

# Mitsubishi Chemical Corporation and its Group Companies

## CSR Procurement Guideline

### Introduction

We would like to thank you for your continued understanding and support of our corporate activities.

As a member of the Mitsubishi Chemical Group, we conduct procurement activities based on “the Mitsubishi Chemical Group Charter of Corporate Behavior” for aiming to achieve KAITEKI, an original concept of the Mitsubishi Chemical Group. We promote and reinforce procurement activities to fulfill our corporate social responsibilities not only in our group but also an entire supply chain with our business partners.

In recent years, legislation on human rights has been enacted in all of the world, and social interest in corporate human rights initiatives has been growing.

We have recently established such Guideline to promote CSR procurement (sustainable procurement in the supply chain).

We appreciate that suppliers would understand and agree with the content of this Guideline, and we would be happy if this Guideline can be used as a reference in the promotion of corporate social responsibilities.

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Mitsubishi Chemical Group

Mitsubishi Chemical Corporation

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### Mitsubishi Chemical Group Charter of Corporate Behavior

We shall, as shown below, always act with high sense of ethics and socially-recognized decency in every aspect of our corporate activities by innovative solutions, under a purpose that “we will lead the realization of KAITEKI where people, society and the planet can continue to exist in a comfortable way.

### Awareness and Responsibility

We shall contribute to the realization of KAITEKI through our business with a keen sense of corporate social responsibility, based on the fundamental understanding that the foundation of our corporate activities is society's trust and confidence in us.

### Accountability and Transparency

We shall, recognizing the importance of accountability in corporate activities, preserve transparency in such activities, disclose information appropriately, and always maintain a stance of openness, both internally and externally.

### Legal Compliance and Fairness, Equitability, and Integrity

We shall comply with laws and international standards and shall hold ourselves to the highest ethical conduct at all times. In addition, we shall always adopt an attitude of fairness, equitability, and integrity towards customers, business partners, shareholders, government agencies, local communities, and other stakeholders. This attitude shall also apply to our dealings with each other.

### Valuing Stakeholders

We shall respect and communicate closely with all stakeholders including customers, suppliers, shareholders, business partners, government agencies, local communities, and employees, and consider the outcomes of such communication in our corporate activities.

### Respecting Human Rights

We shall respect the dignity and rights of all people, and shall not discriminate against people unfairly on the basis of race, sex, religion or other protected status. We shall also expect our suppliers and other contractors to refrain from any infringement of human dignity and rights or discriminatory practices.

### Employment and Labor

We shall not engage in any form of forced, compulsory, or child labor, and shall require our suppliers and other contractors to adhere to the same standards. The Mitsubishi Chemical Group managers at all levels shall respect human diversity and create working environments where employees can exercise their abilities to the utmost in safe and healthy settings, in order to make optimal use of human resources. Managers shall build sound relations with employees through close dialogue, and shall respect employees' rights, including freedom of association and the right to collective bargaining.

### Environment and Safety

We shall strive to reduce environmental impact and protect the environment and ecosystems in our operations, in addition to supplying environmentally friendly products and services. Recognizing that the health and safety of our employees and communities in which we do business form the foundation for the very existence of our company and that we have a corporate social responsibility to assure the health and safety of others, we shall continue to ensure safe business activities.

### Fair Business Practices

We shall conduct business fairly and sincerely, adhering to ethical principles and refraining from unfair trade practices and any form of bribery or corruption, to contribute to sound social and economic development through fair competition in the market. We shall refuse to work with any group, organization or individual engaged in unlawful activities, and under no circumstances shall we have any relations with anti-social influences.

## Customer Satisfaction

We shall constantly strive to satisfy our customers by keeping the promises made in contracts with them, doing our utmost to ensure the safety and quality of the products and services we supply, and engaging in dialogue and R&D.

## Information Management

We shall, in the course of our corporate activities, maintain appropriate records and make reports as required by law and regulation. We shall manage information carefully to prevent leakage of confidential data relating to customers, business partners, or our own business.

## Science and Technology

We shall advance R&D by bringing together outstanding researchers from Japan and overseas, and contribute to the realization of KAITEKI through innovation. We shall recognize the importance of our own and others' intellectual property rights and respect such rights.

## Community Involvement

We shall contribute broadly to society through our businesses. In addition, we shall respond to the desires and expectations of local communities by enhancing our understanding of their cultures and customs and acting as a good corporate citizen.

