



Together with Supply Chains

As a member of the Mitsubishi Chemical Holdings (MCHC) Group, the Mitsubishi Chemical (MCC) Group aims to realize KAITEKI, an original concept created by the MCHC Group. To this end, the MCC Group works with business partners and the entire supply chain to promote purchasing and procurement that take into account CSR-related considerations based on the Mitsubishi Chemical Holdings Group Charter of Corporate Behavior and Mitsubishi Chemical Group Human Rights Policy.

Basic Procurement Policy

1. Fairness, Equitability and Transparency

We conduct procurement activities in a fair, equitable and transparent manner. We are aware of the importance of accountability for our procurement activities and disclose relevant information as appropriate.

We select suppliers based on comprehensive evaluations using appropriate criteria in the areas of cost competitiveness, technical skill and corporate stance (compliance with laws and social norms, environmental consideration, respect for human rights, etc.). We maintain a posture of openness in procurement to all companies in Japan and abroad.

2. Partnerships and Mutually Beneficial Relationships

Based on the recognition that all our suppliers are our partners in business, we strive to enhance mutual understanding and build relationships of mutual trust while striving to carry out procurement activities that advance mutual business development.

3. Compliance with Laws and Regulations

In procurement activities, we comply with social norms and the letter and spirit of applicable laws and regulations.

4. CSR Procurement

Constantly keeping the spirit of corporate social responsibility in mind, we conduct sustainable procurement activities with due consideration given to resource protection, environmental conservation, safety, human rights and other such factors.

Sharing CSR Procurement Policies with Business Partners through a Guidebook

The MCC Group believes that it is extremely important to build partnerships based on mutual trust with business partners while advancing CSR procurement activities throughout the supply chain, and that the cooperation of business partners is indispensable to doing so. To this end, we have prepared a guidebook of essential standards that we wish to share with our business partners. We provide new suppliers with copies of this guidebook to share our approach and ask for their cooperation and support. The guidebook is available at any time on MCC's website.

Promoting Communication Using a CSR Survey

We facilitate communication with raw materials suppliers using a guidebook and survey to ensure suppliers share our understanding of CSR issues and to confirm the status of related initiatives.

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 that enable mutual growth and improvement.

In fiscal 2019, we provided feedback based on the results of a survey of our key business partners¹ conducted in fiscal 2018. We believe that the survey, covering such topics as the Mitsubishi Chemical Holdings Group Charter of Corporate Behavior and responses to recent external trends, helps us to more accurately express our commitments and priorities, and improve the quality of communications with business partners.

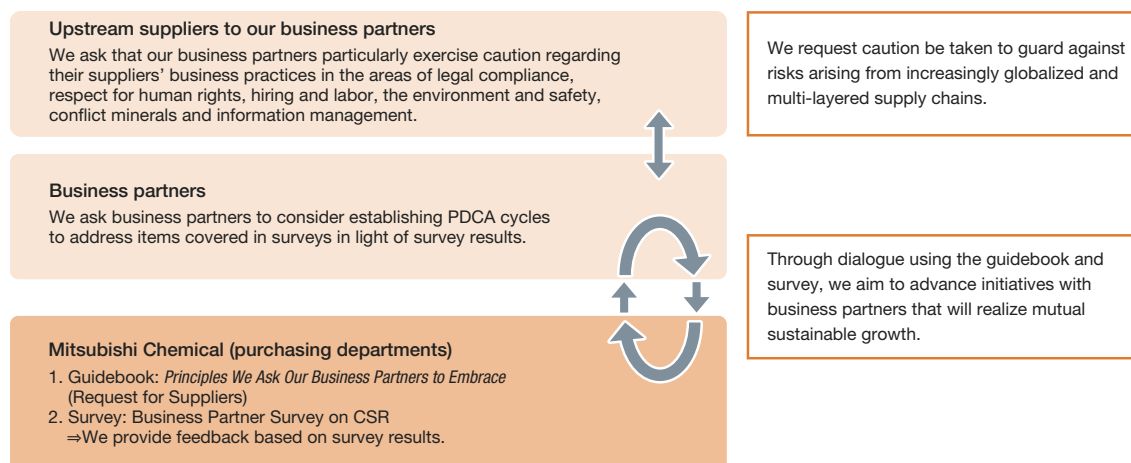
In fiscal 2020, we overhauled the survey, enhancing its content to enable us to better understand supply chain risks related to human rights, labor, the environment, fair business practices, compliance and other topics and thereby implement improvements. We distributed the survey to the key business partners of the Purchasing Department.

In fiscal 2021, based on the results of the survey distributed by the Purchasing Department in fiscal 2020, we will provide feedback to business partners and implement other communication aimed at improvement. We have also begun distributing the survey to key business partners that provide raw materials to the business domains.

Going forward, we will continue efforts to realize purchasing and procurement that take into account CSR-related considerations through these and other activities.

¹ Key business partners: Business partners in the upper 90th percentile of all business partners by total raw material purchase price in the previous fiscal year.

Mitsubishi Chemical's CSR Procurement





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Internal Training

MCC believes that human resource development is important for the promotion of purchasing and procurement that take into account CSR-related considerations.

The Purchasing Department and Logistics Department hold the KAITEKI Promotion Conference for their employees twice a year to teach about and explain CSR.

We provide training on the tenets of the Basic Procurement Policy (namely, Fairness, Equitability and Transparency; Partnerships and Mutually Beneficial Relationships; Compliance with Laws and Regulations; and CSR Procurement) for new recruits or transferees assigned to the Purchasing Department.

In fiscal 2020, we held a training seminar on human rights due diligence for all Purchasing Department employees in an effort to promote respect for human rights in the supply chain.

In addition, we encourage junior employees to acquire Certified Procurement Professional (CPP)² certification as a way of improving individuals' skills on an ongoing and systematic basis.

As social concern regarding CSR procurement grows, we will continue to focus efforts on human resource development in this area.

2 Certified Procurement Professional (CPP): A privately operated system of certification by the All Japan Federation of Management Organizations. The certification is granted to individuals involved in corporate purchasing and procurement who possess sufficient specialized knowledge in the field of purchasing and procurement.

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. This council comprises the Chairman of the Keidanren, Chairman of the Japan Chamber of Commerce and Industry and President of the Japanese Trade Union Confederation as well as related government ministers (from the Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries and Ministry of Land, Infrastructure, Transport and Tourism). 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 Act against Delay in Payment of Subcontract Proceeds, Etc. (the "Subcontract Act")

To maintain sound relationships with its business partners, MCC has clarified a system for ensuring compliance with the Subcontract Act and established internal rules, including the 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 of related departments.