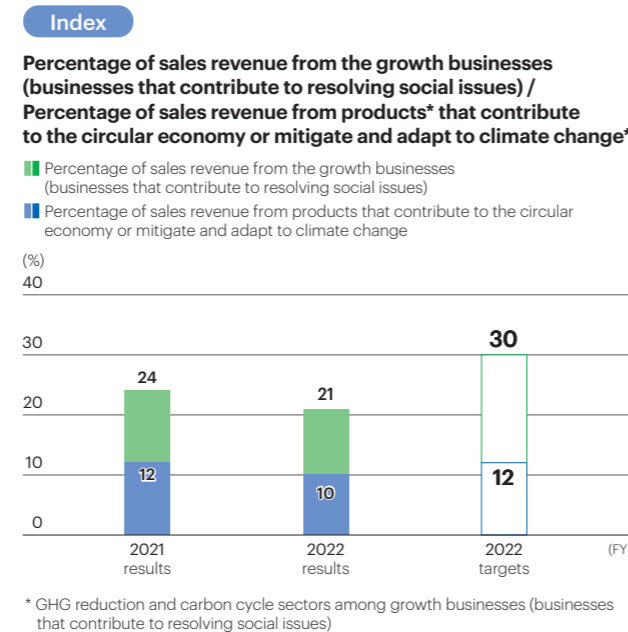


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## Sustainability Indices

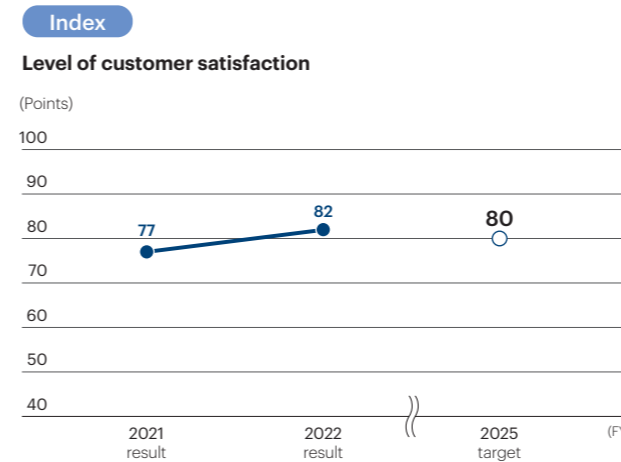
For the material issues identified by the Mitsubishi Chemical Group, targets are set and progress is measured with the Management of Sustainability (MOS) Indices. We will proceed steadily with initiatives on material issues by monitoring the yearly progress of each index.

Material issues for business portfolio strategies / Material issues for environmental and social impacts / Material issues for business foundations

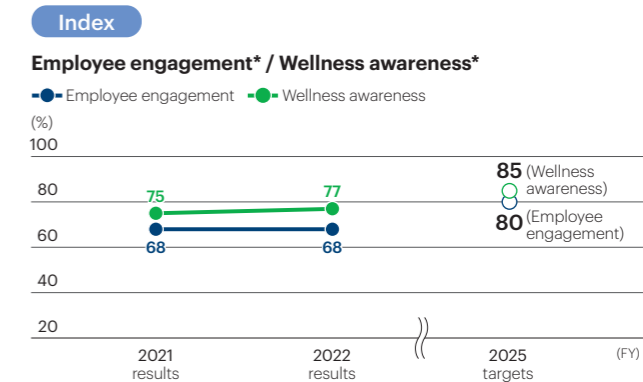


Although the relevant businesses returned solid sales revenue, the target was not reached. We will continue to concentrate resources on expanding sales of products that embody MCG Group strengths in focus markets such as EVs and bioplastics. We aim to expand the percentage of sales revenue from sustainability-related products\* to 20% by fiscal 2025.

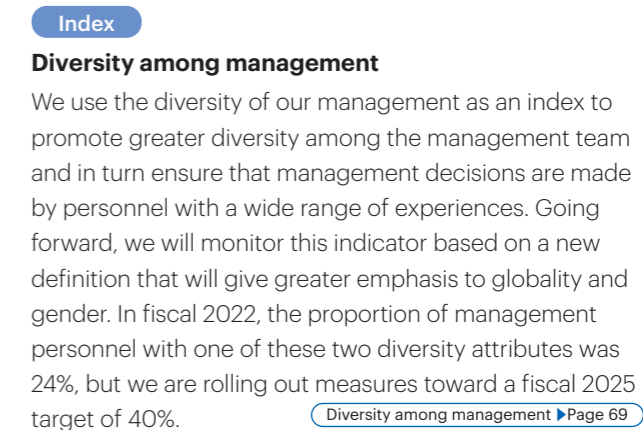
\* Products that contribute to sustainability, particularly those relating to climate change, circular economy, food supply, and conservation of water resources



The MCG Group creates a variety of opportunities to engage in active and constructive dialogue with customers and other stakeholders as a way of promoting collaboration to realize KAITEKI. We value feedback from our customers and carry out an annual customer survey so that we can provide better services and improve customer satisfaction. In addition to satisfaction with services and products, the survey covers customer awareness of our sustainability initiatives and other items that allow us to track customer evaluation of the Group from multiple perspectives. The survey results help us to gauge the level of customer satisfaction, strengthen our relationship with customers, and promote sustainable growth.



