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Respect for Human Rights

Policy | Initiatives

Policy

The Mitsui Chemicals Group Human Rights Policy

This Mitsui Chemicals Group Human Rights Policy (the “Policy”) establishes specific guidelines concerning respect for human rights in the Mitsui Chemicals Group.

Basic philosophy

Respect for human rights is an essential element of developing business activities globally.
We at the Mitsui Chemicals Group signed the United Nations Global Compact in January 2008, endorse the aims of the UN Universal Declaration of Human Rights, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights, and emphasize respect for human rights.
Pursuant to the Mitsui Chemicals Group Action Guidelines, we practice “Always Act in Good Faith,” “For People and Society” and “Dream-Inspiring Innovation” as a corporate citizen. Furthermore, we are aware of our environmental and social responsibilities along the entire supply chain, encourage each other to respect the Policy, and aim to be a corporate group that enjoys the confidence of society for its fair corporate activities.

Respect for human rights

As an essential matter for developing business activities globally, we respect human rights and aim at becoming a corporate group that enjoys the confidence of society for its fair corporate activities based on the awareness of the common standard stated in Article 1 of the UN Universal Declaration of Human Rights “All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.”

Prohibition of discrimination

Under no circumstances shall we engage in discrimination whatsoever based on race, national origin, birthplace, social origin, caste, family lineage, religion, disability, age, gender, sexual orientation, gender identity, family background, marital status, membership of unions, political views, or any other differences.

Respect for basic labor rights

We respect workers’ rights to organize and bargain collectively and other basic labor rights.
In addition, we shall foster labor-management trust and cooperative relations through frank dialogues and mutual understanding and solve labor-management issues voluntarily and peacefully.

Prohibition of forced labor and child labor

We never use forced labor and child labor in any of our business activities in any of the countries and regions in which we operate.

Prohibition of harassment

Under no circumstances shall we engage in sexual harassment, power harassment, maternity harassment or other harassment actions that hurt the dignity of individuals.

Respect for privacy

We respect privacy of individuals and endorse the aims of the OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data and handle personal information appropriately in accordance with the relevant laws of the respective countries.

Prevention of human rights violation

We shall endeavor to avoid causing any human rights violation and or indirectly creating adverse human rights impacts through our business activities.
In addition, through all the stakeholders involved in our business activities, we shall work to prevent or mitigate adverse human rights impacts.

Initiatives based on the concept of human rights due diligence

We are committed to acting based on the concept of human rights due diligence which requires the identification of human rights violations and indirect impacts or risks that may lead to human rights violations, their prevention or mitigation, and accountability for how to respond to the violations.

Response to human rights violations

In the event of a human rights violation or indirect adverse human rights impact which is produced by our business activities, we shall promptly devise corrective measures or cooperate with a third party in taking measures.

End.

Initiatives

Through a variety of activities regarding human rights, the Mitsui Chemical Group is aiming to “pursue thorough safety, high quality, and fairness across the entire supply chain” as one of its declared goals in the 2025 Long-term Business Plan.

Survey on Human Rights Challenges That Should be Taken into Consideration

In the countries in which the Mitsui Chemicals Group maintains a presence, there are a number of challenges pertaining to human rights, reflecting conditions of local politics, the economy and society. In addition, in line with changes to those conditions, the challenges themselves will at times also be impacted. At each of the Group’s sites, consideration into such human rights challenges is something that cannot be overlooked. In order to gain a grasp of the human rights challenges that arise from each region around the globe that we should consider as a Group, we reference information from the United States State Department’s “Country Reports on Human Rights Practices” and “Trafficking in Persons Report” as well as survey materials such as “Human Rights Watch World Report” and ”Transparency Corruption Perceptions Index” from NGOs and other organizations involved in human rights, and conduct investigations of challenges with regard to regional human rights where the Group’s business sites exist. According to the reference survey materials, there are various issues in each region, such as discrimination in employment and work, working conditions, forced labor and child labor, human rights violations against foreign workers and involvement in corruption. There are also such issues in the supply chain (raw material suppliers, subcontractors, processing subcontractors, logistics partners, etc.). The global pandemic brought on by COVID-19 has become a major issue for the Group and its global business operations. The impact is not limited to operation of our global supply chain but also to potential human right issues in various parts of the world which we believe our Group cannot ignore. In the future, the Group will define priority regions, and identify challenges associated with human rights that business sites should take into account.

Consideration for Human Rights within Mitsui Chemicals

At each type of training session, we entrench awareness for human rights by studying the Mitsui Chemicals Group Action Guidelines and The Mitsui Chemicals Group Human Rights Policy and educate attendees on a number of issues, such as discrimination and harassment. To facilitate a deeper understanding of the basic principles of business and human rights, in fiscal 2019 we introduced the "Business and Human Rights e-Learning" series published by the Asia-Pacific Human Rights Information Center and Amnesty International Japan. Also, reports and consultation on human rights are received on the Risk Hotline and at the harassment consultation services.The business audit by the Internal Control Division includes an internal audit process based on self-assessment of internal controls utilizing the compliance checklist. The compliance checklist includes items related to compliance with the related laws and regulations, prevention of bribery and corruption, harassment, appropriate handling of personal information and human rights issues such as discrimination, forced labor and child labor. The checklist is revised every year.

Mitsui Chemicals participates in the subcommittee concerning human rights of the Global Compact Network Japan. This subcommittee provides the forum to learn about and deliberate on a wide range of issues pertaining to human rights on a global scale in conjunction with human rights NGOs and participating companies. In addition to deepening its understanding toward human rights issues, the Mitsui Chemicals Group will draw its participation in the subcommittee to bolster its awareness activities.

Human Resources Management

Occupational Health

Safety and Prevention

Consideration for Human Rights in Investment Activities

The Mitsui Chemicals Group undertakes substantial investments as a part of its business development activities. When selecting an investment, a meeting is held to consider any related human rights issues. As a part of the Group's due diligence, steps are also taken to assess the impact of human rights concerns in the context of each country's statutory and regulatory requirements regarding the use of labor.

Taking Human Rights Issues into Consideration along the Supply Chain

While advocating the promotion of environmental activities and social responsibility along its entire supply chain, the Mitsui Chemicals Group is equally committed to respecting the human rights of all of its stakeholders who are in some way linked to the Group's business activities.
For example, we have clearly set out our expectations of suppliers in the Mitsui Chemicals Group Purchasing Policy and the Mitsui Chemicals Group Sustainable Procurement Guidelines. Under these pollicies, we place considerable importance on respect for human rights, fair working conditions and a good work environment, reduction in environmental impact, compliance with laws and regulations, social norms and considerations for those in the supply chain. When we begin a new business arrangement and with ongoing suppliers, depending on the nature of the business, we conduct regular checks on the supplier's efforts through our sustainable procurement Self-assessment Questionnaires (SAQ). We use the questionnaire results to provide feedback to suppliers and to support their efforts to improve. In addition, we have also extended our Risk Hotline so that it is now accessible to suppliers and are determined to keep on building stronger partnerships in the future. The Mitsui Chemicals Group works diligently to ensure equal opportunity and transparency while maintaining and promoting fair and equitable business practices.

Supplier Evaluation and Guidance for Improvement

Participation in Human Rights Due Diligence Workshop

Through dialog with companies, NPOs/NGOs and knowledgeable experts, the Mitsui Chemicals Group deepens its understanding of the contexts in which human rights challenges occur as well as the relationship between business activities and human rights. We then consider what are the important human rights issues for us and business activities considering these issues, and work to utilize that understanding in our corporate activities.
The Group participated in the Human Rights Due Diligence Workshop organized by Caux Round Table Japan (CRT Japan). The program holds discussions, conducted by companies, NGOs/NPOs and knowledgeable experts, geared

toward the human rights due diligence called for under the United Nations Guiding Principles on Business and Human Rights. The 2019 program examined the background to human rights issues in the following areas: forest conservation and sustainable use, water and public sanitation, sexual orientation and gender identity, plastic waste issues, technology innovation, privacy and data distribution, rights of children and business, migrant workers, etc., and identified important human rights issues in each industry, employing the human rights guidance tools formulated by the UNEP Finance Initiative.

2019 Human Rights Due Diligence Workshop (Stakeholder Engagement Programme)（PDF：1.2MB）

Sustainable Procurement

Management System

Policy and Basic Approach

The Mitsui Chemicals Group engages in purchasing activities based on the Mitsui Chemicals Group Purchasing Policy. The policy incorporates a sustainable procurement perspective, in addition to conducting fair and honest transactions. In terms of procurement activities described in the Mitsui Chemicals Group Sustainable Procurement Guidelines, the Mitsui Chemicals Group has defined assignments on which to work with the full cooperation of our suppliers toward fulfilling our environmental and social responsibilities across the entire supply chain from a global perspective.
Mitsui Chemicals Group has established basic rules for purchasing as part of its global policy. The practical application of these rules ensures fair and law-abiding procurement for the Group at the appropriate terms, quality and pricing, and ultimately ensures compliance with laws and maintains and strengthens the Group's competitiveness.

The Mitsui Chemicals Group Purchasing Policy

The Mitsui Chemicals Group recognizes that all its suppliers are good partners and endeavors to trade with them fairly and in good faith in the hope that both the Group and its suppliers will achieve sustainable development.

The Mitsui Chemicals Group also tackles issues, with a global perspective, including environmental, social and corporate governance issues, across the entire supply chain, aiming to achieve sustainable procurement.

The Mitsui Chemicals Group is committed to conducting purchasing activities in accordance with this Group Purchasing Policy.

1. Ensuring compliance

We will conduct purchasing activities in compliance with the applicable laws and regulations and appropriate social practices of the regions and countries in which we operate.
We will also require the same level of compliance from our suppliers.

2. Equal opportunity and transparency

We will be open in choosing our suppliers, and will offer equal opportunity for fair trade in good faith.

3. Selection of suppliers from the viewpoint of “sustainable procurement”

In the interests of building stronger partnerships, we will give priority to the following criteria.

(1) Suppliers that respect human rights, prohibit discrimination, and do not engage in any acts which violate human rights
(2) Suppliers that ensure fair working conditions and provide a safe and healthy working environment
Suppliers that prohibit forced labor, prohibit child labor and discrimination in hiring
(3) Suppliers that are aware of environmental issues and are committed to solving and addressing them
(4) Suppliers that conduct fair corporate activities based on a sound management practices
(5) Suppliers whose performance in areas such as pricing, quality, and delivery term are at an adequate and reasonable level, and endeavor to maintain and improve their performance

* See the Mitsui Chemicals Group Sustainable Procurement Guidelines established by Mitsui Chemicals for further details.

Revised on February 1, 2019

System and Responsible Officers

With the officer in charge of the Purchasing Division as the responsible party, the Purchasing Division formulates and implements plans related to sustainable procurement for purchases made by our Group (Purchasing Division, major business divisions, and domestic and overseas affiliates).
To realize sustainable procurement, the Purchasing Division regularly checks the status of our suppliers by conducting sustainable procurement SAQ surveys and audits.
Progress of the sustainable procurement activity plan and results is monitored in the monthly division meetings, and follow-ups are reflected in plans for the next fiscal year. In addition, we check the status of sustainable procurement activities during annual audits conducted by corporate auditors and the Purchasing Division.

Goals and Results

KPI	Scope	FY2019			Medium to Long-Term
		Goals	Results	Level Achieved	Goals
Sustainable procurement ratio*	Mitsui Chemicals Group	—	—	—	70% (FY2025)
	Mitsui Chemicals, Inc. (By Purchasing Division and major business divisions)	—	44%	—	—
	Mitsui Chismicals, Inc. Purchasing Division	—	84%	—	—

* Sustainable procurement ratio:
The sustainable procurement SAQ response rate from suppliers (transaction value basis). Feedback and improvement assistance are provided to suppliers based on the response results.

The Mitsui Chemicals Group Sustainable Procurement Guidelines

The Mitsui Chemicals Group aims for sustainable growth with society through initiatives for solving social challenges by upgrading its triple bottom line management with a focus on the economy, environment and society. Based on this concept, we practice “Always Act in Good Faith,” “For People and Society” and “Dream-Inspiring Innovation” as set forth in the Mitsui Chemicals Group Action Guidelines when conducting our business activities.

In the procurement activities, we believe that it is important to forge powerful relationships with our suppliers to fulfill environmental and social responsibilities in the entire supply chain from a global perspective. We also recognize that these initiatives will contribute to the mutual and sustainable development of our suppliers and the Mitsui Chemicals Group.

In light of these factors, the Mitsui Chemicals Group has created tasks that we would like to work on with the full cooperation of our suppliers in the Mitsui Chemicals Group Sustainable Procurement Guidelines. We would like to have the understanding and support of each our suppliers for these Guidelines and request that they undertake the initiatives described below.

Corporate Governance

1. Sound corporate management

   Establish an organizational system for sound corporate management through in-house control systems and structures for ensuring the effectiveness and efficiency of business operations as a corporation, the reliability of financial reports, compliance with laws and regulations applicable to your business activities and the protection of assets.

2. Accountability

   Appropriately distribute the financial and non-financial information to inside and outside the company based on the recognition of accountability to society and stakeholders.

Human Rights

1. Respect for human rights and prohibition of discrimination

   Support and respect the protection of human rights proclaimed internationally. Moreover, never under any circumstances engage in any discrimination whatsoever based on race, national origin, birthplace, social origin, caste, family lineage, religion, disability, age, gender, sexual orientation, gender identity, family background, marital status, membership of unions, political views or other differences.

2. Prevention of human rights violations

   Endeavor to avoid causing any human rights violations and indirectly creating adverse human rights impacts through your business activities. In addition, work to prevent or mitigate adverse human rights impacts through all stakeholders involved in the course of your business activities.

Labor

1. Provision of equal opportunities

   Equally provide employees with opportunities for personal career growth through human resources development initiatives. Moreover, provide equal opportunities for employment to human resources with motivation and ability.

2. Payment of proper wages

   Observe the statutory minimum wage in countries and regions where your business activities are conducted. In addition, endeavor to establish wages by giving due consideration to the improvement of employees' personal growth and their motivation.

3. Fair application of working hours and leave of absence

   Observe the labor hours prescribed in laws and regulation of countries and regions where your business activities are conducted. In addition, grant workers the right to take paid vacation.

4. Prohibition of forced labor

   Guarantee that employees are free to separate from the service at their own discretion as all work is voluntary.

5. Prohibition of child labor

   Never employ children who are under the legal working age in countries and regions where your business activities are conducted. In addition, never assign such jobs that impair children's health, safety and morality.

6. Respect for basic labor rights

   Respect employees' rights to organize and bargain collectively and other basic labor rights.

7. Advance management of occupational safety and health

   Grasp the risk of an accident occurring at work and the risk of exposure to chemical substances hazardous to the human body, noise, foul odors and so on and ensure a safe and healthy work environment. In addition, take measures with due care for employees' mental health.

Environment

1. Management of chemical substances

   Manage chemical substances contained in products in accordance with standards prescribed in laws and regulations.

2. Reduction of environmental load

   Endeavor to reduce environmentally harmful substances released into the air, water and soil (including greenhouse gases) by setting levels equal to those required by laws and regulations or independent targets exceeding the required levels.

3. Efficient use of resources
   Promote efficient use of energy, water, raw materials and other resources by setting independent targets.

4. Waste management
   Take responsibility in the disposal or recycling of waste materials by setting independent targets.

5. Biodiversity conservation
   Promote biodiversity conservation by reviewing the direct and indirect impact of your business on ecosystems.

Risk Compliance

1. Corruption prevention
   Maintain sound relationships with local administration authorities and public officials where your business activities are conducted, by managing the reception thereof to prevent corruption.

2. Prevention of offering or accepting improper advantage to or from customers, suppliers and so on
   Maintain sound relationships with customers, suppliers and so on by avoiding excessive gift-giving, entertainment and collusive relationships regarding marketing and purchasing activities.

3. Prevention of non-compliance with competition laws
   Prevent unfair trading, including bid-rigging, cartels and abuse of dominant bargaining position.

4. Elimination of anti-social forces
   Eliminate any relationship with organized crime groups, corporate racketeers and other anti-social forces and never provide any benefits to anti-social forces.

5. Respect for third parties' intellectual property
   Respect third parties' patents, copyrights, trademarks and other intellectual properties and prevent unauthorized use thereof.

6. Establishment of contact points for complaints and consultations
   Develop a system to allow for an individual who came to know important risk information to directly report and consult with an internal dedicated division or external contact points. Moreover, ensure that confidentiality of the individual who made said reporting or consultation will be strictly maintained and that the individual will never suffer prejudicial treatment.

7. Establishment of a system for business continuity plan (BCP)
   Develop a system to ensure the continuity of important operations and business or early restoration in case of a disaster.

8. Management of confidential information and protection of personal information
   Properly manage confidential information of customers, suppliers, one's own company and so on to prevent leakage

thereof. In addition, implement proper management and protection of personal information of customers, suppliers, one's own company and so on.

Quality and Safety

1. Ensuring quality and safety of products and services

   Provide products and services that meet laws and regulations and safety standards established in countries and regions where your business operations are conducted and that satisfy quality standards required in advance.

2. Appropriate response to defects arising in products and services

   Implement prompt information disclosure and notify the competent authorities in the event that an accident occurs with regards to products and services or that defective products are distributed. Moreover, implement a product recall and develop a system for formulating measures to ensure the safety of supply destinations.

Supply Chains

1. Basic stance for supply chains

   For the purpose of fulfilling social responsibilities across the entire supply chain, endeavor to ensure that not only one's own company but also suppliers are fully aware and comply with the significance of sustainable procurement.

2. Responsible procurement of raw materials

   Never purchase or use raw materials containing any gold (Au), tantalum (Ta), tungsten (W) and tin (Sn) that are conflict minerals related to inhumane acts by local armed groups in the Democratic Republic of the Congo and its neighboring countries.

Communication with Local Communities

1. Contribution to local communities

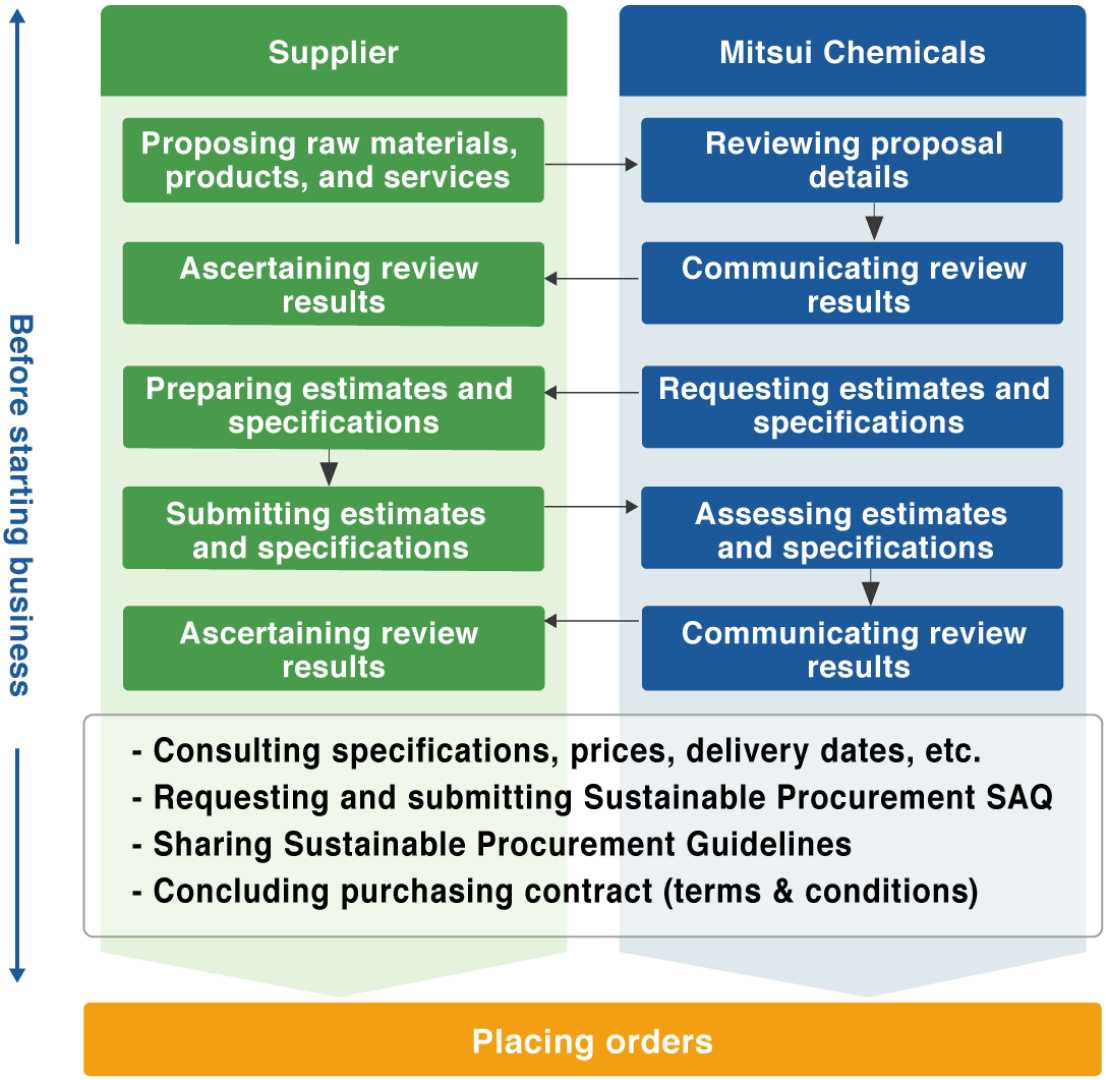
   Respect the culture and customs in countries and regions where your business activities are conducted and perform activities to contribute to the sustainable development of local communities.

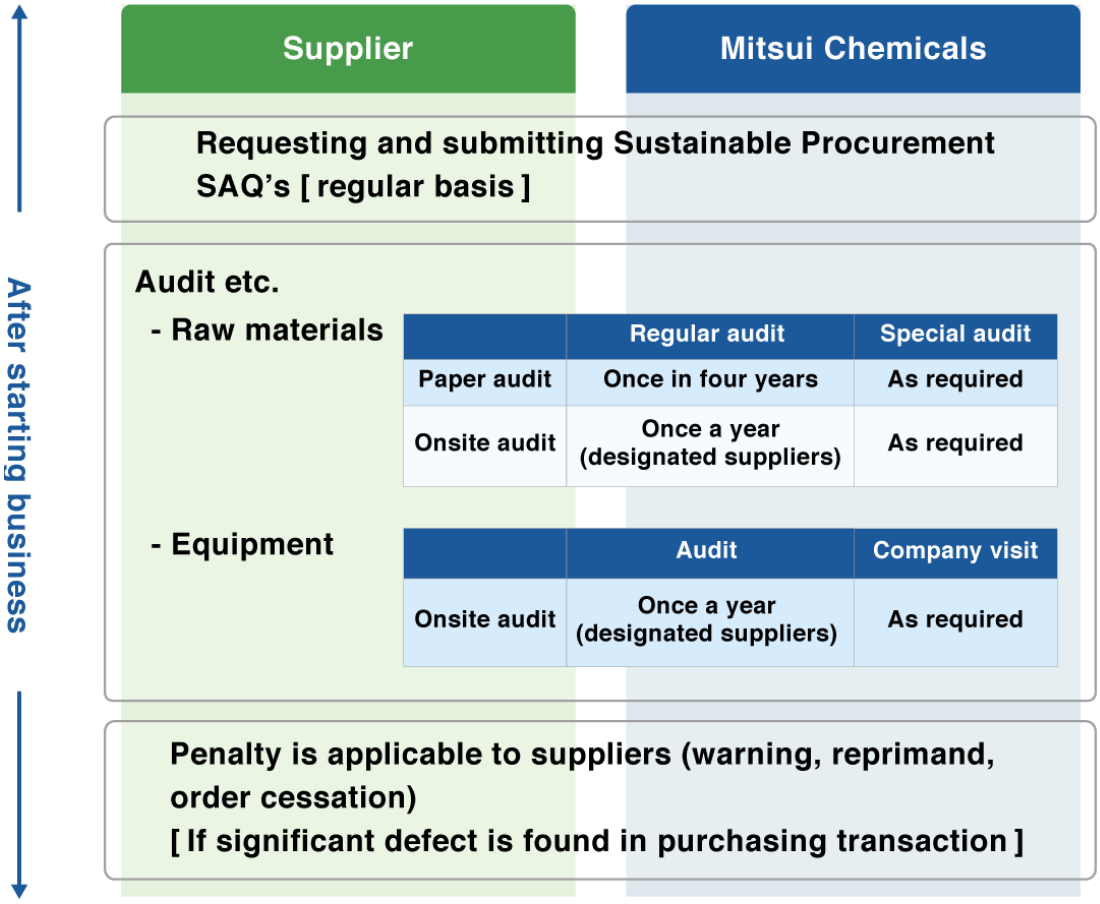
End.

Supplier Evaluation and Guidance for Improvement

When commencing transactions with new suppliers, as well as periodically with our current suppliers depending on transaction details, the Mitsui Chemicals Group verifies their efforts towards realizing a sustainable society. This involves confirming a wide range of specific items that include environmental protection, occupational safety, quality assurance, corporate governance, fair transactions, human rights, and information security. In addition, we evaluate supplier companies based on the results of these surveys and offer guidance on making improvements, as needed. When such surveys and audits identify any significant discrepancies, a penalty, such as suspension of transactions, is imposed according to the penalty criteria. Please note that the contract terms for raw materials and equipment have been revised with the amendment of the Civil Code of Japan in April 2020.

Transaction Procedures





Sustainable Procurement Survey

The Group has adopted the CSR/Sustainable Procurement Self-assessment Questionnaire (SAQ) * drafted by the UN Global Compact Network Japan supply chain subcommittee meeting as the Sustainable Procurement SAQ format used to request responses from suppliers. This SAQ was drafted to conform with the UN Global Compact's 10 principles and international regulations such as ISO 26000 and GRI. Although the Group already requests that our suppliers meet the requirements of the Sustainable Procurement Guidelines , it is the SAQ that specifically defines the details of these requirements.
Mitsui Chemicals requires that suppliers complete the SAQ, and provides feedback and improvement assistance to suppliers based on the response results. In addition, the SAQ completion rate (Group-wide transaction value basis) has been included as one of the KPI within the 2025 Long-term Business Plan as the sustainable procurement ratio.

* Partial excerpt from the CSR/ Sustainable Procurement SAQ tool set of the helpful series aimed at realizing global sustainable development published by Global Compact Network Japan.

An SAQ survey of Purchasing Division suppliers* was conducted from fiscal 2017 to fiscal 2019. Responses were received from 307 companies that account for roughly 90% of our transaction value.
In fiscal 2018, we created a guidebook for the sustainable procurement SAQ. This guidebook is submitted to suppliers whose SAQ score was less than 70% in order to help them deepen their understanding of the aims of the questionnaire. In our guidance visits to suppliers whose score was less than 40%, we used this guidebook to take account of the differing situations of each company in their SAQ responses. As a result, their understanding on reflecting the efforts made into the SAQ response and the scores of all the companies that received guidance visits have improved to 40% or more. We requested these suppliers to continue their efforts for further improvement.

* Purchasing Division suppliers:
  510 suppliers of raw materials; 3,028 suppliers of equipment and indirect materials (as of May 2020)

In fiscal 2019, an SAQ survey covering suppliers to our business divisions and domestic affiliates (subsidiaries) was started following briefings on sustainable procurement conducted for our business divisions and affiliates. This survey is a preliminary study for a survey that was originally planned for 2021 aimed at accelerating sustainable procurement and equalizing workloads.

