year for each family member ^{*2} 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 ^{*2} who requires nursing care or support.
Part-time working option (family care leave)	Up to three hours per day for nursing care of a family member ^{*2} . Up to one year for the same reason.

*1 For the period of absence from work thereafter, approximately 60%-70% of wages will be paid by Mitsui Chemicals Health Insurance Society and unemployment insurance until the child reaches the age of two (maximum of approximately 104 weeks)

*2 Spouse, parents, children, grandparents, spouse's parents/grandparents, siblings, grandchildren, spouse's siblings

Please refer [here](#) for details of the usage status of other systems.

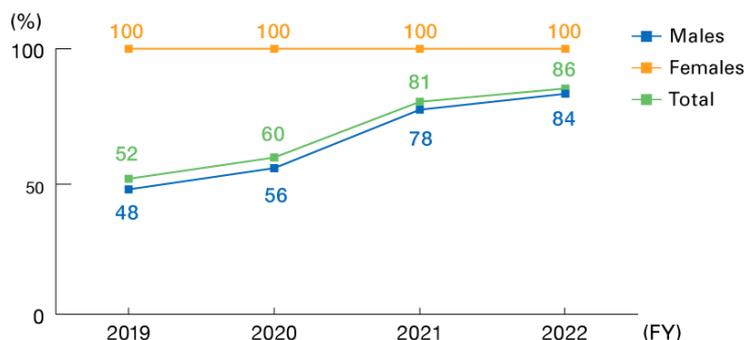
Support for Participation in Child Care

With the aim of realizing a sustainable society, the Mitsui Chemicals Group is strengthening support for working while raising children, not only by reforming work styles but also by providing specialized support for childcare.

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. Even before returning to work, meetings between employees and their managers are also conducted to share details of work styles that will ensure the work environment will accept the employee and details of their job description 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.

Childcare Leave Usage Rate (Mitsui Chemicals, Inc. registered employees)



Return Rate of Employees from Childcare Leave (Mitsui Chemicals, Inc. registered employees)

	FY2019	FY2020	FY2021	FY2022
Males	100%	100%	100%	100%
Females	100%	100%	100%	100%
Total	100%	100%	100%	100%

Employee Retention Rate Three Years after Childcare Leave (Mitsui Chemicals, Inc. registered employees)

	FY2019	FY2020	FY2021	FY2022
Males	83%	99%	93%	97%
Females	93%	94%	76%	82%
Total	86%	98%	90%	95%

Greater Participation by Men in Childcare

We promote male participation in childcare and encourage male employees to take the first five days of childcare leave with pay. For male employees on childcare leave, the pregnancy of the employee's spouse first needs to be reported to the Human Resources Division. The Human Resources Division then requests a meeting with the male employee's supervisor, who confirms the employee's intention to take childcare leave and explains the system to the employee. During this process, we ensure that we do not make the confirmation in such a way that discourages the male employees from taking the childcare leave, which is prohibited by law. For male employees who are unsure about whether or not to take childcare leave or how long they can take it, a representative from the Human Resources Division meets with them to discuss how to take childcare leave, including when to take it and the number of times it can be taken, as well as to coordinate with their supervisors to encourage them to take childcare leave. We have also created a guidebook that lists internal systems related to childcare and specific ways to use these systems. In addition to childcare leave, the guidebook introduces systems that can be used for childcare, including annual paid leave, flex time, shorter working hours, and paid nursing and caregiver leave. Furthermore, the site includes messages from management and interviews with male employees and their supervisors who are raising children, encouraging men to be actively involved in childcare as well. In fiscal 2022, we provided an opportunity to explain to department managers the social background behind encouraging male employees to take childcare leave, revisions to the Child Care and Family Care Leave Law, and internal systems, and asked them to share this information within their divisions. Training for all line managers is planned for fiscal 2023.



Balancing Nursing Care and Work

The Mitsui Chemicals supports our employees who work while providing nursing care. In order to prevent employees who are nursing caregivers from leaving their jobs, we hold an online seminar every year on the theme of balancing nursing care and work with the aim of promoting the concept of managing nursing care using public and in-house systems. However, participants in seminars tend to be limited because it is difficult for them to become aware of when they may become involved in the caregiving process. Therefore, since fiscal 2021, as an outreach measure, we have been posting useful information for caregivers on our internal portal bulletin board on a quarterly basis. Links to internal and external information are attached to the postings to provide easy access to the detailed information needed. Back numbers are also posted together on the portal, which helps to quickly convey the necessary information to employees who have to start providing nursing care at short notice. The topics we have dealt with include the difference between paid family care leave and family care leave, nursing care insurance certification system, dementia care, communication between parents and children, and cooperation with professionals. Reliable external YouTube videos related to the theme are presented to help them deepen their knowledge of what it takes to care for their loved ones.



2022 Implementation Event "Workshop on Balancing Work and Caregiving"
 (left) Ms. Yoshiko Takahashi, CarePot, Inc. (right) Ms. Yuiko Saga, Care Manager

Job Evaluations for People 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. Employees who are absent from work for childcare or nursing care reasons will be evaluated fairly based on the degree of achievement of their goals and actions during the period of attendance, as long as the attendance rate for the period subject to evaluation exceeds a certain standard. Their job performance while at work is evaluated fairly, and if their attendance rate is lower than a certain standard, they are exempted from the job evaluation (no rating), so as not to affect their job evaluation or promotion.

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)

	FY2019	FY2020	FY2021	FY2022
Non-management staff	86%	77%	84%	88%
Management staff	70%	60%	63%	64%
Total	79%	70%	75%	77%

Labor-management Relations Based on Frank Dialog and Communication

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.

Regular Labor-Management Communication

- Roundtable meetings on management
- Roundtable meetings for each individual theme
- Business site labor-management roundtable meeting
- Labor-management conference
- Labor-management negotiation
- Business site labor-management conference
- Business site labor-management negotiation
- Joint labor-management meetings for surveys, research, etc.

Major Labor-management Discussion Themes (Fiscal 2022)

- Revision of the increase in wages
- Bonus amounts and profit sharing
- Explanation of the management conditions
- Revision of human resources system in accordance with the revision of the Child Care and Family Care Leave Law
- Revision of travel expenses for single employees returning home
- Revision of qualifications, evaluations, and the compensation system (career-track positions) as of April 2023

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
Part-time working option (childcare/family care leave)*	○	○	○	○
Part-time working option (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



HRIS and People Analytics

Using People Analytics

The Mitsui Chemicals Group is promoting the visualization of organizational issues using various HR-related data, including employee engagement surveys, overtime hours, competency assessments, and recruitment data. We aim to strengthen organizational capabilities by utilizing this data and applying statistical data analysis methods to formulate solutions.

Examples of Past Initiatives

- **Correlation analysis for improving employee productivity**
We inferred causal relationships based on correlations between labor productivity and overtime hours worked and between competency and performance, derived hypotheses about how to increase employee productivity, and tested these hypotheses.
- **Analysis of ISO 30414 for improving employee productivity**
With regard to human capital, we are currently extracting and analyzing data related to the 11 items and 58 indices set out in ISO 30414. As for productivity, which is represented by one of the indices, 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.
- **Applying AI to eliminating bias in hiring**
Exploratory AI-based data analysis is being used to establish quantitative and objective recruitment decision-making indices, and eliminate possible human biases that have emerged so as to refine our recruitment processes.

Introduction of a Group-wide Integrated Human Resources Platform (Workday HCM)

To effectively promote various measures for the human resources strategy, the Mitsui Chemicals Group has been operating Workday Human Capital Management (Workday HCM), provided by Workday Inc. of the U.S., on a group and global basis since February 2023. Using Workday HCM to centrally manage organizational and human resource information within the Group will enable us to meet the growing need to disclose information about human capital, which is an intangible asset, in a timely and appropriate way while promoting the study of assigning the right people to the right roles across the entire organization. In addition, we will provide support for autonomous career development through information dissemination from management to employees within the Group and globally, as well as visualization of positions and duties.

Workday HCM-based initiatives (plan)

- (1) Organize and manage existing talent management processes that differ from company to company, as well as organizational and employee information within the group, managing them of the same platform using the same database and standards.
- (2) Timely delivery of optimal content using Workday HCM's digital technology, and an appropriate communication style customized for each Group employee.
- (3) Strategic personnel planning on a Group and global basis with a view to transforming the business portfolio, and strengthening the promotion of people analytics.
- (4) Proactive disclosure of information on human capital and investments in response to stakeholder requests.

We will utilize this platform to improve the effectiveness of our Group and global human resources strategies for business portfolio transformation.



*Globally, the platform covers around 100 companies, 18,000 positions, 28 job families and 112 job classifications, and features diversity and management position categories

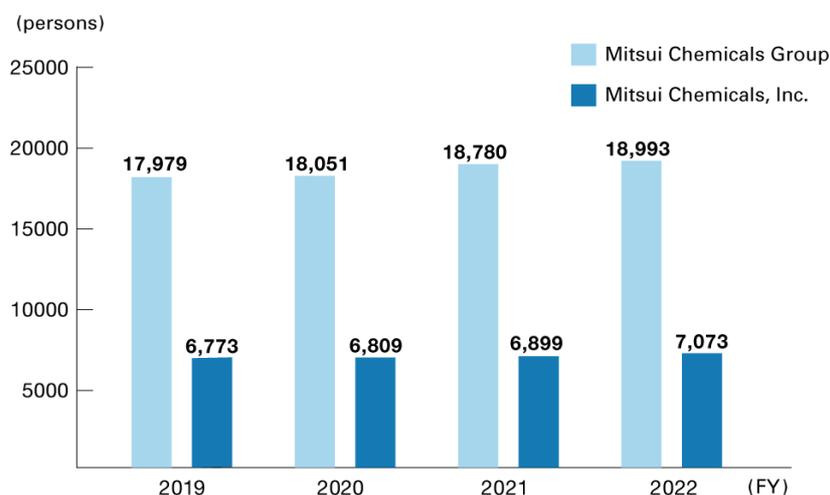


Human Resources Information

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.

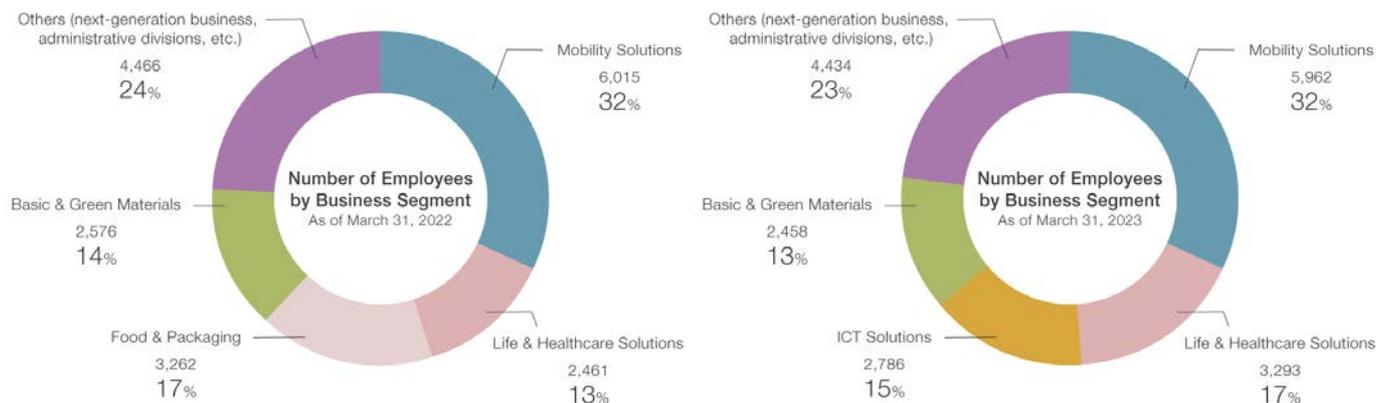
Number of Employees in the Mitsui Chemicals Group

As of the end of FY2022, the number of employees of the Mitsui Chemicals Group was 18,993, an increase of approximately 200 since FY2021. Of these, the number of employees registered with Mitsui Chemicals increased by 174 to 7,073. Compared to FY2018, the increase is 6% for Mitsui Chemicals Inc. registered employees and more than 10% for Group employees. The growth is due to the promotion of domestic and international M&A to transform the business portfolio and aggressive hiring of human resources to handle new areas of business.



Number of Employees in the Mitsui Chemicals Group by Business Segment

Mobility Solutions Business Sector had the largest number of employees by segment in the Group at the end of FY2022, with 5,962 employees, or 32% of the total. Although it is difficult to make an exact comparison with the end of FY2021 due to the reorganization implemented on April 1, 2022, the number of employees in the Basic & Green Materials Business Sector (former Basic Materials Business Sector) decreased due to the exclusion of Mitsui Phenols Singapore Pte. Ltd. from the scope of consolidation because its shares were transferred to INEOS.