By raising employee engagement and wellness awareness and thereby enabling employees to reach their full potential, the MCG Group aims to achieve higher levels of creativity and productivity.

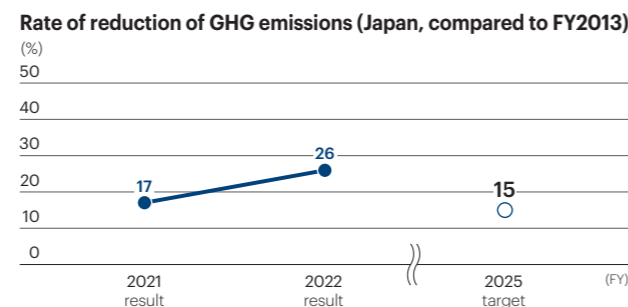


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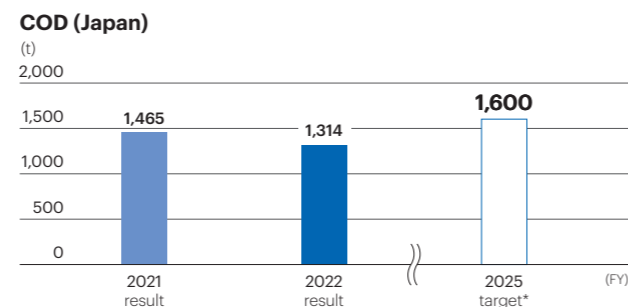
## Sustainability Indices

### Material issues for environmental and social impacts

#### Index



#### Index



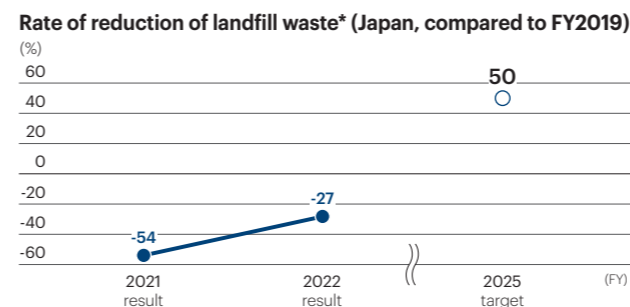
\* The FY2025 target is to maintain the FY2019 level of 1,600 tons

As a step toward reducing environmental impact, resolving the issues of climate change and water resources, and building a recycling-oriented society, we have established indices to measure GHG emissions and water- and waste-related impacts and set associated targets.

We achieved a 26% reduction in GHG emissions in Japan compared to fiscal 2013 through increased production efficiency and upgrading of facilities combined with the effect of reduced production volumes at our main business sites. In the area of waste, where improved progress toward our target is needed, we are investigating business sites emitting high volumes of landfill waste to establish the cause. We will carry on working to reduce waste through continuing efforts to boost production yields and improve recycling rates.

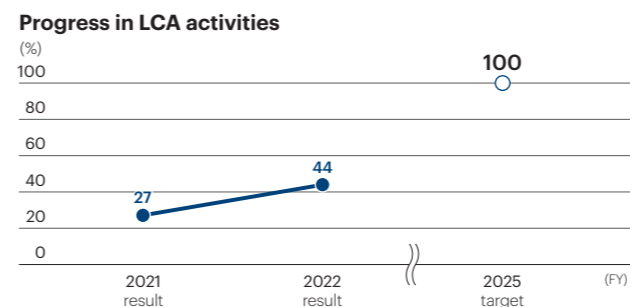
Additionally, the Group is rolling out LCA to enable us to quantify and evaluate our environmental impact and carbon footprint. We have established goals such as working to use LCA as a management tool and are aiming to eventually progress to making full usage of LCA (see next column).

#### Index



\* Amount of landfill waste regularly generated in the Company's routine production and logistics activity

#### Index



## ACTION

### Examples of LCA application

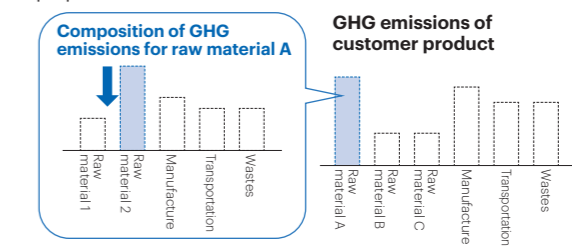
The MCG Group uses LCA as a tool toward achieving carbon neutrality. Specifically, we apply it in a range of settings, from R&D and manufacturing to product proposal, in each of which it supports GHG reduction initiatives. Going forward, we will seek to expand its domains of application while accumulating relevant expertise.