Sustainable procurement SAQ results (Fiscal 2017–19)

SAQ score levels	No. of Companies	Actions for improvement
Level 3 (Score 70% or higher)	223	Feed back comments along with information about average score of all companies, industry average, and chart of company scores.
Level 2 (Score 40% or higher to less than 70%)	70	Submit a guidebook for the SAQ and request corrections by the next survey (2021).
Level 1 (Less than 40%)	14	Visit company premises and exchange opinions towards improvement, as well as explain the intention of SAQ using a guidebook for the SAQ. Also, request resubmission of questionnaire answers.
Total no. of responses	**307 (Response rate: 90%)**	

Sustainable procurement ratio

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2025 (Goals)
Purchasing Division transaction value basis	73%	84%	84%	—
Mitsui Chemicals, Inc. transaction value basis	39%	44%	44%	—
Mitsui Chemicals Group transaction value basis	—	—	—	70%

Sending Reminders to Our Suppliers

In fiscal 2016, Mitsui Chemicals sent reminder letters to around 2,600 Purchasing Division suppliers containing the following items. Then, in fiscal 2018, we held briefings in companies affiliated to our works on these items, as well as distributing reminder letters. We also submitted letters rejecting any gifts to all suppliers of the Purchasing Division.

- Examples of previous discrepancies
- Request items for each supplier

Compliance with laws and social norms from a sustainable standpoint
Avoid engaging in direct price negotiations with requesting divisions regarding transactions overseen by the Purchasing Division
Formulate BCPs (business continuity plans)

- The Mitsui Chemicals Group Purchasing Policy details and Risk Hotline reminder

Policy on Conflict Minerals

We are fully aware of the essential need to address so-called conflict minerals here at the Mitsui Chemicals Group. In fiscal 2015, the Purchasing Division conducted an investigation covering all raw materials except fuels and packaging materials transactions taken in fiscal 2014. As a result, we have confirmed that we do not purchase or use any conflict minerals associated with inhumane acts committed by armed groups on the ground in the Democratic Republic of Congo or any of its neighboring countries. That includes gold (Au), tantalum (Ta), tungsten (W) and tin (Sn). If it comes to light that we have used any conflict minerals in the future, we will immediately halt procurement of the relevant minerals.
In addition, the Purchasing Division and RC & Quality Assurance Division are working together every year to conduct conflict mineral surveys of our suppliers by identifying tin catalysts, etc., within those Group product compositions that are registered in the chemical product safety information system. The surveys confirmed that there are no issues with the minerals we use.
The sustainable procurement SAQ includes a category for confirming conflict mineral-related activities.

Internal Training

In fiscal 2016, Mitsui Chemicals conducted sustainable procurement training targeting all of its Purchasing Division employees. Since this time, this training has been included as one of the required elements of procurement training for all newly appointed members. In fiscal 2018, we provided a training program on the items covered in the sustainable procurement SAQ to all Purchasing Division employees to ensure their understanding of the aims of the SAQ. In fiscal 2019, we explained the sustainable procurement SAQ to purchasing personnel in our business divisions and domestic affiliates (subsidiaries). ‘Quality audits’ was added to the study items in the Purchasing Division’s e-learning program for fiscal 2020 aimed at building a system capable of auditing suppliers with greater accuracy and from a more advanced perspective.
We have also made it mandatory for purchasing staff members working outside the Purchasing Division to take an e-learning course on procurement rules, and conduct regular group training every year. In fiscal 2020, we revised the content of the e-learning course on procurement rules.

Participating in Initiatives

Participating in ESG Information Sharing Platforms and Acquiring Supply Chain Certification

The Group is participating in platforms（Sedex, EcoVadis）that aim to improve corporate environmental and social practices within the supply chain through the sharing of information relating to these practices. Moreover, Mitsui Chemicals has acquired RSPO（Roundtable on Sustainable Palm Oil）supply chain certification.

EcoVadis Awards Mitsui Chemicals Gold Rating in Sustainability for Third Consecutive Year

RSPO Certification

Participate in UN Global Compact Network Japan Supply Chain Subcommittee Meetings

Mitsui Chemicals has been participating in UN Global Compact Network Japan supply chain subcommittee meetings since fiscal 2013. As part of its efforts together with participating companies to improve sustainable procurement throughout the supply chain, Mitsui Chemicals has been involved in drafting industry-wide Self-assessment Questionnaires (SAQs), exchanging opinions with NGOs and experts, and raising awareness of these efforts among other organizations and companies.
Moreover, the following concepts for drafting the questionnaire were stated at the UN Global Compact Network Japan supply chain subcommittee meeting. Sharing these ideas, the Group has taken the initiative in adopting the SAQ to improve sustainable procurement not only in its own supply chain but throughout society and along with other participating companies.

- Hold discussions on equal treatment for companies that comprise supply chains regardless of the size of management resources (personnel, assets, funds); sustainable procurement is becoming important for creating a sustainable society.
- Foster a shared vision, mutual understanding/growth based on SAQ responses from all companies that comprise the supply chain, while aiming to make SAQs a baseline by making them easy to understand, user friendly, and open-ended in order to implement sustainable procurement on a global level.
- Take steps to facilitate the channeling of management resources toward improving internal and supply-chain sustainable procurement by sharing SAQs among suppliers and buyers while working to reduce workloads for both parties.

CERTIFICATE
CU-RSPO SCC-842870

Based on an audit according to the requirements stated in the RSPO Supply Chain Certification Systems, version November 2014 and a signed contract, Control Union Certifications herewith certifies that the facility(s) listed below are found to be in compliance with the RSPO Supply Chain Certification Systems, version November 2014. This guarantees that the criteria for processing RSPO certified palm oil products through one or more of the supply chain models as stated in the RSPO Supply Chain Certification Systems have been met.

Name of certified company	Mitsui Chemicals, Inc
Full address certified company	Shiodome City Center, 1-5-2 Higashi-shinbashi 105-7122 Minato-ku Tokyo JAPAN
RSPO Number (if applicable)	4-0664-15-000-00
Other sites certified (see annex 1)	☒
RSPO registered parent company (if applicable)	
RSPO member number parent company	

Scope of assessment	Procurement and processing of Fatty Acid Methyl Ester, including storage and selling as nonionic surfactant.

Start date certificate	21-12-2015
Expiration date certificate	20-12-2020
Date of first RSPO certification	21-12-2015
Certificate number	CU-RSPO SCC-842870
Supply chain model	☐ Identity Preserved (IP) ☒ Mass Balance (MB) ☒ Segregation (SG)

Authorised signatory name
Ms. N Atiqah
Date of issue: 21-12-2015
On behalf of the Managing Director

Authorised signature

Issued by
Control Union Certifications
Meeuwenlaan 4-6, P.O. Box 161,
8000 AD ZWOLLE
The Netherlands
tel.: +31(0)38 426 01 00
http://www.controlunion.com
certifications@controlunion.com

Control Union Certifications is accredited to provide RSPO Supply Chain Certification on 06/06/2014 (RSPO-ACC-014)

This certificate including the annex remains the property of Control Union Certifications and can be withdrawn in case of terminations as mentioned in the licensee contract, or in case changes or deviations of the above-mentioned data occur. The licensee is obliged to inform CUC immediately of any changes in the above mentioned data.
Only an original and signed certificate is valid.

Certificate version: C842870CU-RSPO SCC-01.2015

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CERTIFIED SUSTAINABLE PALM OIL ™ RSPO

Annex 1 to Certificate – RSPO SCC

Certificate No.: CU-RSPO SCC-842870

CU Code:	*Name of facility:*	*Location address:*
PRU-01	Osaka Works, Manufacturing Dept.1 EO section	6, Takasago 1-chome, Takaishi, Osaka 592-0001 Takaishi Osaka JAPAN
PRU-02	Osaka Works, Logistics Department	6, Takasago 1-chome, Takaishi, Osaka 592-0001 Takaishi Osaka JAPAN

Authorised signatory name
Ms. N Atiqah
Date of issue: 21-12-2015
On behalf of the Managing Director

Authorised signature



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http://www.controlunion.com
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Certificate version: C842870CU-RSPO SCC-01.2015

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CERTIFIED SUSTAINABLE PALM OIL RSPO

Human Resources Management

Management System

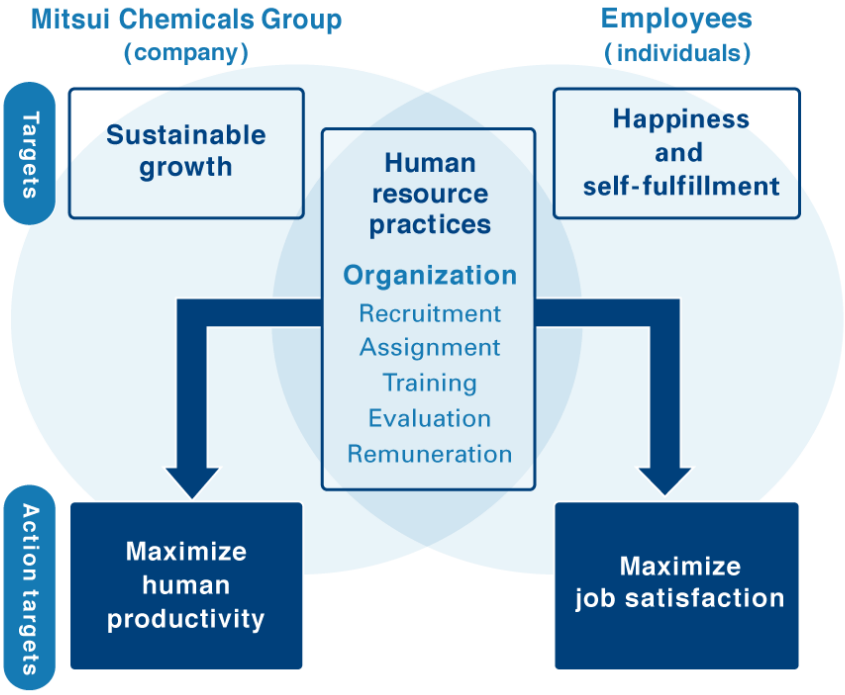


* Please refer here for details regarding measures for employees' lifestyle-related diseases and mental health.

Policy and Basic Approach

As the world has become increasingly globalized in recent years, more than 40% of our employees now work overseas. Society requires companies to state how they will contribute to building a sustainable global society. We answer this question by generating the values required by society, and human resources (HR) is the key. There are two main challenges in global HR. The first is to secure human resources who will implement our business strategy. The second is to improve job engagement. The Group is implementing various measures to address these challenges.

The Human Resources Management Policy of the Mitsui Chemicals Group outlines our attitudes toward our employees as well as society including those individuals considering joining the Group. The Policy focuses on "maintaining a high regard for people," as stipulated in our Action Guidelines. This in turn enables the Company and its employees to stimulate and actively enhance one another as they work to create a better future. We will position the Policy as the cornerstone of the human resources initiatives of subsidiaries and affiliates all around the world, and aim to strike a balance between the sustainable growth of the Mitsui Chemicals Group and the happiness and self-fulfillment of our employees. Disclosed in Japanese, English and Chinese, the Policy covers the languages spoken by the majority of employees.



Human Resources Management Policy of the Mitsui Chemicals Group

1. "Always Act in Good Faith"

1. The Mitsui Chemicals Group will require employees to "act in good faith" as stipulated in "The Action Guidelines," highly appreciate such employees and offer an appropriate environment for them to give full rein to their strengths.
2. Mitsui Chemicals will comply with all labor and employment laws wherever it operates.
3. Mitsui Chemicals will disclose its rules and operate fairly and with justice according to the rules regarding recruiting, assignment, training, evaluation and compensation of employees without any discrimination against gender, race, nationality, age, religion and disabilities.

2. "Maintain a High Regard for People and Society"

1. Mitsui Chemicals will require employees to "have a high regard for people and society" as stipulated in "The Action Guidelines," highly appreciate such employees and offer an appropriate environment for them to give full rein to their strengths.
2. Mitsui Chemicals will protect employees' safety and health in the workplace.
3. Mitsui Chemicals does not tolerate any form of harassment, and in turn supports and respects the protection of human rights.

3. "Dream-inspiring Innovation"

1. Mitsui Chemicals will require employees to have the following attitudes and engage in certain behavior in order to pursue the dream-inspiring innovation as stipulated in "The Action Guidelines," highly appreciate such employees and offer an appropriate environment for them to give full rein to their strengths:
    - To take on challenges unflinchingly with full trust in our potential without fear of failure.
    - To create novel value by enhancing our sensitivity.

- To consider and act proactively based on the actual data and facts at the workplace.
- To aim to be world-class professionals with a global view.
- To develop the future generation by passing on our experiences and technologies.
- To integrate individual strengths into the organization through active communication.

The Company established three Core Values to capture the spirit of all employees working at Mitsui Chemicals Group sites all around the world and to act as a unifying force, ensuring that we are all working toward the same goals. The “spirit of challenge," “respect for diversity," and “teamwork" established in the Action Guidelines are each connected to the three core values of Challenge, Diversity, and One Team.

4. Mitsui Chemicals, based on the aforementioned, will conduct Human Resources Practices under the following policies:

	Toward sustainable growth of the Company
Organization	Create an organization based on the strategy and allocate jobs in a way that accomplishes the strategy.
Recruiting	Carefully recruit human resources that contribute to the organization’s growth.
Assignment	Proactively promote employees that yield fruitful results.
Training	Foster world-class professionals from a long-term perspective.
Evaluation	Evaluate achievement appropriately.
Compensation (Remuneration)	Build up and operate a competitive compensation system to control operating costs.

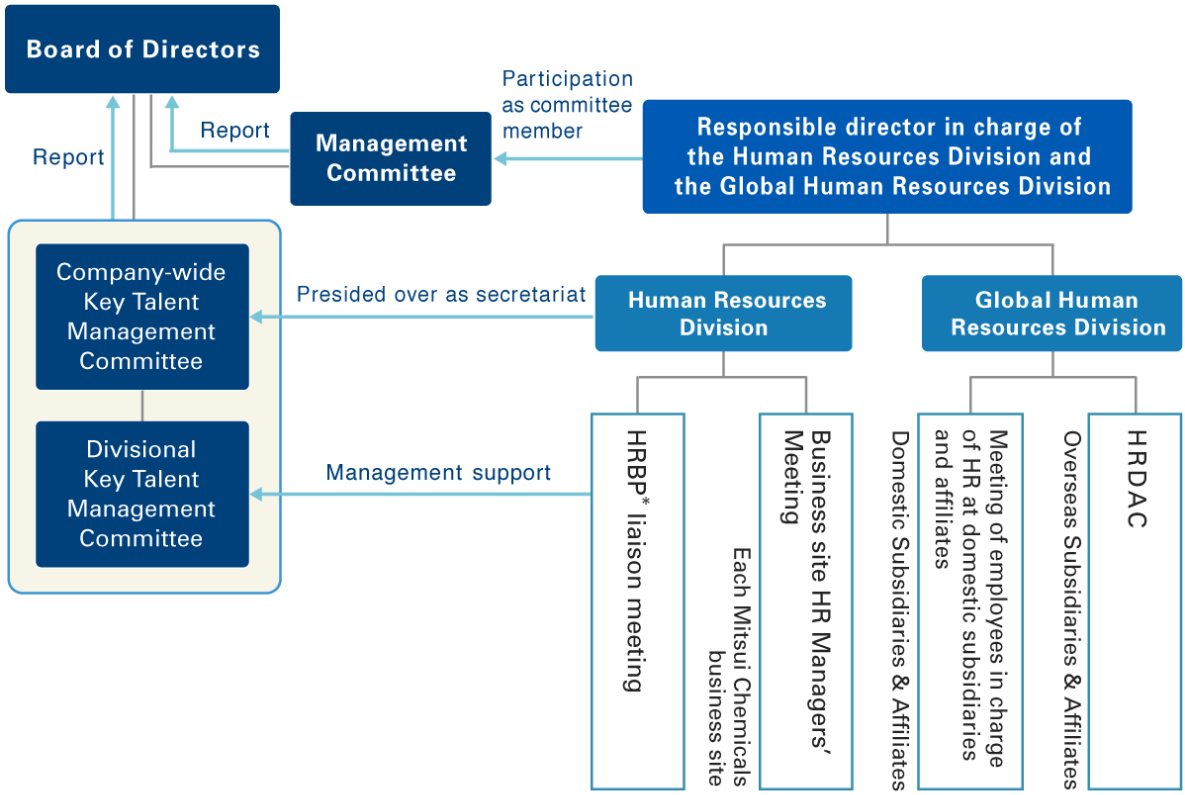
	Toward the happiness and fulfillment of employees
Organization	Conduct job allocation in consideration of each personal motivation and capability.
Recruiting	Give equal opportunities for employment to any motivated and capable candidates.
Assignment	Allocate suitable jobs for employees so that they can exercise their motivation and capabilities.
Training	Support employees in making self-reliant efforts to become world-class professionals.
Evaluation	Conduct fair evaluation to enhance motivation and the capability of employees.
Compensation (Remuneration)	Build up and operate a competitive compensation system to secure motivated and capable human resources.

We also strive not to violate minimum wage regulations and working hours regulations on the basis of the laws and regulations stipulated by each country and region.

System and Responsible Officers

The Managing Executive Officer responsible for the Human Resources (HR) Division and the Global Human Resources Division takes this role.
The Human Resources Division plays a central role in setting the mid-term and fiscal year plans for human resources management while sharing and implementing those plans with the HR department at each business site, domestic and overseas subsidiaries, and affiliates. HR managers from each business site as well as domestic subsidiaries and affiliates and HR managers from our overseas regional headquarters periodically confirm and discuss the progress, which leads to the drafting and implementation of related policies. The priority issues of the fiscal year plans are reported to the director in charge on a quarterly basis. Important managerial issues are also discussed mainly by the Management Committee and the Key Talent Management Committee.
Furthermore, in order to draft and implement global HR policies, the Mitsui Chemicals Group has established the HR Development Advisory Committee (HRDAC), a virtual global HR organization under the general manager of the Global Human Resources Division that incorporates our HR managers together in Japan, Europe, the Americas and Asia. This organization is addressing a range of issues, such as (1) global HR marketing, (2) global HR development, (3) global mobility, and (4) global compensation/appraisal systems.

Human Resources Management System



Target	Meeting to be monitored	Frequency
Each Mitsui Chemicals business site	Business site HR Managers' Meeting	Approx. once a month
Domestic subsidiaries and affiliates	Meeting of employees in charge of HR at domestic subsidiaries and affiliates	Twice a year

Overseas subsidiaries and affiliates	Meeting of HR managers from regional headquarters (the Americas, Europe, China and Asia-Pacific) (HRDAC)	Twice a year (Information gathering for quarterly reports is also conducted)

* HRBP：
Human Resources Business Partners. These are staff who assist in key talent management in each division, work with the Key Talent Management Committee, and are involved with personnel changes/placements. Fifteen members are selected from the Human Resources Division and the Global Human Resources Division.

The state of compliance of HR management at sites and affiliated companies is being checked regularly with internal audits conducted by the Internal Control Division.

Goals and Results

Diversity

KPI		Scope	FY2019			FY2020	Medium to Long-term
			Goals	Results	Level Achieved	Goals	Goals
Percentage of women among regular hires	Career-track administrative positions	Mitsui Chemicals, Inc. registered employees	40%	52%	○	40%	40%
	Career-track technical positions	Mitsui Chemicals, Inc. registered employees	20%	16%	×	20%	20%
	General positions	Mitsui Chemicals, Inc. registered employees	5%	11.4%	○	7%	7%
Ratio of women in management positions (manager-level or above)		Mitsui Chemicals, Inc. registered employees	4.0%	3.0%	×	4.0%	10% (FY2025)
Ratio of employees with disabilities		Mitsui Chemicals, Inc. registered employees	2.2%	2.3%	○	2.3%	—

Employee Engagement

KPI	Scope	FY2019			FY2020	Medium to Long-term
		Goals	Results	Level Achieved	Goals	Goals
Increase employee engagement	Mitsui Chemicals Group	Formulate the action plans	Action plan registration rate 96%	○	Implement action plans	Conduct the regular survey and implement action plans

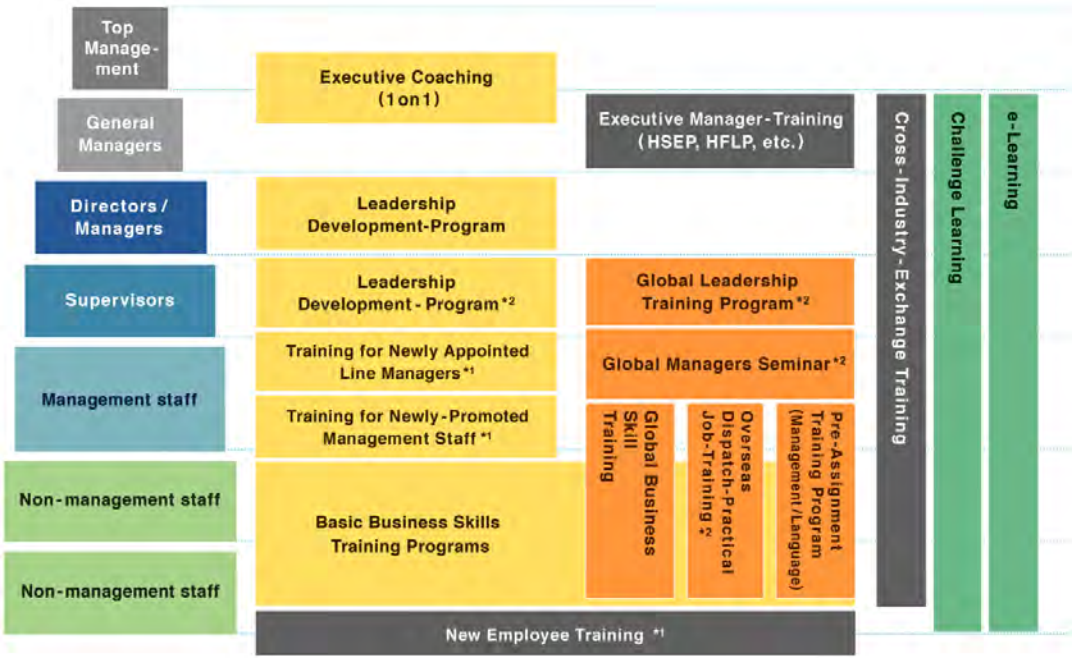
Human Resources Development

Based on the Human Resources Management Policy of the Mitsui Chemicals Group, the Group is, from a long-term perspective, developing human resources who are able to work on the world stage. The Group's approach to human resources development is to proactively support employees who are self-disciplined and work to enhance their personal growth, so that it can develop human resources who are able to create the values demanded by society in the present and future while constantly communicating with global markets and colleagues.

Programs in Line with Stages in Development Based on a Leadership Pipeline Concept (Mitsui Chemicals)

Aiming for a smooth transition to the upper management level, stratified training programs are designed on the basis of the skills and an awareness of the professional duties required by each rank. Minimizing the knowledge cramming style training, we are aiming for the employees themselves to repeat cycles of experience and introspection, while acting proactively to meet their higher-level job requirements, to support them in changing their behavior in ways that will produce results.

Outline of Training



*1 Uniformly provided to eligible employees. Other training courses are for those who wish to participate and those who are selected.

*2 Also provided to subsidiaries and affiliates.

Key Achievements of Stratified Training (Mitsui Chemicals, Inc. registered employees in FY2019)

New Employee Training

Contents: Corporate Mission, core values, sustainability, compliance, diversity, safety, quality, R&D, occupational health, in-house systems, management strategy, understanding stakeholders, the functions of each division and department, cultivating professionalism, teamwork, self-awareness, business manners & literacy

No. of Trainees: Males: 77, Females: 28

Total Training Hours: 17,325 hrs.

Basic Business Skills Training Programs

Contents: Trainees aim to develop the qualities required to become a manager. This is an optional program and its timing is based on the needs of individual staff and the workplace.
Self Leadership—the 7 Habits of Highly Effective People, accounting and business management skills “Apples & Oranges,” logical thinking, project management,* interpersonal skills* (* starting in fiscal 2020)

No. of Trainees: Cumulative Total: 380

Total Training Hours: 9,803 hrs.

Training for Newly-promoted Management Staff

Contents: Message from the Management, Understanding each role, Strength finder

No. of Trainees: Males: 130, Females: 21

Total Training Hours: 1,163 hrs.

New Line Manager Training Program

Contents: Understanding each role, skills to develop subordinates, assessment skills, labor management, mental health management, compliance, and diversity (understanding of diversity—such as LGBT; harassment; and women’s empowerment)

No. of Trainees: Males:53, Females: 0

Total Training Hours: 795 hrs.

* Some parts of the program were postponed due to COVID-19.

Global Business Skill Training

Contents: Understanding cultural differences and putting the knowledge into practice, communication skills, self-expression, presentations.

No. of Trainees: Males: 20, Females: 9

Total Training Hours: 1,340 hrs.

Leadership Development Program

Allowing talented human resources to demonstrate their abilities—despite time constraints caused by life-changing events, such as childcare and family care, and regardless of differences in nationality, ethnicity, and religion—requires improvements in line managers' management capabilities. Mitsui Chemicals focuses on developing leadership skills to lead the organization toward an even better direction by incorporating coaching methods into training programs for each level of line manager training and by encouraging core leaders in each division to take specific and innovative action in their daily business activities.
We have introduced 360-degree feedback and assessment for trainees before and after training programs as a means to measure the effectiveness of each program. Moreover, analysis of the correlation between the results of annual workplace stress surveys and workplace environment of employees who have finished these training programs confirmed improved support, specifically from bosses and colleagues, one of the factors affecting stress levels among employees.

Number of Leadership Development Program Participants (Mitsui Chemicals, Inc. registered employees)

Name of Training Program	FY 2019 results	Cumulative Total
Executive Coaching (1 on 1) (For Executive Officers and General Managers)	5 Males: 4 Females: 1	51 (From FY2013)
Leadership Development Program (For Directors and Managers)	40 Males: 39 Females: 1	266 (From FY2013)
Leadership Development Program (For Supervisors)	105 Males: 101 Females: 4	258 (From FY2016)

Initiatives for Work Styles in the "New Normal" Era

We are actively implementing teleworking and staggered working hours as well as considering moves to online training, in order to put first the health and safety of our employees and their families, our customers and suppliers, and other stakeholders as well as lower their risk of COVID-19 infection.

Our Stance on Online Training

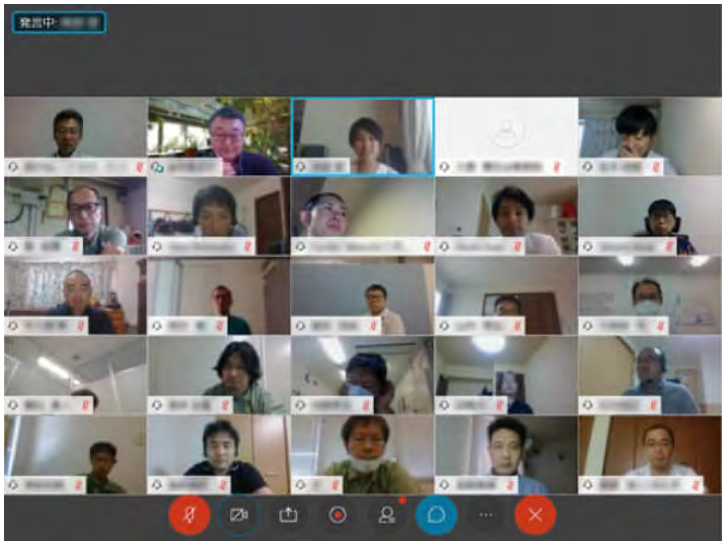
- We divide our training programs into four types: self-contained programs, mutual engagement, teaching, and learning. Depending on the desired training outcome, the programs will be taken online, via a mix of online and face-to-face training, via face-to-face training, or postponed during the COVID-19 pandemic.
- When it is decided to move a training program online, we redesign it taking advantage of the characteristics of appropriate tools: knowledge input will be achieved through prior individual study; those that require mutual engagement through dialogue will be offered via online sessions; and e-learning will be used for iterative learning after the completion of the training.