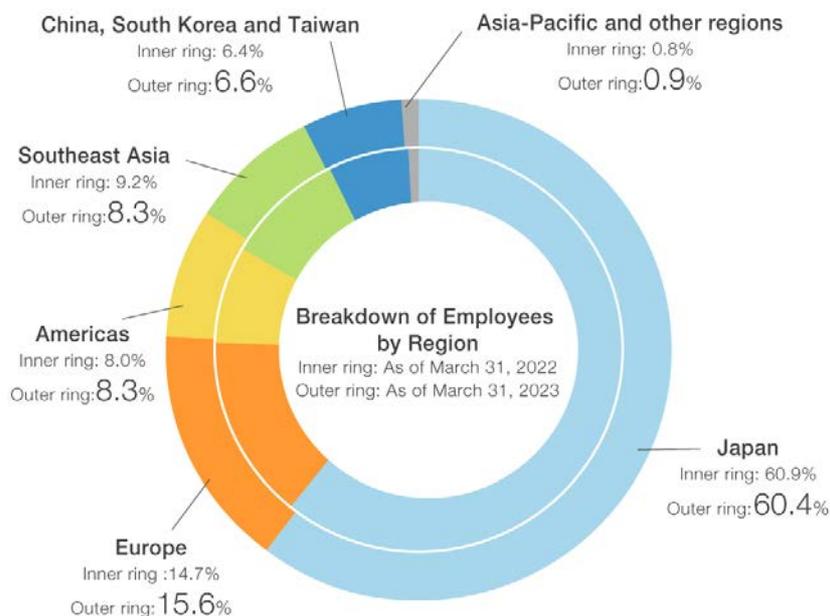


*Each Business Segment is from the time when the article was created.

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 building solutions-based business models. In particular, during the past decade, the Group has focused on hiring employees in Europe and the United States, with the aim of developing new markets, strengthening the functions of the production and sales research center, and creating new commercial distribution channels.

As of the end of fiscal year 2022, Japan accounted for approximately 60% of the Group's employees by region, which is almost unchanged from the previous fiscal year. Among the approximately 40% of companies that are located overseas, the largest ratio (15.6%) 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. As the number of employees at those companies increased, the percentage of employees in the district also increased compared to the previous year. On the other hand, in the Southeast Asia region, the ratio has fallen slightly compared to last year due to the transfer of shares in a subsidiary in the phenols business.



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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

Established on April 1, 2006

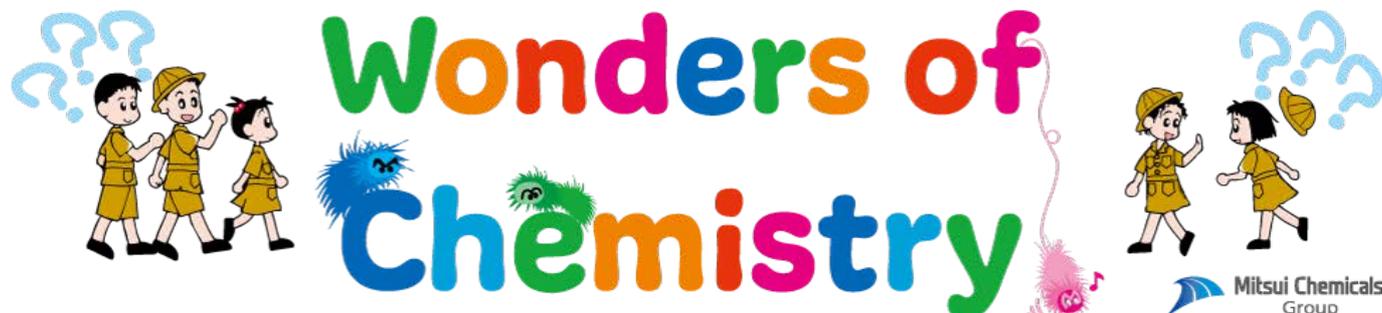
System and Responsible Officers

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. Furthermore, although social activities also include contributions, in accordance with our Policy on Bribery Prevention, the Group will never misuse charitable contributions or sponsorships as bribery or other corrupt practices.

Social Activities



Laboratory Classes on the Wonders of Chemistry



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The Laboratory Classes on the Wonders of Chemistry is one of the activities that the Mitsui Chemicals Group is promoting globally to contribute to society using chemical technology, to coexist with local communities, and to develop the next generation of human resources, in accordance with the [Social Activities Policy](#). 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.

Delivery Laboratory Classes

In fiscal 2022, we held delivery laboratory classes for the Wonders of Chemistry.

Month of Implementation	Target	Description
June	Kobe Junior Chamber of Commerce and Industry sponsored event "Become a Great Doctor of Science! Dive into a World of Wonders!" (Participants:61 people)	<ul style="list-style-type: none"> Let's classify plastics!
	3rd grade students from elementary schools near Sodegaura Center (Participants :69 students)	<ul style="list-style-type: none"> Will it expand? Shrink? Disappear!? Let's look into the properties of mystery plastics!
August	"Dream Challenge Experience School (Science School)" sponsored by the Chiba Prefectural Education Agency (Participants :9 people)	<ul style="list-style-type: none"> Let's make a freezer!
	"Otake Ranran College Summer School" hosted by Otake City Board of Educations (Participants :37 people)	<ul style="list-style-type: none"> Making shiny slime
	[China] Children enrolled in the Hozo Hut (Participants :30 students)	<ul style="list-style-type: none"> Making slime
October	Takaishi Chamber of Commerce and Industry sponsored event "Takaishi Commerce and Industry Festival" (Participants :158 people)	<ul style="list-style-type: none"> Making sparkling snow globes Touchable soap bubbles
	Ichihara Works Autumn Festival (Participants :approx. 140 people)	<ul style="list-style-type: none"> Let's make a shiny name plate (plastic board)
	"Science Festival for Youth 2022" organized by Iwakuni Science Center (Participants :18 people)	<ul style="list-style-type: none"> Let's make bincho charcoal* batteries!
November	Cultural festival organized by the Anesaki Community Center (Participants :60 people)	<ul style="list-style-type: none"> Let's try to adsorb oil! Let's make a shiny name plate (plastic board)
	Sodegaura Center Neighborhood Elementary School (Participants :Sixth grade students (3 times total, about 175 students))	<ul style="list-style-type: none"> Clean water! Let's experiment with mysterious cloths! Let's play with mysterious plastics!
December	1st year junior high school students attending a training course organized by the Mobarra Rotary Club (Participants :11 students)	<ul style="list-style-type: none"> Let's try to adsorb oil! Will it expand? Shrink? Disappear!? Let's look into the properties of mystery plastics!
(2023) March	Ichihara Works Neighborhood Children's School Senior kindergarten students (Participants :30 students)	<ul style="list-style-type: none"> Let's make a shiny name plate (plastic board)

*Bincho charcoal: Charcoal from ubame oak (Quercus phillyraeoides)

Online Laboratory Classes

Since fiscal 2021, we have been conducting 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 [August 2021]	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 [March 2022]	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.

Delivery Laboratory Classes "Become a Great Doctor of Science! Dive into a World of Wonders!" 2022

On Saturday, June 4, 2022, we exhibited an experimental booth at an event called "Become a Great Doctor of Science! Dive into a World of Wonders!" hosted by the Junior Chamber of Commerce Kobe as part of the Osaka Works Wonders of Chemistry. The purpose of this event was to let children experience the depth and breadth of science through science experiments and to cultivate multifaceted perspectives.



The Group's experiment

Business site tour by Hozo Hut children - Chemistry and Wonder Laboratory Classes in China

In August 2022, Mitsui Chemicals (China) Management Company Limited (MCCN) organized a tour of MCCN's Technical Center as an out-of-school learning experience for the children of the "Hozo Hut (public service activity)*." To help children realize that chemistry is something that exists around them, we also held a chemistry laboratory class for the Wonders of Chemistry as part of the tour.

*Hozo Hut (public service activity):

This is a CSR activity in China that donates a portion of the operating costs of facilities that provide supplementary education and out-of-school learning to children of migrant workers who live in the city but do not have the same access to education and welfare as children born and raised in the city. MCCN has supported the facility since 2020.



Activities

Laboratory Classes on the Wonders of Chemistry Experiments

*Experiment titles are subject to change.

Experiment title	Description
Slime - Making your own slime - Making jumbo slime together - Shiny slime - Slime ball	Field Polymer properties By making "slime" (i.e. cross-linking polyvinyl alcohol with water using borax), participants learn that water can be confined and about the gels around us in our everyday lives
Light experiments with polarizing plate	Field Light Participants learn about the passage of light through a kaleidoscope fitted with a polarizing plate that converts natural light into linear light, as used in mobile phones and other such devices
Chromatography art	Field Adsorption and separation Participants learn that the ink in a water-based pen contains a mixture of various different colors (pigments)
Plastic board	Field Polymer properties Participants learn about the properties and separation of plastics, by using the heat shrinkable properties of polystyrene to make their own original accessories
Let's make Cartesian divers!	Field Buoyancy Participants learn about buoyancy and pressure, by making a Cartesian diver from a PET bottle and a plastic soy sauce container
Let's investigate the properties of aqueous solutions using red cabbage	Field Acids and alkalis Using anthocyanin extracted from red cabbage, participants investigate the properties of everyday liquids and learn about acids and alkalis
Let's make an air freshener using spongy polymers	Field Polymer properties Related Group products Nonwoven fabrics Participants learn about the principle of water retention, by making an air freshener from a water-absorbing polymer, as used in disposable diapers, gardening supplies and other such products
Let's make a rainbow tower	Field Specific gravity Participants learn about the specific gravity (relative density) of fluids, by pouring colored waters with varying concentrations together to make a tower
Let's make a freezer!	Field Heat of solution Related Group products Urea Participants learn about the principle of heat adsorption via the heat of solution of urea, as used in such products as fertilizer and moisturizing cream
Learn how bubble bath works!	Field Reaction of acid and salt Participants learn about how carbon dioxide is produced, by making bubble bath from baking soda and citric acid
Learn about acid rain!	Field Acids and alkalis, Oxidation / reduction Participants learn about acid rain and what causes it, by measuring the pH using red cabbage extract and conducting a bleaching experiment using iodine
Let's make paper!	Field Recycling / Making paper Related Group products Acrylamide Using everyday implements, participants experience paper recycling from old paper and learn about papermaking and recycling
Let's make small objects from melted plastic!	Field Polymer properties Related Group products General thermoplastics Participants learn about the properties of thermoplastics, which melt when heated, by using a glue gun to melt resin and make small objects
Experience the wonders of shrinking films!	Field Polymer properties Related Group products Films, PET, etc. Participants learn about the principle of heat shrinkage, by using shrinkable film to attach labels and make their own PET bottle
See the power of air!	Field Hydrodynamics Participants learn about air resistance, by observing air rings emitted from an air cannon
Let's make snow on pine cones!	Field Crystals Related Group products Urea Participants learn about crystal deposition, by observing dissolved urea being sprayed onto pinecones and drying
Let's make light like a firefly!	Field Enzymes Participants learn about the difference between bioluminescence and chemiluminescence by making light using each of luciferase enzymes taken from fireflies and using mineral-based chemicals
Let's try and absorb oil!	Field Polymer properties Related Group products TAFNEL™ Oil Blotter™ Participants learn about the principles and how to use adsorbent materials, by absorbing only the oil from mixed oil and water substances

<p>Expand? Shrink? Disappear?!</p> <p>Let's look into the properties of mystery plastics!</p>	<p>Field Polymer properties</p> <p>Related Group products ABSORTOMER™</p> <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>
<p>Let's classify plastics!</p>	<p>Field Polymer properties</p> <p>Related Group products Polyethylene (PE), Polypropylene (PP), Polyethylene terephthalate (PET), and (Polystyrene (PS))</p> <p>By sorting four types of plastics according to density, participants learned that there are various types of plastics even if they look the same, and that garbage can be recycled as resources by sorting them.</p>

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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.

Support for STEM Education

Cosponsoring of Robotics Competition

Mitsui Chemicals co-sponsors the Japanese championship of **FIRST LEGO League (FLL)***, one of the world's largest robotics competitions. Mitsui Chemicals supports FLL's idea of providing children with an opportunity to experience the excitement of solving social challenges while applying STEM concepts and active learning.

Although booths and other exhibits were not possible from 2020 onwards, partly due to measures against COVID-19, sponsorship supported the continuation of the championship.

*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

Holding lectures on corporate collaboration with SSH-designated schools

The Mitsui Chemicals Group holds lectures in collaboration with high schools that have been designated as Super Science High Schools (SSH). Mitsui Chemicals Crop & Life Solutions, a Mitsui Chemicals affiliate, gave a lecture at Chiba Prefectural Chousei High School with the topic "Let's Think about Agrochemicals." The lecture introduced agrochemicals safety and how to make agrochemicals, with the aim of alleviating vague concerns about agrochemicals and deepening understanding of agrochemicals. The lecture was followed by a Q&A session, during which many students actively asked questions, demonstrating their eagerness to understand the topic in depth. In fact, a survey of the students revealed that before the course, two-thirds of them had an image of agrochemicals being harmful, but after the lecture, many responded that their image of agrochemicals had changed to a positive one. The lecture also provided a good opportunity for the participating employees to take a fresh look at their own work and what they can do to create safe agrochemicals.



During the lecture

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, the program was cancelled due to the COVID-19 measures, but we started accepting students again in fiscal 2022, and nine teachers took part in the training over two days (on August 19 and 22). The program is scheduled to continue in August for fiscal 2023.



