



Logistics

Basic Policy

Mitsubishi Chemical (MCC) strives to put safety first and promote strict compliance, risk management, respect for human rights and communication with business partners in order to realize KAITEKI. Based on a product stewardship approach, we are promoting KAITEKI logistics to earn the trust of customers and society in logistics operations.

Hazardous Materials Transport Initiatives and System to Prevent External Harm in Case of an Accident

MCC focuses considerable effort on ensuring the safe transport of hazardous materials.

Related MCC departments and logistics subsidiaries regularly hold meetings on responsible care and risk management, maintaining close communication and implementing measures aimed at reducing problems, accidents and occupational injuries.

We work with logistics subsidiaries to ensure that all shipments are accompanied by yellow cards¹ and educate our business partners about the chemical properties of our products and safety. In these ways, we work to enhance understanding of the products being transported and sensitivity to safety.

In addition to initiatives aimed at preventing accidents, we also conduct regular disaster drills with logistics subsidiaries and are taking steps to address the risk of a serious road accident through a contract and drills with the Maritime Disaster Prevention Center. Furthermore, for products that present particularly high risk if stolen or lost, we have established our own management standards that we use in the transportation and storage of such products.

¹ Yellow card: A document that contains emergency safety procedures to be taken in the event of a transportation accident and contact information for MCC.

Participation in the Sustainable Logistics Movement

Japan's Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry and Ministry of Agriculture, Forestry and Fisheries are calling on listed companies and key companies in each prefecture of Japan to participate in the Sustainable Logistics Movement.²

As this movement aligns well with MCC's existing KAITEKI logistics initiatives, the company is participating by expanding initiatives aimed at achieving sustainable logistics based on the following eight-point voluntary declaration of conduct.

- We will work with logistics subsidiaries to improve the efficiency and stability of logistics on an ongoing basis and sincerely discuss any suggested improvements or questions from logistics operators.
- We will implement lorry and truck reservation systems to reduce waiting times.
- We will promote the use of pallets to reduce cargo handling that truck drivers perform by hand.
- We will consolidate product storage spread across warehouses near plants to improve shipment collection efficiency.
- We will formulate transport plans in advance to ease shipping rushes around long holiday periods, such as Golden Week and New Year's.
- We will promote modal shifts of long-distance truck transport to railways and ships to improve logistics stability and per-unit energy consumption.
- We will prioritize compliance with relevant laws when selecting and hiring logistics operators.
- We will clearly indicate safe work procedures, take steps to secure safe routes and, as needed, form security transport agreements to prevent occupational injuries and accidents.

² Sustainable Logistics Movement: An initiative aimed at creating more worker-friendly working conditions in response to the increasingly serious shortage of truck drivers in Japan. Specifically, the movement aims to stably secure the necessary logistics operations for the livelihood of Japan's people and its industrial activity and thereby contribute to stable economic growth by improving trucking productivity and logistics efficiency and creating more worker-friendly working conditions, including those for women and drivers over the age of 60.

Focus

Received Maximum Five-Star Coastal Ship Energy Conservation Rating

MCC Group company Mitsubishi Chemical Logistics Corporation (MCLC) has a long-term charter contract for the vessel *RYOREI MARU No. 1*, a carrier for liquefied ammonia, one of MCC's products. The ship's owner EIKO KAIUN CORP., design firm Kegoya Dock Co., Ltd., and user MCLC worked together to develop a unique hull for the ship, which entered service in 2020. As a result of this work, the ship realizes a 34% reduction in fuel consumption when in operation compared with the standard values for vessels of the same type.

In recognition of the improved performance, in March 2021 the Maritime Bureau of the Ministry of Land, Infrastructure, Transport and Tourism granted the vessel the maximum five-star ranking under the energy conservation rating system for coastal vessels.

In addition, during the vessel's development, the developers sought to improve the onboard work environment, which has recently come to light as a problem on many coastal chemical carriers. Along with improving the vessel's energy efficiency, the living space was also expanded, creating a more comfortable workplace for the crew.