Actual cases of training moved online

FY2018 Business Site Managers Leadership Development Program Follow-up
FY2019 Business Site Managers/Supervisors Leadership Development Program
FY2019 Global Business Skill Training Final Session
FY2020 New Career-track Employee Training

Future plans

(1) Plan and prepare to move existing training programs online.
(2) Conduct online learning trials in fiscal 2020 on a global basis, with a view to Group-wide and global rollout to keep up the pace of our growth regardless of external conditions.



Evaluation / Compensation

We believe that treatment in line with proper appraisal is an important system that improves employee motivation, secures and fosters talented human resources, and is closely related to the Group's development.

Setting Goals and Performance Appraisal

At all levels, Mitsui Chemicals has systemized annual interviews and meetings to set goals with superiors. Progress toward the goals and an assessment of action taken are reflected in employee compensation. Assessment of an employee's covers their actions related to diversity and safety based on the Mitsui Chemicals Group Action Guidelines and the Core Values. In support of diversifying human resources, including women's empowerment, specific causes or reasons that surfaced during the fiscal year are assessed and rated on a scale of 1 to 5.
In goal-setting interviews, we set not only performance targets for a single fiscal year but at the same time conduct a "capability/career development interview" to confirm the business tasks the employee would like to experience as well the skills they would like to acquire in the short term (within three years) and long term. Employees are thus able to use their own initiative in setting their own career paths. In addition, the manager reviews the career perspectives, strengths and weaknesses as well as the future goals of their workers and obtain their support.
Since fiscal 2017, Mitsui Chemicals has been using its Talent Management System (Success Factors) to manage activities from setting goals to evaluating performance, and this has improved the accuracy and efficiency of HR management. Employee's performance achievements are updated on the system either by the employees themselves or by the superiors to enable effective management of the employee's goals. In addition, the employee and their superior are able to use the system to review the employee's performance history, which enables consistent development of the employee's talents.

Evaluation Feedback

Mitsui Chemicals has introduced an annual interview with their superior for employees in all positions to give feedback on their performance assessment. The interview is designed not only to discuss the assessment results but also to share areas in which the employee can make improvements and the superior's expectations from the perspective of the employee development.
Moreover, the Mitsui Chemicals Labor Union conducts a survey on the rate of these feedback meetings among its members and the degree of satisfaction with the feedback. The results of the survey are shared by labor and management, and we are striving to manage the evaluation system appropriately.

The conducting rate of feedback meetings and Degree of Satisfaction (Mitsui Chemicals Labor Union Registered Members)

	FY2016	FY2017	FY2018	FY2019
The conducting rate of feedback meetings in the Previous Fiscal Year	96%	98%	98%	94%
Degree of Satisfaction over Evaluation Feedback	89%	90%	86%	91%

Global Evaluation Guidelines

Global evaluation guidelines were formulated in May 2016 to organize the Mitsui Chemicals Group's evaluation mechanisms, approaches, and design, and have been distributed to all Group companies. These guidelines consist of two concepts: (1) management by objectives (MBO), (2) global core competencies. These guidelines are enabling the HR sections of four regional headquarters (the Americas, Europe, Asia-Pacific and China) to support the development, revision, and operation of evaluation systems for companies in their respective regions.
Specifically, global core competences are used as a shared index within the Mitsui Chemicals Group's Key Talent Management system, and they are used as the basis for the 360-Degree feedback and assessments provided in tandem with the leadership development program.
Improving assessment and training has become an urgent issue in finding and utilizing talented group-wide human resources in the years ahead. We are strengthening our cooperation with Group companies in applying shared Group evaluation indices broadly and fairly.

Complying with Legal Wage and Establishing Compensation Levels that Are Both Attractive and Competitive

With the globalization of our business activities, we will comply with laws on compensation in the various countries and regions in which we operate. In addition, compensation levels and systems that are both attractive and competitive are being developed to match conditions in the labor market in each country or region.
Compensation for Mitsui Chemicals employees, who make up roughly 40% of the Group's total employees, are reviewed regularly against the compensation database of an external research firm to maintain the competitive compensation levels that are needed to attract human resources. Our policy of using an external database ensures that the compensation percentiles correspond to the percentiles of our medium-term business performance.

Employee-friendly Working Environment

Maintaining a “high regard for people and society” is the basis of the Human Resources Management Policy of the Mitsui Chemicals Group. Guided by this policy, we strive to achieve “high levels of sustainable growth” in conjunction with the
“happiness and self-fulfillment of our employees”. Against this backdrop, support measures in consideration of work-life balance have become increasingly important to an environment in which each employee can maintain a high degree of motivation and continue to generate results.

Work Style Reform Declaration at Mitsui Chemicals

The Mitsui Chemicals Group is targeting an operating income of ¥200 billion in 2025 under its Long-term Business Plan. In order to achieve this lofty goal, it is vital that each and every member of the Group takes up this unprecedented challenge and pursues every possible avenue while rethinking their approach to certain concepts and work.
To ensure the sound health of employees, increase productivity and encourage creativity in the workplace, under strong leadership from the management team, Mitsui Chemicals is committed to promoting work style reform by addressing each of the following issues.

1. Strive to ensure that the total number of overtime hours and hours worked on designated holidays for each individual employee is less than 80 hours for each month

- Executives and management staff will take the initiative in reforming their mindsets and promoting diverse work styles.
- Management staff will review work processes as well as human resources systems and improve word efficiency while strictly controlling the number of hours worked.
- Employees will abandon the notion that the number of hours worked makes assessment and in principle endeavor to carry out their duties within scheduled working hours.

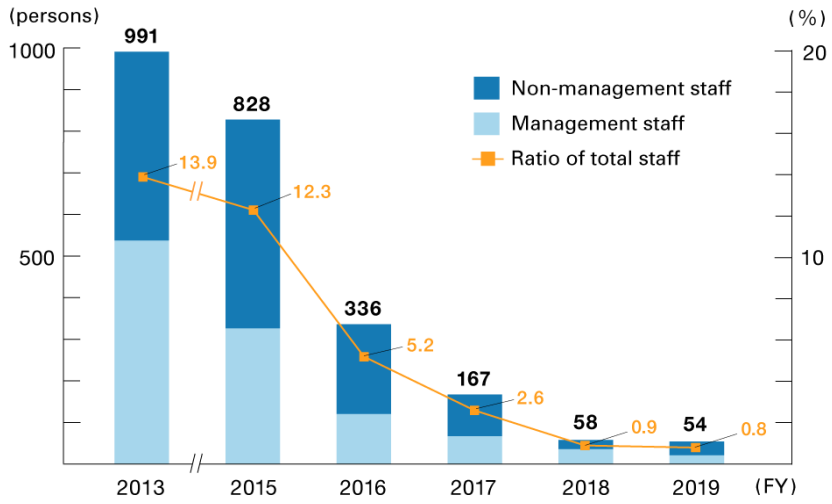
2. Promote the utilization of the teleworking in order to address a host of issues. This includes efforts to improve the work-life balance of employees, increase productivity, secure talented human resources, and improve business continuity for emergency

- Management staff will take the initiative and make use of teleworking. Thoughts will also be given to the effective management of subordinates with respect to teleworking.
- Employees will consider how they can increase productivity with respect to their duties while telework program and endeavor themselves to create the necessary environment.

Reducing Overtime

The Mitsui Chemicals Group is striving to ensure that the total number of overtime hours and hours worked on designated holidays for each employee is less than 80 hours for each month. Recently, the results of these efforts have significantly reduced the number of employees with overtime.

Number of Employees whose Overtime Hours Exceeded 80 Hours/Month (Mitsui Chemicals, Inc. registered employees)



Reviewing Tasks and Strengthening Human Resources

In general, chemical plants operate continuously for long periods of time, but when it is necessary to carry out periodic maintenance, the entire plant is shut down for a specific limited period to allow repairs and inspections to both minimize the effect on production and ensure that the equipment is safe. To avoid work being concentrated in specific periods due to periodic maintenance, we have been working to review tasks and strengthen human resources.

Visualizing Overtime and Hours Worked on Designated Holidays

To visualize overtime and hours worked on designated holidays, the line managers share the monthly records of overtime and hours worked on designated holidays for each division and each employee. Each line manager is working to establish a comfortable working environment by comparing overtime and hours worked on designated holidays of other divisions and their own division, and by confirming work is not concentrated on a specific employee. When an employee is found to have worked more than 80 hours of overtime each month, the Human Resources Division conducts an interview with the workplace manager, and reviews and implements specific measures to identify the cause of the overtime and make improvements for the individual employee.

Skill Development Training Aimed at Reducing Overtime

We have provided skill development training aimed at reducing overtime. Non-management staff are provided with time management training, in which they acquire specific approaches to reviewing working habits, scheduling and handling e-mail. Management staff are provided with organizational management workshop training, in which they learn specific approaches to efficiently managing their organization.

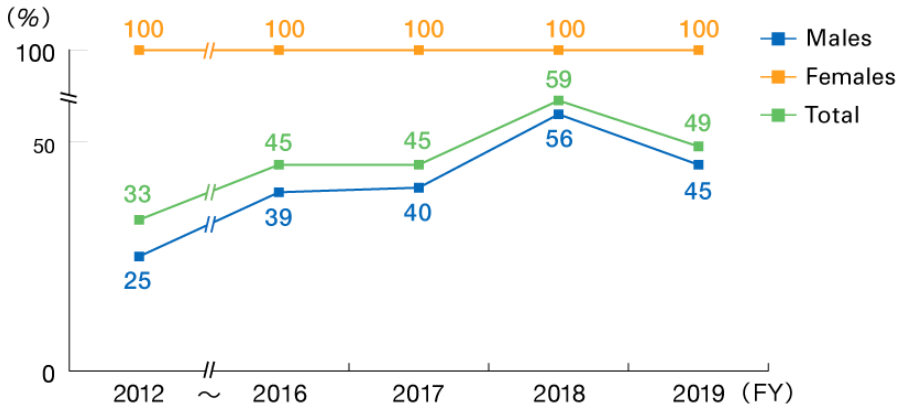


Work-Life Balance Measures

Mitsui Chemicals has put in place various systems that exceed statutory requirements in response to employees' circumstances outside of work, including child and family care.
As a part of this support, we changed the work-from-home program for childcare/family care leave to a teleworking program, regardless of the reason in 2019. We also reformed the leave system so that unused annual (or special) leave that has already expired can be used as leave for hospitalization or visiting a doctor, thereby offering better support for our employees' work-life balance. Please refer here for the benefit programs and measures.

Principal Employee Benefit Programs and Measures (Mitsui Chemicals, Inc.)

Childcare Leave Usage Rate (Mitsui Chemicals, Inc. registered employees)



Please refer here for details of the usage status of other systems.

Program That Supports Employees Returning to Work after Taking Childcare Leave

Mitsui Chemicals has introduced a program that supports employees returning to work. The principal goal is to create an environment that allows employees bringing up young children to return to work smoothly after giving birth to their child or taking childcare leave and to help maintain a high degree of motivation.
The program clarifies the types and details of support for each period from the time before maternity leave through childcare leave to the return to work. Prior to taking leave, the employee and their manager engage in a one-on-one interview to discuss the handover of duties, contact while they are on leave, necessary procedures, and other important issues. Meetings between employees and their managers are also conducted while they are on leave to share details of work styles that will ensure the work environment will accept the employee and details of their duties when they return to work and to ensure mutual understanding. After returning to work, the Company provides an explanation of the procedures and support available from its various programs for employees.
In this manner, every effort is being made to relieve employees' anxieties with respect to taking maternity and childcare leave as well as returning to work. This in turn helps to alleviate the need to resign from the Company and allows employees to continue their careers.

Return Rate of Employees from Childcare Leave (Mitsui Chemicals, Inc. registered employees)

	FY2017	FY2018	FY2019
Males	97%	99%	100%
Females	100%	100%	100%
Total	98%	99%	100%

Employee Retention Rate Three Years after Childcare Leave (Mitsui Chemicals, Inc. registered employees)

	FY2017	FY2018	FY2019
Males	91%	94%	83%
Females	96%	93%	93%
Total	92%	94%	86%

Job Evaluations for Persons Taking Childcare/Family Care Leave

Mitsui Chemicals has a program designed to prevent childcare or family care leave from affecting promotion or assessments for payments, bonus payments, etc.
Under the company's employee evaluation system, the ceiling for job evaluations for the fiscal year is determined by the work attendance rate. However, an evaluation ceiling is not set for persons on childcare or family care leave as long as they meet a specified attendance rate for the evaluation period. Their job performance while at work is evaluated fairly, and if their attendance rate is lower than certain standard, they are exempted from the job evaluation (no rating), so as not to affect their job evaluation or promotion.

Improving the Acquisition of Paid Leave

In the drive to work style reform, Mitsui Chemicals is working to raise the rate of annual paid leave (20 days). We are taking the following actions to improve the acquisition of paid leave, to support the physical and mental health of employees.

Measures to Promote Work Style Reforms

- Recommendations for the planned acquisition of extended leave and continuous leave
- Designation of workdays that fall between holidays as days to support the acquisition of
- paid leave Tabulation of paid leave acquisition rates by worksite and report and guidance
- based on the findings Review of the concentration of workloads on specific employees
- Schedule sharing within the worksite

Paid Leave Usage Rate (Mitsui Chemicals, Inc. registered employees)

	FY2016	FY2017	FY2018	FY2019	Goals
Non-management staff	81%	79%	83%	86%	—
Management staff	56%	56%	62%	70%	70%
Total	70%	69%	74%	79%	—

Response to COVID-19

In 2019, Mitsui Chemicals introduced a teleworking program for up to eight days per month.
With the COVID-19 pandemic, however, this ceiling on teleworking was temporarily lifted in February 29, 2020. Teleworking was implemented as the basic work scheme in the head office, starting on March 4. In response to the declaration of the state of emergency by the Japanese government on April 7, Mitsui Chemicals organized the following work scheme during the period to reduce COVID-19 exposure among employees and to maintain the company's business functions. When the state of emergency was lifted on May 25, Mitsui Chemicals introduced guidelines on work schemes, etc. Studies are expected to be conducted on new working styles for the post- COVID-19 society.

Infectious diseases countermeasures

Before declaration of the state of emergency (from March 4, 2020)

· Teleworking program implemented as the basic work scheme for the head office

State of emergency period (from April 7, 2020)

· Teleworking program implemented as the basic work scheme for all business sites
· No domestic or overseas business travel
· Cancellation of all internal and external social gatherings and receptions organized for business purposes

Lifting of the state of emergency (from May 25, 2020)

· Teleworking recommended (work scheme adjusted to keep employees working in offices to less than 50%)
· No domestic business travel unless absolutely necessary
· Internal and external social gatherings and parties organized for business purposes to be kept to the minimum

Labor-management Relations Based on Frank Dialog and Mutual Understanding

Mitsui Chemicals has incorporated the realization of its Corporate Mission and the achievement of the happiness and self-fulfillment of employees as common goals in its labor-management agreements and is working to build constructive and stable labor-management relations. In order to help achieve 2025 long-term targets, labor and management are endeavoring to share and exchange opinions regarding a host of management issues. Efforts are also being made to engage in ongoing frank discussions between labor and management on such themes as improving productivity as well as the work-life balance of employees. In this manner, we are working to lay the necessary foundation so that employees can work in a more enjoyable and meaningful manner. Moreover, we have adopted a rule that employees must generally be notified at least one month prior to transfers that entail moving and relocation.

Major Labor-management Discussion Themes (Fiscal 2019)

- Revision of human resources system
- Bonus amounts and profit sharing
- Revision of the increase in wages
- Explanation of the management conditions

Mitsui Chemicals has adopted a union shop system; all employees that are eligible to join a labor union under the labor-management agreement agreed upon by labor and management join the labor union. The Mitsui Chemicals Labor Union represents all non-management staff, and the negotiation outcomes between labor and management are applied to all non-management staff without any conditions. According to the labor-management agreement, management staff and other employees at or above the management level are not eligible to join the union. Union membership in the total employees including managers is 54.5%.
Overseas sites are operated in a way that allows labor unions to be formed under the labor-related laws of each country and under the freewill of the employees. We do not take any actions whatsoever to limit such moves.

List of Support Measures in Consideration of Work-Life Balance (Mitsui Chemicals, Inc.)

Holidays and Leave

	Permanent Employees	Contract Employees		
		Re-employment	Indefinite-term contract and part-time	Fixed-term contract and part-time
Five-day workweek (Saturday and Sunday are holidays)	○	○	○	○
Public holidays and New Years Holidays (company holidays)	○	○	○	○
Annual paid leave (20 days/year, start from the second year of employment*)	○	○	○	○
Leave for employees who visit home from an unaccompanied posting*	○		○	○
Marriage leave (eight consecutive days)*	○		○	○
Refreshment leave (two consecutive days off/year)*	○		○	○
Family medical leave (paid leave*)	○	○	○	○
Paid family care leave*	○	○	○	○
Childcare leave (the first five days are treated as paid leave*, eligibility lasts until the end of the fiscal year when the child reaches the age of three*)	○	○	○	○
Family care leave (eligibility also extended to employees caring for family members considered as being in need of support*, eligibility lasts up to one year*)	○	○	○	○
Special leave (paid leave, leave for illness or injury, family care leave, childcare leave, community service leave)*	○		○	○
Leave of absence to accompany spouse's overseas assignment*	○		○	
Community service leave (paid leave)*	○		○	○

Work Patterns

	Permanent Employees	Contract Employees		
		Re-employment	Indefinite-term contract and part-time	Fixed-term contract and part-time
Short working hours (childcare/family care leave)*	○	○	○	○
Restrictions on overtime (childcare/family care leave)	○	○	○	○
Restrictions on late night work (childcare/family care leave)	○	○	○	○

Company childcare center*	○	○	○	○
Flextime system (without core time)*	○	○	○	○
Teleworking*	○	○	○	○

Income

	Permanent Employees	Contract Employees		
		Re-employment	Indefinite-term contract and part-time	Fixed-term contract and part-time
Maternity benefits*	○		○	
Childbirth benefits*	○		○	
Childcare leave benefits*	○		○	
Family care leave benefits*	○		○	
Subsidies for home-care services*	○		○	
Subsidies for babysitting services*	○		○	
Retirement allowance*	○		Dealing with each case individually	Dealing with each case individually
Employee stock ownership*	○	○	○	○

* Measures marked with an asterisk (*) exceed statutory requirements

Diversity



* Just Joined Facebook !

The Mitsui Chemicals Group recognizes the importance of diversity in ensuring sustainable growth both for the Group and society. Based on this understanding, we have positioned diversity as one of our core values*. Promoting diversity is an important business strategy. We strongly believe that a diverse pool of human resources, characterized by wide-ranging experiences and a wealth of new ideas, is the driving force behind innovation, a key source of sustainable growth. The Mitsui Chemicals Group is resolute in not permitting any discrimination whatsoever based on race, national origin, birthplace, social origin, caste, family lineage, religion, disability, age, gender, sexual orientation, gender identity, family background, marital status, membership of unions, political views, or any other differences as stated in the Mitsui Chemicals Group Human Rights Policy. At the same time, we aim to realize our core values by responding to changes in the diverse values associated with our employees' work styles and careers.

* core values:
"Diversity," "Challenge" and "One Team" as the three core values to be shared and held in high regard among Group employees.

Female Employees' Active Participation and Advancement in the Workplace

The Mitsui Chemicals Group was focusing its efforts on proactively leveraging the capabilities of female employees in its operations even before establishing the Promotion and Development of Women Team in 2006. These efforts include assigning female employees to plants and employing women in positions with promotion prospects. Although we have made steady progress in our efforts to foster a corporate culture that encourages the ongoing employment of women over the past decade, we are still facing challenges. There remains a lack of consistency in annual female employment rates, there are small numbers of women with technical backgrounds applying for jobs and being hired,

and a low percentage of female managers.
Under the 2025 Long-term Business Plan, we have set a target ratio of women in management positions (manager-level or above) of 10% or more (Mitsui Chemicals, Inc. registered employees). One factor for the currently low numbers is that the ratio of women among all employees is comparatively small. In our hiring practices, we work to set a numerical target for the ratio of female employees in regular recruitment for respective job types, namely, for career-track technical positions, career-track administrative positions and general positions (primarily factory operators), as the situation for each of these is different.

NADESHIKO semi 2020

CEO Message for Women's Empowerment

Mitsui Chemicals is aiming to change its business model by transforming the business portfolio. Understanding of diverse values and tastes is required to reach out to markets closer to customers. We must create an environment where a diverse group of people can make the most of their unique talents and potential, and expect ever more opportunities for women to fulfill their potential. We provide a better work environment for employees with family responsibilities such as childcare and nursing care, as our employees have been using our teleworking program more effectively since the COVID-19 pandemic. Such a work environment will also create promotion opportunities for women. We will continue to implement initiatives that encourage the recruitment of talented people.

HASHIMOTO Osamu
Representative Director, President & CEO



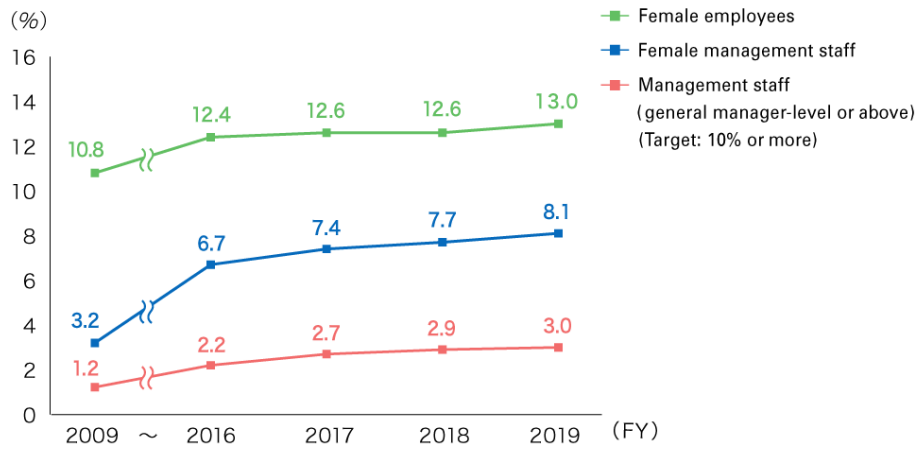
A Message from the Outside Director

I believe that for the Mitsui Chemicals Group to improve its corporate value, our Group must be an organization where a diverse pool of human talent, including female employees, can play an active role in the workplace. To that end, I believe that it will be critical for the Group to place higher priority on and work toward achieving the above goal as a management challenge. As the outside director representing stakeholders, I will keep a close eye on the direction of management and offer my advice.

Yukiko Kuroda
Outside Director

* To secure diversity in the Board of Directors, we try to appoint more than one female director.

Ratio of Female Employees (Mitsui Chemicals, Inc. registered employees)



Percentage of Women among Regular Hires (Mitsui Chemicals, Inc. registered employees)

	FY2017	FY2018	FY2019	FY2020 Goals
Career-track Administrative Positions	46%	47%	52%	40%
Career-track Technical Positions	11%	16%	16%	20%
General Positions	3.2%	5.0%	11.4%	7%

Non-Japanese Employees' Active Participation in the Workplace

The Company began the full-scale hiring of non-Japanese employees in Japan in 2005.
For non-Japanese employees working in Japan, we provide dedicated consultation services. In addition to supporting trouble-free work and life styles, we are committed to maintaining a workplace that provides non-Japanese employees with a good work environment and employing talented human resources.

Specific Examples of Assistance Provided to Non-Japanese Employees

- Assisted with Japanese language training
- Assisted with visa procedures
- Addressed daily inquiries regarding HR systems, initiatives, company regulations
- Conveyed information required for working in Japan in English and Japanese
- Conduct inclusion study lectures (promote awareness of cultural differences)
- Created English manuals for HR-related applications
- Responses to consultations from non-Japanese employees (assigned staff in charge to each business site)

Number of Non-Japanese Employees (Mitsui Chemicals, Inc. registered employees)

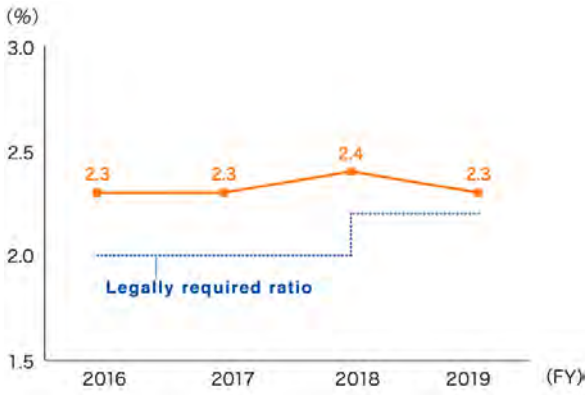
FY2016	FY2017	FY2018	FY2019
55	57	54	54

Enabling Employees with Disabilities to Reach Their Full Potential in the Workplace

In hiring employees with disabilities, the Company goes beyond achieving the legally required employment ratio and is committed to maintaining an environment in which people with disabilities can play an active role while accumulating their skills, and feel accepted as members of the organization.
Before assigning an employee with disability to a certain position, we select the most appropriate place for the employee, taking into account not only their job role, but also the work environment and workplace members, to avoid putting under pressure on the employee to adapt to the work environment. In addition to conducting training sessions at sites that accept employees with disabilities to help other employees understand what a disability entails, we set incubation periods and adaptation/learning periods for a certain period after hiring and introduce measures suited to the employee's particular disability to enable them to work smoothly. We also provide regular interviews for both employees with disabilities and their superiors to help to retain employees with disabilities in the workplace. Listening to difficulties and issues from both sides helps to improve the workplace environment and work styles and creates a comfortable work environment.
We also offer subsidies for learning skills that are useful to employees with disabilities in their work, such as language and computer skills, to help improve their skills in a way that is suited to their individual talents.We also hold inclusion lecture meetings to foster a climate that accepts into the organization not only people with disabilities but also people with diverse personalities and characters and people receiving medical treatment. At the lecture meetings, participants learn about sexual minorities, and we provide a forum where employees with disabilities or illnesses speak about their own disabilities and experiences.

Mitsui Chemicals has endorsed and signed on to "The Valuable 500" in October 2019. Launched at the World Economic Forum's Annual Summit, the Valuable 500 is an initiative created to promote the participation of disabled people in the workforce. The initiative looks for business leaders to carry out reform that allows disabled people to fulfil their potential in business, society and the economy.

Ratio of Employees with Disabilities (Mitsui Chemicals, Inc. registered employees)



Employee Comments

Easy to Work Environment

What surprised me after starting to work in Mitsui Chemicals was that people were so open to talk to me regardless of their positions, whether low or high. Because they don't change their attitude whoever you are, I can ask questions without worry. This is my fourth year in this company and I am assisting with administration work. I am not good at coping with non-routine tasks, and so my supervisor selects summary counting tasks that need to be monitored routinely over a long period. This means I can work without panicking. Because my work is not pressurized, I can make minor improvements to other work when my condition is good. For example, making a template easier to work with or changing existing documents to make them easier to read. I would like to be a member who can respond to my colleagues needs for “something a little more convenient.”