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 has participated in the Career Challenge Day On-Line-Meets* since fiscal 2021. 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.

Sponsored and Exhibited in Niconico Chokaigi for "Science Experiment"

Mitsui Chemicals sponsored and exhibited in the "Cho-Arienai Science Experiment" at the ["Niconico Chokaigi 2022"](#). Experiments were conducted in collaboration with a science YouTuber, and a hands-on exhibition was held to allow visitors to touch, know, and learn about chemical by [MOLp™](#), our open laboratory activity.

Organized the Chiba Prefecture Dream Challenge Experience School

On August 1, Mitsui Chemicals held the “Dream Challenge Experience School” sponsored by the Chiba Prefectural Education Agency. This event aims to nurture children’s dreams for their future careers, and to help them learn about the qualities and abilities necessary for their careers through various work experiences, scientific and technical experiences, and interaction with researchers and professionals. Since 2014, our Works has also been cooperating with the project. Nine fourth- and fifth-grade students from within the prefecture participated in the event, which included an introduction to Mitsui Chemicals, a tour of the facilities at the Technical Training Center, and an experiment class led by the Wonders of Chemistry.

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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 recycling strategy](#) and measures to address the problem of marine plastic waste. The problem with the plastic pollution in the ocean is a result of 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 13,660 people have participated in the Caravan campaign, collecting 105,033 kg of waste since fiscal 2019.

[Mitsui Chemicals Group Clean-up Caravan](#)



Activities at Kugenuma Beach, Kanagawa Prefecture (Tokyo metropolitan area)



Activities at Pasir Ris Park by six affiliated companies (Singapore)



Activities at Bruce Park Woods Road Picnic Area (Mitsui Chemicals America)



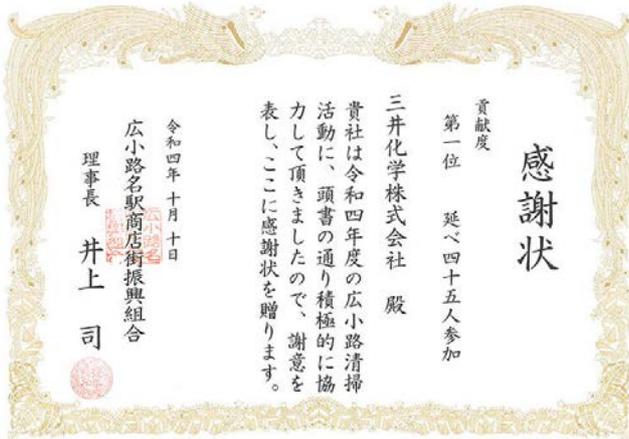
Activities at Shanghai Beijing Forest Park (Mitsui Chemicals China)



Activities (Mitsui Chemicals Europe)

Awarded for contribution to community cleanup activities

The Nagoya Branch of Mitsui Chemicals has been participating in cleanup activities organized by the local shopping district near our workplace for the past 10 years. In 2022, we called on all of our branches, including affiliates, to take part in the activity. As a result, the Group had the highest number of participants for the year and received a letter of appreciation for its first-place contribution to the activity.



The Letter of Appreciation for the Clean-up Caravan activity (Nagoya Branch)

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 (2017), we donated a NONROT™ bench made of thinned cedar from Yakushima and handcrafted by Yakushima cedar processing artisans to the town of Yakushima, which is working to improve the island's attractiveness as a World Heritage site.

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.

For the fourth round (2022), as Amami Oshima and Tokunoshima version, we invited Mr. Yasuhiro Yamashita, an architect from Amami Oshima, as a lecturer and held a workshop for the children of Okazen Elementary School in Amagi Cho to learn about Amami architecture and the concepts necessary for architecture and manufacturing. The NONROT™ bench was created using cedar wood from Kagoshima Prefecture based on a few concepts, such as creating a bench that everyone can sit on happily for 100 years.

*NONROT™ is a highly safe timber coating that makes full use of wood's natural breathability. It offers outstanding hydrophobic, 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

Social Activities



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

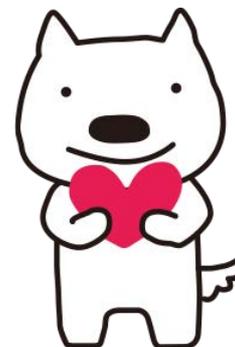
Criteria for Choosing Social Service Organizations

- (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 2022, the Club had 736 members, who between them contributed approximately ¥4.0 million to the fund in fiscal 2022.

In fiscal 2022, we donated a total of ¥6.8 million – ¥3.4 million from the One-Coin Club and a matching gift* of the same amount from the Company – to a total of 17 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 2022

Organization Name (In random order)	Priority Areas of Support	Past Donation History (Years)
United Nations World Food Programme (Japan)	(1)	2008-2022
Japan Committee, Vaccines for the World's Children	(1)	2008-2022
Nanbyo Network	(1) (2)	2009-2022
Guide Dog & Service Dog & Hearing Dog Association of Japan	(2)	2008-2022
Japan Marrow Donor Registry Promotion Conference	(2)	2008, 2010-2022
Helicopter Emergency Medical Network (HEM-Net)	(3)	2010-2022
Peace Winds Japan (PWJ)	(1) (3)	2009, 2012-2017, 2019-2022
MEDECIN SANS FRONTIERES	(3)	2014-2022
Japan Environmental Action Network	(4)	2015-2022
Chance for Children	(1)	2017-2022
Kamonohashi Project	(1)	2015, 2018-2022
5 years	(2)	2018-2022
The Association for the Prevention of Child Abuse & Neglect	(1)	2020-2022
WaterAid Japan	(1) (3)	2020-2022
Disaster Rescue Dog Network	(3)	2021-2022
The Nature Conservation Society of Japan	(4)	2022

Since fiscal 2021, we have continued to hold online activity reporting sessions by recipient organizations not only in Japan but also at our overseas affiliates. In fiscal 2022, three organizations supported by the program gave lectures, providing an opportunity for employees to gather valuable information on social challenges and exchange opinions. 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 social issue perspective that the Group is targeting.

Organizations that Participated in the Activity Report Meeting

Fiscal 2021		
Organization name	Time of implementation	Theme
United Nations World Food Programme (Japan)	May	Participated in a charity walk organized by the organization
Nanbyo Network	July	Content of the organization's activities
Kamonohashi Project	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
WaterAid Japan	March	Workshop on water for children on World Water Day *Collaboration event with Wonders of Chemistry

Fiscal 2022		
Organization name	Time of implementation	Theme
United Nations World Food Programme (Japan)	May	Participated in a charity walk
Japan Committee, Vaccines for the World's Children	June	Content of the organization's activities
Japan Environmental Action Network	August	<ul style="list-style-type: none"> Content of the organization's activities Preliminary study for beach clean-up activities conducted in September
	September	Beach cleanup activities (Kugenuma Beach)
Disaster Rescue Dog Network	October	Introduction and interaction with disaster rescue dogs (Ichihara Works)
Chance for Children	November	Content of the organization's activities

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. In addition, half-day credits were introduced in fiscal 2020, and since 2011, we have allowed employees to take up to 8 days of special leave per year for social activities intended to support disaster relief efforts, among others. In fiscal 2022, 67 social activity leave days were taken (8 of which were half days).

Social Activities



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, warehouses for storing relief supplies were set up at the Iwakuni-Ohtake Works (Yamaguchi Prefecture) and the Mobarra Branch Factory (Chiba Prefecture) in the East and West. The system is in place to enable rapid delivery from each plant to the affected areas in response to requests from local authorities and the [emergency disaster response alliance SEMA](#) (Social Emergency Management Alliance). 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*¹ (for use at evacuation shelters), and FASTAID™ Virus Sweeper Towel*² at both of these warehouses.

*¹ 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.

*² 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 2022

Typhoon No. 15 in 2022

Location	Contact	Details of Relief Supplies Provided
Shizuoka City, Shizuoka Prefecture	SEMA	FASTAID™ Virus Sweeper Towel (2,160 pieces)

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.

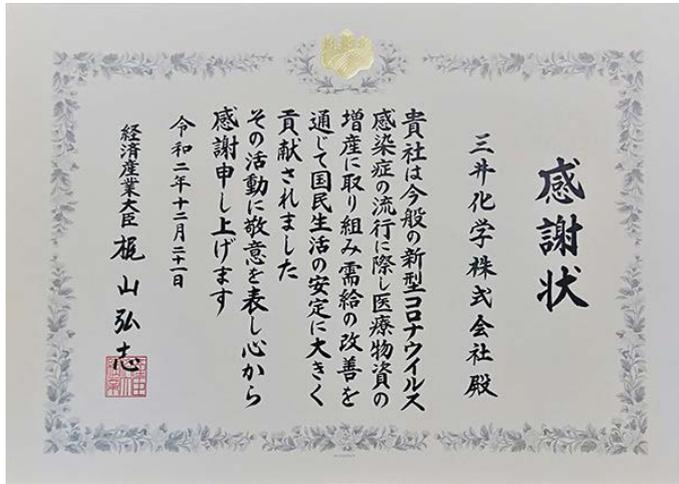
The SEMA organization makes in advance a list of goods and services offered by participating companies and organizations, and during a natural disaster can rapidly send packaged support based on that list to afflicted areas. The organization also aims to cooperate with public institutions in offering 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)

Examples of Disaster Relief through Business

The Mitsui Chemicals Group is contributing to curbing COVID-19 through its business activities.

Social contributions through business activities
Emergency supply of nonwoven fabric for medical-use gowns & increased production of TEKNOROTE™, mask nose clamps. (Received a letter of appreciation from the Ministry of Economy, Trade and Industry in December 2020 for our cooperation in increasing the production of medical supplies)
Development and donation of θ (Theta), 3D-printed masks.
Himilan™ face shields donated to local governments, medical institutions, etc.
Unistole™ selected as a 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 in FY2022)	Those for Whom Events Organized Details	Details
Autumn Festival (1)	Employees and their family members (reduced as COVID-19 control measures)	<ul style="list-style-type: none"> Laboratory Class on the Wonders of Chemistry Stage events Kids' space (playground) Introduction and interaction with disaster rescue dogs
Works tour (2)	Local neighborhood town council members Local elementary school students	<ul style="list-style-type: none"> Works introduction Works tour
Opinion Exchange Meeting (1)	Local neighborhood town council officers	<ul style="list-style-type: none"> Works introduction Works tour Opinion exchange meetings
Publication of Local Communication Magazine "Chigusa" (2)	Local residents	<ul style="list-style-type: none"> Introduction of initiatives conducted in the Works Solicitation and presentation of the views of local communities

Mobara Branch Factory		
Name (Number of Events in FY2022)	Those for Whom Events Organized Details	Details
Opinion exchange meetings	Local neighborhood council officers	<ul style="list-style-type: none"> Works introduction Works tour Exchange of views on environmental protection and security and disaster prevention initiatives
Plastic Recycling Lecture	Mobara City recycling promotion committee central district members	<ul style="list-style-type: none"> Lecture on our plastic recycling initiatives

Nagoya Works		
Name (Number of Events in FY2022)	Those for Whom Events Organized Details	Details
Works tour*	Children's clubs from neighboring school districts, officers from neighboring school districts	<ul style="list-style-type: none"> Works tour Laboratory Class on the Wonders of Chemistry
Autumn Festival†	Local residents	<ul style="list-style-type: none"> Laboratory Class on the Wonders of Chemistry Events on the stage
Publication of Local Communication Magazine "Tango Dohri" (2)	Local residents	<ul style="list-style-type: none"> Introduction of initiatives conducted in the Works Gathering voices (opinions) from local residents and introducing them
Environmental Dialogue with Local Residents	Officers from neighboring school districts Minami Ward Office, Nagoya	<ul style="list-style-type: none"> Environmental Dialogue with Local Residents

*Not held in fiscal 2022 due to the COVID-19 pandemic.

