

# Risk Management

The Mitsubishi Chemical (MCC) Group promotes risk management activities on a Group-wide basis based on the Mitsubishi Chemical Group Risk Management Regulations. In the course of business operations, the executives and management-level employees of MCC Group companies identify and evaluate risks that could significantly impact the Group and deal with such risks appropriately to minimize their impact on Group management and society, including the Group's stakeholders.

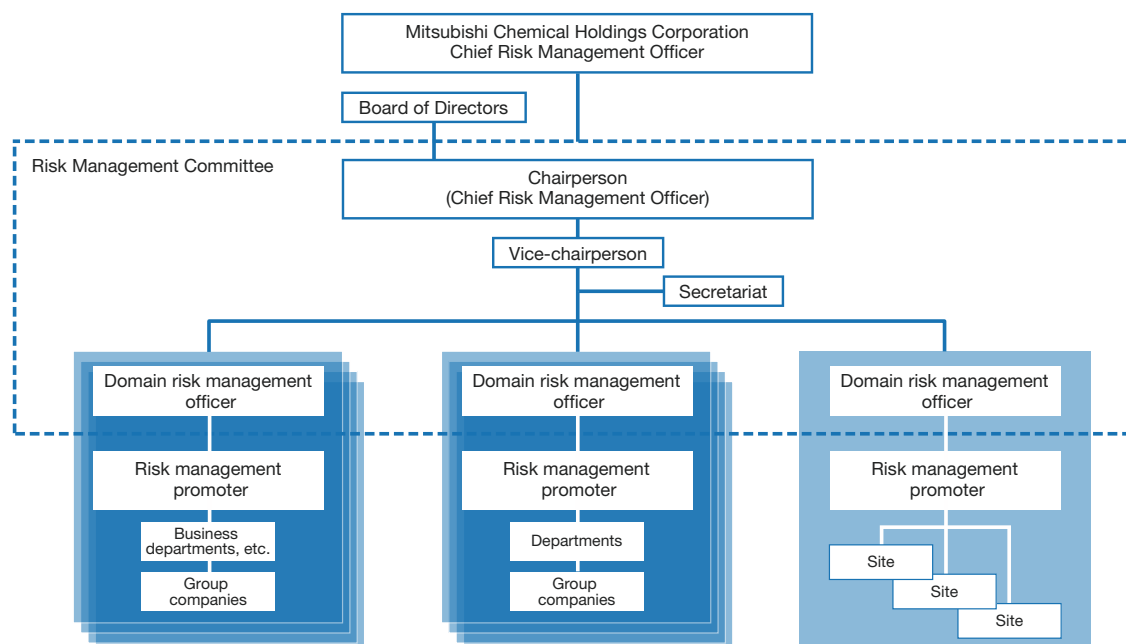
## Risk Management Structure

MCC has set up a Group-wide risk management system headed by its President, who serves as the Group's Chief Risk Management Officer, and strives to ensure that this system operates appropriately and smoothly.

The supervising officers of the business domains and corporate function domains serve as domain risk management officers charged with maintaining, operating, directing and overseeing the risk management systems within their respective units, including those of MCC Group companies. Meanwhile, the Risk Management Committee, established to support the Chief Risk Management Officer as a supplementary decision-making organ, regularly confirms the operational status of the MCC Group's risk management system and deliberates on important matters related to the development and operation of the system, basic policy and plans regarding risk management activities, and management objectives and countermeasures related to serious risks.

The internal audit units periodically audit the operational status of the risk management system and report their findings to the Chief Risk Management Officer (the President).

### Risk Management Structure of the Mitsubishi Chemical Group





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### Initiatives

Since the formation of the new MCC, in addition to the risks individually identified and addressed by each department, management has designated the eight risks listed below as risks to be dealt with on a company-wide basis and is working to reinforce risk management efforts accordingly.

- (1) Process safety and stable operations
- (2) Compliance promotion
- (3) Governance and global management
- (4) Crisis management and business continuity
- (5) Information security
- (6) Workstyles
- (7) Environmental friendliness
- (8) Trade

In fiscal 2020, we implemented special process safety inspections at overseas Group companies to reinforce the promotion of safety and stable operations. We also proactively strengthened efforts to promote business continuity, including efforts to quantitatively understand the supply chains of important products. Furthermore, amid significant environmental changes caused by the COVID-19 pandemic, we took steps to reinforce the management of working hours and monitored changes in working hours accompanying the expansion of remote work.

### Business Continuity Plans

The MCC Group formulates business continuity plans (BCPs) to minimize the impact suffered by its customers and business partners in the unlikely event of a natural disaster or a major accident.

Specifically, when responding to such crises as a major earthquake in the Nankai Trough or a pandemic, MCC gives greatest priority to assuring the safety of human life, including the lives of employees, their families, business partners and local residents. We have also prepared manuals that lay out steps to be taken after such safety is assured, namely, how to maintain or quickly resume the supply of key products essential to society and thus fulfill our product supply obligations to our customers.

In addition, we maintain arrangements that will ensure that operations important to the whole Group can be continued elsewhere should the head office be incapacitated by a major earthquake striking the Tokyo metropolitan area.