Developmental disabilities
Joined the company in fiscal 2017

Retired Employees’ Active Participation in the Workplace

Mitsui Chemicals is moving forward in making use of the wealth of experience possessed by senior human resources, and to those retired employees who wish to continue working, calls for ongoing employment through its system of rehiring. We do this to address the challenges presented by the shortage of human resources associated with our expanding business operations and the generational retirement of whole generations of employees who were recruited in large groups, as well as to utilize employees who are highly motivated to work, even after their retirement. From fiscal 2018, we will improve the level of compensation offered when rehiring to increase the numbers of employees who wish to continue working.

Ratio of Re-employment for Retired Employees (Mitsui Chemicals, Inc. registered employees)

FY2016	FY2017	FY2018	FY2019
81.3%	76.7%	87.6%	85.5%

Understanding LGBT

We held lecture meetings on LGBT in fiscal 2017 for employees who are in charge of consultation services for harassment at all domestic sites, inviting lawyers to provide the LGBT-related knowledge required for HR members. We also included some new topics such as discrimination and harassment over sexual orientation in the harassment lecture in the compliance e-learning program targeting at all employees, in addition to conventional topics, including sexual and power harassment. From fiscal 2018, we included a diversity seminar as a part of the New Line Manager Training Program. The seminar explains about Sexual Orientation Gender Identity (SOGI) harassment and teaches about actions that line managers should take when they are consulted by their subordinates about gender issues. From fiscal 2020, our New Employee Training covers consideration for LGBT matters and SOGI harassment. All attendants of the program receive a leaflet from which they can learn more about LGBT matters.
As an optional event, in fiscal 2019 we showed a movie with a storyline involving gay issues.* Those who viewed the movie gave us comments such as “It gave me a good opportunity to think again about LGBT matters” and “I realized that gay issues are closer to us than I imagined.”

* Movie: Pride, distributed by Cetera International

Understanding Multiculturalism

Since fiscal 2014 we have provided the Global Business Skill Training, to teach the skills needed when working with multicultural teams. This training program is targeted specifically at employees who have been assigned abroad and engaged in overseas business, that involves managing multicultural teams and negotiating with business partners from different cultural backgrounds. About 30 employees are selected to participate in this program each year. The participants learn about religions, cultures, and ways of thinking in different countries and regions through concrete case studies of business communication, in addition, the program aims to improve employees’ language ability by learning how to give presentations and case studies and hold meetings in English. In fiscal 2019, we held a cross-cultural exchange seminar with an external lecturer, to which employees could attend by choice. Attendants learned the "Dos and Don'ts" to enjoy cross-cultural communications.

Training and Lectures related to Diversity Promotion

Work Style Reform in Career-track Production Technology Positions

We are proactively recruiting women as production technology human resource for Works, however, balancing family life and engineering work is challenging. As the number of families with two earners increases, this challenge is not only for women but for all of our young employees, including men. For this reason, we provided a training program to consider ways of working and a career that enables and encourages diverse human resources to play an active role in the workplace for all young production technology employees. The program was held jointly with Sumitomo Chemical Co., Ltd., which is also facing the same issue.



Support for Female Operators' Participation and Advancement in the Workplace

In the quarter century since 1992, Mitsui Chemicals has hired women as operators at manufacturing sites, and moving forward, will further promote the active participation and advancement of women at its Works. In fiscal 2016, briefings on the social background of the promotion of women's active participation and advancement in the workplace, the initiatives that companies, organizations and individuals should take as well as Mitsui Chemicals' goals and action plans toward the promotion were conducted for line mangers at all Works in Japan. In fiscal 2017, we provided a training session to workplaces that are accepting female operators for the first time under the themes of women's empowerment and managing female employees. In fiscal 2019, we asked female operators from Works across Japan to gather at the Head Office to take an educational program to cultivate their approach to their careers and networking.



Lecture of Dr. Ruriko Tsushima, Ruriko Tsushima Women's Life Clinic Ginza

Women's Careers and Health

It is now common that women work throughout their lives, yet it is still true that there are events in their lives when they may find it difficult to continue working, such as during pregnancy, childbirth, menopause, or when facing female-specific diseases. Since fiscal 2017, we have been holding a lecture entitled "Women's Careers and Heath" to help women to continue working by teaching them about specific health issues and how to manage them in a way that minimizes their impact. The fiscal 2017 lecture, given by a gynecologist, for younger employees focused on how women can manage their physical condition, and for older employees, on the menopause. For the fiscal 2018 lecture, we invited the gynecologist to speak about gynecological cancers. The lecture was followed by a talk by an employee about her experience of cancer. In fiscal 2019, our industrial physician gave a lecture on how to read the comprehensive health check results and gave some advice and tips for daily life on maintaining healthy levels of cholesterol, liver function, and carbohydrates. This lecture was distributed to other sites through a web conferencing system to share this information.

Dispatching Female Employees to External Career Training Programs

We dispatch 10 to 20 female employees to external career training programs every year. Such programs include those to motivate female employees who aim at managerial careers and improve their management skills, and programs designed for prospective general managers to impart business management skills and establish a human network outside the company. Exchanges with other business women in similar positions from different companies give employees an opportunity to meet women who can become a role model and raise their career awareness.

Participant's Comments

Learning Business Management and Leadership with Female Managers in Different Industries

I attended the Female Manager Step-Up Support Program hosted by the Japan Business Federation. This program was held over four months and we had a group discussion and presentation after each lecture. Topics covered in the program included "Business environment from the viewpoint of the global situation;" "Frame of mind as a leader to form a successful team;" and "How to make an action plan for a strategically important project." All of these were very practical and provided me with the skills required by a person at my career stage. Moreover, working on the program's assignments together as a team, provided me with a precious opportunity to gain new insights by learning about the varied values of women in similar life stages to me but in different industries. I also renewed my awareness of the importance of articulating my ideas. I am truly grateful for this program for enabling me to form human networks in which I can continue to share information in the future.



KOJIMA Mika
IP Search Team Leader,
Intelligence & Information Group,
Intellectual Property Division

Fiscal 2019 Result (Cumulative total number of participants: 835)

Theme	Lecturer	Target audience
Women's career and health	MCI industrial physician	MCI employees
Health of working women	Expert outside the company	HR staff members and harassment contact officers
Female Employees' Active Participation and Advancement in the Workplace	The director of the Diversity and Inclusion Group	Management staff (line managers or higher positions)
SAP	MCI employee	Contract workers
Encouraging career awareness among Works operators	Expert outside the company	Female Works Operators
Work style reform and women's empowerment	MCI Director	MCI employee
Dementia	Expert outside the company	MCI employees
Work style reform for production technology engineers	Expert outside the company	MCI employee
Work style reform	Expert outside the company	MCI employee
Overtime working	Expert outside the company	MCI employee
Cross-cultural communications	Expert outside the company	MCI employees
LGBT understanding (showing a movie)	—	MCI employees
Generation gap	Expert outside the company	MCI employees
Anger management	Expert outside the company	MCI employees
Developmental disorders and depression	Expert outside the company	MCI employees
Various disorders	Expert outside the company	MCI employees
Development of Various Capabilities (Computer skills, languages, others)	Expert outside the company	Employees with Disabilities

Fiscal 2018 Result (Cumulative total number of participants: 539)

Theme	Lecturer	Target audience
Crohn's disease	MCI employee	MCI employees
LGBT	Expert outside the company	MCI employees
Family care	Expert outside the company	Line managers
Family care	Expert outside the company	MCI employees
Childcare leave	Expert outside the company	MCI employees
Women's career and health	Expert outside the company	MCI employees
Cancer	Expert outside the company	MCI employees
Communications between male and female	Expert outside the company	MCI employees
Female Employees' Active Participation and Advancement in the Workplace	The director of the Diversity and Inclusion Group	Management staff (line managers or higher positions)
Improve work efficiency	Expert outside the company	Non-management staff
Development of Various Capabilities (Computer skills, languages, others)	Expert outside the company	Employees with Disabilities

Global Human Resources Strategy

Message from the Responsible Officer

Our Global Human Resources Strategies

The Mitsui Chemicals Group's consolidated employees have increased to around 20,000 persons (including contract employees) in part as a result of M&As in recent years, and the ratio of overseas employees has reached around 40%. Our business domain is also no longer restricted to the development, production, and sale of materials, but has expanded to include the proposal of solutions to our customers. Amid significant growth in the diversity of nationalities and specialties of the talents that work in our Group, we need more than ever to carry out human resources strategies with a Group-wide and global scope. We launched the Global Human Resources Division in April 2019, and are aiming to strengthen center-of-excellence (CoE) functions that enable the Group-wide and global formulation and rollout of human resources strategies. In the just over one year since the establishment of the Global Human Resources Division, we have made steady progress on developing a Group-Global Human Resources Platform that incorporates the perspectives of talent management, position management, and talent development. To continue to create value in global markets, we will work to recruit, train, and effectively deploy the required human resources on a Group global basis.



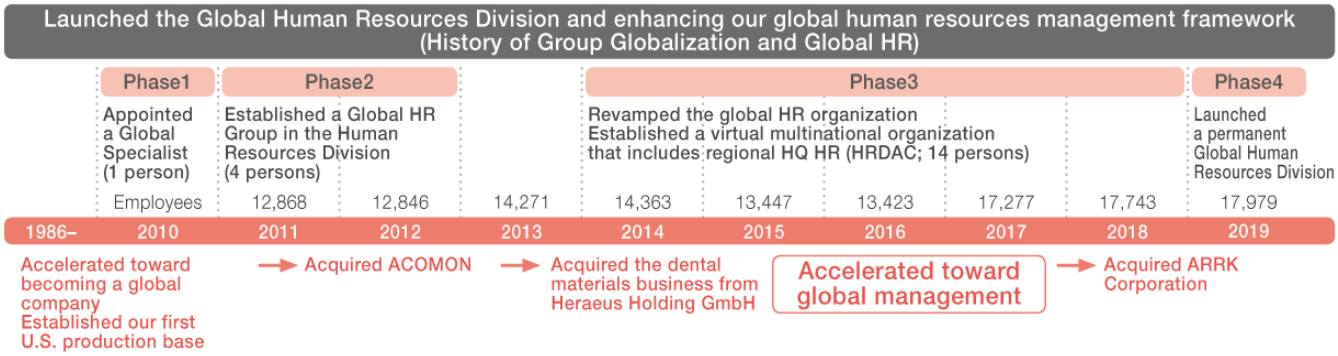
ANDOU Yoshinori
Managing Executive Officer
General Manager, Global Human Resources Division

Global Human Resources Management and Strategies

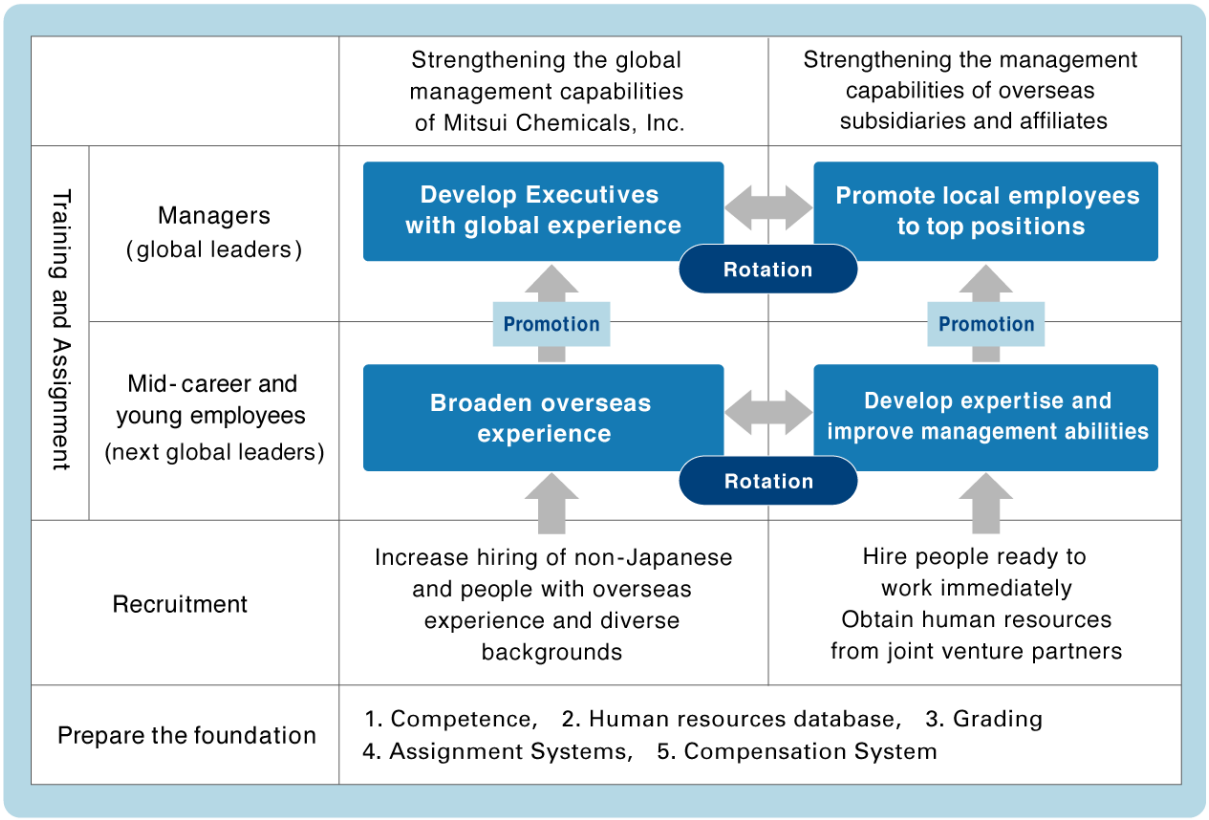
Since the founding of Mitsui Chemicals in 1997, the Group's consolidated companies have grown in number to a total of 156, and our consolidated employees (as of March 31, 2020, excluding contract employees) have increased to 17,979 persons. The overseas sales ratio has expanded to 45%. With the progress of business globalization, we have worked to build a framework on a global basis in the area of human resources management, including the operation of overseas bases, as well as post-merger integration (PMI) for cross-border M&As. In order to further accelerate these

efforts, we established the Global Human Resources Division in April 2019 to expand from our conventional virtual HR organization to a permanent global HR organization. We will enhance our global business competitiveness by executing effective human resources management on a Group and global level, and enhancing our human resources governance. Following the launch of the Division, we established functions for system development at the global headquarters, including talent management, human resources development and training, and compensation and evaluation. At the same time, we are using schemes from the HR Development Advisory Committee (HRDAC), a virtual project framework involving human resources at the regional headquarters, held continuously since 2014, in order to accelerate the planning of various globally-shared programs and expansion into local regions. We have redefined matters that should be unified globally, as well as matters that should be operated with a degree of freedom in each region or company. We operate the human resources organization that supports both effective human resources management on a Group and global level and the growth of each region and our businesses.

History of Group Globalization and Global Human Resources



Overview of Global Human Resources Management



Key Talent Management: Developing Future Leaders

It is a pressing task for the Group to develop and train future leaders, as well as human resources who are capable of managing our overseas subsidiaries and affiliates, the number of which are increasing due to overseas development and M&As. To this end, the Group has introduced the Key Talent Management system, which began operations in fiscal 2016. We will further develop this system, in order to promote the development and training of employees who will ensure the continued growth for the Group.

Overview of Key Talent Management

(1) Key Talents and Management Candidates

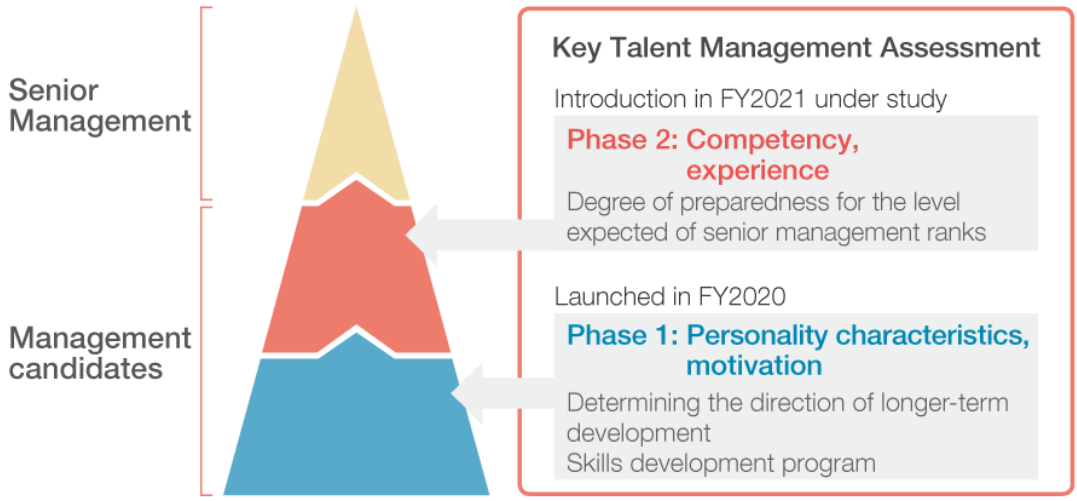
Among the Group's worldwide human resources, those who consistently demonstrate a high level of performance and competence, potential, and enthusiasm are identified as key talents. Among such key talents, those who have the potential to become future leaders are selected as management candidates.

(2) Key Talent Management Committees

The Key Talent Management Committees have been established as a body to select key talents/management candidates, approve development plans, and review their results. The Committees review the work experience of selected human resources, and determine where they should be assigned based on five perspectives: managerial view point, business restructuring, new business development, Company-wide projects, and the operations of overseas subsidiaries and affiliates.

Key Talent Management System





Progress in Fiscal 2019

- Held meetings of the Divisional Key Talent Management Committees in all divisions (both business and functional). Selected key talents from across the entire Group, including from domestic and overseas affiliates, and formulated individual development plans (placement and training) for those talents.
- Held meetings of the Company-wide Key Talent Management Committee, in which all officers participate. Identified management candidates, talents who might join the senior management ranks in the future, from among the key talents selected by the Divisional Key Talent Management Committees, and confirmed and approved the individual development plans (placement and training) for these candidates. Also confirmed the direction of development and placement of other key talents (those in positions equivalent to Supervisor at Mitsui Chemicals or below, including those at domestic and overseas affiliates).
- Confirmed and approved the revised succession plans for the 100 critical positions based on the business strategies for fiscal 2019.
- As part of efforts to strengthen organizational diversity, created individual development plans for potential female line managers who had been selected as key talents.
- Formulated a Key Talent Management Assessment System to increase objectivity and transparency in the management candidate development process.

Specific Plans Going Forward

(1) Review and implement the individual development plans (placement and training) based on the qualities, motivation, experience, and competency of management candidates selected from among key talents.
(2) Formulate individual development plans for newly selected key talents.
(3) Implement a talent rotation program between sectors based on individual development plans for Supervisor-level key talents in Japan and overseas.
(4) Formulate succession plans for the 100 critical positions.
(5) Specify qualifications and attributes required of management candidates, and introduce a skills development program to determine the direction of longer-term development of management candidates (key talent management assessment).

Global Position Management: Appropriate Placement of Human Resources throughout the Entire Group

The Mitsui Chemicals Group currently has approximately 18,000 position, of which close to 40% are based overseas. As the Group continues to grow globally, in order to ensure that the overall design of our organizational and job structures is aligned with the Group's management strategies, we have standardized and clearly specified and the basic principles, systems, and procedures related to the creation and phasing out of positions within the Group. In addition, we are introducing a global grade structure to delineate positions within the Group. These measures will enable us to place the right human resources in the right places and to build a cross-national and cross-regional transfer system, which will facilitate career development within the Group.

Example of Activity: Global position management in action

One advantage a large, globally operating corporation has to offer, is the opportunity for its employees to move within the organization — to new responsibilities and also to new countries. During my career at Mitsui Chemicals I have been fortunate to work in different roles in three different countries, Singapore, Japan and Germany. When I joined the company in 2009, the first overseas R&D site had recently been established in Singapore. After eight rewarding years in R&D, I was given the chance to move to MCI headquarters in Tokyo and expand my responsibilities. I changed my field of work to New Business Development, a logical next step after customer directed R&D. Two exciting years in Japan followed where I prepared the expansion of the project to Europe. I relocated back to my native Germany in 2019 to join Mitsui Chemicals Europe to implement this plan. In preparing for and undertaking these moves, I could always rely on the advice and encouragement from my managers as well as the support from local and global HR teams. Moreover, the memories of people, country and food of Singapore and Japan will last a lifetime. I am confident that as the Mitsui Chemicals Group expands its global presence, global mobility of its employees will follow suit.



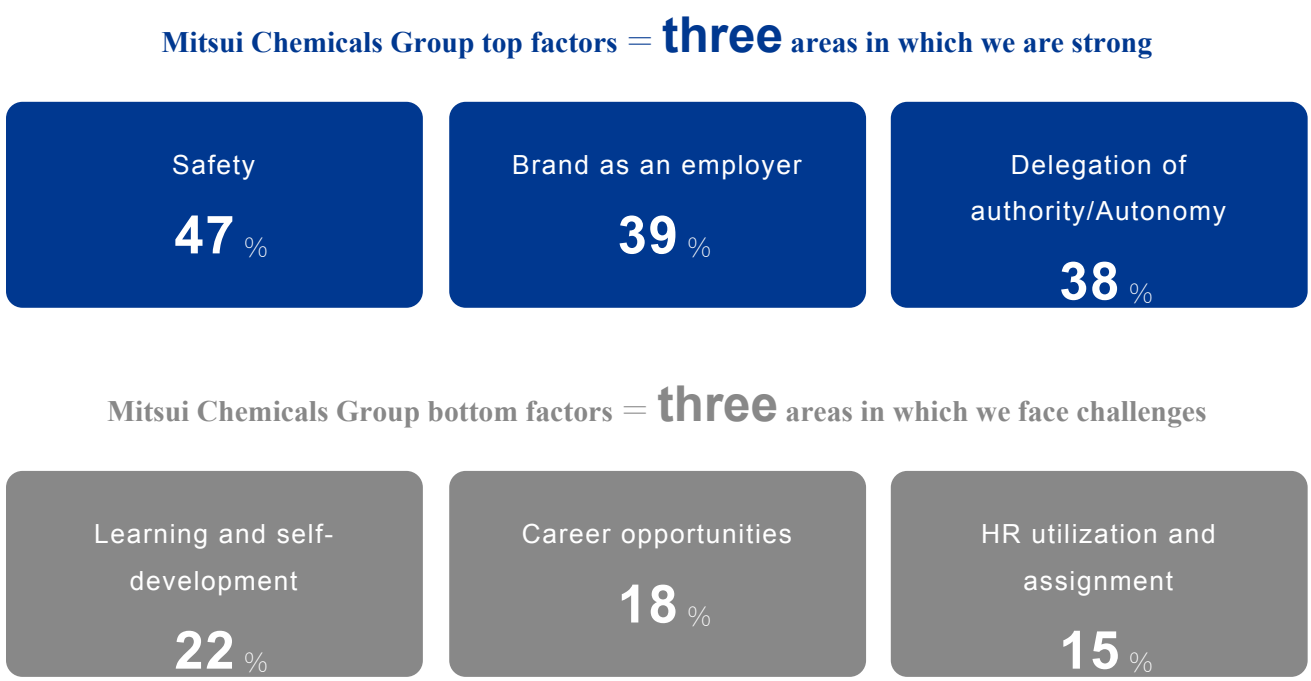
Dominik Jürgen-Lohmann
New Generation Business Development Manager,
Health Care Division
Mitsui Chemicals Europe GmbH

Global Employee Engagement Survey

In preparation for implementing our 2025 Long-term Business Plan, we consider Group employee engagement to be extremely important. We, therefore, conducted an online survey in June 2018 to measure individual engagement levels and investigate the underlying factors for all employees of the Mitsui Chemicals Group.
This was the first survey to cover all Group employees, and 87% of the employees responded. Their opinions provided us with many suggestions that improved our understanding of the Group-wide HR challenges. Characteristics of the Group revealed through this survey include an incredibly strong culture of safety and an emphasis on autonomy and

delegation of authority. The results of this survey can be analyzed by the unit of Head Office division, affiliate, or subsidiary. Therefore, leaders in each organization and the Head Office HR Division have worked together to formulate improvement action plans that are suitable for individual departments, and are working on the specific measures to improve the level of engagement. The Head Office HR Division identified the priority areas to further employees' engagement scores: senior management; career opportunities; and performance management. The division is now working to create Group-wide measures to be implemented in each of these areas. To improve senior management, we must communicate their clear vision and strategy to employees and increase opportunities for dialog between management and employees. Measures for the area of career opportunity are to offer flexibility to enable employees to apply for new positions or initiate business projects beyond division or company borders, and to increase study opportunities. For better performance management, we are regarding the performance appraisal as a growth opportunity and aim to create an environment where employees can enhance their skills through freely exchanging opinions with their supervisors.
In order to further raise the engagement level in the entire Group, this survey will continue to be conducted every two to three years.

Engagement Factor Score



Global Training Program

Global Leadership Training Program

This program aims to develop candidates for executives who will play important roles in the Mitsui Chemicals Group. These candidates are selected from the Mitsui Chemicals Group and its overseas group companies. This twelve-day program is held jointly with a business school over nine months for the key talent from the Mitsui Chemicals Group around the world. The program covers strategic thinking, global leadership skills, and action learning. Nineteen people participated in the program in fiscal 2019 (about half of these participants were Japanese).

Global Managers Seminar

This program provides knowledge of Mitsui Chemicals business strategy, cultural understanding, and leadership skills, in order to develop local leaders from different Group companies. Manager candidates from major sites around the world work together through discussions during this five-day program. Twenty candidates participated in the program in fiscal 2019 (about 20% were Japanese).

Mitsui Chemicals Competency Development Program

This is a program for future generation leaders to help them understand their roles as leaders and acquire the necessary knowledge and skills. Selected candidates from young employees from the Asia-Pacific and other regions work through this 5-day program, including business simulations. Twenty-two people participated in the program in fiscal 2019. We plan to create and provide new programs for employees of different ranks in the near future.

Social Activities

Management System



Policy and Basic Approach

The Mitsui Chemicals Group believes that it can effectively help to resolve social challenges by harnessing its strengths and unique characteristics as a Group. With that in mind, we utilize our chemical technologies and products and roll out a host of social contribution activities that include efforts to develop the future generation and provide disaster relief. At the same time, we undertake various endeavors to encourage our employees to participate in social contribution activities of their own accord. In addition, and with the aim of ensuring that our sites are always open to the local community, we place the utmost importance on communication with members of the local community while working in harmony with all those around us.

The Mitsui Chemicals Group Social Activities Policy

The Mitsui Chemical Group will continually strive to:

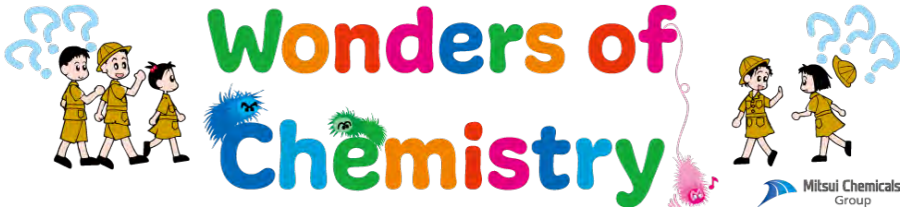
1. Harness and improve its chemical technologies to contribute to society as a whole
2. Work in harmony with local communities and ensure that its sites are as open as possible
3. Do its bit to nurture future generations, on whose shoulders the future rests

4. Carry out activities aimed at protecting the environment
5. Engage in active international exchange and cooperation
6. Create a corporate environment in which individual employees can actively participate in social activities

System and Responsible Officers

With the responsible director in charge of the Corporate Communications Division, the Corporate Communications Division develops and implements annual social activity plans. In addition, each business site enacts voluntary and ongoing efforts while coordinating with the Corporate Communications Division.
The Corporate Communications Division conducts a survey of the results of social contribution activities of each of the Company’s business sites as well as domestic and overseas subsidiaries and affiliates once a year to confirm activity details.