Osaka Works		
Name (Number of Events in FY2022)	Those for Whom Events Organized Details	Details
Works tour	Children's clubs from neighboring school districts, officers from neighboring school districts, local elementary schools	<ul style="list-style-type: none"> Works introduction Explanation of environmental protection and disaster prevention initiatives, etc. Works tour Opinion exchange meetings Fire fighting drills tour and Works tour Mini-laboratory class on chemistry
Local dialogue on Responsible Care	Related parties of local government and various organizations	<ul style="list-style-type: none"> Local dialogue on Responsible Care Works introduction Explanation on initiatives for Responsible Care Works tour Opinion exchange meetings
Publication of Local Communication Magazine "Takashinohama" (2)	Local residents	<ul style="list-style-type: none"> Introduction of initiatives conducted in the Works Solicitation and presentation of the views of local communities

Iwakuni-Ohtake Works		
Name (Number of Events in FY2022)	Those for Whom Events Organized Details	Details
Opinion exchange meetings	Heads of local neighborhood councils and those in charge of volunteer disaster response organizations	<ul style="list-style-type: none"> Sending materials on Works Topics, environmental protection and disaster prevention initiatives Submission of reports with the results of an internal review of the opinions and requests received at the Works
Laboratory Class on the Wonders of Chemistry (4)	Local elementary schools	<ul style="list-style-type: none"> Laboratory Class on the Wonders of Chemistry
Autumn Festival	Local residents	<ul style="list-style-type: none"> Laboratory Class on the Wonders of Chemistry Events on the stage
Publication of Local Communication Magazine "Ozegawa" (2)	Local residents	<ul style="list-style-type: none"> Introduction of initiatives conducted in the Works Solicitation and presentation of the views of local communities

Omuta Works		
Name (Number of Events in FY2022)	Those for Whom Events Organized Details	Details
Local opinion exchange meetings	Related parties of the local government and Omuta city authorities	<ul style="list-style-type: none"> Works introduction Introduction of disaster prevention activities Introduction of social contribution activities Opinion exchange meetings
Publication of Local Communication Magazine "Toukayama" (2)	Local residents	<ul style="list-style-type: none"> Introduction of initiatives conducted in the Works Solicitation and presentation of the views of local communities
Simultaneous community cleanups (2)	Related parties of the local government and neighboring companies	<ul style="list-style-type: none"> Cleanup activities around and near the Works

Sodegaura Center		
Name (Number of Events in FY2022)	Those for Whom Events Organized Details	Details
Plant tour (1)	Local elementary schools	<ul style="list-style-type: none"> Plastic molding process tour Explanation of safety measures and products that contribute to the environment
Laboratory Class on the Wonders of Chemistry (4)	Local elementary schools	<ul style="list-style-type: none"> Laboratory Class on the Wonders of Chemistry



Opinion exchange meetings at Mobara Branch Factory



Opinion exchange meetings at Nagoya Works



Wonders of Chemistry at Iwakuni-Ohtake Works



Autumn Festa at Omuta Works



Opinion exchange meetings at Sodegaura Center

Local Contribution by Business Sites

Each of our business sites is actively involved in local community activities as a corporate citizen.



Osaka Works Junior rubber baseball tournament



Ichihara Works
Introduction and interaction with disaster rescue dogs

Mitsui Chemicals "Eco-Creation," a volunteer team from the Ichihara Works of Mitsui Chemicals, Inc., received the Japan Road Association Chairman's Award for fiscal 2022. This was due in large part to the activities of cleaning, weeding, and maintaining flower beds in the green space on the city street in front of the entrance gate of the Ichihara Works. Seedlings grown by the Social Welfare Corporation Yukeikai Furusato Gakusya are provided by way of Ichihara City as part of a project to promote roadside protection.



Certificate of commendation



Mitsui Chemicals Eco-Creation members



Planting seedlings



Planted Portulaca

Participated in the "Project to Discover the Attractiveness of Our Omuta for the Future"

On October 23, 2022, we participated in the "Project to Discover the Attractiveness of Our Omuta for the Future" organized by the Junior Chamber of Omuta. The purpose of this project is to foster a love of Omuta by giving Omuta citizens and students the opportunity to learn and experience what Omuta companies make and how they are used. Visitors got to know us at our booth, which displayed the history of the Works, our community activities, and our products.



View of the Mitsui Chemicals booth

Donating beach wheelchairs to tourist facilities

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

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.

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.



Presentation of a memorial video to the Mayor of Omuta



The last day of operation

Others

ESG Performance Data	➤	Guideline Cross-reference Tables	➤
External Assessments	➤	Editorial Policy	➤
ESG Information Archives	➤		

ESG Performance Data

Environment

Society

Governance

Environment

* For details on data collection sites, please see [scope of data in the "Editorial Policy"](#).

[Input ⇒ Output Data \(FY2022\) \(PDF : 997 KB\)](#)

Greenhouse Gas (GHG) Energy

GHG

		Scope	2019	2020	2021	2022
GHG emissions (Scope1) / thousand tons	Mitsui Chemicals, Inc.		3,540	3,498	3,595	3,336
	Domestic subsidiaries and affiliates		66	64	63	65
	Overseas subsidiaries and affiliates		163	178	154	143
	Global		3,770	3,740	3,812	3,545
GHG emissions (Scope2) / thousand tons	Mitsui Chemicals, Inc.		615	514	531	470
	Domestic subsidiaries and affiliates		142	150	145	138
	Overseas subsidiaries and affiliates		538	530	384	350
	Global		1,295	1,193	1,063	957
GHG emissions (Scopes 1 and 2) / thousand tons	Global		5,060	4,933	4,873	4,502
GHG emissions (Scope3) / thousand tons			10,177	9,326	10,808	—
	01: Purchased goods and services		3,637	2,945	4,603	—
	02: Capital goods		114	128	116	—
	03: Fuel- and energy-related activities (not included in Scope 1 and 2)		312	249	265	—
	04: Transportation/distribution (upstream)		47	50	52	—
	05: Waste generated from operations	Mitsui Chemicals, Inc.	38	37	49	—
	06: Business travel		4	1	1	—
	07: Employee commuting		5	5	5	—
	08: Leased assets (upstream)		1	1	1	—
	11: Sold product specifications		3,029	2,810	2,749	—
	12: Sold product disposals		2,334	2,287	2,297	—
	15: Investment		654	812	672	—
GHG emissions intensity per unit of sales / tons · billion yen ⁻¹	Global		378	407	302	240
GHG emissions reduction rate (Scopes 1 and 2) / % * compared to FY2013	Global		18	20	21	27

Energy

		Scope	2019	2020	2021	2022
Energy consumption / PJ	Mitsui Chemicals, Inc.		75.5	72.9	74.5	69.5
	Domestic subsidiaries and affiliates		3.5	3.8	3.9	3.7
	Overseas subsidiaries and affiliates		10.3	10.4	9.7	9.5
	Global		89.3	87.1	88.0	82.8
Non-renewable energy consumption / MWh	Global		21,318,546	20,985,000	21,659,000	22,984,000
Renewable energy consumption / MWh	Global		119,000	110,000	85,400	96,000
Energy intensity index (FY2009=100)	Mitsui Chemicals, Inc.		94.9	96.6	92.7	97.1
Five-year annual energy intensity reduction rate / %	Mitsui Chemicals, Inc.		△0.4	△0.7	△0.2	△0.7

Industrial Waste

		Scope	2019	2020	2021	2022
Waste generated / thousand tons		Global	213.3	206.1	221.9	213.2
Waste sent off-site / thousand tons		Global	158.6	149.5	167.7	152.5
Hazardous waste / thousand tons	Mitsui Chemicals, Inc.		0.7	0.5	11.9	11.8
	Domestic subsidiaries and affiliates		—	—	12.8	12.6

*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.

Waste diverted from disposal (Recycling)

		Scope	2019	2020	2021	2022
Onsite recycling volume / thousand tons		Mitsui Chemicals, Inc.	—	—	—	—
		Domestic subsidiaries and affiliates	—	—	—	—
		Overseas subsidiaries and affiliates	—	—	—	—
		Global	—	—	15.5	28.7
Offsite recycling volume / thousand tons		Mitsui Chemicals, Inc.	60.9	67.2	77.1	69.1
		Domestic subsidiaries and affiliates	27.5	29.2	25.3	23.8
		Overseas subsidiaries and affiliates	24.3	19.1	20.3	17.6
		Global	112.7	115.6	122.7	111.3
	Hazardous waste / thousand tons	Domestic	0.0	0.0	9.1	8.6
Recycling rate / %		Global	71.0	77.3	73.2	59.5

Waste directed to disposal (Incineration, Landfilling)

		Scope	2019	2020	2021	2022
Onsite Incineration (with energy recovery) / thousand tons		Mitsui Chemicals, Inc.	—	—	—	—
		Domestic subsidiaries and affiliates	—	—	—	—
		Overseas subsidiaries and affiliates	—	—	—	—
		Global	—	—	38.8	32.0
Onsite Incineration (without energy recovery) / thousand tons		Global	0.0	0.0	0.0	0.0
Offsite Incineration (with energy recovery) / thousand tons		Mitsui Chemicals, Inc.	—	—	—	—
		Domestic subsidiaries and affiliates	—	—	—	—
		Overseas subsidiaries and affiliates	—	—	—	—
		Global	—	—	44.2	40.6
	Hazardous waste / thousand tons	Domestic	1.6	1.4	15.6	15.9
Offsite Incineration (without energy recovery) / thousand tons		Global	0.0	0.0	0.0	0.0
Landfill / thousand tons		Mitsui Chemicals, Inc.	0.4	0.5	0.4	0.4
		Domestic subsidiaries and affiliates	0.2	0.1	0.1	0.1
		Overseas subsidiaries and affiliates	0.2	0.1	0.2	0.1
		Global	0.8	0.7	0.7	0.6
	Hazardous waste / thousand tons	Domestic	0.0	0.0	0.003	0.006
Landfill rate for industrial waste / %		Domestic	0.4	0.4	0.3	0.3
		Overseas	0.5	0.3	0.3	0.2
		Global	0.4	0.3	0.3	0.3

Substances Subject to the PRTR Act

		Scope	2019	2020	2021	2022
Substances subject to the PRTR Act emissions / tons		Mitsui Chemicals, Inc.	768	808	827	756

Air

		Scope	2019	2020	2021	2022
Volatile organic compound (VOC) emissions / tons		Mitsui Chemicals, Inc.	1,575	1,537	1,597	1,473
		Domestic subsidiaries and affiliates	405	434	467	527
		Overseas subsidiaries and affiliates	58	80	35	41
		Global	2,038	2,051	2,099	2,040
NOx emissions / tons		Mitsui Chemicals, Inc.	2,311	2,186	2,253	2,266
		Domestic subsidiaries and affiliates	108	107	83	75
		Overseas subsidiaries and affiliates	254	201	200	13
		Global	2,673	2,494	2,536	2,353
SOx emissions / tons		Mitsui Chemicals, Inc.	368	303	414	471
		Domestic subsidiaries and affiliates	42	43	20	10
		Overseas subsidiaries and affiliates	62	43	16	4
		Global	472	389	451	485
Soot and dust emissions / tons		Mitsui Chemicals, Inc.	88	93	96	68
		Domestic subsidiaries and affiliates	7	11	8	2
		Overseas subsidiaries and affiliates	60	60	51	36
		Global	155	164	154	107
Emissions of hazardous air pollutants / tons		Mitsui Chemicals, Inc.	15	43	11	11
Fluorocarbons emissions / tons		Mitsui Chemicals, Inc.	8	5	3	3
		Domestic subsidiaries and affiliates	0	0	0	0
		Overseas subsidiaries and affiliates	2	6	2	1
		Global	10	11	5	5

Water

Efficient Use of Water

		Scope	2019	2020	2021	2022
Total water withdrawal (Surface water, Groundwater, Seawater, Produced water, Third-party water) / million m ³		Mitsui Chemicals, Inc.	492.7	505.3	481.7	479.3
		Domestic subsidiaries and affiliates	19.9	20.3	14.3	14.4
		Overseas subsidiaries and affiliates	3.4	3.2	3.3	1.5
		Global	516.1	528.8	499.3	495.1
Surface water / million m ³	Mitsui Chemicals, Inc.	—	0.0	0.0	0.0	
	Domestic subsidiaries and affiliates	—	1.5	1.8	1.9	
	Overseas subsidiaries and affiliates	—	0.0	0.0	0.0	
	Global	1.1	1.5	1.8	1.9	
Groundwater / million m ³	Mitsui Chemicals, Inc.	0.6	0.5	0.6	0.6	
	Domestic subsidiaries and affiliates	1.2	1.2	1.2	1.2	
	Overseas subsidiaries and affiliates	0.0	0.0	0.0	0.0	
	Global	1.8	1.7	1.8	1.8	
Seawater / million m ³	Mitsui Chemicals, Inc.	409.5	422.0	387.6	392.2	
	Domestic subsidiaries and affiliates	9.2	8.9	8.4	8.4	
	Overseas subsidiaries and affiliates	0.0	0.0	0.0	0.0	
	Global	418.7	431.0	396.0	400.6	
Produced water / million m ³	Mitsui Chemicals, Inc.	—	—	—	0.0	
	Domestic subsidiaries and affiliates	—	—	—	0.0	
	Overseas subsidiaries and affiliates	—	—	—	0.0	
	Global	0.0	0.0	0.0	0.0	
Third-party water / million m ³	Mitsui Chemicals, Inc.	—	82.7	93.4	86.5	
	Domestic subsidiaries and affiliates	—	8.7	2.9	2.8	
	Overseas subsidiaries and affiliates	—	3.2	3.3	1.5	
	Global	94.5	94.6	99.7	90.8	
Recycled water / million m ³		Mitsui Chemicals, Inc.	1,686.2	1,625.6	1,663.3	1,606.5
		Domestic subsidiaries and affiliates	101.5	101.1	99.4	101.6
		Overseas subsidiaries and affiliates	36.9	36.5	36.0	29.7
		Global	1,824.5	1,763.3	1,798.7	1,737.9
Water recycling ratio / %		Mitsui Chemicals, Inc.	77.4	76.3	77.5	77.0
		Domestic subsidiaries and affiliates	83.6	83.3	87.4	87.6
		Overseas subsidiaries and affiliates	91.5	91.5	91.4	95.3
		Global	78.0	76.9	78.3	77.8
Discharge water volume / million m ³		Mitsui Chemicals, Inc.	473.8	485.5	459.5	448.0
		Domestic subsidiaries and affiliates	19.6	20.1	20.0	14.3
		Overseas subsidiaries and affiliates	1.2	1.1	1.1	0.5
		Global	494.6	506.7	474.9	462.8
Water consumption / million m ³		Mitsui Chemicals, Inc.	18.9	19.8	22.2	31.3
		Domestic subsidiaries and affiliates	0.3	0.2	0.0	0.1
		Overseas subsidiaries and affiliates	2.2	2.1	2.3	1.0
		Global	21.4	22.1	24.4	32.3
Freshwater consumption in water-stressed areas / million m ³		Global	0.017	0.013	0.014	0.012

