

Sustainability

# Evolving LCA Systems Further

To achieve carbon neutrality by 2050, we will use life cycle assessment (LCA) systems to determine our priorities when selecting focus markets.

In order to use LCA systems as an advanced management tool in the chemicals industry, Mitsubishi Chemical Group Corporation is (1) laying foundations for the systems, (2) broadening the scope of calculation, and (3) developing new uses. By taking these steps, we will be able to make accurate comparisons not just at the product and service level, but also across the entire product value chain including businesses and manufacturing sites, which will inform our “selection and focus” efforts for businesses, investment, and R&D as we work to become carbon neutral.

### (1) Standardizing methods to lay the foundations

We have standardized the methods we use to calculate product carbon footprints. This information allows us to appropriately quantify and report the environmental and social impact of our products and services, as well as how our products and services contribute to reduced environmental impacts.

### (2) Broadening the scope of calculation to include Scope 3 emissions

As well as calculating carbon footprints for each product and service, we are applying these calculations to quantify how far we have reduced the environmental impact across the product and service life cycle and to specify GHG emissions (Scopes 1, 2, and 3) for each business, process, and manufacturing site.

By continuing these efforts to accurately evaluate business activities using such LCA systems, we will build up expertise and regularly review and improve the systems to further evolve our LCA tools and expand their scope.

### (3) Use as a management tool

In the future, we will use the results from these LCA calculations as an advanced management tool in the following three ways:

- **Fostering communication:** Provide information to internal and external stakeholders and gather feedback from these stakeholders
- **Improving our competitive edge:** Use as evidence to support accurate marketing, product design, and process improvements

- **Rationalizing decision-making processes:** Apply to decision-making processes for business portfolio management and investment programs

Through the comprehensive implementation of these systems, we aim to quantify the social contributions made by the MCG Group and achieve the new management policy, “Forging the future.”