Laboratory Classes on the Wonders of Chemistry



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Point three in the Mitsui Chemicals Group Social Activities Policy is, “Do its bit to nurture future generations, on whose shoulders the future rests.” In order to further this goal on a global basis, the Mitsui Chemicals Group launched the Laboratory Classes on the Wonders of Chemistry program.
Since 2006, we have organized various types of classes, from off-site classes, whereby members of staff from each of our sites go out to local schools, summer vacation events and festivals, to those held during tours round our works and research centers. Approximately 5,000 children took part in classes over the course of fiscal 2019.

Taking into account the interests and opinions of the participants, the Laboratory Class themes are determined and developed by the Head Office and the Sodegaura Center. The Head Office also provides support for the creation and maintenance of manuals allowing development of the program at domestic and overseas group locations. Accepting a suggestion from an external expert, we created a leaflet that children could take home to read and learn more about chemistry. In fiscal 2020, we plan to ask participants to complete a questionnaire after the class to help improve the contents of experiments to meet each school’s specific needs and challenges.

In recognition of these activities, we received the Catalysis Society of Japan’s 2015 Award for Education and the Ministry of Education, Culture, Sports, Science and Technology (MEXT) Award for Companies Promoting Experience-based Learning Activities for the Youth (Judge’s Commendation) in the large corporation category for 2015. In addition, we registered with the Ministry of Education, Culture, Sports, Science and Technology Support Group for Saturday Educational Activities Program and are working to spread education to even more children.

Catalysis Society of Japan's 2015 Award for Education

Mitsui Chemicals Receives Catalysis Society of Japan Award for Education
～ Educational programs in chemistry receive high marks ～

Received "Award for Companies Promoting Experience-based Learning Activities for Youth (Judges' Commendation) from Mini stry of Education, Culture, Sports, Science and Technology (MEXT)

Experiment Workshop in Longmiao Hope Primary School in China

To celebrate the 10th anniversary of its establishment in 2010, Mitsui Chemicals (China) Co., Ltd. donated funds to rebuild the old buildings of a primary school in the rural area of Anhui, China, as a part of the company's social contribution project. The school renamed itself as Longmiao Hope Primary School and we have continued to provide support since then. In fiscal 2018, we donated funds to install flush Toilets and attendedthe completion ceremony held on October 10. Our employees also held an experimental workshop to create urethane foam and balloon slime. The children were totally engrossed in the experiment, which turns liquid into a solid material, fully enjoying the wonders of science! We will continue to support the local community through exchanges with Longmiao Hope Project Primary School.





Participating in a Summer Holidays Science Show for Children

On August 3 and 4, 2019, we participated and presented shows in Dream Chemistry 21– Summer Holidays Science Show for Children*, held in the Science Museum in Tokyo. At our booth, we demonstrated an experiment using a film made from our product, ABSORTOMER™. Some 240 primary school children learned about the features of this plastic and were amazed to see how the film expanded or shrank when it was soaked in hot or cold water.

* Dream Chemistry 21 – Summer Holidays Science Show for Children:
Hands-on scientific workshops for primary school pupils and their parents held during the summer holidays every year. These workshops are sponsored by the Dream Chemistry 21 Committee, comprising the Chemical Society of Japan; Society of Chemical Engineers, Japan; Japan Association for Chemical Innovation; and the Japan Chemical Industry Association. The workshops, developed by leading chemical companies in Japan, are specifically designed to entertain and educate children.



Laboratory Classes on the Wonders of Chemistry Experiments

* Experiment titles are subject to change.

Experiment title	Description
Foamy urethane experiment	Field Chemical reactions Related Group products Isocyanate, Polyol Participants watch urethane, the uses of which include cushion materials, pillows and refrigerator insulation, being foamed and experience reaction heat and differences in hardness
Slime - Making your own slime - Making jumbo slime together - Shiny slime - Slime ball	Field Polymer properties By making "slime" (i.e. cross-linking polyvinyl alcohol with water using borax), participants learn that water can be confined and about the gels around us in our everyday lives
Light experiments with polarizing plate	Field Light Participants learn about the passage of light through a kaleidoscope fitted with a polarizing plate that converts natural light into linear light, as used in mobile phones and other such devices
Chromatography art	Field Adsorption and separation Participants learn that the ink in a water-based pen contains a mixture of various different colors (pigments)
Plastic board	Field Polymer properties Participants learn about the properties and separation of plastics, by using the heat shrinkable properties of polystyrene to make their own original accessories
Let's make Cartesian divers!	Field Buoyancy Participants learn about buoyancy and pressure, by making a Cartesian diver from a PET bottle and a plastic soy sauce container
Let's investigate the properties of aqueous solutions using red cabbage	Field Acids and alkalis Using anthocyanin extracted from red cabbage, participants investigate the properties of everyday liquids and learn about acids and alkalis

Let’s make an air freshener using spongy polymers	Field Polymer properties Related Group products Nonwoven fabrics Participants learn about the principle of water retention, by making an air freshener from a water-absorbing polymer, as used in disposable diapers, gardening supplies and other such products
Let’s make a rainbow tower	Field Specific gravity Participants learn about the specific gravity (relative density) of fluids, by pouring colored waters with varying concentrations together to make a tower
Let's make a freezer!	Field Heat of solution Related Group products Urea Participants learn about the principle of heat adsorption via the heat of solution of urea, as used in such products as fertilizer and moisturizing cream
Learn how bubble bath works!	Field Reaction of acid and salt Participants learn about how carbon dioxide is produced, by making bubble bath from baking soda and citric acid
Learn about acid rain!	Field Acids and alkalis, Oxidation / reduction Participants learn about acid rain and what causes it, by measuring the pH using red cabbage extract and conducting a bleaching experiment using iodine
Let's make paper!	Field Recycling / Making paper Related Group products Acrylamide Using everyday implements, participants experience paper recycling from old paper and learn about papermaking and recycling
Let's make small objects from melted plastic!	Field Polymer properties Related Group products General thermoplastics Participants learn about the properties of thermoplastics, which melt when heated, by using a glue gun to melt resin and make small objects
Experience the wonders of shrinking films!	Field Polymer properties Related Group products Films, PET, etc. Participants learn about the principle of heat shrinkage, by using shrinkable film to attach labels and make their own PET bottle
See the power of air!	Field Hydrodynamics Participants learn about air resistance, by observing air rings emitted from an air cannon
Let's make snow on pine cones!	Field Crystals Related Group products Urea Participants learn about crystal deposition, by observing dissolved urea being sprayed onto pinecones and drying

Let's make light like a firefly!	Field Enzymes Participants learn about the difference between bioluminescence and chemiluminescence by making light using each of luciferase enzymes taken from fireflies and using mineral-based chemicals
Let’s try and absorb oil!	Field Polymer properties Related Group products TAFNEL™ Participants learn about the principles and how to use adsorbent materials, by absorbing only the oil from mixed oil and water substances They also learn about the impact on the environment of oil spillage
Expand? Shrink? Disappear?! Let’s look into the properties of mystery plastics!	Field Polymer properties Related Group products ABSORTOMER™ Participants learn about the properties of a variety of plastic films, by taking steps to expand, shrink, and dissolve various plastics. They also learn about changes in polymers (plastics) attributable to temperatures

Nurturing Future Generations

The future rests on the shoulders of adolescents and children. With that in mind, we carry out various activities aimed at teaching the young that chemicals are all around us, and showing them how fun, interesting and mystifying chemistry can be, as well as getting them interested in science, and inspiring them to create the technologies of the future.

Cosponsoring of Robotics Competition

Mitsui Chemicals, Inc. cosponsored, and held a booth exhibition at, the February 16 Japanese championship of FIRST LEGO League* 2019–2020 (FLL 2019–2020), the world's largest robotics competition. This marks the third time for the event to be cosponsored by Mitsui Chemicals, which supports FLL's idea of providing children with an opportunity to experience the excitement of solving issues in the real world while applying STEM concepts and active learning.

In line with the FLL 2019–2020 theme of City Shaper, Mitsui Chemicals ran a booth exhibiting Toughness coat™, a polyurea resin produced and sold by Mitsui Chemicals Industrial Products Ltd. that helps to extend the life of concrete structures such as tunnels. The booth also served to showcase a power assist suit produced and sold by Power Assist International Corp. that uses Mitsui Chemicals components to achieve lightweighting. In addition, Mitsui Chemicals ran activities as part of its Laboratory Class on the Wonders of Chemistry program. This included pouring colored water of different densities into test tubes to create colorful layers – an experiment that served as a lesson on the specific gravity of liquids and attracted many children to the booth. By teaching these children about the existence of resins that can improve the lifespan of structures, as well as the fact that liquids with the same volume can have different weights depending on their density, Mitsui Chemicals hopes that the day will have served to pique their interest in science further.

* FIRST LEGO League (FLL) :

FLL is one of the world's largest robotics competitions sponsored by FIRST, a nonprofit organization in the United States, and the LEGO Group (the Japanese championship is sponsored by For Inspiration and Recognition of Science and Technology). FLL is currently held in more than 98 countries around the world, and the number of students participating in FLL is more than 320,000. Two to 10 children make a team to participate in the robotics competition and conduct scientific research and its presentation based on the theme of the competition. Top teams at the championship in each country will qualify for the world competition.



Children enjoying a Mitsui Chemicals experiment



Robotics competition

Receiving Internship Trainees

The Mitsui Chemicals Group accepts internship trainees at each of its offices and business affiliates.
Sun Medical Co., Ltd. participates in the All Shiga de Internship program* since fiscal 2018. Held by Shiga Prefecture, this program is designed to help university students living in the prefecture develop a clearer idea about their future career through internships as well as spark the interest of students in local companies.Sun Medical accepted one student from Nagahama Institute of Bio-Science and Technology in August and September in fiscal 2019, providing a 14-day internship. On the final day, the student gave a presentation on the features of Sun Medical from a student perspective and on what the student had learned and noticed through the internship. This presentation session gave a good opportunity for the attending employees to review their own work and inspired them to make improvements. We are continuing this internship program in fiscal 2020.

* All Shiga de Internship :

A program to support corporations and agricultural organizations in the prefecture to secure human resources by promoting their businesses among candidates and advising on recruitment strategies. This internship program is managed by the Shiga Internship Promotion Council to cultivate a practical viewpoint in students about employment and develop an understanding of local companies through prefectural internships, thereby encouraging students to choose to work in Shiga and matching the needs of students and corporations.



Cooperation in Experiential Study Programs for Teachers

The Company held Experiential Study Programs for Teachers for three days from August 7, 2019. Sponsored by the Japan Institute for Social and Economic Affairs, these training sessions date back to 1983. Geared towards teachers from elementary, junior high and high schools, the aim is for them to experience corporate activities, and to convey these experiences to the children who hold the future in their hands. The Company has participated in this program every year since fiscal 2006.

This year, 10 teachers from elementary schools in the Tokyo metropolitan area participated. At the Head Office, the educators had the opportunity to learn about the Group's corporate mission, corporate sustainability management, Responsible Care initiatives, and human resources development. They also saw a demonstration of the Laboratory Class on the Wonders of Chemistry. They visited the production site at the Ichihara works and participated in hands-on laboratory training at the Mitsui Chemicals Plant Operation Technology Training Center. The educators and researches at the Plant Operation Technology Training Center engaged in a lively exchange of opinions, including on the importance of "experience and feeling" as well as "taking notice of and giving thought to something."



An educator training session at the Plant Operation Technology Training Center

Social Activities

Environment

With the goal of realizing a cohesive society in harmony with the environment, the Mitsui Chemicals Group engages in a variety of environment communication activities.

Mitsui Chemicals Group Clean-up Caravan

To tackle the problem with plastics, the Mitsui Chemicals Group aims to encourage the recycling of resources and promote a circular economy model by implementing our plastics strategies and measures to address the marine plastic waste issues. Marine plastic waste is generated by plastic items that have escaped the process for recycling resources. Stopping such waste from flowing into rivers and the sea is of utmost importance.

Mitsui Chemicals has undertaken clean-up activities in areas around our sites. In fiscal 2019, we launched a group-wide initiative, the Mitsui Chemicals Group Clean-up Caravan, calling on our affiliates in Japan and overseas to join in these activities. Going beyond the range of activities seen to date, the scope of the Caravan was broadened to allow for more employee initiatives, now including participation in clean-up activities organized by nonprofit and governmental bodies as well as clean-ups following community events. A total of 3,670 people participated in the Caravan campaign, collecting 28,580 kg of waste in fiscal 2019.

Mitsui Chemicals Group Clean-up Caravan



Activities at Kugenuma Beach, Kanagawa Prefecture in Head Office



Activities at Pasir Ris Park by six affiliated companies in Singapore



Activities at Bruce Park Woods Road Picnic Area in Mitsui Chemicals America



Activities at Shanghai Beijing Forest Park in Mitsui Chemicals China

Donating NONROT™ Tree Decks to Shiretoko Nature Foundation
Third round of the Protecting Our World Natural Heritage Project

In the third round of the Mitsui Chemicals Group's Protecting Our World Natural Heritage Project series, Mitsui Chemicals, Inc. and Mitsui Chemicals Industrial Products Ltd.) have donated three tree decks to mark the 40th anniversary of the Shiretoko Nature School, a project organized by Shiretoko Nature Foundation, which is based in Shari, Hokkaido Prefecture.



The World Natural Heritage Site of Shiretoko was the birthplace of Japan's first national trust movement, the Shiretoko 100 Square-Meter Movement Trust. Today, the Shiretoko Nature Foundation works to protect Shiretoko's natural splendor through activities centered on the approach of learning, protecting and educating, including environmental education and awareness activities; wildlife conservation, management and research; and forest development. Since 1980, the Shiretoko Nature School Initiative has been held week-long courses, in which children from across Japan spend a week camping outdoors in Shiretoko National Park. The Shiretoko Nature School aims to ensure that Shiretoko's magnificent natural environment can be passed on to the next generation. Since that first course, more than 1,900 children have spent a week at Shiretoko during summer.
To mark the 40th anniversary of the Shiretoko Nature School, Mitsui Chemicals Group donated three tree decks for the Ponhoro Forest, where Nature School courses take place. The tree decks were made between July and October 2019 with the help of children attending the Nature School, as well as by Nature School alumni, members of Shari Town and the Shiretoko Nature Foundation and many others. The decks were treated with NONROT™*, a wood protective coating supplied by Mitsui Chemicals Industrial Products.

* NONROT™:
NONROT™ is a highly safe timber coating that makes full use of wood's natural breathability. It offers outstanding water-repellency, UV resistance and protection against rot, fungus and insects. NONROT™ has become the wood protective coating of choice for many architects, designers and their clients, as it allows the wood to breathe, enabling users of products treated with the coating to enjoy the pleasant scent of the timber itself.

Rice Paddy Organism Surveys Providing Opportunities to Learn about Biodiversity

Mitsui Chemicals Agro, Inc. recently took elementary school students on rice paddy organism surveys across two locations in Miyagi Prefecture.

The rice paddy organism survey held for third-grade students from Tsurusu Elementary School in Taiwa-cho has been hosted annually by JA Asahina (Taiwa-cho, Kurokawa-gun, Miyagi Prefecture) since 2015. Mitsui Chemicals Agro's Sendai branch office assists community coordinators, teachers and JA ZEN-NOH staff with the survey, which is conducted within the context of Community Cooperation Activities for Learning and Education promoted by the Ministry of Education, Culture, Sports, Science and Technology (MEXT).
Meanwhile, this year marked the first time for the rice paddy organism survey to be held for third- and fourth-grade students from Kami-Ayashi Elementary School, Sakunami Elementary School and Okura Elementary School in Sendai, coming at the behest of former Tohoku University Science Coordinator Tomiichiro Ishigaki and with the cooperation of Mitsui Chemicals Agro's Sendai branch office.



Tsurusu Elementary School
Date: June 11, 2019
Location: Taiwa-cho, Kurokawa-gun, Miyagi Prefecture
Number of participants: 35



Kami-Ayashi Elementary School, Sakunami Elementary School, Okura Elementary School
Date: June 20, 2019
Location: Sendai, Miyagi Prefecture
Number of participants: 22

Not only involved in sales of agrochemicals, the Mitsui Chemicals Agro surveys the effects of agrochemical use on wildlife in rice paddies, which is useful for the improvement and development of agrochemical products. Further, the Mitsui Chemicals Agro conducts surveys, and we publish results summaries of these surveys that certify that rice was grown in rice paddies inhabited by a wide variety of wildlife, which contributes to adding value to local rice.

Mitsui Chemicals Agro Takes Schoolchildren on Exploration of Rice Paddy Organisms
Raising awareness of biodiversity conservation in rice cultivation

Donation to the Singapore Government to Support Coral Protection

Five Mitsui Group companies in the Asia Pacific region* participated in the Grow-A-Reef-Garden project led by JTC Corporation and the National Parks Board (NParks). The project aims to protect coral reefs in the offshore of Small Sister's Island in Singapore by sinking a large-scale artificial reef structure. The project opening ceremony was held with a great fanfare on October 18, 2018, attended by the Speaker of the Singapore Parliament and representatives from numerous donors, including from our company.

* Five companies of Mitsui Chemical Group in Asia-Pacific region :
Mitsui Chemicals Asia Pacific, Ltd., Mitsui Phenols Singapore Pte. Ltd., Mitsui Elastomers Singapore Pte. Ltd, Mitsui Chemicals Singapore R&D Centre Pte. Ltd., Prime Evolue Singapore Pte. Ltd.



Photo courtesy of JTC Corporation

Social Activities

Support for Employees' Participation in Social Activities

As its employees maintain a keen awareness toward social challenges, Mitsui Chemicals provides support for them to remain human resources that voluntarily take it upon themselves to contribute to society.

One-Coin Club

We set up the One-Coin Club in November 2007. Employees who join the club choose an amount to be deducted from their salaries or bonuses, which is used to fund donations to organizations involved in social activities. The One-Coin Club Management Committee, formed by volunteer members, specifies the priority areas for support, and reviews and selects which organizations donations should be made to.

Priority Areas of Support

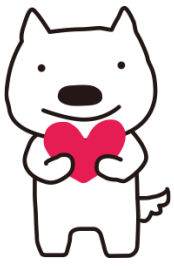
(1) Activities aimed at nurturing future generations/saving lives and protecting the livelihoods of children

(2) Activities aimed at supporting people with disabilities/contributing to patients with intractable diseases

(3) Activities that contribute to medical/maintenance disaster response systems

(4) Activities that protect the global environment

As of October 2019, the Club had 733 members, who between them contributed approximately ¥3.7 million to the fund in fiscal 2019.
In fiscal 2019, we donated a total of ¥6.4 million — ¥3.2 million from the One-Coin Club and a matching gift* of the same amount from the Company — to a total of 16 organizations involved in a range of social activities. The Club also donated ¥850,000 from its fund to support those who suffered from the heavy rains by Typhoons Faxai and Hagibis.



* Matching gifts :

A program that supports employees' social contribution activities whereby a company provides a matching donation of the same amount when an employee donates to a social or environmental organization.

Organizations That Benefited from Donations in Fiscal 2019

Organization Name (In random order)	Priority Areas of Support	Past Donation History (Years)
United Nations World Food Programme (Japan)	(1)	2008-2019
Japan Committee, Vaccines for the World's Children	(1)	2008-2019
SUCCESS	(1)	2011-2019
Nanbyo Network	(1) (2)	2009-2019
Guide Dog & Service Dog & Hearing Dog Association of Japan	(2)	2008-2019
Japan Marrow Donor Registry Promotion Conference	(2)	2008, 2010-2019
Helicopter Emergency Medical Network (HEM-Net)	(3)	2010-2019
team RESCUE	(4)	2012-2019
Asia Prevention of Blindness Association	(2)	2013, 2016-2019
MEDECIN SANS FRONTIERES	(3)	2014-2019
Japan Environmental Action Network	(4)	2015-2019
Chance for Children	(1)	2017-2019
Kamonohashi Project	(1)	2015, 2018-2019
5years	(2)	2018-2019
Peace Winds Japan (PWJ)	(1) (3)	2009, 2012-2017, 2019
FoE Japan	(4)	New

As part of our health and productivity management, the Company and the labor union have called on employees to participate in the WFP Walk the World since fiscal 2014. The WFP Walk the World is a charity walk event held by the United Nations World Food Programme, and offers employees an opportunity to raise their awareness of world hunger.

On our Family Day, we organized a presentation about assistance dogs from a member of the Guide Dog & Service Dog & Hearing Dog Association of Japan, one of the organizations that we help. The presentation was attended by our employees and their families, as well as employees of other companies in the same building, and gave us an opportunity to reflect on creating an inclusive society.





Community Service Leave Program

In August 2008, we introduced a community service leave program to provide support for employees participating in social activities, by enabling them to take up to two day’s paid leave a year. In fiscal 2019, employees made use of the program 88 times.

Since 2011, we have also been allowing employees to take up to eight days’ special leave each year, so that they can engage in social activities aimed at providing disaster relief.

Management System | Laboratory Classes on the Wonders of Chemistry | Nurturing Future Generations
Environment | Support for Employees' Participation in Social Activities | Disaster Relief
Working in Harmony with Local Communities

Disaster Relief

The Mitsui Chemicals Group is committed to building a system that can quickly and effectively provide relief that closely fits the needs of people in areas affected by a disaster by working closely with organizations such as NPOs and local authorities. We are also exploring actions that can contribute to enhanced co-creation as part of our New Disaster Recovery Activities.

Disaster Relief Supplies

Our disaster relief activities here at Mitsui Chemicals originated from suggestions submitted by employees, who wanted to help those affected by earthquakes and other major disasters by providing them with useful Mitsui Chemicals products. In fiscal 2009, we set up warehouses to store relief supplies at two of our sites – the Iwakuni-Ohtake Works (Yamaguchi Prefecture) to cover West Japan and the Mobara Branch Factory (Chiba Prefecture) to cover East Japan – and put in place the necessary framework to swiftly send out supplies upon request from contact partners[*1] and local governments. We have stockpiles of items such as urethane mattresses (cushioned materials to lay on the floors of gymnasiums being used as evacuation shelters), waterproof tarpaulin sheets (to cover buildings damaged by water or landslides), and air cushions[*2] (for use at evacuation shelters) at both of these warehouses.
In fiscal 2019, we offered relief supplies to those areas affected by the Northern Kyushu Heavy Rain, Typhoon Faxai (No. 15), and Typhoon Hagibis (No.19). We also donated five million yen to the Japanese Red Cross Society to support the people and areas affected by those typhoons. A donation of one million yuan (approx. 16 million yen) was also made to the Red Cross Society of China to support COVID-19 countermeasures.

*1 Contact partners:
Team Rescue
Peace Winds Japan

*2 Air cushion:
Developed by Wako Plastic Industry Co., Ltd. in response to comments from people affected by the Great East Japan Earthquake, air cushions provide an alternative to pillows, conventional cushions, and matrasses. Boasting a host of features, air cushions provide sound protection and comfort against the hard and cold floors of evacuation shelters.
Made from the polyethylene EVOLUE™ material manufactured by Prime Polymer Co., Ltd., a Mitsui Chemicals Group company, the cushioning properties of these air cushions can be adjusted using a single straw. These air cushions also withstand heavy loads and offer environmentally friendly properties.



Goods delivered by an NPO to an evacuation center



Tarpaulin sheets carried by an NPO to an evacuation center

Distribution of Disaster Relief Supplies in Fiscal 2019

Northern Kyushu Heavy Rain

Location	Contact	Details of Relief Supplies Provided
Omachi Branch, Shiraishi Fire Station, Fire Dept. HQ of Kito Cross-Border Municipalities	Hakata Port and Airport Office Kyushu Regional Development Bureau, MLIT	- TAFNEL™ Oil Blotter™ 22 boxes, etc.
Welfare & Health Center and Omachi-cho Community Hall in Omachi-cho, Kishima-gun, Saga Prefecture	Social Emergency Management Alliance (SEMA) A-PAD Japan	- Urethane mattresses 200 - Tarpaulin sheets 200
Green COOP Wakamiya Distribution Center (Evacuation housing for Takeo City)	NPO Team Rescue	- Urethane mattresses 100

Typhoon Faxai (No. 15)

Location	Contact	Details of Relief Supplies Provided
Kyonan Elementary School and Tateyama City Hall, Chiba Prefecture	SEMA Peace Winds Japan	- Tarpaulin sheets 99
Central Fire Station, Ichihara City, Chiba Prefecture	Ichihara City	- Tarpaulin sheets 100

Typhoon Hagibis (No. 19) and heavy rain

Location	Contact	Details of Relief Supplies Provided
Central Fire Station, Ichihara City, Chiba Prefecture	Ichihara City	- Tarpaulin sheets 150

Establishment of SEMA, Japan's First Private-led Disaster Response Alliance

Alongside 17 other private companies [*1] and six non-profit organizations [*2] Mitsui Chemicals participated in the establishment of SEMA (Social Emergency Management Alliance), Japan's first privately led disaster support alliance. The organization provides one-stop support, including goods and services of participating companies and NPOs in the event of a large-scale natural disaster in Japan. The Great East Japan Earthquake showed us that municipalities themselves can be greatly damaged in a disaster, making the assessment of local conditions and support to those in need all the more difficult. The SEMA organization crosses the divide between companies and NPOs and aims to minimize the impact of natural disasters of the nation's citizens and speed recovery efforts.
The SEMA organization makes in advance a list of goods and services offered by participating companies and organizations, and during a natural disaster can rapidly send packaged support based on that list to afflicted areas. The organization also aims to cooperate with public institutions in offering support and exchanging information, with the general aim of reducing the burden on municipalities and cutting down on waste and unnecessary support.

SEMA organization partners (53 companies and six civil groups, as of January 24, 2020)

*1 Private companies :
Askul, FSX, Asahi Kasei, Oisix.daiichi, Kirin, Gunze, Saraya, JG Marketing, Johnson & Johnson Japan, Star Festival, Snow Peak, Seino Transportation, Seibu Properties, SoftBank, Japan Airlines, Heart Moving Service, FamilyMart, V-cube, Yahoo! Japan, ROHTO Pharmaceutical and others.

*2 Non-profit organizations :
Asia Pacific Alliance for Disaster Management (Japan), specified non-profit corporation ADRA Japan, specified non-profit corporation HuMA, Civic Force (a public interest incorporated association), specified non-profit corporation Peace Winds (Japan), and The NGO Collaboration Center for Hanshin Earthquake Rehabilitation.