Emissions of Water Pollutants

		Scope	2019	2020	2021	2022
COD, BOD emissions / tons		Mitsui Chemicals, Inc.	884	836	850	742
		Domestic subsidiaries and affiliates	68	65	50	48
		Overseas subsidiaries and affiliates	1,676	1,274	1,225	149
		Global	2,628	2,176	2,125	939
Total nitrogen emissions / tons		Mitsui Chemicals, Inc.	1,269	1,072	1,014	891
Total phosphorous emissions / tons		Mitsui Chemicals, Inc.	27	26	23	23

Environmental Accounting

		Scope	2019	2020	2021	2022
Environmental preservation costs (Investment) / billion yen		Mitsui Chemicals, Inc.	1.9	1.4	1.4	2.6
Environmental preservation costs (Expenditure) / billion yen			22.2	21.7	24.1	25.8
Economic impact of environmental initiatives / billion yen			1.1	1.6	1.1	1.5

Visualization of Contributions to the Environment

		Scope	2019	2020	2021	2022
Blue Value™ products sales ratio / %		Global	18	15	18	22

Others

	Scope	2019	2020	2021	2022
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.	4,597	4,398	4,559	3,863
	Domestic subsidiaries and affiliates	477	462	414	420
	Overseas subsidiaries and affiliates	1,520	1,450	1,493	997
	Global	6,594	6,310	6,367	5,281
Purchased materials / thousand tons	Mitsui Chemicals, Inc.	24	38	38	33
	Domestic subsidiaries and affiliates	18	19	9	8
	Overseas subsidiaries and affiliates	25	20	20	302
	Global	66	77	67	343
Products shipped / thousand tons	Mitsui Chemicals, Inc.	4,573	4,475	4,561	4,118
	Domestic subsidiaries and affiliates	539	498	498	468
	Overseas subsidiaries and affiliates	1,530	1,462	1,489	1,031
	Global	6,642	6,435	6,547	5,616

INPUT⇒OUTPUT Data (FY2022)

Mitsui Chemicals Group

INPUT		Mitsui Chemicals Group	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	82.8		Products shipped (thousand tons)	5,616
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	5,281		GHG (thousand tons)	4,502
Purchased materials (thousand tons)	343		Scope1 (thousand tons)	3,545
Water resources			Scope2 (thousand tons)	957
Water withdrawal (million m ³)	495.1		Fluorocarbons (tons)	5
Surface water (million m ³)	1.9		NOx (tons)	2,353
Groundwater (million m ³)	1.8		SOx (tons)	485
Seawater (million m ³)	400.6	Hazardous air pollutants (tons)	11	
Produced water (million m ³)	0.0	VOC (tons)	2,040	
Third-party water (million m ³)	90.8	Soot and dust (tons)	107	
(Recycled water) (million m ³)	1,737.9	Industrial waste		
		Waste sent off-site (thousand tons)	152.5	
		Amount recycled externally (thousand tons)	111.3	
		Off-site landfill (thousand tons)	0.6	
		Wastewater		
		COD, BOD (tons)	939	
		Total nitrogen (tons)	891	
		Total phosphorous (tons)	23	
		Effluent (million m ³)	462.8	
		Wastewater treatment (million m ³)	52.6	

Mitsui Chemicals, Inc.

INPUT		Mitsui Chemicals, Inc.	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	69.5		Products shipped (thousand tons)	4,118
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	3,863		GHG (thousand tons)	3,806
Purchased materials (thousand tons)	33		Scope1 (thousand tons)	3,336
Water resources			Scope2 (thousand tons)	470
Water withdrawal (million m ³)	479.3		Fluorocarbons (tons)	3
Surface water (million m ³)	0.0		NOx (tons)	2,266
Groundwater (million m ³)	0.6		SOx (tons)	471
Seawater (million m ³)	392.2	Hazardous air pollutants (tons)	11	
Produced water (million m ³)	0.0	VOC (tons)	1,473	
Third-party water (million m ³)	86.5	Soot and dust (tons)	68	
(Recycled water) (million m ³)	1,606.5	Industrial waste		
		Waste sent off-site (thousand tons)	97.9	
		Amount recycled externally (thousand tons)	69.1	
		Off-site landfill (thousand tons)	0.4	
		Wastewater		
		COD, BOD (tons)	742	
		Total nitrogen (tons)	891	
		Total phosphorous (tons)	23	
		Effluent (million m ³)	448.0	
		Wastewater treatment (million m ³)	52.6	

Domestic Subsidiaries & Affiliates

INPUT		Domestic Subsidiaries & Affiliates	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	3.7		Products shipped (thousand tons)	468
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	420		GHG (thousand tons)	203
Purchased materials (thousand tons)	8		Scope1 (thousand tons)	65
Water resources			Scope2 (thousand tons)	138
Water withdrawal (million m ³)	14.4		Fluorocarbons (tons)	0
Surface water (million m ³)	1.9		NOx (tons)	75
Groundwater (million m ³)	1.2		SOx (tons)	10
Seawater (million m ³)	8.4	VOC (tons)	527	
Produced water (million m ³)	0.0	Soot and dust (tons)	2	
Third-party water (million m ³)	2.8	Industrial waste		
(Recycled water) (million m ³)	101.6	Waste sent off-site (thousand tons)	29.9	
		Amount recycled externally (thousand tons)	23.8	
		Off-site landfill (thousand tons)	0.1	
		Wastewater		
		COD, BOD (tons)	48	
		Effluent (million m ³)	14.3	

Overseas Subsidiaries & Affiliates

INPUT		Overseas Subsidiaries & Affiliates	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	9.5		Products shipped (thousand tons)	1,031
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	997		GHG (thousand tons)	493
Purchased materials (thousand tons)	302		Scope1 (thousand tons)	143
Water resources			Scope2 (thousand tons)	350
Water withdrawal (million m ³)	1.5		Fluorocarbons (tons)	1
Surface water (million m ³)	0.0		NOx (tons)	13
Groundwater (million m ³)	0.0		SOx (tons)	4
Seawater (million m ³)	0.0	VOC (tons)	41	
Produced water (million m ³)	0.0	Soot and dust (tons)	36	
Third-party water (million m ³)	1.5	Industrial waste		
(Recycled water) (million m ³)	29.739	Waste sent off-site (thousand tons)	24.7	
		Amount recycled externally (thousand tons)	18.3	
		Off-site landfill (thousand tons)	0.1	
		Wastewater		
		COD, BOD (tons)	149	
		Effluent (million m ³)	0.47	

Ichihara Works

INPUT		Ichihara Works	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	27.1		Products shipped (thousand tons)	1,580.0
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	1,641		GHG (thousand tons)	1,345
Purchased materials (thousand tons)	6		Scope1 (thousand tons)	1,293
Water resources			Scope2 (thousand tons)	53
Water withdrawal (thousand m ³)	336,364.1		Fluorocarbons (tons)	0
Surface water (thousand m ³)	0.0		NOx (tons)	889
Groundwater (thousand m ³)	146.0		SOx (tons)	370
Seawater (thousand m ³)	314,554.9	Hazardous air pollutants (tons)	2	
Produced water (thousand m ³)	0.0	VOC (tons)	348	
Third-party water (thousand m ³)	21,663.2	Soot and dust (tons)	11	
(Recycled water) (thousand m ³)	402,003.0	Industrial waste		
		Waste sent off-site (thousand tons)	15.5	
		Amount recycled externally (thousand tons)	15.5	
		Off-site landfill (thousand tons)	0.0	
		Wastewater		
		COD, BOD (tons)	56	
		Total nitrogen (tons)	23	
		Total phosphorous (tons)	2	
		Effluent (million m ³)	320,512.9	
		Wastewater treatment (million m ³)	5,958.0	

Mobara Branch Factory

INPUT		Mobara Branch Factory	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	0.7		Products shipped (thousand tons)	50
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	52		GHG (thousand tons)	32
Purchased materials (thousand tons)	1		Scope1 (thousand tons)	23
Water resources			Scope2 (thousand tons)	9
Water withdrawal (thousand m ³)	866.9		Fluorocarbons (tons)	0
Surface water (thousand m ³)	0.0		NOx (tons)	18
Groundwater (thousand m ³)	457.0		SOx (tons)	0
Seawater (thousand m ³)	0.0	Hazardous air pollutants (tons)	0	
Produced water (thousand m ³)	0.0	VOC (tons)	12	
Third-party water (thousand m ³)	409.9	Soot and dust (tons)	0	
(Recycled water) (thousand m ³)	30,500.0	Industrial waste		
		Waste sent off-site (thousand tons)	2.5	
		Amount recycled externally (thousand tons)	1.1	
		Off-site landfill (thousand tons)	0.0	
		Wastewater		
		COD, BOD (tons)	9	
		Total nitrogen (tons)	2	
		Total phosphorous (tons)	1	
		Effluent (million m ³)	562.0	
		Wastewater treatment (million m ³)	562.0	

Nagoya Works

INPUT		Nagoya Works	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	0.7		Products shipped (thousand tons)	42
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	42		GHG (thousand tons)	31
Purchased materials (thousand tons)	3		Scope1 (thousand tons)	10
Water resources			Scope2 (thousand tons)	22
Water withdrawal (thousand m ³)	1,682.8		Fluorocarbons (tons)	0.1
Surface water (thousand m ³)	0.0		NOx (tons)	2.7
Groundwater (thousand m ³)	0.0		SOx (tons)	0.0
Seawater (thousand m ³)	0.0	Hazardous air pollutants (tons)	0.1	
Produced water (thousand m ³)	0.0	VOC (tons)	14.3	
Third-party water (thousand m ³)	1,682.8	Soot and dust (tons)	0.0	
(Recycled water) (thousand m ³)	1,492.0	Industrial waste		
		Waste sent off-site (thousand tons)	4.9	
		Amount recycled externally (thousand tons)	3.0	
		Off-site landfill (thousand tons)	0.030	
		Wastewater		
		COD, BOD (tons)	0	
		Total nitrogen (tons)	0	
		Total phosphorous (tons)	0	
		Effluent (million m ³)	2,076	
		Wastewater treatment (million m ³)	2,076	

Osaka Works

INPUT		Osaka Works	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	26.6		Products shipped (thousand tons)	1,801
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	1,569		GHG (thousand tons)	1,447
Purchased materials (thousand tons)	13		Scope1 (thousand tons)	1,359
Water resources			Scope2 (thousand tons)	88
Water withdrawal (thousand m ³)	68,039.0		Fluorocarbons (tons)	1
Surface water (thousand m ³)	0.0		NOx (tons)	641
Groundwater (thousand m ³)	0.0		SOx (tons)	15
Seawater (thousand m ³)	47,959.0	Hazardous air pollutants (tons)	5	
Produced water (thousand m ³)	0.0	VOC (tons)	65	
Third-party water (thousand m ³)	20,080.0	Soot and dust (tons)	14	
(Recycled water) (thousand m ³)	722,878.0	Industrial waste		
		Waste sent off-site (thousand tons)	6.7	
		Amount recycled externally (thousand tons)	5.5	
		Off-site landfill (thousand tons)	0.0	
		Wastewater		
		COD, BOD (tons)	219	
		Total nitrogen (tons)	428	
		Total phosphorous (tons)	5	
		Effluent (million m ³)	56,405.0	
		Wastewater treatment (million m ³)	8,446.0	

Iwakuni-Ohtake Works

INPUT		Iwakuni-Ohtake Works	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	7.0		Products shipped (thousand tons)	380
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	337		GHG (thousand tons)	454
Purchased materials (thousand tons)	2		Scope1 (thousand tons)	268
Water resources			Scope2 (thousand tons)	186
Water withdrawal (thousand m ³)	57,889.0		Fluorocarbons (tons)	1
Surface water (thousand m ³)	0.0		NOx (tons)	193
Groundwater (thousand m ³)	0.0		SOx (tons)	79
Seawater (thousand m ³)	29,640.0	Hazardous air pollutants (tons)	4	
Produced water (thousand m ³)	0.0	VOC (tons)	574	
Third-party water (thousand m ³)	28,249.0	Soot and dust (tons)	13	
(Recycled water) (thousand m ³)	255,168.0	Industrial waste		
		Waste sent off-site (thousand tons)	6.8	
		Amount recycled externally (thousand tons)	6.8	
		Off-site landfill (thousand tons)	0.0	
		Wastewater		
		COD, BOD (tons)	167	
		Total nitrogen (tons)	27	
		Total phosphorous (tons)	12	
		Effluent (million m ³)	57,510	
		Wastewater treatment (million m ³)	27,870	

