



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

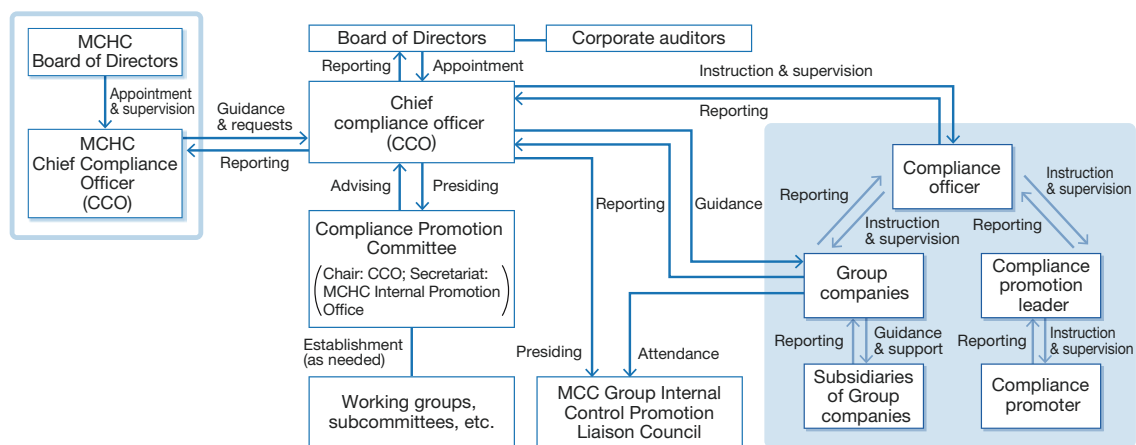
Mitsubishi Chemical's Board of Directors appoints the company's chief compliance officer (CCO).

The CCO has the authority to direct and supervise the MCC departments 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 departmental compliance officers, compliance promotion leaders and compliance promoters in each department coordinate to promote compliance in the course of daily operations.

Compliance Promotion Structure of the Mitsubishi Chemical Group



Compliance Regulations

MCC has established and operates according to internal compliance-related regulations, including basic regulations concerning the compliance promotion structure and rules concerning hotlines and responses to compliance violations.

Educational and Training Activities

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

In Japan, MCC implements training for compliance promotion leaders and compliance promoters, rank-specific training (such as that for new recruits and newly appointed managers), one-off training tailored to the needs of specific Group companies and workplaces, e-learning for all members of the Group, and various educational and training activities led by each workplace's compliance promoter, 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.

At overseas Group companies, we carry out educational and training activities tailored to the circumstances of each region. We are also bolstering initiatives through such means as local training and e-learning at our locations in the United States, Europe, China, the Asia-Pacific region and elsewhere.

In fiscal 2020, in light of the COVID-19 pandemic, we explored new tools and found new ways of carrying out these activities, including remote training sessions via live streaming and video lectures for individual use.



Compliance

Fair Business Practices

■ 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 Subcontract Act.

Monitoring and Reporting Systems

■ 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. The hotline is operated with maximum consideration for the privacy of users, and individuals are not treated disadvantageously for having used the hotline for consultation or reporting. In the event that a hotline user is subject to disadvantageous treatment or reprisal, the individuals responsible are subject to disciplinary action as needed.

■ Compliance Perception Surveys

The MCC Group uses employee perception surveys to monitor the degree of compliance awareness among 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 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.