### Achievements

- Confirmed reduction in GHGs by switching to biomass raw material at the initial exploratory stage of R&D.
- Confirmed reduction in product carbon footprint through recycling and effective use of byproducts of the manufacturing stage.
- Based on hotspot analysis of products, we explored GHG reduction, taking account both the practical feasibility of proposed improvements and their effect on carbon footprint, before presenting our customer with a carbon footprint reduction plan.

### Hotspot analysis

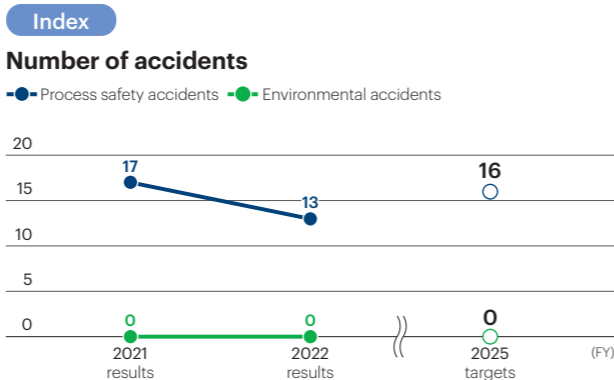
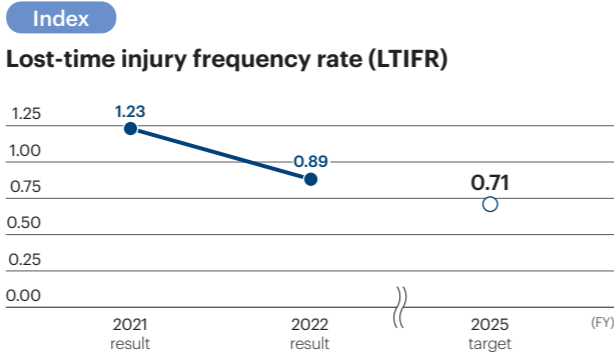
This enables us to establish a breakdown of the environmental impact of products for each life-cycle factor in order to identify those with the highest impact and thereby facilitate proposals to reduce environmental burden.



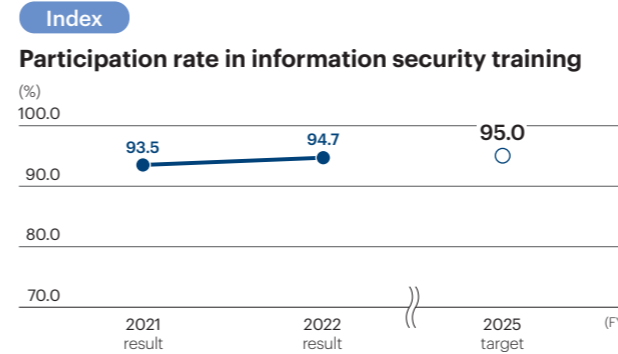
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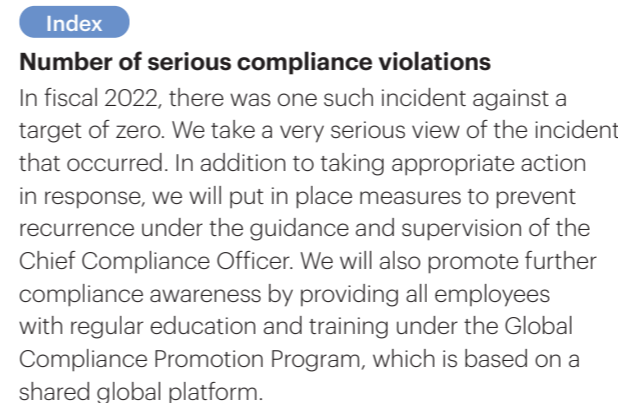
### Material issues for business foundations / Material issues for existence / Material issues in terms of risk management



Recognizing safety assurance as a corporate social responsibility, we will continue working to prevent accidents and support ongoing operating stability. Through risk assessment and training, regular messages delivered by management, and enhancement of safety activities in the spirit of interdependence, we will seek to instill in employees an even stronger awareness of safety in order to reduce the number of accidents and the rate of lost-time injuries.



To ensure that all employees recognize the importance of protecting information assets and understand their associated responsibility, we carry out information security training every year. By reaching out repeatedly to employees who have yet to participate in the training and underlining its importance, the proportion of employees who have completed the training increases year by year. With the aim of further improvement, we will continue promoting enhanced information security awareness among employees.



[Details of incident \(in Japanese only\)](#)

[Compliance](#) ▶ Page 88

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**Evaluation related to the ESG stock index**

In recognition of the MCG Group's initiatives, we have been included continuously in the ESG stock indices indicated below (as of June 30, 2023). Going forward, we will continue to review the insights and issues identified from the evaluation results and use them to further enhance relevant activities.

**Dow Jones Sustainability Indices**  
Member of Dow Jones Sustainability Indices  
Powered by the S&P Global CSA

**MSCI Japan ESG Select Leaders Index\***  
2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

**MSCI Japan Empowering Women Index\***  
2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

**FTSE4Good Index Series**



FTSE4Good

**FTSE Blossom Japan Index**



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

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