Tokuyama Branch Factory

INPUT		Tokuyama Branch Factory	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	0.1		Products shipped (thousand tons)	35
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	34		GHG (thousand tons)	6
Purchased materials (thousand tons)	1		Scope1 (thousand tons)	5
Water resources			Scope2 (thousand tons)	2
Water withdrawal (thousand m ³)	5,285.6		Fluorocarbons (tons)	0
Surface water (thousand m ³)	0.0		NOx (tons)	2
Groundwater (thousand m ³)	0.0		SOx (tons)	1
Seawater (thousand m ³)	0.0	Hazardous air pollutants (tons)	0	
Produced water (thousand m ³)	0.0	VOC (tons)	4	
Third-party water (thousand m ³)	5,285.6	Soot and dust (tons)	0	
(Recycled water) (thousand m ³)	0.0	Industrial waste		
		Waste sent off-site (thousand tons)	4.3	
		Amount recycled externally (thousand tons)	3.0	
		Off-site landfill (thousand tons)	0.0054	
		Wastewater		
		COD, BOD (tons)	13	
		Total nitrogen (tons)	0	
		Total phosphorous (tons)	0	
		Effluent (million m ³)	5,129	
		Wastewater treatment (million m ³)	0	

Omuta Works

INPUT		Omuta Works	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	0.7		Products shipped (thousand tons)	228
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	188		GHG (thousand tons)	492
Purchased materials (thousand tons)	7		Scope1 (thousand tons)	377
Water resources			Scope2 (thousand tons)	115
Water withdrawal (thousand m ³)	9,058.0		Fluorocarbons (tons)	1
Surface water (thousand m ³)	0.0		NOx (tons)	520
Groundwater (thousand m ³)	0.0		SOx (tons)	5
Seawater (thousand m ³)	0.0	Hazardous air pollutants (tons)	0	
Produced water (thousand m ³)	0.0	VOC (tons)	456	
Third-party water (thousand m ³)	9,058.0	Soot and dust (tons)	30	
(Recycled water) (thousand m ³)	194,425.0	Industrial waste		
		Waste sent off-site (thousand tons)	56.2	
		Amount recycled externally (thousand tons)	33.8	
		Off-site landfill (thousand tons)	0.4	
		Wastewater		
		COD, BOD (tons)	278	
		Total nitrogen (tons)	411	
		Total phosphorous (tons)	3	
		Effluent (million m ³)	5,690.0	
		Wastewater treatment (million m ³)	7,602.0	

Sodegaura Center (R&D Center)

INPUT		Sodegaura Center (R&D Center)	OUTPUT	
Energy			Products, etc.	
Energy consumption (PJ)	0.2		Products shipped (thousand tons)	0
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	0		GHG (thousand tons)	9
Purchased materials (thousand tons)	0		Scope1 (thousand tons)	3
Water resources			Scope2 (thousand tons)	6
Water withdrawal (thousand m ³)	80.4		Fluorocarbons (tons)	0
Surface water (thousand m ³)	0.0		NOx (tons)	0
Groundwater (thousand m ³)	21.2		SOx (tons)	0
Seawater (thousand m ³)	0.0	Hazardous air pollutants (tons)	0	
Produced water (thousand m ³)	0.0	VOC (tons)	0	
Third-party water (thousand m ³)	59.2	Soot and dust (tons)	0	
(Recycled water) (thousand m ³)	45.5	Industrial waste		
		Waste sent off-site (thousand tons)	0.9	
		Amount recycled externally (thousand tons)	0.4	
		Off-site landfill (thousand tons)	0.0	
		Wastewater		
		COD, BOD (tons)	0	
		Total nitrogen (tons)	0	
		Total phosphorous (tons)	0	
		Effluent (million m ³)	71.0	
		Wastewater treatment (million m ³)	71.0	

ESG Performance Data

Environment

Society

Governance

Society

* For details on data collection sites, please see [scope of data in the "Editorial Policy"](#).

Employees

	Scope	2019	2020	2021	2022
Number of employees	Global	17,979	18,051	18,780	18,933
	Mitsui Chemicals, Inc. ^{*1}	6,773	6,809	6,899	7,073

Region

	Scope	2019	2020	2021	2022	
Ratio of region / %	Global	Japan	57	59	61	60
		China	5	5	5	5
		Asia	11	11	11	11
		Europe	18	17	15	16
		North, Central, and South America	9	8	8	8
		Others	0	0	0	0

Gender

	Scope	2019	2020	2021	2022	
Male-female ratio / %	Global ^{*2}	Male	—	—	82	82
		Female	—	—	18	18
	Mitsui Chemicals, Inc. ^{*1}	Male	87	87	87	86
		Female	13	13	13	14
Male-female ratio in all Manager-level or above / %	Global ^{*2}	Male	—	—	89	89
Female		—	—	11	11	
Male-female ratio in Manager-level / %	Global ^{*2}	Male	—	—	87	88
		Female	—	—	13	12
Male-female ratio in Manager of Manager-level / %	Global ^{*2}	Male	—	—	95	94
		Female	—	—	5	6
Male-female ratio in manager-level or above in revenue-generating functions / %	Global ^{*2}	Male	—	—	—	89
		Female	—	—	—	11
Male-female ratio in STEM positions / %	Global ^{*2}	Male	—	—	—	87
		Female	—	—	—	13
Male-female ratio in management staff (supervisor-level) / %	Mitsui Chemicals, Inc. ^{*1}	Male	87	87	86	86
		Female	13	13	14	14
Male-female ratio in management staff (manager-level or above) / %	Mitsui Chemicals, Inc. ^{*1}	Male	97	96	96	95
		Female	3	4	4	5
Male-female ratio in management staff (general manager-level or above) / %	Mitsui Chemicals, Inc. ^{*1}	Male	99	98	98	98
		Female	1	2	2	2
Number of new management staff (manager-level or above) / %	Mitsui Chemicals, Inc. ^{*1}	Male	97	86	90	87
		Female	3	14	10	13

* Based on the number of employees as of the end of March

Age

	Scope	2019	2020	2021	2022	
Average age / age	Mitsui Chemicals, Inc. ^{*1}	Male	41.8	42.0	42.0	41.5
		Female	44.0	44.0	44.0	43.4
		Total	42.1	42.2	42.2	41.8
Composition ratio by age / %	Global ^{*2}	10s (Ages 18 or older)	—	—	1.0	0.9
		20s	—	—	17.7	17.1
		30s	—	—	24.8	24.7
		40s	—	—	25.2	24.7
		Over 50s	—	—	31.3	32.6
	Mitsui Chemicals, Inc. ^{*1}	10s (Ages 18 or older)	1.7	1.5	1.5	1.8

	20s	17.7	17.9	19.1	19.8
	30s	18.4	18.9	18.4	19.7
	40s	28.5	26.4	24.1	22.4
	Over 50s	33.8	35.3	36.9	36.3

Nationality

	Scope	2019	2020	2021	2022
Composition ratio by nationality / %	Japan	—	—	66.3	70.3
	Germany	—	—	5.6	4.9
	USA	—	—	4.3	4.1
	China	—	—	4.3	3.9
	Thailand	—	—	4.2	3.8
	Mexico	—	—	2.3	1.6
	Romania	—	—	2.1	2.1
	Other	—	—	10.9	9.4

Disabilities

	Scope	2019	2020	2021	2022
Ratio of employees with disabilities / %	Mitsui Chemicals, Inc.* ¹	2.3	2.4	2.3	2.5

Labor union members

	Scope	2019	2020	2021	2022
Ratio of labor union members / %	Mitsui Chemicals, Inc.* ¹	54.5	54.7	54.1	54.0

Employee-friendly Working Environment

Service and Turnover

	Scope	2019	2020	2021	2022	
Average length of service / years	Mitsui Chemicals, Inc.* ¹	Male	18.8	19.0	18.9	18.0
		Female	20.4	20.4	20.3	19.1
		Total	19.1	19.2	19.1	18.1
Employee turnover rate / %	Mitsui Chemicals, Inc.* ¹	Male	3.10	3.07	3.61	5.41
		Female	2.80	3.40	3.26	3.46
		Total	3.06	3.12	3.56	5.15
Total number of employee turnover	Mitsui Chemicals, Inc.* ¹	Male	186	185	219	335
		Female	25	31	30	33
		Total	211	216	249	368
Voluntary turnover rate / %	Mitsui Chemicals, Inc.* ¹	Male	1.07	1.21	1.24	1.41
		Female	1.23	1.54	1.52	1.36
		Total	1.09	1.25	1.27	1.4
Number of voluntary turnover	Mitsui Chemicals, Inc.* ¹	Male	64	73	75	87
		Female	11	14	14	13
		Total	75	87	89	100
Ratio of re-employment for retired employees / %	Mitsui Chemicals, Inc.* ¹	85.5	87.1	86.6	89.8	

Overtime

	Scope	2019	2020	2021	2022	
Number of employees whose overtime hours exceeded 80 hours / month	Mitsui Chemicals, Inc.* ¹	Non-management staff	33	27	26	12
		Management staff	21	22	28	34
		Total	54 (0.8%)	49 (0.7%)	54 (0.8%)	46 (0.7%)
Average overtime hours / hours/month ⁻¹	Mitsui Chemicals, Inc.* ¹	20.9	20.2	22.0	21.7	
Average overtime hours (statutory) / hours · month ⁻¹	Mitsui Chemicals, Inc.* ¹	1.1	0.2	0.8	1.7	

Paid Leave

	Scope	2019	2020	2021	2022	
Paid leave usage rate / %	Mitsui Chemicals, Inc.*1	Non-management staff	86	77	84	88
		Management staff	70	60	63	64
		Total	79	70	75	77
Average number of days used for paid leave	Mitsui Chemicals, Inc.*1	Total	15.8	13.9	14.7	15.3

Childcare

	Scope	2019	2020	2021	2022	
Number of employees taking childcare leave	Mitsui Chemicals, Inc.*1	Male	85	102	129	141
		Female	15	18	20	27
		Total	100	120	149	168
Childcare leave usage rate / %	Mitsui Chemicals, Inc.*1	Male	48	56	78	84
		Female	100	100	100	100
		Total	52	60	81	86
Average number of days used for childcare leave	Mitsui Chemicals, Inc.*1	Male	13.2	10.3	16.3	27
Return rate of employees from childcare leave / %	Mitsui Chemicals, Inc.*1	Male	100	100	100	100
		Female	100	100	100	100
		Total	100	100	100	100
Employee retention rate three years after childcare leave / %	Mitsui Chemicals, Inc.*1	Male	83	99	93	97
		Female	93	94	76	82
		Total	86	98	90	95
Number of employees using Part-time working option for childcare	Mitsui Chemicals, Inc.*1	Male	4	5	5	11
		Female	88	85	80	70
		Total	92	90	85	81

Family Care

	Scope	2019	2020	2021	2022
Number of employees taking paid family care leave	Mitsui Chemicals, Inc.*1	1	0	3	3
Number of employees using Part-time working option for family care	Mitsui Chemicals, Inc.*1	1	0	0	1

Recruitment

	Scope	2019	2020	2021	2022	
Total number of employees hired	Mitsui Chemicals, Inc.*1	Male	250	222	322	367
		Female	61 (20%)	41 (16%)	46 (13%)	92 (20%)
		Regular recruitment	245	195	239	244
		Mid-career recruitment	66	68	129	215
		Total	311	263	368	459

Number of Employees Hired through the Regular Recruitment

	Scope	2019	2020	2021	2022	
Career-track administrative positions	Mitsui Chemicals, Inc.*1	Male	14	7	9	12
		Female	15 (52%)	7 (50%)	8 (47%)	13 (52%)
		Total	29	14	17	25
Career-track technical positions	Mitsui Chemicals, Inc.*1	Male	64	58	50	61
		Female	12 (16%)	10 (15%)	11 (18%)	16 (21%)
		Total	76	68	61	77
General positions	Mitsui Chemicals, Inc.*1	Male	124	105	119	129
		Female	16 (11%)	8 (7%)	6 (5%)	13 (9%)
		Total	140	113	125	142

* Based on the number of employees hired through the regular recruitment as of April 1

Number of Employees Hired through the Mid-career Recruitment

	Scope	2019	2020	2021	2022	
Career-track administrative positions	Mitsui Chemicals, Inc.*1	Male	22	18	48	74
		Female	6 (21%)	2 (10%)	5 (9%)	24 (25%)
		Total	28	20	53	98
Career-track technical positions	Mitsui Chemicals, Inc.*1	Male	10	14	35	50

		Female	1 (9%)	3 (15%)	4 (10%)	8 (14%)
		Total	11	17	39	58
General positions	Mitsui Chemicals, Inc.*1	Male	16	20	25	41
		Female	11 (41%)	11 (36%)	12 (32%)	18 (31%)
		Total	27	31	37	59

Human Resources Development

	Scope	2019	2020	2021	2022
Training hours per person / hours	Global	—	—	22.3	20.3
Training cost per person / thousand yen		—	—	47.7	67.3
Training hours per person / hours	Mitsui Chemicals, Inc.*1	27.0	22.7	26.1	31.6
Training cost per person / thousand yen		200.0	126.3	128.4	164.3

Percentage of positions filled internally (Management Position)

	Scope	2019	2020	2021	2022
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	89.2

