

# Compliance

The Mitsubishi Chemical (MCC) Group regards compliance as a top priority in its corporate activities. The MCC Group has in place a Compliance Promotion Program that comprises basic regulations concerning compliance, a structure for compliance promotion, education and training programs, auditing and monitoring systems, and a consultation and reporting hotline. Based on this program, the MCC Group works to ensure appropriate and precise operations and management.

## Compliance Promotion Structure and the CCO

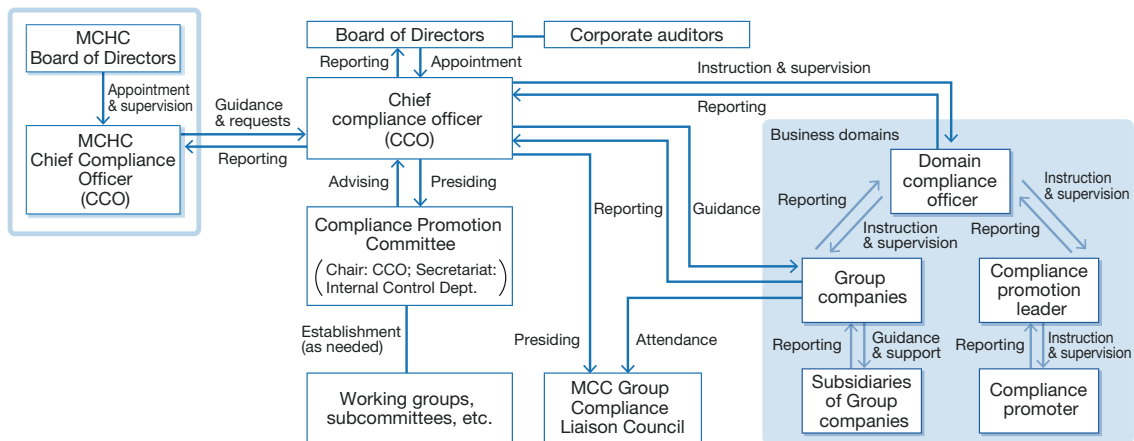
The Board of Directors appoints the Mitsubishi Chemical Group's chief compliance officer (CCO).

The CCO has the authority to direct and supervise the MCC business domains and Group companies in matters related to compliance. The CCO also chairs the Compliance Promotion Committee and reports to the Board of Directors and CCO of Mitsubishi Chemical Holdings (MCHC) on the status of compliance and important issues.

The Compliance Promotion Committee deliberates on such matters as basic policy concerning the development and operation of the MCC Group's Compliance Promotion Program, the performance of the program and responses to compliance violations. The committee also advises the CCO as necessary.

Furthermore, our designated domain compliance officers, compliance promotion leaders and compliance promoters in each domain coordinate to promote compliance in the course of daily operations.

### Compliance Promotion Structure of the Mitsubishi Chemical Group



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## Compliance Regulations

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The MCC Group maintains and operates according to internal compliance-related regulations, including regulations concerning the compliance promotion structure, hotlines and responses to compliance violations.

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## Educational, Training and Awareness-Raising Activities

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MCC conducts a variety of educational, training and awareness-raising activities in Japan and overseas on an ongoing basis in order to further instill compliance awareness.

Beginning in fiscal 2018 in Japan, building on the training for compliance promotion leaders and compliance promoters implemented in fiscal 2017, we held group training sessions aimed at increasing compliance awareness for all non-line managers (employees who are of management rank but who do not have any subordinates), including those of some Group companies, as part of a two-year plan. The approximately 2,700 non-line managers targeted by this training constitute an important tier of the Group's workforce in terms of compliance penetration. In fiscal 2019, the second year of the two-year plan, we implemented 21 training sessions at nine locations for 1,279 employees. We also provide e-learning for all members of the Group, seeking to enhance each and every employee's compliance awareness. Furthermore, we are increasing awareness and knowledge of such important compliance risks as information security through such means as targeted email attack response drills.

Overseas, we carry out training and awareness-raising tailored to the circumstances of each region. We are also bolstering initiatives through such means as local training and e-learning. In fiscal 2019, we held a meeting of the Compliance Liaison Council, bringing together 49 domain compliance officers and compliance promoters from Group companies in Singapore, Thailand, Indonesia, India, Vietnam and the Philippines to share information about compliance.



## Compliance

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### Fair Business Practices

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#### ■ Mitsubishi Chemical Holdings Group Global Anti-Bribery Policy

MCHC has established the Mitsubishi Chemical Holdings Group Global Anti-Bribery Policy, aiming to prevent bribery on the part of its operating companies and their executives and thus ensure compliance with anti-bribery laws and regulations in all the countries where it operates, prevent corruption, and help establish and maintain fair business practices.

The policy prohibits bribes to public officials and includes provisions concerning accounting records, compliance structures and penalties for violations.

Within the MCC Group, the supervisors of domestic sales employees hold interviews with said employees to confirm their actions with regard to risks related to sales, including those surrounding anti-trust legislation, bribery and the Subcontractor Act.

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### Monitoring and Reporting Systems

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#### ■ Compliance Hotline

The MCC Group has established a hotline through which employees can contact the Internal Control Department, an external lawyer or a hotline service company to seek advice or report possible compliance violations. The Group strives to ensure that the hotline is operated properly and employees are aware of it.

#### ■ Global Compliance Perception Surveys

The MCC Group uses employee perception surveys to monitor the degree of compliance awareness among employees. In fiscal 2019, these surveys were returned by 32,700 employees of domestic Group companies (or 94.4% of such employees) and 4,735 employees of Group companies in Asia (or 83.6% of such employees). Survey results are analyzed in detail and used to provide feedback to related officers. Challenges and problems identified as a result of said analysis are reflected in compliance-related measures and training.

#### ■ Response to Compliance Violations

In the event of a compliance violation, the domain compliance officer and the departments overseeing compliance work together to implement an appropriate initial response that rectifies or otherwise deals with the situation. They then investigate the cause of the violation and implement recurrence countermeasures. Any employee who has committed a compliance violation is dealt with as necessary, possibly with disciplinary action, in accordance with the Employee Work Regulations or other relevant regulations of the Group company to which the employee belongs.