Great East Japan Earthquake: Working to Support New Disaster Recovery Activities

In 2016, five years after Great East Japan Earthquake, the Mitsui Chemicals Group, alongside four companies already supporting the town of Minamisanriku and one new company, launched Discover the Future Minamisanriku, centered on co-creative activities, with the goal of meeting the town's request to "create industries that bring together the community and companies while fostering local pride."
The initiative involves engaging in discussions about creating a vision of community pride, what is required to realize this, and what companies can do to help, including how to utilize businesses and products, and cooperation between companies and NGOs to "build back better* " based on the community's history, culture, and disaster status. In keeping with the town's characteristics under the key words—forest, home, ocean, and people— the project presented a future-oriented joint business creation action to the community that leverages the strengths of each company.
In fiscal 2019, 13 employees from four group companies visited Minamisanriku to have study tours for local sustainability and discuss what each company could do under the theme of "Refine the Future Minamisanriku." We then started our projects, working together with local organizations to realize our plans. We are engaged in discussions regarding specific actions aimed at creating a new Minamisanriku by 2030. As a new way to support reconstruction efforts moving forward, we will continue to promote cooperative action with the people of the town and the partner organizations.

* Build back better :
Build back better refers to reconstruction after a disaster with an eye toward creating a more resilient community able to better withstand any future disasters.



2018 Create The Future Minamisanriku【Short Ver.】



2018 Create The Future Minamisanriku【Long Ver.】

Working in Harmony with Local Communities

At each of its business sites, the Mitsui Chemicals Group believes that relationships of trust, based on close-knit relations with everyone in the local area, are crucial to the normal and stable operation of its businesses. The Group thus provides opportunities for communication with everyone in the vicinity of its facilities.

Local Communication at Each Business Site

At each of our business sites, we invite local residents living in the vicinity to opinion exchange meetings and tours of our facilities. At the opinion exchange meetings, we provide an overview of the works and showcase our efforts to protect the environment, safety initiatives and activities designed to contribute to society. Lively discussions have ensued from residents living in the vicinity of our facilities speaking about their day-to-day feelings and any requests they had. We would like to reflect everyone’s opinions and requests in the management of our business sites.
We are working to further deepen mutual understanding by holding events and actively taking part in local events.

Examples of opinion exchange meetings/facility tours

Ichihara Works		
Date	**Those for Whom Meeting/Tour Organized**	**Details**
September 15, 2019	Local residents	Autumn Festival • Conducted Laboratory Class on the Wonders of Chemistry • Events on the stage • Kids Corner (playground equipment)
November 20, 2019	Local women's association	• Summarized explanation of plant • Plant tour
November 28, 2019	Local neighborhood town council officers	• Explanation of measures for safety and environment • Plant toure • A meeting to exchange opinions

Mobara Branch Factory

Date	Those for Whom Meeting / Tour Organized	Details
September 28, 2019	Local neighborhood council officers	Fureai Park 2019 • Various stage shows • A meeting to exchange opinions
November 18, 2019	Local neighborhood council officers	• Summarized explanation of plant • Plant and Technology Training Center tours • A meeting to exchange opinions (About environmental protection and process safety as well as disaster prevention initiatives, dialogue with local communities, etc.)

Nagoya Works

Date	Those for Whom Meeting / Tour Organized	Details
August 23, 2019	Children's clubs from neighboring school districts	• Plant tour • Conducted Laboratory Class on the Wonders of Chemistry
October 26, 2019	Local residents	• Autumn Festival
November 28, 2019	Officers from neighboring school districts	• Plant tour

Osaka Works

Date	Those for Whom Meeting / Tour Organized	Details
May 28, 2019	Local neighborhood council officers	• Summarized explanation of plant • Explanation on such matters as environmental protection and disaster prevention activities • Plant tour • A meeting to exchange opinions
Oct.-Nov. 2019 (Total of 7 times)	Local elementary schools	• Summarized explanation of plant • Fire fighting facilities and plant tours • Simple hands-on laboratory class on chemistry
February 6, 2020	Related parties of local government and various organizations	Local dialogue on responsible care • Summarized explanation of plant • Explanation on measures for responsible care • Plant tour • A meeting to exchange opinions

Iwakuni-Ohtake Works

Date	Those for Whom Meeting / Tour Organized	Details
July 10, 2019	Heads of local neighborhood councils and those in charge of volunteer disaster response organizations	• Summarized explanation of plant • Explanation on disaster prevention initiatives • Plant tour • Meeting to exchange opinions
Aug.-Dec. 2019 (Total of 4 times)	Local elementary schools	• Conducted Laboratory Class on the Wonders of Chemistry
November 17, 2019	Local residents	• Autumn Festival

Omuta Works

Date	Those for Whom Meeting / Tour Organized	Details
October 18, 2019	Related parties of local neighborhood councils	• Plant overview and explanation on social contribution activities • Explanation on measures against natural disasters • Explanation of Technology Training at Works and participation in hands-on training • A meeting to exchange opinions
Oct.-Nov. 2019	Local elementary schools	• Conducted Laboratory Class on the Wonders of Chemistry

Sodegaura Center

Date	Those for Whom Meeting / Tour Organized	Details
August 8, 2019	Related parties of local neighborhood council, neighborhood companies, municipal office	• Summer Festival
February 18, 2020	Local neighborhood council officers	• Explanation of Center and tour • Conducted Laboratory Class on the Wonders of Chemistry • A meeting to exchange opinions



Cleanup activities around Ichihara Works



Meeting to exchange opinions at Mobara Branch Factory



Meeting to exchange opinions at Nagoya Works



Junior rubber baseball tournament
at Osaka Works



Meeting to exchange opinions
at Iwakuni-Ohtake Works



Autumn Festa
at Omuta Works



Meeting to exchange opinions
at Sodegaura Center

ESG Performance Data

Environment

Input ⇒ Output Data (FY2019)

Greenhouse Gas (GHG) Energy

GHG

	Scope	2016	2017	2018	2019
GHG emissions (Scope1) / thousand tons	Mitsui Chemicals, Inc.	3,700	3,570	3,450	3,550
	Domestic subsidiaries & affiliates	310	270	110	70
	Overseas subsidiaries & affiliates	250	260	220	160
	Global	4,260	4,100	3,780	3,780
GHG emissions (Scope2) / thousand tons	Mitsui Chemicals, Inc.	740	750	720	610
	Domestic subsidiaries & affiliates	170	180	160	140
	Overseas subsidiaries & affiliates	550	550	560	540
	Global	1,460	1,480	1,440	1,290
GHG emissions (Scope1, Scope2) / thousand tons	Global	5,730	5,580	5,220	5,060
GHG emissions (Scope3) / thousand tons	Mitsui Chemicals, Inc.	10,710	11,080	11,694	—
GHG emissions intensity per unit of sales /tons・billion yen^{-1}	Global	472	420	352	378
GHG emissions reduction rate (compared with fiscal 2005, operating at full capacity) / %	Mitsui Chemicals, Inc.	22.6	24.5	27.3	27.7

Energy

	Scope	2016	2017	2018	2019
Energy consumption / PJ	Mitsui Chemicals, Inc.	78.3	76.2	75.1	75.5
	Domestic subsidiaries & affiliates	4.1	4.2	3.9	3.5
	Overseas subsidiaries & affiliates	14.3	14.6	13.9	10.3
	Global	96.7	94.9	92.9	89.3
Energy intensity index (FY2009=100)	Mitsui Chemicals, Inc.	94.0	93.4	94.6	94.9
Five-year annual energy intensity reduction rate /%	Mitsui Chemicals, Inc.	1.4	1.3	△0.3	△0.4

Industrial Waste

	Scope	2016	2017	2018	2019
Waste generated / thousand tons	Mitsui Chemicals, Inc.	131.8	125.8	127.1	117.6
	Domestic subsidiaries & affiliates	—	54.0	50.1	48.4
	Overseas subsidiaries & affiliates	—	56.0	58.6	47.3
	Global	—	235.7	235.8	213.3
Hazardous waste / thousand tons	Mitsui Chemicals, Inc.	—	1.2	1.3	0.7
Waste sent off-site / thousand tons	Mitsui Chemicals, Inc.	82.3	94.9	102.0	92.1
	Domestic subsidiaries & affiliates	35.0	34.3	32.4	31.8
	Overseas subsidiaries & affiliates	39.9	42.9	47.2	34.7

	Global	157.2	172.1	181.7	158.6

Recycling

	Scope	2016	2017	2018	2019
Amount recycled externally / thousand tons	Mitsui Chemicals, Inc.	54.3	61.4	68.0	60.9
	Domestic subsidiaries & affiliates	31.5	31.1	28.8	27.5
	Overseas subsidiaries & affiliates	31.3	32.3	34.7	24.3
	Global	117.1	124.8	131.7	112.7
Recycling rate / %	Domestic	73.1	71.6	72.1	71.4
	Overseas	78.4	75.3	73.5	69.9

Landfill

	Scope	2016	2017	2018	2019
Landfill / thousand tons	Mitsui Chemicals, Inc.	0.6	0.5	0.4	0.4
	Domestic subsidiaries & affiliates	0.1	0.1	0.1	0.2
	Overseas subsidiaries & affiliates	0.2	0.1	0.2	0.2
	Global	0.9	0.7	0.7	0.8
Landfill rate for industrial waste / %	Domestic	0.4	0.3	0.3	0.4
	Oversea	0.4	0.3	0.4	0.5
	Global	0.4	0.3	0.3	0.4

Substances Subject to the PRTR Act

	Scope	2016	2017	2018	2019

Substances subject to the PRTR Act emissions / tons	Mitsui Chemicals, Inc.	789	766	816	768

Air

	Scope	2016	2017	2018	2019
Volatile organic compound (VOC) emissions / tons	Mitsui Chemicals, Inc.	1,676	1,574	1,621	1,579
	Domestic subsidiaries & affiliates	408	395	350	405
	Overseas subsidiaries & affiliates	84	62	64	58
	Global	2,168	2,031	2,035	2,042
NOx emissions / tons	Mitsui Chemicals, Inc.	2,588	2,311	2,110	2,311
	Domestic subsidiaries & affiliates	303	295	253	108
	Overseas subsidiaries & affiliates	456	203	195	254
	Global	3,348	2,809	2,558	2,673
SOx emissions / tons	Mitsui Chemicals, Inc.	261	273	223	368
	Domestic subsidiaries & affiliates	135	131	97	42
	Overseas subsidiaries & affiliates	25	41	67	62
	Global	422	444	387	472
Soot and dust emissions / tons	Mitsui Chemicals, Inc.	128	114	101	88
	Domestic subsidiaries & affiliates	22	18	13	7
	Overseas subsidiaries & affiliates	27	30	90	60
	Global	176	162	204	155
Emissions of hazardous air pollutants / tons	Mitsui Chemicals, Inc.	14	15	13	15

Fluorocarbons emissions / tons	Mitsui Chemicals, Inc.	3	4	5	8
	Domestic subsidiaries & affiliates	0	0	0	0
	Overseas subsidiaries & affiliates	4	11	10	2
	Global	7	15	15	10

Water

Efficient Use of Water

	Scope	2016	2017	2018	2019
Total volume of water withdrawal (tap water, groundwater, industrial water, and seawater) / million m^3	Mitsui Chemicals, Inc.	474.3	460.4	507.1	492.7
	Domestic subsidiaries & affiliates	23.7	21.6	20.1	19.9
	Overseas subsidiaries & affiliates	11.4	11.8	11.4	3.4
	Global	509.5	493.8	538.6	516.1
Tap water / million m^3	Mitsui Chemicals, Inc.	0.7	0.8	0.8	0.8
	Domestic subsidiaries & affiliates	0.3	0.3	0.3	0.3
	Overseas subsidiaries & affiliates	0.5	0.6	0.5	0.4
	Global	1.5	1.7	1.6	1.5
Groundwater / million m^3	Mitsui Chemicals, Inc.	0.6	0.6	0.7	0.6
	Domestic subsidiaries & affiliates	2.6	2.5	1.0	1.2
	Overseas subsidiaries & affiliates	0.2	0.2	0.2	0.0
	Global	3.4	3.3	1.8	1.8
	Mitsui Chemicals, Inc.	76.1	83.5	83.0	81.9
	Domestic subsidiaries & affiliates	12.1	10.3	9.7	9.3

Industrial water / million m^3					
	Overseas subsidiaries & affiliates	11.1	11.0	10.7	3.0
	Global	99.3	104.8	103.4	94.1
Seawater / million m^3	Mitsui Chemicals, Inc.	396.9	375.5	422.7	409.5
	Domestic subsidiaries & affiliates	8.8	8.4	9.1	9.2
	Overseas subsidiaries & affiliates	0.0	0.0	0.0	0.0
	Global	405.7	384.0	431.8	418.7
Recycled water / million m^3	Mitsui Chemicals, Inc.	1,747.9	1,692.4	1,667.1	1,686.2
	Domestic subsidiaries & affiliates	101.0	101.2	100.9	101.5
	Overseas subsidiaries & affiliates	34.0	39.0	40.0	36.9
	Global	1,882.9	1,832.6	1,808.1	1,824.5
Water recycling ratio / %	Domestic	78.8	78.8	77.0	77.7
	Overseas subsidiaries & affiliates	74.8	76.8	77.8	91.5
	Global	78.7	78.8	77.0	78.0
Discharge water volume / million m^3	Mitsui Chemicals, Inc.	457.5	436.6	491.3	473.8
	Domestic subsidiaries & affiliates	23.0	21.4	19.8	19.6
	Overseas subsidiaries & affiliates	4.7	4.8	4.8	1.2
	Global	485.2	462.9	515.9	494.6
Water consumption / million m^3	Mitsui Chemicals, Inc.	16.8	23.8	15.9	18.9
	Domestic subsidiaries & affiliates	0.7	0.2	0.3	0.3
	Overseas subsidiaries & affiliates	6.7	7.0	6.6	2.2
	Global	24.3	30.9	22.8	21.4

Emissions of Water Pollutants

	Scope	2016	2017	2018	2019
COD, BOD emissions / tons	Mitsui Chemicals, Inc.	849	889	888	884
	Domestic subsidiaries & affiliates	75	68	72	68
	Overseas subsidiaries & affiliates	1,927	2,944	2,601	1,676
	Global	2,851	3,901	3,561	2,628
Total nitrogen emissions / tons	Mitsui Chemicals, Inc.	866	1,053	1,138	1,269
Total phosphorous emissions / tons	Mitsui Chemicals, Inc.	40	33	41	27

Environmental Accounting

	Scope	2016	2017	2018	2019
Environmental preservation costs (Investment) / billion yen	Mitsui Chemicals, Inc.	9	13	19	19
Environmental preservation costs (Expenditure) / billion yen		220	212	217	222
Economic impact of environmental initiatives / billion yen		14	13	12	11

Visualization of Contributions to the Environment

	Scope	2016	2017	2018	2019
Blue Value™ products sales ratio / %	Global	17	17	16	18

Others

	Scope	2016	2017	2018	2019
Number of environment-related accidents	Global	0	0	0	0

Number of violations to environmental laws and regulations	Global	0	0	0	0
Purchased raw materials / thousand tons	Mitsui Chemicals, Inc.	4,936	5,122	4,721	4,597
	Domestic subsidiaries & affiliates	515	534	519	477
	Overseas subsidiaries & affiliates	2,749	2,809	2,432	1,520
	Global	8,200	8,465	7,672	6,594
Purchased materials / thousand tons	Mitsui Chemicals, Inc.	22	25	22	24
	Domestic subsidiaries & affiliates	20	20	23	18
	Overseas subsidiaries & affiliates	88	89	77	25
	Global	130	134	122	66
Products shipped / thousand tons	Mitsui Chemicals, Inc.	5,126	5,189	4,789	4,573
	Domestic subsidiaries & affiliates	579	575	537	539
	Overseas subsidiaries & affiliates	2,867	3,009	2,775	1,530
	Global	8,572	8,773	8,100	6,642

INPUT⇒OUTPUT Data (FY2019)

Mitsui Chemicals Group

INPUT	
Energy	
Energy consumption (PJ)	89.3
Purchased materials	
Raw materials (thousand tons)	6,594
Purchased materials (thousand tons)	66
Water resources	
Water withdrawal (million m³)	516.1
Tap water (million m³)	1.5
Ground water (million m³)	1.8
Industrial water (million m³)	94.1
Seawater (million m³)	418.7
(Recycled water (million m³))	1,824.5

Mitsui Chemicals Group

OUTPUT	
Products, etc.	
Products shipped (thousand tons)	6,642
Atmospheric emissions	
GHG (thousand tons)	5,060
Scope1	3,780
Scope2	1,290
Fluorocarbons (tons)	10
NOx (tons)	2,673
SOx (tons)	472
Hazardous air pollutants (tons)	15
VOC (tons)	2,042
Soot and dust (tons)	155
Industrial waste	
Waste sent off-site (thousand tons)	158.6
Amount recycled externally (thousand tons)	112.7
Off-site landfill (thousand tons)	0.8
Wastewater	
COD、BOD (tons)	2,628
Total nitrogen (tons)	1,269
Total phosphorous (tons)	27
Effluent (million m³)	494.6
Wastewater treatment (million m³)	52.2

Mitsui Chemicals, Inc.

INPUT	
Energy	
Energy consumption (PJ)	75.5
Purchased materials	
Raw materials (thousand tons)	4,597
Purchased materials (thousand tons)	24
Water resources	
Water withdrawal (million m³)	492.7
Tap water (million m³)	0.8
Ground water (million m³)	0.6
Industrial water (million m³)	81.9
Seawater (million m³)	409.5
(Recycled water (million m³))	1,686.2

Mitsui Chemicals, Inc.

OUTPUT	
Products, etc.	
Products shipped (thousand tons)	4,573
Atmospheric emissions	
GHG (thousand tons)	4,160
Scope1	3,550
Scope2	610
Fluorocarbons (tons)	8
NOx (tons)	2,311
SOx (tons)	368
Hazardous air pollutants (tons)	15
VOC (tons)	1,579
Soot and dust (tons)	88
Industrial waste	
Waste sent off-site (thousand tons)	92.1
Amount recycled externally (thousand tons)	60.9
Off-site landfill (thousand tons)	0.4
Wastewater	
COD、BOD (tons)	884
Total nitrogen (tons)	1,269
Total phosphorous (tons)	27
Effluent (million m³)	473.8
Wastewater treatment (million m³)	52.2

Domestic Subsidiaries & Affiliates

INPUT	
Energy	
Energy consumption (PJ)	3.5
Purchased materials	
Raw materials (thousand tons)	477
Purchased materials (thousand tons)	18
Water resources	
Water withdrawal (million m³)	19.9
Tap water (million m³)	0.3
Ground water (million m³)	1.2
Industrial water (million m³)	9.3
Seawater (million m³)	9.2
(Recycled water (million m³))	101.5

Domestic Subsidiaries & Affiliates

OUTPUT	
Products, etc.	
Products shipped (thousand tons)	539
Atmospheric emissions	
GHG (thousand tons)	210
Scope1	70
Scope2	140
Fluorocarbons (tons)	0
NOx (tons)	108
SOx (tons)	42
VOC (tons)	405
Soot and dust (tons)	7
Industrial waste	
Waste sent off-site (thousand tons)	31.8
Amount recycled externally (thousand tons)	27.5
Off-site landfill (thousand tons)	0.2
Wastewater	
COD、BOD (tons)	68
Wastewater discharge (million m³)	19.6

Overseas Subsidiaries & Affiliates

INPUT	
Energy	
Energy consumption (PJ)	10.3
Purchased materials	
Raw materials (thousand tons)	1,520
Purchased materials (thousand tons)	25
Water resources	
Water withdrawal (million m³)	3.4
Tap water (million m³)	0.4
Ground water (million m³)	0.0
Industrial water (million m³)	3.0
Seawater (million m³)	0.0
(Recycled water (million m³))	36.9

Overseas Subsidiaries & Affiliates

OUTPUT	
Products, etc.	
Products shipped (thousand tons)	1,530
Atmospheric emissions	
GHG (thousand tons)	700
Scope1	160
Scope2	540
Fluorocarbons (tons)	2
NOx (tons)	254
SOx (tons)	62
VOC (tons)	58
Soot and dust (tons)	60
Industrial waste	
Waste sent off-site (thousand tons)	34.7
Amount recycled externally (thousand tons)	24.3
Off-site landfill (thousand tons)	0.2
Wastewater	
COD、BOD (tons)	1,676
Wastewater discharge (million m³)	1.2

Ichihara Works

We commenced operations at our Ichihara Works in 1967. It is one of the leading comprehensive petrochemical Works in the country, manufacturing various resins, chemical products and other derivatives around a central ethylene plant. Production activities continue to go from strength to strength, as our core Works for petrochemical and basic chemical products.

https://www.mitsuichem.com/jp/corporate/group/domestic_02.htm

INPUT		OUTPUT	
Energy		**Products, etc.**	
Energy consumption (thousand GJ)	27,977	Products shipped (thousand tons)	1,758
Purchased materials		**Atmospheric emissions**	
Raw materials (thousand tons)	1,734	GHG (thousand tons)	1,395
Purchased materials (thousand tons)	6.8	Fluorocarbons (tons)	1.6
Water resources		NOx (tons)	868.1
Water withdrawal (thousand m³)	346,012	SOx (tons)	254.4
Tap water (thousand m³)	0	Hazardous air pollutants (tons)	1.5
Ground water (thousand m³)	142	VOC (tons)	349.5
Industrial water (thousand m³)	21,390	Soot and dust (tons)	36.0
Seawater (thousand m³)	324,480	**Industrial waste**	
(Recycled water (million m³))	384,902	Waste sent off-site (thousand tons)	16.1
		Amount recycled externally (thousand tons)	15.7
		Off-site landfill (thousand tons)	0.0
		Wastewater	
		COD、BOD (tons)	65.6
		Total nitrogen (tons)	21.2
		Total phosphorous (tons)	1.8
		Wastewater discharge (thousand m³)	329,952
		Wastewater treatment (thousand m³)	6,027

Mobara Branch Factory

We commenced operations at our Mobara Branch Factory in 1957, with the aim of expanding the chemical industry using natural gas as a raw material. These days, it specializes in manufacturing highly functional products. We established our Plant Operation Technology Training Centeronsite in 2006, as an educational facility and a focal point for transferring skills throughout the company.

https://www.mitsuichem.com/jp/corporate/group/domestic_08.htm

INPUT		OUTPUT	
Energy		**Products, etc.**	
Energy consumption (thousand GJ)	748	Products shipped (thousand tons)	48
Purchased materials		**Atmospheric emissions**	
Raw materials (thousand tons)	52	GHG (thousand tons)	38
Purchased materials (thousand tons)	1.2	Fluorocarbons (tons)	0.0
Water resources		NOx (tons)	18.8
Water withdrawal (thousand m³)	825	SOx (tons)	0.0
Tap water (thousand m³)	13	Hazardous air pollutants (tons)	0.0
Ground water (thousand m³)	429	VOC (tons)	15.8
Industrial water (thousand m³)	384	Soot and dust (tons)	0.1
Seawater (thousand m³)	0	**Industrial waste**	
(Recycled water (million m³))	30,500	Waste sent off-site (thousand tons)	1.6
		Amount recycled externally (thousand tons)	0.4
		Off-site landfill (thousand tons)	0.0
		Wastewater	
		COD、BOD (tons)	6.7
		Total nitrogen (tons)	3.2
		Total phosphorous (tons)	2.1
		Wastewater discharge (thousand m³)	648
		Wastewater treatment (thousand m³)	405

Nagoya Works

We were the first in Japan to use our own unique technology to manufacture polyvinyl chloride resins at our Nagoya Works in 1951, using unique technology that had never previously been used in Japan. These days, the works has transformed into a production hub specializing in electronic and IT materials and products. Its main products include processing tape for manufacturing integrated circuits(IC) and sealant sheets for solar cells.

https://www.mitsuichem.com/jp/corporate/group/domestic_03.htm

INPUT		OUTPUT	
Energy		**Products, etc.**	
Energy consumption (thousand GJ)	713	Products shipped (thousand tons)	49
Purchased materials		**Atmospheric emissions**	
Raw materials (thousand tons)	50	GHG (thousand tons)	34
Purchased materials (thousand tons)	3.4	Fluorocarbons (tons)	0.1
Water resources		NOx (tons)	3.6
Water withdrawal (thousand m³)	1,603	SOx (tons)	0.0
Tap water (thousand m³)	3	Hazardous air pollutants (tons)	0.2
Ground water (thousand m³)	0	VOC (tons)	5.3
Industrial water (thousand m³)	1,600	Soot and dust (tons)	0.1
Seawater (thousand m³)	0	**Industrial waste**	
(Recycled water (million m³))	5,930	Waste sent off-site (thousand tons)	6.9
		Amount recycled externally (thousand tons)	4.2
		Off-site landfill (thousand tons)	0.0
		Wastewater	
		COD、BOD (tons)	0.0
		Total nitrogen (tons)	0.0
		Total phosphorous (tons)	0.0
		Wastewater discharge (thousand m³)	2,122
		Wastewater treatment (thousand m³)	0

Osaka Works

Located in the Sakai Senboku Coastal Industrial Zone, one of the leading industrial areas in Japan, our Osaka Works has a large dock capable of accommodating 100,000-ton tankers. Production activities make the most of the Works' ideal location, in terms of operations and distribution, with nearly half of all products and raw materials transported by ship.

https://www.mitsuichem.com/jp/corporate/group/domestic_04.htm

INPUT		OUTPUT	
Energy		**Products, etc.**	
Energy consumption (thousand GJ)	30,985	Products shipped (thousand tons)	2,034
Purchased materials		**Atmospheric emissions**	
Raw materials (thousand tons)	2,131	GHG (thousand tons)	1,674
Purchased materials (thousand tons)	2.1	Fluorocarbons (tons)	4.8
Water resources		NOx (tons)	706.4
Water withdrawal (thousand m³)	77,720	SOx (tons)	26.5
Tap water (thousand m³)	58	Hazardous air pollutants (tons)	8.9
Ground water (thousand m³)	0	VOC (tons)	112.0
Industrial water (thousand m³)	21,966	Soot and dust (tons)	9.5
Seawater (thousand m³)	55,696	**Industrial waste**	
(Recycled water (million m³))	788,138	Waste sent off-site (thousand tons)	10.5
		Amount recycled externally (thousand tons)	4.3
		Off-site landfill (thousand tons)	0.1
		Wastewater	
		COD、BOD (tons)	265.9
		Total nitrogen (tons)	571.4
		Total phosphorous (tons)	5.9
		Wastewater discharge (thousand m³)	64,315
		Wastewater treatment (thousand m³)	10,153

Iwakuni-Ohtake Works

We commenced operations at our Iwakuni-Ohtake Works in April 1958, as Japan's first comprehensive petrochemical works. It manufactures PTA, the raw material in polyester fibers, and PET resin, which is used to make plastic bottles, and is one of the largest scale facilities of its kind in the country.

https://www.mitsuichem.com/jp/corporate/group/domestic_05.htm

INPUT		OUTPUT	
Energy		**Products, etc.**	
Energy consumption (thousand GJ)	7,809	Products shipped (thousand tons)	436
Purchased materials		**Atmospheric emissions**	
Raw materials (thousand tons)	370	GHG (thousand tons)	529
Purchased materials (thousand tons)	1.9	Fluorocarbons (tons)	0.5
Water resources		NOx (tons)	206.0
Water withdrawal (thousand m³)	59,329	SOx (tons)	82.5
Tap water (thousand m³)	117	Hazardous air pollutants (tons)	3.8
Ground water (thousand m³)	0	VOC (tons)	656.5
Industrial water (thousand m³)	29,876	Soot and dust (tons)	18.1
Seawater (thousand m³)	29,336	**Industrial waste**	
(Recycled water (million m³))	281,708	Waste sent off-site (thousand tons)	5.5
		Amount recycled externally (thousand tons)	5.4
		Off-site landfill (thousand tons)	0.0
		Wastewater	
		COD、BOD (tons)	206.8
		Total nitrogen (tons)	34.5
		Total phosphorous (tons)	10.4
		Wastewater discharge (thousand m³)	58,950
		Wastewater treatment (thousand m³)	15,852