Successor Coverage Rate

	Scope	2019	2020	2021	2022
Successor Coverage Rate / % (The number of successor candidates for strategically critical positions / The number of strategically critical positions.)	Global	199	226	233	211

Compensation

		Scope	2019	2020	2021	2022	
The gender pay gap / % (Percentage of women's pay to man's pay.)	Mitsui Chemicals, Inc.*1	All Full-time employees	Mean gender pay gap	—	—	89.2	90.2
			Median gender pay gap	—	—	93.2	94.3
			Mean bonus gap	—	—	83.0	85.3
			Median bonus gap	—	—	92.0	93.7
		Non-Management staff	Mean gender pay gap	—	—	107.0	108.0
			Median gender pay gap	—	—	114.6	113.1
			Mean bonus gap	—	—	106.4	107.7
			Median bonus gap	—	—	118.6	119.1
		Management staff (under manager-level)	Mean gender pay gap	—	—	97.3	98.1
			Median gender pay gap	—	—	95.4	96.2
			Mean bonus gap	—	—	94.0	97.2
			Median bonus gap	—	—	95.5	92.4
		Management staff (manager-level or above)	Mean gender pay gap	—	—	96.0	95.7
			Median gender pay gap	—	—	95.5	95.8
			Mean bonus gap	—	—	95.9	95.8
			Median bonus gap	—	—	94.4	91.4
		Management staff (general manager-level or above)	Mean gender pay gap	—	—	95.6	96.3
			Median gender pay gap	—	—	95.5	97.5
			Mean bonus gap	—	—	92.9	95.1
			Median bonus gap	—	—	95.8	97.5

Employee Engagement

	Scope	2019	2020	2021	2022
Engagement score / %	Global	31	—	34	—

Human Capital - Return On Investment

	Scope	2019	2020	2021	2022
Human capital ROI / %	Global	46.0	51.8	87.9	70.4

Safety and Prevention

Accidents/Cases

	Scope	2019	2020	2021	2022
Number of major accidents / cases	Global	0	0	0	0
	Mitsui Chemicals, Inc.	8	8	9	8
Number of abnormal conditions / accidents / cases	Domestic subsidiaries and affiliates	2	3	6	0
	Overseas subsidiaries and affiliates	1	1	1	0
	Global	11	12	16	8

Work related injury

	Scope	2019	2020	2021	2022
Number of Work-related fatalities	Groups' employees	0	0	0	0
	contractor's employees*3	0	0	0	0
Lost-Time Injury Frequency Rate (LTIFR)	Global*4	0.48	0.24	0.34	0.29
Significant occupational injury frequency	Mitsui Chemicals, Inc.*4	0.00	0.10	0.10	0.25
	Domestic subsidiaries and affiliates*4	0.83	0.40	0.45	0.48
	Construction subcontractors	0.25	0.39	0.58	0.23
	Overseas subsidiaries and affiliates*4	0.62	0.21	0.00	0.11
	Global*4	0.31	0.22	0.23	0.27

Occupational Health

	Scope	2019	2020	2021	2022
Average rate of lifestyle-related disease (male) / %	Mitsui Chemicals, Inc.*1	10.2	10.6	10.0	9.7
Frequency of absences from work due to health disorders	Mitsui Chemicals, Inc.*1	0.87	0.78	0.76	0.83
Frequency of absences from work due to mental health disorders	Mitsui Chemicals, Inc.*1	0.56	0.61	0.54	0.55
Ratio of smokers / %	Mitsui Chemicals, Inc.*1	23.7	22.2	21.2	19.9
Harmful substance risk assessment implementation rate / %	Mitsui Chemicals, Inc.	100	100	100	100

Product Stewardship

	Scope	2019	2020	2021	2022
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	—
Number of legal and regulatory violations	Mitsui Chemicals, Inc.	0	0	0	0

Quality of Products and Services

	Scope	2019	2020	2021	2022
Number of PL accidents	Global	0	0	0	—
Number of major quality-related legal and regulatory violations	Global	0	0	0	—
Incidence of PL accidents & serious product quality incidents	Global	—	—	—	0

Logistics

	Scope	2019	2020	2021	2022
Number of significant occupational injuries in logistics	Global	0	0	0	0
Number of major accidents in logistics	Global	0	0	0	0
Number of quality issues/ppm	Global	60	12	30	58
Number of legal and regulatory violations	Global	0	0	0	—

Sustainable Procurement

	Scope	2019	2020	2021	2022
Sustainable procurement ratio / %	Mitsui Chemicals, Inc.	44	45	61	61

Social Activities

	Scope	2019	2020	2021	2022
Social contribution expenditure / million yen	Global	246	123	184	1,507
cash donations / million yen		—	—	—	1,461
Number of employees taking community service leave	Mitsui Chemicals, Inc.*1	88	41	54	67

Visualization of Contributions to the Society

	Scope	2019	2020	2021	2022
Rose Value™ products sales ratio / %	Global	16	19	20	21

*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	2019	2020	2021	2022
Number of members of the Board	Mitsui Chemicals, Inc.	Male	6	7	7	7
		Female	2 (25.0%)	1 (12.5%)	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	2019	2020	2021	2022
Total compensation / million yen	Mitsui Chemicals, Inc.	Members of the Board (excluding outside directors)	369	365	491	511
		TANNOWA Tsutomu	111	—	127	131
		HASHIMOTO Osamu	—	102	141	151
		Corporate auditors (excluding outside auditors)	64	63	64	63
		Outside directors and corporate auditors	78	79	79	79
		Total	511	507	634	653

Compliance

	Scope	2019	2020	2021	2022
Number of major legal and regulatory violations	Global	1	1	1	0
Whistle Blowing System	Global	26	19	18	31
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	1	0	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	2019	2020	2021	2022
Sales Revenue ratio / billion yen	Domestic	—	803.4 (66%)	1,056.7 (66%)	1,207.3 (64%)
	Overseas	—	408.3 (34%)	556.0 (34%)	672.3 (36%)
	Total	—	1,211.7	1,612.7	1,879.5
Income before income taxes ratio / billion yen	Domestic	—	35.7 (48%)	58.4 (41%)	56.1 (48%)
	Overseas	—	38.5 (52%)	82.8 (59%)	61.2 (52%)
	Total	—	74.2	141.3	117.3
Income tax expense ratio / billion yen	Domestic	—	4.7 (47%)	15.5 (68%)	18.1 (67%)
	Overseas	—	5.3 (53%)	7.2 (32%)	9.1 (33%)
	Total	—	10.0	22.7	27.1
Ratio of employees / %	Domestic	—	59%	61%	60%
	Overseas	—	41%	39%	40%
	Total	—	100%	100%	100%

Others

	Scope	2019	2020	2021	2022
Political donations / million yen	Mitsui Chemicals, Inc.	3.26	3.14	3.00	2.90

Guideline Cross-reference Tables

GRI Standards Content Index

GRI 2 (General Disclosures) ▾ | GRI 3 (Material Topics) ▾ | 200 series (Economic topics) ▾ | 300 series (Environmental topics) ▾ | 400 series (Social topics) ▾

GRI 2 (General Disclosures)

GRI 2: General Disclosures 2021

2-1 Organizational details

Corresponding Sections

[Corporate Overview](#) >
[Domestic Sites](#) >
[Domestic Subsidiaries & Affiliates](#) >
[Overseas Subsidiaries & Affiliates](#) >

2-2 Entities included in the organization's sustainability reporting

Corresponding Sections

[Editorial Policy](#) >
[Securities Reports](#) >

2-3 Reporting period, frequency and contact point

Corresponding Sections

[Editorial Policy](#) >
[Contact Us](#) >

2-4 Restatements of information

Corresponding Sections

There were no applicable instances.

2-5 External assurance

Corresponding Sections

[Editorial Policy](#) >

2-6 Activities, value chain and other business relationships

Corresponding Sections

[Corporate Overview](#) >
[Fact Book > Financial highlights](#) >
[VISION 2030](#) 
[Business & Products](#) >
[Fact Book > Segment data](#) >
[Securities Reports](#) >

2-7 Employees

Corresponding Sections

[ESG Performance Data > Society](#) >
[HRIS and People Analytics](#) >

2-8 Workers who are not employees

Corresponding Sections

—

2-9 Governance structure and composition

Corresponding Sections

[Corporate Governance](#) >
[Sustainability Management](#) >

2-10	Nomination and selection of the highest governance body
	Corresponding Sections Corporate Governance Guidelines 
2-11	Chair of the highest governance body
	Corresponding Sections Corporate Governance Report  Corporate Governance > Board of Directors >
2-12	Role of the highest governance body in overseeing the management of impacts
	Corresponding Sections Sustainability Management > Materiality > Risk Management >
2-13	Delegation of responsibility for managing impacts
	Corresponding Sections Sustainability Management > Risk Management >
2-14	Role of the highest governance body in sustainability reporting
	Corresponding Sections —
	Remarks Regarding the Mitsui Chemicals Report , President & CEO confirmed that the process of preparing the report was appropriate and that the content is valid.
2-15	Conflicts of interest
	Corresponding Sections Corporate Governance >
2-16	Communication of critical concerns
	Corresponding Sections Sustainability Management > Risk Management > Compliance Management > Whistleblowing system >
2-17	Collective knowledge of the highest governance body
	Corresponding Sections Management Personnel Development (global Group-wide action) > Compliance training >
2-18	Evaluation of the performance of the highest governance body
	Corresponding Sections Corporate Governance >
2-19	Remuneration policies
	Corresponding Sections Corporate Governance > Corporate Governance Report  Securities Reports >
2-20	Process to determine remuneration
	Corresponding Sections Corporate Governance > Corporate Governance Report  Securities Reports >
2-21	Annual total compensation ratio

Annual total compensation ratio 17.7 at Mitsui Chemicals, Inc.	Percentage increase in annual total compensation ratio 1.35 at Mitsui Chemicals, Inc.
2-22 Statement on sustainable development strategy	
Corresponding Sections Message from the CEO >	
2-23 Policy commitments	
Corresponding Sections Respect for Human Rights >	Remarks List of Policies >
2-24 Embedding policy commitments	
Corresponding Sections Respect for Human Rights > Non-financial metrics > Respect for Human Rights > Initiatives >	
2-25 Processes to remediate negative impacts	
Corresponding Sections Respect for Human Rights > Whistleblowing system >	
2-26 Mechanisms for seeking advice and raising concerns	
Corresponding Sections Whistleblowing system >	
2-27 Compliance with laws and regulations	
Corresponding Sections No Major statutory violations Compliance management > ESG Performance Data > Governance >	
2-28 Membership associations	
Corresponding Sections Support Initiatives >	
2-29 Approach to stakeholder engagement	
Corresponding Sections Stakeholder Engagement >	
2-30 Collective bargaining agreements	
Corresponding Sections Labor-management Relations Based on Frank Dialog and Mutual Understanding > ESG Performance Data > Society >	

GRI 3 (Material Topics)

GRI 3: Material Topics 2021

3-1 Process to determine material topics	
Corresponding Sections How we identify our material topics >	
3-2 List of material topics	
Corresponding Sections Materiality > Identified material topics >	Remarks Securities Reports >

3-3 Management of material topics

Corresponding Sections

[Materiality >](#)

[Non-financial metrics >](#)

200 series (Economic topics)

GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed

Corresponding Sections

[Securities Reports >](#)

201-2 Financial implications and other risks and opportunities due to climate change

Corresponding Sections

[Implementing the recommendations of the TCFD >](#)

201-3 Defined benefit plan obligations and other retirement plans

Corresponding Sections

[Securities Reports >](#)

201-4 Financial assistance received from government

Corresponding Sections

[Securities 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 > Initiatives](#) >

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 were no 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

207-1	Approach to tax
Corresponding Sections Tax >	
207-2	Tax governance, control, and risk management
Corresponding Sections Tax >	
207-3	Stakeholder engagement and management of concerns related to tax
Corresponding Sections —	
207-4	Country-by-country reporting
Corresponding Sections Tax > ESG Performance Data > Governance >	

300 series (Environmental topics)

GRI 301: Materials 2016	
301-1	Materials used by weight or volume
Corresponding Sections INPUT⇒OUTPUT 	
301-2	Recycled input materials used
Corresponding Sections —	
301-3	Reclaimed products and their packaging materials
Corresponding Sections —	

GRI 302: Energy 2016	
302-1	Energy consumption within the organization
Corresponding Sections GHG and Energy > ESG Performance Data > Environment >	
302-2	Energy consumption outside of the organization
Corresponding Sections GHG and Energy >	
302-3	Energy intensity
Corresponding Sections GHG and Energy > ESG Performance Data > Environment >	
302-4	Reduction of energy consumption
Corresponding Sections GHG and Energy >	

302-5 Reductions in energy requirements of products and services

Corresponding Sections

[Blue Value™ / Rose Value™ >](#)

[GHG and Energy >](#)

GRI 303: Water and Effluents 2018

303-1 Interactions with water as a shared resource

Corresponding Sections

[Water >](#)

303-2 Management of water discharge-related impacts

Corresponding Sections

[Water >](#)

303-3 Water withdrawal

Corresponding Sections

[Water >](#)

[ESG Performance Data > Environment >](#)

303-4 Water discharge

Corresponding Sections

[Water >](#)

[ESG Performance Data > Environment >](#)

303-5 Water consumption

Corresponding Sections

[Water >](#)

[ESG Performance Data > Environment >](#)

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 >	
305-2	Energy indirect (Scope 2) GHG emissions
Corresponding Sections GHG and Energy > ESG Performance Data > Environment >	
305-3	Other indirect (Scope3) GHG emissions
Corresponding Sections GHG and Energy >	
305-4	GHG emissions intensity
Corresponding Sections GHG and Energy > ESG Performance Data > Environment >	
305-5	Reduction of GHG emissions
Corresponding Sections GHG and Energy > ESG Performance Data > Environment >	
305-6	Emissions of ozone-depleting substances (ODS)
Corresponding Sections <input type="checkbox"/> 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 type="checkbox"/> INPUT⇒OUTPUT ESG Performance Data > Environment >	

GRI 306: Waste 2020

306-1	Waste generation and significant waste-related impacts
Corresponding Sections Industrial Waste > <input type="checkbox"/> 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 type="checkbox"/> INPUT⇒OUTPUT ESG Performance Data > Environment >	
306-4	Waste diverted from disposal
Corresponding Sections Industrial Waste > <input type="checkbox"/> INPUT⇒OUTPUT	

306-5 Waste directed to disposal

Corresponding Sections

[Industrial Waste >](#)

INPUT⇒OUTPUT 

[ESG Performance Data > Environment >](#)

Remarks

Of the 125,400 tons of waste generated by Mitsui Chemicals, Inc. hazardous waste* makes up 11,800 tons.

