

# 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.