Iwakuni-Ohtake Works

Omuta Works

We commenced operations at our Omuta Works in 1912 and continued to operate as a coal complex through to the early 1960s, using byproducts from Mitsui Mining's coke ovens. These days, the Works specializes in organic synthesis technology and serves as our main fine chemical facility, primarily manufacturing functional chemicals.

https://www.mitsuichem.com/jp/corporate/group/domestic_06.htm

INPUT		OUTPUT	
Energy		**Products, etc.**	
Energy consumption (thousand GJ)	7,028	Products shipped (thousand tons)	248
Purchased materials		**Atmospheric emissions**	
Raw materials (thousand tons)	261	GHG (thousand tons)	471
Purchased materials (thousand tons)	8.2	Fluorocarbons (tons)	0.7
Water resources		NOx (tons)	508.0
Water withdrawal (thousand m³)	7,166	SOx (tons)	5.0
Tap water (thousand m³)	518	Hazardous air pollutants (tons)	0.5
Ground water (thousand m³)	0	VOC (tons)	440.0
Industrial water (thousand m³)	6,648	Soot and dust (tons)	24.0
Seawater (thousand m³)	0	**Industrial waste**	
(Recycled water (million m³))	194,958	Waste sent off-site (thousand tons)	50.5
		Amount recycled externally (thousand tons)	30.4
		Off-site landfill (thousand tons)	0.2
		Wastewater	
		COD、BOD (tons)	339.0
		Total nitrogen (tons)	638.0
		Total phosphorous (tons)	6.5
		Wastewater discharge (thousand m³)	17,787
		Wastewater treatment (thousand m³)	19,723

Omuta Works

Sodegaura Center (R&D Center)

Including affiliates, our R&D center brings together around 1,000 researchers, all of whom continue to create new technologies and materials in an effort to make society a more comfortable place.

https://www.mitsuichem.com/jp/corporate/group/domestic_07.htm

INPUT		OUTPUT	
Energy		**Products, etc.**	
Energy consumption (thousand GJ)	228	Products shipped (thousand tons)	0
Purchased materials		**Atmospheric emissions**	
Raw materials (thousand tons)	0	GHG (thousand tons)	11
Purchased materials (thousand tons)	0	Fluorocarbons (tons)	0.0
Water resources		NOx (tons)	0.0
Water withdrawal (thousand m³)	81	SOx (tons)	0.0
Tap water (thousand m³)	59	Hazardous air pollutants (tons)	0.0
Ground water (thousand m³)	22	VOC (tons)	0.0
Industrial water (thousand m³)	0	Soot and dust (tons)	0.0
Seawater (thousand m³)	0	**Industrial waste**	
(Recycled water (million m³))	47	Waste sent off-site (thousand tons)	0.9
		Amount recycled externally (thousand tons)	0.4
		Off-site landfill (thousand tons)	0.0
		Wastewater	
		COD、BOD (tons)	0.3
		Total nitrogen (tons)	0.3
		Total phosphorous (tons)	0.0
		Wastewater discharge (thousand m³)	67
		Wastewater treatment (thousand m³)	67

Sodegaura Center (R&D Center)

ESG Performance Data

Society

Employees

	Scope	2016	2017	2018	2019
Number of employees	Global	13,423	17,277	17,743	17,979
	Mitsui Chemicals, Inc.*	6,516	6,541	6,670	6,773

Region

	Scope		2016	2017	2018	2019
Ratio of region / %	Global	Japan	67.0	57.5	57.0	57
		China	5.6	6.6	6.6	5
		Asia	8.8	9.7	9.8	11
		Europe	8.2	17.0	17.5	18
		North, Central, and South America	10.3	9.2	9.1	9
		Others	0.1	0.0	0.0	0

Gender

	Scope		2016	2017	2018	2019
Number of employees	Mitsui Chemicals, Inc.*	Male	5,709	5,720	5,827	5,892
		Female	807 (12.4%)	821 (12.6%)	843 (12.6%)	881 (13.0%)
		Total	6,516	6,541	6,670	6,773

Age

	Scope		2016	2017	2018	2019
Average age / age	Mitsui Chemicals, Inc.*	Male	—	42.3	41.9	41.8
		Female	—	44.6	44.5	44.0
		Total	—	42.5	42.2	42.1
Number of employees	Mitsui Chemicals, Inc.*	10s (Ages 18 or older)	86	116	136	114
		20s	940	1,015	1,112	1,201
		30s	1,082	1,128	1,204	1,243
		40s	2,451	2,254	2,079	1,928
		Over 50s	1,957	2,028	2,139	2,287
		Total	6,516	6,541	6,670	6,773

Nationality

	Scope	2016	2017	2018	2019
Number of non-Japanese employees	Mitsui Chemicals, Inc.*	55	57	54	54

Disabilities

	Scope	2016	2017	2018	2019
Ratio of employees with disabilities / %	Mitsui Chemicals, Inc.*	2.3	2.3	2.4	2.3

Management Positions

	Scope		2016	2017	2018	2019
Number of management staff	Mitsui Chemicals, Inc.*	Male	2,748	2,777	2,801	2,815
		Female	197 (6.7%)	223 (7.4%)	234 (7.7%)	247 (8.1%)
		Total	2,945	3,000	3,035	3,062

Number of management staff (manager-level or above)	Mitsui Chemicals, Inc.*	Male	1,558	1,561	1,543	1,530
		Female	35 (2.2%)	43 (2.7%)	46 (2.9%)	47 (3.0%)
		Total	1,593	1,604	1,589	1,577
Number of management staff (general manager-level or above)	Mitsui Chemicals, Inc.*	Male	401	400	402	423
		Female	4 (1.0%)	5 (1.2%)	6 (1.5%)	6 (1.4%)
		Total	405	405	408	429
Number of new management staff (manager-level or above)	Mitsui Chemicals, Inc.*	Male	92	100	84	91
		Female	7 (7.1%)	9 (8.3%)	5 (5.6%)	3 (3.2%)
		Total	99	109	89	94

Labor union members

	Scope	2016	2017	2018	2019
Ratio of labor union members / %	Mitsui Chemicals, Inc.*	47.1	53.7	54.0	54.5

Employee-friendly Working Environment

Service and Turnover

	Scope		2016	2017	2018	2019
Average length of service / years	Mitsui Chemicals, Inc.*	Male	19.7	19.2	18.8	18.9
		Female	21.1	21.1	21.1	20.4
		Total	19.9	19.5	19.1	19.1
Employee turnover rate / %	Mitsui Chemicals, Inc.*	Male	—	4.75	3.68	3.10
		Female	—	2.42	3.29	2.80
		Total	—	4.46	3.63	3.06
Total number of employee turnover	Mitsui Chemicals, Inc.*	Male	—	—	218	186
		Female	—	—	28	25
		Total	—	—	246	211

Voluntary turnover rate / %	Mitsui Chemicals, Inc.*	Male	0.91	0.91	0.86	1.07
		Female	1.46	0.85	1.76	1.23
		Total	0.98	0.90	0.97	1.09
Number of voluntary turnover	Mitsui Chemicals, Inc.*	Male	—	—	51	64
		Female	—	—	15	11
		Total	—	—	66	75
Ratio of re-employment for retired employees / %	Mitsui Chemicals, Inc.*		81.3	76.7	87.6	85.5

Overtime

	Scope		2016	2017	2018	2019
Number of employees whose overtime hours exceeded 80 hours / month	Mitsui Chemicals, Inc.*	Non-management staff	216	100	22	33
		Management staff	120	67	36	21
		Total	336 (5.2%)	167 (2.6%)	58 (0.9%)	54 (0.8%)
Average overtime hours / hours/month^{-1}	Mitsui Chemicals, Inc.*		21.4	21.4	21.1	20.9
Average overtime hours (statutory) /hours・month^{-1}	Mitsui Chemicals, Inc. *(excluding shift workers)		—	0.5	1.9	1.1

Paid Leave

	Scope		2016	2017	2018	2019
Paid leave usage rate / %	Mitsui Chemicals, Inc.*	Non-management staff	81	79	83	86
		Management staff	56	56	62	70
		Total	70	69	74	79
Average number of days used for paid leave	Mitsui Chemicals, Inc.*	Total	—	—	14.8	15.8

Childcare

	Scope		2016	2017	2018	2019
Number of employees taking childcare leave	Mitsui Chemicals, Inc.*	Male	62	71	89	85
		Female	16	17	13	15
		Total	78	88	102	100
Childcare leave usage rate / %	Mitsui Chemicals, Inc.*	Male	39	40	56	48
		Female	100	100	100	100
		Total	45	45	59	52
Average number of days used for childcare leave	Mitsui Chemicals, Inc.*	Male	—	—	8.0	13.2
Return rate of employees from childcare leave / %	Mitsui Chemicals, Inc.*	Male	—	97	99	100
		Female	—	100	100	100
		Total	—	98	99	100
Employee retention rate three years after childcare leave / %	Mitsui Chemicals, Inc.*	Male	—	91	94	83
		Female	—	96	93	93
		Total	—	92	94	86
Number of employees using short working hours for childcare	Mitsui Chemicals, Inc.*	Male	2	3	1	4
		Female	88	91	85	88
		Total	90	94	86	92

Family Care

	Scope	2016	2017	2018	2019
Number of employees taking paid family care leave	Mitsui Chemicals, Inc.*	0	0	0	1
Number of employees using short working hours for family care	Mitsui Chemicals, Inc.*	1	1	0	1

Recruitment

	Scope		2017	2018	2019
Total number of employees hired	Mitsui Chemicals, Inc.*	Male	298	333	250
		Female	35 (11%)	46 (12%)	61 (19.6%)
		Regular recruitment	202	267	245
		Mid-career recruitment	131	112	66
		Total	333	379	311

Number of Employees Hired through the Regular Recruitment

	Scope		2017	2018	2019
Career-track administrative positions	Mitsui Chemicals, Inc.*	Male	12	10	14
		Female	10 (46%)	9 (47%)	15 (52%)
		Total	22	19	29
Career-track technical positions	Mitsui Chemicals, Inc.*	Male	49	73	64
		Female	6 (11%)	14 (16%)	12 (16%)
		Total	55	87	76
General positions	Mitsui Chemicals, Inc.*	Male	121	153	124
		Female	4 (3.2%)	8 (5.0%)	16 (11.4%)
		Total	125	161	140

Number of Employees Hired through the Mid-career Recruitment

	Scope		2017	2018	2019
Career-track administrative positions	Mitsui Chemicals, Inc.*	Male	35	41	22
		Female	2 (5.4%)	8 (16%)	6 (21%)
		Total	37	49	28
Career-track technical positions	Mitsui Chemicals, Inc.*	Male	52	35	10
		Female	7 (12%)	3 (7.9%)	1 (9.1%)

		Total	59	38	11
General positions	Mitsui Chemicals, Inc.*	Male	29	21	16
		Female	6 (17%)	4 (16%)	11 (41%)
		Total	35	25	27

Human Resources Development

	Scope	2017	2018	2019
Training hours per person / hours	Mitsui Chemicals, Inc.*	15	34	27
Training cost per person / million yen		0.29	0.27	0.20

Evaluation

	Scope	2016	2017	2018	2019
Conducting rate of feedback meetings in the previous fiscal year / %	Mitsui Chemicals Labor Union registered members	96	98	98	94
Degree of satisfaction over evaluation feedback / %		89	90	86	91

Safety and Prevention

	Scope	2016	2017	2018	2019
Number of major accidents	Global	0	0	1	0
Number of abnormal conditions/accidents	Mitsui Chemicals, Inc.	4	4	7	15
	Domestic subsidiaries & affiliates	0	0	4	2
	Overseas subsidiaries & affiliates	0	2	0	1
	Global	4	6	11	17
	Mitsui Chemicals, Inc.	0.15	0.42	0.19	0.00

Significant occupational injury frequency	Domestic subsidiaries & affiliates	0.48	0.14	0.29	0.83
	Construction subcontractors	0.27	0.13	0.51	0.25
	Overseas subsidiaries & affiliates	0.21	0.00	0.51	0.62
	Global	0.23	0.24	0.33	0.31

Occupational Health

	Scope	2017	2018	2019
Average rate of lifestyle-related disease (male) / %	Mitsui Chemicals, Inc.*	9.6	9.7	10.2
Frequency of absences from work due to health disorders	Mitsui Chemicals, Inc.*	0.60	0.78	0.87
Frequency of absences from work due to mental health disorders	Mitsui Chemicals, Inc.*	0.34	0.45	0.56
Ratio of smokers / %	Mitsui Chemicals, Inc.*	25.7	24.2	23.7
Harmful substance risk assessment implementation rate / %	Mitsui Chemicals, Inc.	100	100	100

Product Stewardship

	Scope	2017	2018	2019
Product risk assessment implementation rate / %	Mitsui Chemicals, Inc.	36	100	100
Provision ratio of the latest safety information for all products / %	Mitsui Chemicals, Inc.	100	100	100
Number of legal and regulatory violations	Mitsui Chemicals, Inc.	0	0	0

Quality of Products and Services

	Scope	2017	2018	2019
Number of PL accidents	Global	0	0	0
Number of major quality-related legal and regulatory violations	Global	0	0	0

Logistics

	Scope	2017	2018	2019
Number of significant occupational injuries in logistics	Global	2	2	0
Number of major accidents in logistics	Global	0	0	0
Incidence of issues impacting customers / ppm	Global	42	70	60
Number of legal and regulatory violations	Global	0	0	0

Sustainable Procurement

	Scope	2017	2018	2019
Sustainable procurement ratio / %	Mitsui Chemicals, Inc.	39	44	44

Social Activities

	Scope	2016	2017	2018	2019
Social contribution expenditure / million yen	Global	142	152	214	246
Number of employees taking community service leave	Mitsui Chemicals, Inc.*	162	118	123	88

Visualization of Contributions to the Society

	Scope	2016	2017	2018	2019
Rose Value™ products sales ratio / %	Global	14	14	13	16

* Mitsui Chemicals, Inc. registered employees

Governance

Board of Directors

	Scope		2016	2017	2018	2019
Number of members of the Board	Mitsui Chemicals, Inc.	Male	7	7	7	6
		Female	1 (12.5%)	1 (12.5%)	1 (12.5%)	2 (25.0%)
		Independent outside directors	3	3	3	3
		Total	8	8	8	8

Compensation of Members of the Board and Corporate Auditors

	Scope		2016	2017	2018	2019
Total compensation / million yen	Mitsui Chemicals, Inc.	Members of the Board (excluding outside directors)	340	360	371	369
		TANNOWA Tsutomu	—	(112)	(117)	(111)
		Corporate auditors (excluding outside auditors)	63	64	64	64
		Outside directors and corporate auditors	67	72	75	78
		Total	470	496	509	511

Compliance

	Scope	2016	2017	2018	2019
Number of major legal and regulatory violations	Global	0	1	0	1
Number of Risk Hotline Operations	Global	12	13	17	26
Number of exclusion recommendations from relevant authorities, such as Fair Trade Commission	Domestic	0	0	0	0
Number of operations / business suspensions due to misconduct	Domestic	0	0	0	1
Number of criminal charges in compliance-related accidents	Domestic	0	0	0	0
Number of cases detected by price cartel	Overseas	0	0	0	0
Number of cases detected due to bribery	Overseas	0	0	0	0
Number of cases detected due to other incidents	Overseas	0	0	0	0

Others

	Scope	2016	2017	2018	2019
Political donations / million yen	Mitsui Chemicals, Inc.	3.36	3.45	3.32	3.26

Guideline Cross-reference Tables

GRI Standards Content Index

100 series (Universal) 200 series (Economic topics)
300 series (Environmental topics) 400 series (Social topics)

100 series (Universal)

GRI 102: General Disclosures 2016

1. Organizational profile

102-1	Name of the organization

Corresponding Sections

Corporate Overview

102-2	Activities, brands, products, and services

Corresponding Sections

Corporate Overview
Business & Products

102-3	Location of headquarters

Corresponding Sections

Corporate Overview

102-4	Location of operations

Corresponding Sections

Domestic Sites
Domestic Subsidiaries & Affiliates
Overseas Subsidiaries & Affiliates

102-5	Ownership and legal form

Corresponding Sections

Corporate Overview

102-6 Markets served

Corresponding Sections

Five business domains contributing to future society
Business & Products
Fact Book ＞ Segment data
Security Reports

102-7 Scale of the organization

Corresponding Sections

Corporate Overview
Fact Book ＞ Financial highlights
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Remarks

Domestic Sites
Domestic Subsidiaries & Affiliates
Overseas Subsidiaries & Affiliates

102-8 Information on employees and other workers

Corresponding Sections

ESG Performance Data ＞ Society

102-9 Supply chain

Corresponding Sections

Sustainable Procurement

102-10 Significant changes to the organization and its supply chain

Corresponding Sections

There were no applicable instances.

102-11 Precautionary Principle or approach

Corresponding Sections

Key Issues and Initiatives
Product Stewardship

102-12 External initiatives

Corresponding Sections

Support Initiatives

102-13 Membership of associations

Corresponding Sections

Support Initiatives

2. Strategy

102-14 Statement from senior decision-maker

Corresponding Sections

Message from the CEO

102-15 Key impacts, risks, and opportunities

Corresponding Sections

Key Issues and Initiatives
Climate Change and Problems with Plastic
Blue Value™ / Rose Value™
Risk and Compliance

3. Ethics and integrity

102-16 Values, principles, standards, and norms of behavior

Corresponding Sections

Mitsui Chemicals Group's Future Vision
Action Guidelines

102-17 Mechanisms for advice and concerns about ethics

Corresponding Sections

Risk Prevention Measures

4. Governance

102-18 Governance structure

Corresponding Sections

Corporate Governance
Sustainability Management

102-19 Delegating authority

Corresponding Sections

Corporate Governance
Sustainability Management

102-20 Executive-level responsibility for economic, environmental,and social topics

Corresponding Sections

Sustainability Management

102-21 Consulting stakeholders on economic, environmental,and social topics

Corresponding Sections	Remarks
–	Sustainability Management

102-22 Composition of the highest governance body and its committees

Corresponding Sections

Corporate Governance

102-23 Chair of the highest governance body

Corresponding Sections	Remarks
Corporate Governance Report	Corporate Governance Board of Directors

102-24 Nominating and selecting the highest governance body

Corresponding Sections

Corporate Governance Guidelines

102-25 Conflicts of interest

Corresponding Sections

Corporate Governance

102-26 Role of highest governance body in setting purpose, values,and strategy

Corresponding Sections

Sustainability Management

102-27 Collective knowledge of highest governance body

Corresponding Sections

Risk and Compliance Management > Compliance Training

102-28 Evaluating the highest governance body’s performance

Corresponding Sections	Remarks
–	Sustainability Management

102-29 Identifying and managing economic, environmental, and social impacts

Corresponding Sections

Sustainability Management

102-30 Effectiveness of risk management processes

Corresponding Sections

Sustainability Management

Risk and Compliance

102-31 Review of economic, environmental, and social topics

Corresponding Sections

Sustainability Management

102-32 Highest governance body’s role in sustainability reporting

Corresponding Sections

–

102-33 Communicating critical concerns

Corresponding Sections

Risk and Compliance Management

Sustainability Management

102-34 Nature and total number of critical concerns

Corresponding Sections

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102-35 Remuneration policies

Corresponding Sections

Corporate Governance

Security Reports

Corporate Governance Report

102-36 Process for determining remuneration

Corresponding Sections

Corporate Governance

Security Reports

Corporate Governance Report

102-37 Stakeholders' involvement in remuneration

Corresponding Sections

–

102-38 Annual total compensation ratio

Corresponding Sections

13.72 at Mitsui Chemicals, Inc.

102-39 Percentage increase in annual total compensation ratio

Corresponding Sections

0.93 at Mitsui Chemicals, Inc.

5. Stakeholder engagement

102-40 List of stakeholder groups

Corresponding Sections

Stakeholders

102-41 Collective bargaining agreements

Corresponding Sections	Remarks
–	ESG Performance Data > Society

102-42 Identifying and selecting stakeholders

Corresponding Sections

Stakeholders

102-43 Approach to stakeholder engagement

Corresponding Sections

Stakeholders

102-44 Key topics and concerns raised

Corresponding Sections	Remarks
–	Risk Prevention Measures Initiatives to Prevent Major Accidents

6. Reporting practice

102-45 Entities included in the consolidated financial statements

Corresponding Sections

Security Reports

102-46 Defining report content and topic Boundaries

Corresponding Sections

Editorial Policy

102-47 List of material topics

Corresponding Sections

The 2025 Long-term Business Plan Environmental and Social Targets

Key Issues and Initiatives

102-48 Restatements of information

Corresponding Sections

There were no applicable instances.

102-49 Changes in reporting

Corresponding Sections

There were no applicable instances.

102-50 Reporting period

Corresponding Sections

Editorial Policy

102-51 Date of most recent report

Corresponding Sections

Editorial Policy

102-52 Reporting cycle

Corresponding Sections

Editorial Policy

102-53 Contact point for questions regarding the report

Corresponding Sections

Contact Us

102-54 Claims of reporting in accordance with the GRI Standards

Corresponding Sections

–

102-55 GRI content index

Corresponding Sections

GRI Standards Content Index

102-56 External assurance

Corresponding Sections

Editorial Policy

GRI 103: Management Approach 2016

103-1 Explanation of the material topic and its Boundary

Corresponding Sections

The 2025 Long-term Business Plan Environmental and Social Targets

Key Issues and Initiatives

103-2 The management approach and its components

Corresponding Sections

Please refer to "Management System" in each reporting page.

Sustainability in the Mitsui Chemicals Group

Risk and Compliance

Responsible Care

Engagement with Society

103-3 Evaluation of the management approach

Corresponding Sections

Sustainability Management

The 2025 Long-term Business Plan Environmental and Social Targets

200 series (Economic topics)

GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed

Corresponding Sections

Security Reports

201-2 Financial implications and other risks and opportunities due to climate change

Corresponding Sections

Implementing the recommendations of the TCFD

Climate Change-Related Information (CDP)

201-3 Defined benefit plan obligations and other retirement plans

Corresponding Sections

Security Reports

201-4 Financial assistance received from government

Corresponding Sections

Security Reports

GRI 202: Market Presence 2016

202-1 Ratios of standard entry level wage by gender compared to local minimum wage

Corresponding Sections	Remarks
–	Evaluation/Compensation

202-2 Proportion of senior management hired from the local community

Corresponding Sections	Remarks

–

Human Resources Development

GRI 203: Indirect Economic Impacts 2016

203-1 Infrastructure investments and services supported

Corresponding Sections

Disaster Relief

203-2 Significant indirect economic impacts

Corresponding Sections

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GRI 204: Procurement Practices 2016

204-1 Proportion of spending on local suppliers

Corresponding Sections

–

GRI 205: Anti-corruption 2016

205-1 Operations assessed for risks related to corruption

Corresponding Sections

–

Remarks

Bribery Prevention

From a corruption prevention perspective, the primary screening of 19 countries was undertaken based on the information of Transparency International. It was determined that risks may exist for eight of the 19 countries. Plans are in place to collect information in the future.

205-2 Communication and training about anti-corruption policies and procedures

Corresponding Sections

–

Remarks

Compliance Training

Bribery Prevention

- Regarding M&A and selecting new business partners, the Company not only complies with business-related laws but also hires consultants and legal

advisors to conduct investigations based on its status as a signatory to the UN Global Compact. We also examine M&A based on legal due diligence in accordance with each country's legal regulations.

- In light of the high risk of fraud (including various permits and licenses) related to operating manufacturing facilities in emerging countries, Mitsui Chemicals' Internal Control Division in particular conducts audits covering all aspects of business operations.

205-3 Confirmed incidents of corruption and actions taken

Corresponding Sections

There were no applicable instances.

ESG Performance Data ＞ Governance

GRI 206: Anti-competitive Behavior 2016

206-1 Legal actions for anti-competitive behavior, anti-trust,and monopoly practices

Corresponding Sections

There were no instances where the Group was involved in legal action.

ESG Performance Data ＞ Governance

300 series (Environmental topics)

GRI 301: Materials 2016

301-1 Materials used by weight or volume

Corresponding Sections

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301-2 Recycled input materials used

Corresponding Sections

—

301-3 Reclaimed products and their packaging materials

Corresponding Sections

—

GRI 302: Energy 2016

302-1 Energy consumption within the organization

Corresponding Sections

GHG and Energy

ESG Performance Data ＞ Environment

Climate Change-Related Information (CDP)

302-2 Energy consumption outside of the organization

Corresponding Sections

GHG and Energy

Climate Change-Related Information (CDP)

302-3 Energy intensity

Corresponding Sections

GHG and Energy

ESG Performance Data ＞ Environment

302-4 Reduction of energy consumption

Corresponding Sections

GHG and Energy

ESG Performance Data ＞ Environment

Climate Change-Related Information (CDP)

302-5 Reductions in energy requirements of products and services

Corresponding Sections

Blue Value™ / Rose Value™

GHG and Energy

Climate Change-Related Information (CDP)

GRI 303: Water and Effluents 2018

303-1 Interactions with water as a shared resource

Corresponding Sections

Water

Water-related Information (CDP)

303-2 Management of water discharge-related impacts

Corresponding Sections

Water

Water-related Information (CDP)

303-3 Water withdrawal

Corresponding Sections

Water

ESG Performance Data＞Environment

Water-related Information (CDP)

303-4 Water discharge

Corresponding Sections

Water

ESG Performance Data ＞ Environment

Water-related Information (CDP)

303-5 Water consumption

Corresponding Sections

Water

ESG Performance Data ＞ Environment

Water-related Information (CDP)

GRI 304: Biodiversity 2016

304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Corresponding Sections

Biodiversity

304-2 Significant impacts of activities, products, and services on biodiversity

Corresponding Sections

Biodiversity

304-3 Habitats protected or restored

Corresponding Sections

Biodiversity

304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

Corresponding Sections

Biodiversity

GRI 305: Emissions 2016

305-1 Direct (Scope1) GHG emissions

Corresponding Sections

GHG and Energy
ESG Performance Data ＞ Environment
Climate Change-Related Information (CDP)

305-2 Energy indirect (Scope 2) GHG emissions

Corresponding Sections

GHG and Energy
ESG Performance Data ＞ Environment
Climate Change-Related Information (CDP)

305-3 Other indirect (Scope3) GHG emissions

Corresponding Sections

GHG and Energy
Climate Change-Related Information (CDP)

305-4 GHG emissions intensity

Corresponding Sections

GHG and Energy
ESG Performance Data ＞ Environment
Climate Change-Related Information (CDP)

305-5 Reduction of GHG emissions

Corresponding Sections

GHG and Energy

ESG Performance Data ＞ Environment

Climate Change-Related Information (CDP)

305-6 Emissions of ozone-depleting substances (ODS)

Corresponding Sections

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ESG Performance Data ＞ Environment

305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

Corresponding Sections

Environmentally Hazardous Substances

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ESG Performance Data ＞ Environment

GRI 306: Effluents and Waste 2016

306-1 Water discharge by quality and destination

Corresponding Sections

Water

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ESG Performance Data ＞ Environment

306-2 Waste by type and disposal method

Corresponding Sections

Industrial Waste

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ESG Performance Data ＞ Environment

Of the 117,600 tons of waste generated by Mitsui Chemicals, Inc. hazardous waste makes up 725.1 tons.

306-3 Significant spills

Corresponding Sections

No incidence of significant spill.