* "Specially controlled industrial waste" stipulated by Waste Management and Public Cleansing Act in Japan.

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

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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

[Comfortable work environment and maximization of achievements >](#)

401-3 Parental leave

Corresponding Sections

[ESG Performance Data > Society >](#)

[Comfortable work environment and maximization of achievements >](#)

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 and Training >](#)

[Safety and Prevention > Plant Operation Technology Training Center >](#)

[Product Stewardship > Training >](#)

[Occupational Health > Health-focused Management >](#)

403-6 Promotion of worker health

Corresponding Sections

[Occupational Health > Health-focused Management >](#)

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Corresponding Sections

[Safety and Prevention > Initiatives to Prevent Major Accidents >](#)

[Product Stewardship > Providing Safe Products >](#)

[Occupational Health > Preventing Exposure to Harmful Substances >](#)

403-8 Workers covered by an occupational health and safety management system

Corresponding Sections

[Safety and Prevention > Management System >](#)

[Occupational Health > Management System >](#)

403-9 Work-related injuries

Corresponding Sections

[Safety and Prevention > Accidents and Occupational Injuries >](#)

Remarks

There have been no employee or contractor fatalities over the past five years.(As of March 2023)

403-10 Work-related ill health

Corresponding Sections

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GRI 404: Training and Education 2016

404-1 Average hours of training per year per employee

Corresponding Sections

[ESG Performance Data > Society >](#)

[Safety and Prevention > Safety Education and Training >](#)

[Talent and Organization Development >](#)

404-2 Programs for upgrading employee skills and transition assistance programs

Corresponding Sections

[Talent and Organization Development >](#)

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

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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

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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

[Respect for Human Rights > Initiatives](#) >
[Diversity](#) >

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

Corresponding Sections

—

Remarks

[Respect for Human Rights > Initiatives](#) >

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
Corresponding Sections ESG Performance Data > Governance >	

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 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 marketing communications

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.

External Assessments

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 August 2023)

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 156 companies have been selected in 2022.



[Mitsui Chemicals Included on Dow Jones Sustainability Indices Asia Pacific for Fifth 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.



FTSE4Good

FTSE Blossom Japan Index

[FTSE Blossom Japan Index](#), created by the global index and data provider FTSE Russell, is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE Blossom Japan Index has been selected as an ESG index of the Government Pension Investment Fund (GPIF).



FTSE Blossom
Japan Index

FTSE Blossom Japan Sector Relative Index

The FTSE Blossom Japan Sector Relative Index is designed as a sector neutral benchmark that reflects the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices in Japan. The index selects companies with higher ESG Ratings within the top 50% of each sector and supports climate transition to a low carbon economy by evaluating companies' climate governance and climate change efforts via the Transition Pathway Initiative's Management Quality Score.

FTSE Blossom Japan Sector Relative Index has been selected as an ESG index of the Government Pension Investment Fund (GPIF).

[FTSE Blossom Japan Index Series](#) | [FTSE Russell](#)



FTSE Blossom
Japan Sector
Relative Index

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).

2023 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).

2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

S&P/JPX Carbon Efficient Index

The S&P/JPX Carbon Efficient Index  is a means to determine the weight of securities focusing on a company's disclosure status of environmental information and the level of carbon efficiency (carbon emissions per sales) using TOPIX, a representative stock index that shows the trends in the Japanese market, as a "universe."

S&P/JPX Carbon Efficient Index has been selected as an ESG index of the Government Pension Investment Fund (GPIF).

Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

Utilizing data and evaluation methodologies provided by Equileap, the index determines component stock weights with an emphasis on companies that have established and embedded gender diversity policies in their corporate culture and that are committed to equal opportunities for their employees, regardless of gender.

Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J) has been selected as an ESG index of the Government Pension Investment Fund (GPIF).

[Gender Diversity Indexes \(morningstar.com\)](https://www.morningstar.com/gender-diversity-indexes) 

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

Mitsui Chemicals Selected as Industry Mover in S&P Global's Sustainability Yearbook 2023

Mitsui Chemicals, Inc. has been selected for inclusion in the 2023 edition of one of the world's leading sustainability rankings, the Sustainability Yearbook, by S&P Global Inc., the world's foremost provider of credit ratings. As a company that sits within the top 15 percent of the chemical industry and achieved the strongest improvement in its score since last year, Mitsui Chemicals was recognized with the distinction of Industry Mover status. Each year, S&P Global ranks companies from around the world on their sustainability from governance, economic, environmental and social perspectives, and distinguishes the most outstanding companies from a sustainability standpoint with a listing in the Sustainability Yearbook. In 2023, S&P Global assessed more than 7,800 companies in 61 industries and selected 708 companies - including 26 in the chemical industry - for a listing in the yearbook, with 48 awarded Industry Mover status.



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.

Editorial Policy



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 2023

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.

*Company names and Organization names are from the time when the article was created.

Environmental Data Collection Sites (Random order)

Mitsui Chemicals, Inc.

- Mitsui Chemicals, Inc. (Ichihara Works, Ichihara Works Mobarra Branch Factory, Nagoya Works, Osaka Works, Iwakuni-Ohtake Works, Tokuyama Branch Factory, Omuta Works, Sodegaura Center, Mobarra Research and Development Center^{*3}, Design & Solution Center^{*3})

Domestic subsidiaries & affiliates

- MT AQUAPOLYMER, INC. (Mobarra Factory^{*1})
- SUN MEDICAL CO., LTD.
- SUNREX INDUSTRY CO., LTD.
- JAPAN COMPOSITE CO., LTD. (Shimizu Factory, Narita Factory^{*3})
- MC CROP & LIFE MANUFACTURING, CO., LTD. (Funaoka Factory, Shinshiro Factory, Utsunomiya Factory, Tosu Factory, Kitakami Factory^{*3})
- SHIMONOSEKI MITSUI CHEMICALS, INC.
- MC BUSINESS SUPPORT, LTD.^{*1}
- PRIME POLYMER CO., LTD. (Ichihara Works^{*1}, Osaka Works^{*1}, Packaging & Industrial materials Laboratory^{*1*3}, Fundamental Research Laboratory / Automotive Materials Laboratory^{*3})
- MITSUI CHEMICALS OPERATION SERVICES CO., LTD.^{*1}
- MITSUI CHEMICAL ANALYSIS & CONSULTING SERVICE, INC. (Analysis & Support Department^{*1} (Ichihara, Nagoya, Osaka, Iwakuni, Omuta), Laboratory^{*1})
- TOYO BEAUTY SUPPLY CORPORATION
- SAXIN CORPORATION
- CHEMOURS-MITSUI FLUOROPRODUCTS CO., LTD. (Chiba Plant^{*1*4})
- DOW-MITSUI POLYCHEMICALS CO., LTD. (Chiba Plant^{*1*4}, Ohtake Plant^{*1*4})
- MITSUI CHEMICALS CROP & LIFE SOLUTIONS, INC.^{*3} (Agrochemicals Research Center/Production Technology Department (Yasu), Agrochemicals Research Center (Mobarra), Production Technology Department (Omuta)^{*1})
- MITSUI CHEMICALS MC, LTD. (Head Office, Shimizu Factory, Kaibara Factory, Kanto Factory^{*3})
- MITSUI CHEMICALS SUN ALLOYS CO., LTD.
- MITSUI FINE CHEMICALS, INC. (Omuta Center^{*1})

- MITSUI CHEMICALS INDUSTRIAL PRODUCTS LTD. (Saitama Factory, Ohtake Factory^{*1})
- MITSUI CHEMICALS TOHCELLO, INC. (Ibaraki Works, Koga Manufacturing Dept., Ibaraki Works, Hamamatsu Works, Katsuta Works, Anjo Works, Nagoya Works^{*1})
- SANSEIKAIHATSU CO., LTD.^{*1}
- YAMAMOTO CHEMICALS, INC. (Yao Plant, Omuta Plant^{*2})
- CHIBA CHEMICALS MANUFACTURING LLP (Ichihara Factory^{*1*3})
- OSAKA PETROCHEMICAL INDUSTRIES, LTD. (Senboku Works^{*1})
- TAISHO MTC LTD.^{*1}
- NIPPON ALUMINUM ALKYLs, LTD. (Osaka plant^{**1})
- NIPPON EPOXY RESIN MANUFACTURING CO., LTD. (Ichihara Plant^{*1})
- EVOLUE JAPAN CO., LTD. (Ichihara Works^{*1})
- HOKKAIDO MITSUI CHEMICALS, INC.
- KYOWA INDUSTRIAL CO., LTD. (Sugue Factory^{*4}, Ohgata Factory)
- HONSHU CHEMICAL INDUSTRY CO., LTD. (Wakayama Works^{*4})
- SHIKOKU TOHCELLO CO., LTD.^{*4}
- ARRK CORPORATION^{*4} (Tokyo Head Office, Head Office (Osaka) , Nagoya Branch, Fujiyoshida Factory, Saitama Branch&Harajuku Factory)

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. ^{*3}
- 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 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.
- KUMHO MITSUI CHEMICALS, INC.^{*4}

*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.
- MC CROP & LIFE MANUFACTURING, 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 CROP & LIFE SOLUTIONS, INC.
- MITSUI CHEMICALS MC, LTD.
- MITSUI CHEMICALS SUN ALLOYS CO., LTD.

- MITSUI CHEMICALS INDUSTRIAL PRODUCTS LTD. (Saitama Factory, Ohtake Factory*1)
- MITSUI CHEMICALS TOHCELLO, INC.(Ibaraki Works, Koga Manufacturing Dept., Ibaraki Works, Hamamatsu Works, Katsuta Works, Anjo Works, Nagoya Works*1)
- SANSEIKAIHATSU CO., LTD.*
- YAMAMOTO CHEMICALS, INC. (Yao Plant, Omuta Plant*2)
- 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

Fiscal 2022 (April 1, 2022 to March 31, 2023).

However, certain data that falls outside this coverage period has been included.

Reporting Cycle, Date of most Recent Report

Annually, October 2022

Referenced Guidelines

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

Every year, we obtain the external assurance on each ESG data.

[Climate Change-related Verification Opinion \(PDF : 682 KB\)](#) 

[ESG Information-related Verification Statement \(PDF : 173 KB\)](#) 

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



The details of the scope of verification

The scope		The boundary	The statement
1	Scope 1 and 2 (energy-related CO ₂ emissions) and energy consumption, excluding the vehicles which run outside of the sites.	7 domestic works	Scope 1: 3,531,624 t-CO ₂ Scope 2: 522,441 t-CO ₂
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 ₂

This document is issued by the Company under its General Conditions of Service accessible at www.sgs.com/terms_and_conditions.htm. Attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein. Any holder of this document is advised that information contained herein reflects the Company's findings as the time of its intervention only and within the limits of Client's instruction, if any. The Company's sole responsibility is to Client and this document does not exonerate parties to transaction from exercising all their rights and obligations under the transaction documents. Any unauthorized alteration, forgery or falsification of the content or appearance of this document is unlawful and offenders may be prosecuted to the fullest extent of the law.



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

A handwritten signature in black ink, appearing to be 'Yuji Takeuchi', written over a faint horizontal line.

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 ³ ② 14.3Mm ³ ③ 3.3Mm ³ ④ 499.3Mm ³
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 ³ ② 0.3Mm ³ ③ 0.4Mm ³ ④ 1.7Mm ³
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 ³ ② 1.2Mm ³ ③ 0.0Mm ³ ④ 1.8Mm ³
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 ³ ② 4.4Mm ³ ③ 2.9Mm ³ ④ 99.8Mm ³
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 ³ ② 8.4Mm ³ ③ 0.0Mm ³ ④ 396.0Mm ³
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