

Society

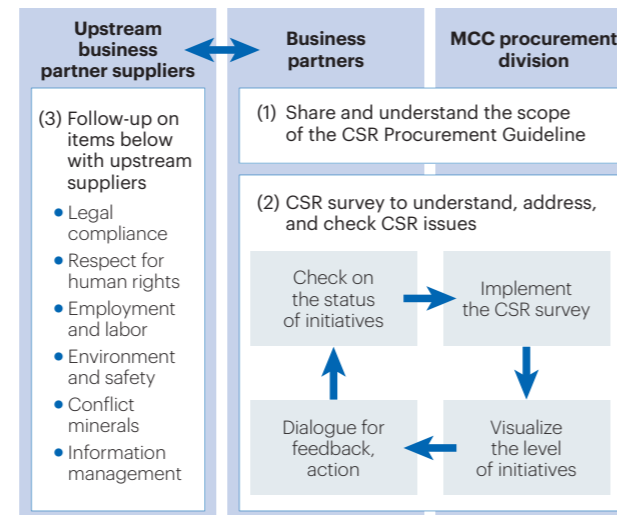
Building Sustainable Supply Chains

We operate all our Group supply chains with our business partners in line with CSR principles, including human rights, as outlined in the Mitsubishi Chemical Group's Charter of Corporate Behavior and Global Policy on Respecting Human Rights, Employment and Labor. [Charter of Corporate Behavior](#)

Promoting CSR procurement in the Mitsubishi Chemical Corporation supply chain

MCC has created the "Mitsubishi Chemical Corporation and Its Group Companies CSR Procurement Guideline" as a tool to promote CSR procurement by summarizing the company's approach to its corporate activities and requests for its business partners. MCC has published the guideline online and shares it with business partners to foster a deeper understanding of procurement activities.

CSR procurement at MCC



MCC also asks its raw material suppliers to complete a CSR survey to gain a better understanding of issues relating to compliance and human rights/labor, the environment, and fair business practices in the supply chain. We utilize survey results to provide feedback to business partners and engage in dialogue about making specific improvements.

By doing so, MCC aims to build sound relationships with its business partners and develop sustainable supply chains.

Results from the CSR surveys in fiscal 2021 and 2022

Initiatives	Results
CSR survey sent to main raw material suppliers	Percentage of procurement value accounted for by suppliers targeted: 90%
Visualize the level of initiatives	Percentage of supplier respondents evaluated: 100%
Send a letter on survey results feedback	Percentage of supplier respondents receiving the letter: 100%
Hold a briefing on CSR procurement	Percentage of participation by target companies in fiscal 2021: 100%
Check progress through individual briefings	Percentage of target companies met with in fiscal 2021: 94% Some meetings were not held due to infectious disease protocols.

Responsible mineral procurement

In conflict-affected and high-risk areas of the world, profits from mineral mining and trade are used to finance armed groups and rebel groups. The use of minerals from such areas may contribute to conflict, human rights abuses, and environmental destruction. MCC has formulated the "Mitsubishi Chemical Corporation and Its Group Companies Responsible Mineral Procurement Policy" based on the principle that we will not procure minerals that are known to be involved in conflict or human rights abuses in conflict-affected and high-risk areas.

Internal training programs for employees

MCC believes that human resource development is important for the promotion of procurement that takes into account CSR. We will continue our efforts to provide ongoing training programs in the future.

Training programs run in fiscal 2021 and 2022

Program	Description
Training for new recruits, transferred employees	Target: New recruits and newly transferred employees at the Head Office procurement division • Range of basic training on procurement policy (as needed)
General meeting	Target: Personnel in Procurement & Logistics Division • Overview of compliance, information sharing on other CSR matters (twice a year)

Declaration of Partnership Building

MCC published a Declaration of Partnership Building in April 2021 in agreement with the objectives of the Council on Promoting Partnership Building for Cultivating the Future, which aims for large corporations and SMEs to develop sustainable relationships. By working with business partners in our supply chain and value-creating businesses to foster mutually beneficial relationships, we aim to build new partnerships.

Compliance with the Subcontract Act

To maintain sound relationships with its business partners, MCC has clarified a system for ensuring compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. (the Subcontract Act) and established internal rules, including Subcontract Act Compliance Regulations, which indicate the specific scope of application and compliance requirements of the Subcontract Act.

To ensure that transactions are conducted pursuant to such internal rules, MCC periodically implements internal training and audits related divisions.

3	Chapter 1 Our Vision
22	Chapter 2 Sustainable Growth Strategy
56	Chapter 3 Strengthening ESG Activities
57	Message from the Chief Officer Supervising Corporate Sustainability Management
58	Implementing Sustainability
59	Sustainability Indices
	Environment
62	Reporting in Line with the TCFD Recommendations
64	Progress toward Carbon Neutrality and a Circular Economy
	Society
66	Message from the CHRO
67	Human Resources Strategy
72	Building Sustainable Supply Chains
73	Employee-Led Development of Our Way
	Governance
74	Message from the Officer Supervising Governance and Legal Affairs
75	Corporate Governance System
80	Assessment of Effectiveness
81	Director and Officer Remuneration
86	Risk Management
88	Compliance
90	Directors
92	Outside Directors' Discussion Meeting
95	Chapter 4 Financial/Non-Financial Information