306-4 Transport of hazardous waste

Corresponding Sections

Difficulties in obtaining information: This information is not currently being collected.

306-5 Water bodies affected by water discharges and/or runoff

Corresponding Sections

Water

GRI 307: Environmental Compliance 2016

307-1 Non-compliance with environmental laws and regulations

Corresponding Sections

ESG Performance Data ＞ Environment

Environmental Accounting/Compliance

GRI 308: Supplier Environmental Assessment 2016

308-1 New suppliers that were screened using environmental criteria

Corresponding Sections	Remarks
–	Supplier Evaluation and Guidance for Improvement

308-2 Negative environmental impacts in the supply chain and actions taken

Corresponding Sections

Supplier Evaluation and Guidance for Improvement

400 series (Social topics)

GRI 401: Employment 2016

401-1 New employee hires and employee turnover

Corresponding Sections

Human Resources Management ＞ Management System

ESG Performance Data ＞ Society

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Corresponding Sections

Employee-friendly Working Environment

401-3 Parental leave

Corresponding Sections

ESG Performance Data ＞ Society

Employee-friendly Working Environment

GRI 402: Labor/Management Relations 2016

402-1 Minimum notice periods regarding operational changes

Corresponding Sections

Labor-management Relations Based on Frank Dialog and Mutual Understanding

GRI 403: Occupational Health and Safety 2018

403-1 Occupational health and safety management system

Corresponding Sections

Responsible Care Management ＞ Management System

Safety and Prevention ＞ Management System

Occupational Health ＞ Management System

403-2 Hazard identification, risk assessment, and incident investigation

Corresponding Sections

Safety and Prevention ＞ Initiatives to Prevent Major Accidents

Product Stewardship ＞ Providing Safe Products

Occupational Health ＞ Preventing Exposure to Harmful Substances

403-3 Occupational health services

Corresponding Sections

Safety and Prevention ＞ Initiatives to Prevent Major Accidents

Product Stewardship ＞ Providing Safe Products

Occupational Health ＞ Preventing Exposure to Harmful Substances

403-4 Worker participation, consultation, and communication on occupational health and safety

Corresponding Sections

Safety and Prevention > Management System

Occupational Health > Management System

403-5 Worker training on occupational health and safety

Corresponding Sections

Safety and Prevention > Training

Safety and Prevention > Drills

Product Stewardship > Training

Occupational Health > Health and Productivity Management

403-6 Promotion of worker health

Corresponding Sections

Occupational Health > Health and Productivity Management

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Corresponding Sections

Safety and Prevention > Initiatives to Prevent Major Accidents

Product Stewardship > Providing Safe Products

Occupational Health > Preventing Exposure to Harmful Substances

403-8 Workers covered by an occupational health and safety management system

Corresponding Sections

Safety and Prevention > Management System

Occupational Health > Management System

403-9 Work-related injuries

Corresponding Sections

Safety and Prevention > Accidents and Occupational Injuries

Remarks

- There have been no employee fatalities over the past three years.
- There was one incident involving a contractor fatality during the past three years.

403-10 Work-related ill health

Corresponding Sections

—

GRI 404: Training and Education 2016

404-1 Average hours of training per year per employee

Corresponding Sections

ESG Performance Data ＞ Society
Training
Human Resources Development

404-2 Programs for upgrading employee skills and transition assistance programs

Corresponding Sections

Human Resources Development

404-3 Percentage of employees receiving regular performance and career development reviews

Corresponding Sections

Evaluation / Compensation
ESG Performance Data ＞ Society

GRI 405: Diversity and Equal Opportunity 2016

405-1 Diversity of governance bodies and employees

Corresponding Sections

Corporate Governance
Diversity
ESG Performance Data ＞ Society
ESG Performance Data ＞ Governance

405-2 Ratio of basic salary and remuneration of women to men

Corresponding Sections

–

GRI 406: Non-discrimination 2016

406-1 Incidents of discrimination and corrective actions taken

Corresponding Sections

There were no applicable instances.

GRI 407: Freedom of Association and Collective Bargaining 2016

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Corresponding Sections	Remarks
—	We request our suppliers to comply with the contents of the Mitsui Chemicals Group Sustainable Procurement Guidelines. Supplier Evaluation and Guidance for Improvement

GRI 408: Child Labor 2016

408-1 Operations and suppliers at significant risk for incidents of child labor

Corresponding Sections	Remarks
—	We request our suppliers to comply with the contents of the Mitsui Chemicals Group Sustainable Procurement Guidelines. Supplier Evaluation and Guidance for Improvement

GRI 409: Forced or Compulsory Labor 2016

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

Corresponding Sections	Remarks
—	We request our suppliers to comply with the contents of the Mitsui Chemicals Group Sustainable Procurement Guidelines. Supplier Evaluation and Guidance for Improvement

GRI 410: Security Practices 2016

410-1 Security personnel trained in human rights policies or procedures

Corresponding Sections	Remarks

–	Respect for Human Rights

GRI 411: Rights of Indigenous Peoples 2016

411-1 Incidents of violations involving rights of indigenous peoples

Corresponding Sections

–

GRI 412: Human Rights Assessment 2016

412-1 Operations that have been subject to human rights reviews or impact assessments

Corresponding Sections	Remarks
–	Respect for Human Rights 19 countries included in the scope of first human rights risk screening.

412-2 Employee training on human rights policies or procedures

Corresponding Sections	Remarks
–	Consideration for Human Rights within Mitsui Chemicals Diversity

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

Corresponding Sections	Remarks
–	Consideration for Human Rights in Investment Activities

GRI 413: Local Communities 2016

413-1 Operations with local community engagement, impact assessments, and development programs

Corresponding Sections	Remarks
–	Social Activities

413-2 Operations with significant actual and potential negative impacts on local communities

Corresponding Sections	Remarks
–	Initiatives to Prevent Major Accidents

GRI 414: Supplier Social Assessment 2016

414-1 New suppliers that were screened using social criteria

Corresponding Sections	Remarks
–	Supplier Evaluation and Guidance for Improvement

414-2 Negative social impacts in the supply chain and actions taken

Corresponding Sections

Supplier Evaluation and Guidance for Improvement

GRI 415: Public Policy 2016

415-1 Political contributions

Corresponding Sections

ESG Performance Data ＞ Governance

GRI 416: Customer Health and Safety 2016

416-1 Assessment of the health and safety impacts of product and service categories

Corresponding Sections	Remarks
–	Product Stewardship Quality of Products and Services

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

Corresponding Sections	Remarks
–	Product Stewardship Quality of Products and Services ESG Performance Data ＞ Society There were no instances of fines or penalties relating to any regulatory violation by Mitsui Chemicals, Inc.

GRI 417: Marketing and Labeling 2016

417-1 Requirements for product and service information and labeling

Corresponding Sections

Blue Value™ / Rose Value™

Product Stewardship

Quality of Products and Services

Logistics

417-2 Incidents of non-compliance concerning product and service information and labeling

Corresponding Sections

Product Stewardship

Quality of Products and Services

ESG Performance Data ＞ Society

There were no instances of fines or penalties relating to any regulatory violation by Mitsui Chemicals, Inc.

417-3 Incidents of non-compliance concerning

Corresponding Sections

There were no applicable instances.

GRI 418: Customer Privacy 2016

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Corresponding Sections

There were no applicable instances.

GRI 419: Socioeconomic Compliance 2016

419-1 Non-compliance with laws and regulations in the social and economic area

Corresponding Sections

Our domestic subsidiaries, Shimonoseki Mitsui Chemicals, Inc. received a notice from Yamaguchi Prefecture on August 5, 2019 that it would be subject to legal procedures in accordance with the High Pressure Gas Safety Act. This relates to multiple problematic leaks found at the company's high-pressure gas production facilities.

External Assessments

ESG Indices

The Mitsui Chemicals Group is listed as a constitute company in the following ESG indices based on evaluations of its initiatives aimed at the sustainable development of society and the Mitsui Chemicals Group. (As of September 2020)

DJSI Asia/Pacific

DJSI（Dow Jones Sustainability Index）, the index developed by S&P Dow Jones Indices, United States, evaluates the corporate sustainability of the company from the economic, environmental, and social factors, and selects the leading sustainability-driven companies. DJSI Asia Pacific covers approximately 600 major companies in the Asia-Pacific region, and 148 companies have been selected in 2019.

FTSE4Good Index Series

FTSE4Good Global Index was developed by FTSE Russell of the London Stock Exchange Group. This index is designed to provide market participants with a tool to identify and measure the performance of companies that demonstrate strong environmental, social and governance (ESG) practices.

FTSE Blossom Japan Index

The FTSE Blossom Japan Index is designed to provide market participants with a tool to identify and measure the performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices. Using the globally established FTSE4Good Index Inclusion Rules, the FTSE Blossom Japan Index has adopted concerns regarding ESG as its core assessment criteria. The index has been constructed to be industry neutral. The FTSE Blossom Japan Index has been selected as an ESG index of the Government Pension Investment Fund (GPIF).

MSCI ESG Leaders Index

The MSCI ESG Leaders Index was established on the basis of MSCI ESG Research. This Index is a comprehensive measure that comprehensively reflects ESG risks in the market portfolio. The Index is also made up of companies with a relatively high ESG performance from a variety of industries.

MSCI Japan ESG Select Leaders Index

The MSCI Japan ESG Select Leaders Index was established on the basis of MSCI ESG Research. This Index is a comprehensive measure that comprehensively reflects ESG risks in the market portfolio. The Index is also made up of companies with a relatively high ESG performance from a variety of industries. The MSCI Japan ESG Select Leaders Index has been selected as an ESG index of the Government Pension Investment Fund (GPIF).



MSCI Japan Empowering Women Index (WIN)

The MSCI Japan Empowering Women Index (WIN) is made up of companies that actively promote the empowerment of women. These companies are selected from a variety of industries and exhibit high scores for gender diversity based on data regarding the employment of women disclosed in accordance with Japan's Act on Promotion of Women's Participation and Advancement in the Workplace. The MSCI Japan Empowering Women Index (WIN) has been selected as an ESG index of the Government Pension Investment Fund (GPIF).



SNAM Sustainability Index

Launched in 2012, the SOMPO Sustainability Index is an investment index managed by Sompo Asset Management Co.,Ltd.. Sustainable investments are socially responsible investment (SRI) funds for pension trusts and institutional investors that invest broadly in firms that have strong positive evaluation ratings in each of the environment, society, and governance fields. Considerable weight is placed on ESG evaluation ratings undertaken by research companies when selecting stocks for inclusion in the index which forms the basis for determining long-term investments.



Other Key External Assessments

Mitsui Chemicals Lands in Sustainability Ranking Selected as "Industry Mover" for RobecoSAM Sustainability Award 2020

Mitsui Chemicals, Inc. has been selected out of 108 global chemical companies as an "Industry Mover" in the RobecoSAM Sustainability Award 2020, a global sustainability ranking run by S&P Global Inc. and RobecoSAM. Each year, S&P Global and RobecoSAM rank companies from around the world on their sustainability from



economic, environmental and social perspectives, publishing the results of this in The Sustainability Yearbook . The Industry Mover title is given to only one company in each industry, serving to highlight those companies who both score in the top 15 percent and achieve the largest year-on-year improvement of any company in their industry. This year saw more than 4,700 companies evaluated, with Mitsui Chemicals included among 55 companies from across 61 industries to be recognized as an Industry Mover.

Mitsui Chemicals Lands in Sustainability Ranking of S&P Global and RobecoSAM Selected as “Industry Mover” for RobecoSAM Sustainability Award 2020

The Mitsui Chemicals Group Receives the Gold Rank in EcoVadis Sustainability Assessment

The Mitsui Chemicals Group has been awarded a Gold rating in sustainability for the third consecutive year by EcoVadis . The Gold rating is given to companies that have scored in the top 5 percent of all evaluated companies. These evaluations are made in a comprehensive manner based on the four themes of Environment, Labor & Human Rights, Ethics and Sustainable Procurement. The Group scored particularly well in the categories of Environment and Labor & Human Rights. (Certification period to March 2021.)
EcoVadis uses proprietary criteria based on international sustainability standards to provide a highly trusted collaborative platform for evaluating organizations and companies on sustainability. With EcoVadis carrying out more than 65,000 companies evaluations across 160 countries and 200 industries to date, roughly 300 global companies make use of this platform for supply chain management purposes.

EcoVadis Awards Mitsui Chemicals Gold Rating in Sustainability for Third Consecutive Year

Mitsui Chemicals Selected as Semi-Nadeshiko Brand for Fiscal 2019

Mitsui Chemicals, Inc. was selected by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) as a fiscal 2019 Semi Nadeshiko Brand, an enterprise that excels at encouraging women’s success in the workplace. METI and the TSE have been jointly undertaking the Nadeshiko Brand initiative since fiscal 2012, selecting TSE-listed companies that excel at encouraging women’s success in the workplace. For 2019, the roughly 3,600 companies listed on the TSE were assessed for their pro-diversity management to raise enterprise value and their publicity of these projects. Forty-six companies in each industry were selected as Nadeshiko Brands, and twenty companies were selected as Semi Nadeshiko Brands.

Diversity

THE INCLUSION OF MITSUI CHEMICALS, INC. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF MITSUI CHEMICALS, INC. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Editorial Policy



Through its online Sustainability site, Mitsui Chemicals' goal is to provide stakeholders with a deeper understanding of the Group's efforts to realize sustainable growth in concert with society. The site shines a light on the Group's three-axis management (economy, environment and society), with a focus on environmental and social initiatives. Taking advantage of the unique features of website, we have made every effort to post comprehensive details encompassing a wide range of areas including the Group's policies, structure and systems, activities, and numerical data. In addition, plans are in place to issue the Mitsui Chemicals Group ESG Report by October in every year. This report is archived details on each fiscal year posted on the Company's Sustainability site in PDF format.

* To understand more about our activities related to creating new value over the medium to long term, which is the Group's aim, please also refer to the annual reports (Mitsui Chemicals Reports) that we have published with the aim of reporting comprehensively on the strategies of three-axis management and its achievements.

About the Mitsui Chemicals Group ESG Report 2020

Scope of Data

Taking the Mitsui Chemicals Group as its basis, any references in this report that fall outside that basis are stated in the text. The scope of environmental data is as follows.

Environmental Data Collection Sites (Random order)

Mitsui Chemicals, Inc.

- Mitsui Chemicals, Inc. (Ichihara Works, Ichihara Works Mobara Branch Factory, Nagoya Works, Osaka Works, Iwakuni-Ohtake Works, Omuta Works, Sodegaura Center)

Domestic subsidiaries & affiliates

- MITSUI CHEMICALS TOHCELLO, INC. (Ibaraki Works, Koga Manufacturing Dept., Ibaraki Works, Hamamatsu Works, Katsuta Works, Anjo Works, Nagoya Works[*1])
- SAXIN CORPORATION

- MITSUI CHEMICALS INDUSTRIAL PRODUCTS,LTD. (Saitama Factory, Ohtake Factory*1)
- MITSUI CHEMICALS SUN ALLOYS CO., LTD.
- Japan Composite Co.,Ltd. (Shimizu Factory)
- Mitsui Chemicals MC Ltd. (Head Office, Shimizu Factory, Kaibara Factory, Kanto Factory*3)
- SUNREX INDUSTRY CO.,LTD.
- TOYO BEAUTY SUPPLY CORPORATION
- SUN MEDICAL CO.,LTD.
- Yamamoto Chemicals, Inc. (Yao Plant, Omuta Plant*2)
- Mitsui Chemicals Agro, Inc. *3 (Agrochemicals Research Center/Production Technology Department (Yasu), Agrochemicals Research Center (Mobara), Production Technology Department (Omuta)*1)
- UTSUNOMIYA CHEMICAL INDUSTRY CO.,LTD. (Funaoka Factory, Shinshiro Factory, Utsunomiya Factory, Tosu Factory)
- Hokkaido Mitsui Chemicals, Inc.
- Shimonoseki Mitsui Chemicals, Inc.
- Mitsui Chemicals & SKC Polyurethanes Inc. (Nagoya Factory*1, Tokuyama Factory)
- MT AquaPolymer, INC. (Mobara Factory*1)
- Osaka Petrochemical Industries, Ltd. (Senboku Works*1)
- NIPPON ALUMINUM ALKYLS,LTD. (Osaka plant* *1)
- Chiba Chemicals Manufacturing LLP (Ichihara Factory *1*3)
- NIPPON EPOXY RESIN MANUFACTURING COMPANY LTD. (Ichihara Plant*1)
- Evolue Japan Co.,Ltd. (Ichihara Works*1)
- Prime Polymer Co.,Ltd. (Ichihara Works *1, Osaka Works *1, Automotive Materials laboratory *1, Packaging & Industrial materials laboratory*1*3)
- Chemours-Mitsui Fluoroproducts Co.,Ltd. (Chiba Plant*1*4)
- TAISHO MCT LTD.*1
- Mitsui Fine Chemicals, Inc (Omuta Center *1)
- Sanseikaihatsu CO.,LTD. *1
- Dow-Mitsui Polychemicals Company, Ltd. (Chiba Plant *1*4, Ohtake Plant *1*4)
- Mitsui Chemical Analysis & Consulting Service Inc. (Analysis & Support Department *1(Ichihara, Nagoya, Osaka, Iwakuni, Omuta), Laboratory*1)
- Mitsui Chemicals Operation Services Co., Ltd. (Ichihara Office*1, Nagoya Office *1, Nagoya Office *1, Osaka Office *1, Iwakuni-Ohtake Office*1, Omuta office *1)
- MC Business Support, Ltd. (Chiba Branch *1, Osaka Branch *1, Iwakuni Branch *1, Omuta Branch *1)

Overseas subsidiaries & affiliates

- PT. MCNS Polyurethanes Indonesia
- P.T. PETnesia Resindo
- Mitsui Elastomers Singapore Pte. Ltd.
- Mitsui Phenols Singapore Pte. Ltd.
- Cosmo Scientex（M）Sdn. Bhd.
- MCNS Polyurethanes Malaysia Sdn Bhd
- Thai Mitsui Specialty Chemicals Co., Ltd.
- Mitsui Hygiene Materials（Thailand) Co., Ltd.
- Grand Siam Composites Co., Ltd.
- Mitsui Prime Advanced Composites India, Pvt.Ltd.
- Zhang Jia Gang Free Trade Zone Mitsui Link-upon Advanced Materials, Inc.
- Tianjin Cosmo Polyurethane Co.,Ltd. (Tianjin Plant, Suzhou Plant)
- Mitsui advanced Composites (Zhongshan) Co., Ltd.
- Foshan Mitsui Chemicals & SKC Polyurethanes CO., LTD.
- Anderson Development Company
- Advanced Composites, Inc. (Ohio Plant, Tennessee Plant)

- Advanced Composites Mexicana, S.A. de C.V.
- Mitsui Chemicals Nonwovens (Tianjin) Co.,Ltd.
- Mitsui Chemicals Functional Composites（Shanghai) Co., Ltd.

*1 Included in the data of Mitsui Chemicals, Inc. as it is located within the premises of Mitsui Chemicals, Inc.

*2 Only GHG and energy data are included in the data of Mitsui Chemicals, Inc.

*3 Not included in the environmental data other than GHG and energy.

*4 Not included in the GHG and energy data.

* The domestic non-production sites, which are not listed here, are also included in the scope of the GHG and energy data.

Reporting Period

Fiscal 2019(April 1, 2019 to March 31, 2020).
However, certain data that falls outside this coverage period has been included.

Reporting Cycle, Date of most Recent Report

Annually, October 2019

Referenced Guidelines

Global Reporting Initiative (GRI) Sustainability Reporting Standards

GRI Standards Content Index

Task Force on Climate-Related Financial Disclosures (TCFD)

Implementing the recommendations of the TCFD

External Assurance

Every year, we obtain the external assurance on each ESG data.

Climate Change-related Verification Statement

ESG Information-related Verification Statement

Verification Statement

13 December 2019
Statement No : SGS19/033

Mr. Tsutomu Tannowa
President & CEO
Mitsui Chemicals, Inc.

Objective

SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by Mitsui Chemicals Inc. (hereinafter referred to as "the Organization") to conduct independent verification based on Criteria of Verification (ISO14064-3: 2006 and the SGS verification protocol) regarding the data prepared by the Organization on the scope of verification (hereinafter referred to as "the GHG assertion"). The objective of this verification is to confirm that the GHG assertion in the Organization's applicable scope has been correctly calculated and reported in the GHG assertion in conformance with the criteria, and to express our views as a third party.

Scope

The scopes of verification are limited to 6 domestic works of the Organization (Scope 1, 2) defined by the organization and to the capital goods purchased or acquired by the Organization (Scope 3), and the period subject to report are, from 1 April 2018 to 31 March 2019 (Scope 1, 2) and from 1 April 2017 to 31 March 2018 (Scope 3), respectively.

GHG emissions included in the GHG assertion are Scope 1 and 2: energy-related CO_2 emissions and energy consumption, excluded the vehicles which run outside of the sites, and Scope 3: Category 2 (Capital goods).

Procedure of Verification

The GHG assertion was verified in accordance with Criteria of Verification, and the following processes were implemented at a limited level of assurance:

- Verification of the calculation system: Interviews on the measurement, tabulation, calculation and reporting methods employed by the Organization as well as review of related documents and records
- Verification of the GHG assertion: On-site verification and review of vouchers conducted at Mobara Branch Factory and Omuta Works, and analytical procedures and interviews for other sites in the scope of verification carried out at the Head Office

The criteria for this review are based on the following documents.

- Act on the Rational Use of Energy
- Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver. 2.3 and Emission Factor Database on the same Accounting Ver. 2.5
- Protocol specified by the Organization

Conclusion

Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's GHG assertion (Scope1: 3,370 kt-CO_2, Scope2: 711 kt-CO_2, Scope3 (Category 2): 64 kt-CO_2) was not calculated and reported in conformance with the criteria.

SGS Japan Inc. affirms our independence from the organization, being free from bias and conflicts of interest with the Organization.

For and on behalf of SGS Japan Inc
Senior Executive & Business Manager
Certification and Business Enhancement

Yuji Takeuchi

This document is issued by the Company under its General Conditions of Service accessible at www.sgs.com/terms_and_conditions.htm. Attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein. Any holder of this document is advised that information contained hereon reflects the Company's findings at the time of its intervention only and within the limits of Client's instruction, if any. The Company's sole responsibility is to Client and this document does not exonerate parties to transaction from exercising all their rights and obligations under the transaction documents. Any unauthorized alteration, forgery or falsification of the content or appearance of this document is unlawful and offenders may be prosecuted to the fullest extent of the law.

ASSURANCE STATEMENT

SGS Japan's Report on Sustainability Activities in the Mitsui Chemicals Group ESG Report 2019 and available on the website.

NATURE AND SCOPE OF THE ASSURANCE

SGS Japan Inc. was commissioned by Mitsui Chemicals Group (hereinafter referred to as "the Organization") to conduct an independent assurance of its ESG Report 2019 and available on the website (hereinafter referred to as "the Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, is limited to stakeholder management process, data on volume of water withdrawal (tap water, groundwater, industrial water, and seawater), COD/BOD emissions , landfill waste , volatile organic compound (VOC) emissions , NOx emissions, SOx emissions, ratio of women in management positions (manager-level or above), ratio of female employees hired through the regular recruitment, ratio of employees with disabilities, significant occupational injury frequency and the management systems supporting the reporting process. Refer to the attached sheet for the detailed scope of assurance.

The information contained in the Report and its presentation are the responsibility of the directors or governing body and the management of the Organization. SGS Japan Inc. has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all the Organization's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The Report has been assured at a moderate level of scrutiny using our protocols for:

- Evaluation of content veracity;
- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);

The assurance comprised a combination of pre-assurance research, interviews with the management and the person in charge of producing the Report, onsite visits (the Omuta Works and the Osaka Works), verification and confirmation of vouchers, review of related materials and records, and analytical procedures.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; and environmental, social and sustainability report assurance. SGS Japan Inc. affirms our independence from the Organization, being free from bias and conflicts of interest with the Organization, its subsidiaries and stakeholders.

The assurance team was assembled based on the knowledge, experience and qualifications of the each of the team members for this assignment, and comprised auditors registered with lead auditors of ISO9001, ISO14001, ISO45001, SA8000 and lead verifiers of greenhouse gas emissions.

ASSURANCE OPINION

Within the scope of the assurance activities employing the methodologies described above, nothing has come to our attention that caused us to believe that the information and data contained within the Report does not provide a fair and balanced description of the Organization's sustainability activities from 1st April, 2018 to 31st March, 2019.

The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders. We believe that the Organization has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

The Organization has set five social contribution areas as its Corporate Mission to contribute broadly to society. In order to realize this mission, the Organization identifies key issues (Materiality) related to business activities that consider the various stakeholders. Furthermore, the Organization has established a multi-stakeholder participation process that is built into the business. This process is continuous and effective. Consequently, SGS Japan Inc. confirmed through the verification that the Organization supports the principle of Inclusivity.

Materiality

Key issues (Materiality) have been identified in consideration of the requirements of international guidelines and stakeholder engagement. The identified issues are deliberated on by external experts and the Corporate Sustainability Committee to confirm the validity. The Corporate Sustainability Committee also regularly reviews the process for identifying key issues. The identified issues are reflected in the environmental and social targets of the long-term business plan. Consequently, SGS Japan Inc. confirmed through the verification that the Organization has identified key issues (Materiality).

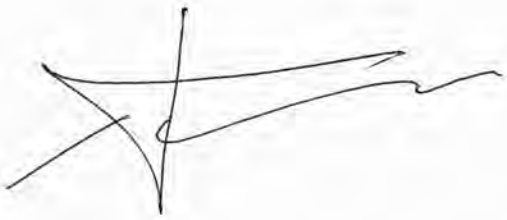
Responsiveness

Initiatives that address key issues (Materiality) are reported to stakeholders by disclosure in the report. The report also shows the relationship between these issues and the SDGs.
The targets and the results for identified issues are also disclosed in the report.
Consequently, SGS Japan Inc. confirmed through the verification that the Organization addresses these issues.

For and on behalf of SGS Japan Inc.
Senior Executive & Director
Certification and Business Enhancement
Yuji Takeuchi

AA1000
Licensed Assurance Provider
000-8

19 March, 2020



attached sheet

The details of the scope of verification

The scope		The boundary	The assertion
1	Water withdrawal (tap water, groundwater, industrial water, and seawater)	Mitsui Chemicals, Inc., domestic and overseas affiliates	Tap water: 1.6Mm3 Groundwater: 1.8Mm3 Industrial water: 103.4Mm3 Seawater: 431.8Mm3 Total water withdrawal: 538.6Mm3
2	COD, BOD emissions	Mitsui Chemicals, Inc., domestic and overseas affiliates	3,561 t
3	Landfill waste	Mitsui Chemicals, Inc., domestic and overseas affiliates	0.7 kt
4	Volatile organic compound (VOC) emissions, NOx emissions, SOx emissions	Mitsui Chemicals, Inc., domestic and overseas affiliates	Volatile organic compound (VOC) emissions: 2,035 t NOx emissions: 2,558 t SOx emissions: 387 t
5	Ratio of women in management positions (manager-level or above)	Mitsui Chemicals, Inc.	2.9%
6	Ratio of female employees hired through the regular recruitment	Mitsui Chemicals, Inc.	Regular administrative positions: 47% Regular technical positions: 16% General positions: 5.0%
7	Ratio of employees with disabilities	Mitsui Chemicals, Inc.	2.4%
8	Significant occupational injury frequency	Mitsui Chemicals, Inc., domestic and overseas affiliates	0.33