

## Governance

# Compliance

**For the Mitsubishi Chemical Group, the word compliance has a broad meaning encompassing not just basic adherence to the law but also observance of corporate ethics and general social norms. We regard compliance as one of the most important management issues and engage in a range of initiatives to instill a culture of compliance throughout the Group.**

## Charter of Corporate Behavior

The MCG Group Charter of Corporate Behavior declares explicitly our commitment to applying sound ethics and good common sense to every aspect of our corporate activities.

Among other things, the Charter sets out fundamental principles of conduct for achieving sustainable development in harmony with society and explains our approach to the main issues affecting our contribution to the realization of KAITEKI.

[Charter of Corporate Behavior](#)

## Compliance promotion structure

The Group Chief Compliance Officer (CCO), who is appointed by the MCG Board of Directors, is responsible for implementing compliance. Internal control departments support the Group CCO, acting as secretariats for compliance-related matters.

The secretariats work through the overseas administrative headquarters established in the United States, Europe, the Asia-Pacific region, and China to ensure compliance in line with local information and conditions. In addition to developing shared educational tools, we provide training to overseas Group companies and help them to set up compliance hotlines. As secretariats, the internal control departments operate hotline systems and implement training courses and seminars, business

audits, compliance awareness surveys, and other activities in line with compliance promotion regulations.

In the case of an actual or potential compliance violation, the department affected reports to and consults with the Group CCO, receives guidance and directions, and takes appropriate preventive or corrective actions and measures to guard against recurrence.

## Hotline systems

Hotline systems are managed and operated with the MCG internal control departments and external lawyers serving as contact points. In fiscal 2021, 175 cases were reported via the hotline systems. We respond to reported issues through our investigation teams, which are headed by the managers of the internal control departments. Corrective measures are taken promptly in line with the relevant regulations under the direction of the CCO.

## Measures and results in fiscal 2021

In fiscal 2021, we commissioned an external agency to survey employees' awareness of compliance within the Group in Japan in order to continuously monitor the spread of compliance awareness. The survey results were presented as feedback to all Group companies and departments, who use them to enhance compliance awareness through education and training and other activities. At the same time, we have quantified the responses to questions related to matters such as individual awareness and behavior and the workplace climate as a compliance improvement awareness index and incorporated it into our MOS Indices.

## ACTION

### Compliance training

The MCG Group provides grade-specific compliance training every year in Japan and overseas. We provide a variety of learning settings, including lecture-style training for large groups and discussion-style training for small groups to enhance the effectiveness of such training.

In fiscal 2021, the president delivered a message to executives on the importance of compliance, using a live remote format. Using the same live remote format, a symposium for all employees was held on optimal compliance practice during the pandemic period as a way to encourage sharing of ideas on compliance.



#### Open Culture

I hope that everyone will feel free to share their opinions and contribute to the company. As one team, we can continue to make the company better and better.

#### To everyone who participated today

#### Tone from the Top

I would like to ask you to get your message out to your supervised business area that Compliance is as important as Safety at every opportunity.

Left: Sending a message on the importance of compliance through a live remote format

Above: Accompanying screen display