## Shared Standards

The Mitsubishi Chemical Group managers shall recognize their responsibility to embody the spirit of this charter and shall ensure that employees are fully aware of its content. We shall expect our suppliers and other business partners to share all the standards set out in this charter, including but not limited to standards relating to human rights, employment, and labor.

# Mitsubishi Chemical Corporation and its Group Companies Human Rights Policy Framework (Enacted on March 23, 2020)

Mitsubishi Chemical aims to contribute to the sustainable development of people, society and the Earth by providing solutions to environmental and social issues. Respect for human rights is a fundamental element in achieving our vision. The Mitsubishi Chemical and its group companies Human Rights Policy (the "Policy"), governing all other human rights-related policies within the Group, complements our Mission and Basic Management Policy and outlines our approach to human rights in all of our business activities.

## Scope of application

The Policy applies to all officers and members of MCC Group

We expect our all business partners to understand and comply with the principles in this Policy

## Points

Respect human rights across the value chain and respect international standards/norms

Conduct human rights due diligence

Identify, prevent, mitigate and account for human rights issues

Strive to remedy in case we have caused human rights infringements

Seek ways to help mitigate negative human rights impacts even if we have not directly caused them

Work to address important human rights issues within the Group and its value chain

Work to optimize our structure that enables whistle blowing on human rights infringements  
Provide education to officers and members, and continue efforts to ensure diversity and inclusion  
Monitor and periodically disclose the progress of the Group's efforts

## Basic Procurement Policy

### 1. Fairness, Equitability and Transparency

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

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

### 2. Partnerships and Mutually Beneficial Relationships

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

### 3. Compliance with Laws and Regulations

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

### 4. CSR Procurement

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

## Mitsubishi Chemical Corporation and its Group Companies Responsible Mineral Procurement Policy (Enacted on Dec 2022)

We shall always act with high sense of ethics and socially-recognized decency in every aspect of our corporate activities by innovative solutions, under a purpose that “we will lead the realization of KAITEKI where people, society and the planet can continue to exist in a comfortable way.”<sup>1</sup>.

In conflict-affected and high-risk areas of the world, profits from mineral mining and trade are used to finance armed groups and rebel groups. The use of minerals from such areas may contribute to conflict, human rights abuses, and environmental destruction.

We recognize that these minerals are an important social issue and have developed this policy based on the principle that we will not procure minerals that are known to be involved in conflict or human rights abuses in conflict-affected and high-risk areas. Based on this policy, we will promote sustainable and responsible mineral sourcing throughout our supply chain, while also referring to the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”.

## 1. Establishing Company Management Systems

- ✓ We will establish a reporting and management system for mineral procurement and take the following actions.

## 2. Implementation and Response to mineral surveys

- ✓ We implement various types of mineral surveys<sup>\*2</sup>, as requested by customers.
- ✓ If conflict minerals (tin, tantalum, tungsten and gold)<sup>\*3</sup> are contained in or required for the manufacture of our products, we request our suppliers to take measures to reduce risk by using raw materials and materials made by CFS Conflict Free Smelter<sup>\*4</sup> certified smelters.
- ✓ Each Procurement Division will share this issue with suppliers through the CSR Procurement Guideline and CSR questionnaire<sup>\*5</sup> and monitor the status of the efforts.

## 3. Addressing the procurement of cobalt, natural mica, and other minerals from high-risk areas (CAHRAs<sup>\*6</sup>)

- ✓ If minerals such as cobalt and natural mica are sourced from high-risk areas (CAHRAs), there are risks described in OECD Guidance Annex II (e.g. human rights abuses including child labor, money laundering). We regularly check legal and regulatory information regarding the minerals and producing regions of interest and review the scope of our mineral surveys.

### Footnotes:

- \*1 The Mitsubishi Chemical Group Charter of Corporate Behavior:

<https://www.mcgc.com/english/group/charter.html>

- \*2 Mineral surveys:

Surveys using CMRT, EMRT, etc. issued by RMI (Responsible Minerals Initiative)

- \*3 Conflict minerals:

Conflict minerals are Tin, tantalum, tungsten and gold defined under Dodd-Frank Wall Street Reform and Consumer Protection Act.

- \*4 Conflict-Free Smelter Certification:

Smelters certified under the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative (RMI)

- \*5 CSR Procurement Guideline:

This Guideline

- \*6 CAHRAs:

Abbreviation for Conflict-Affected and High-Risk Areas

## Request to Our Business Partners

We believe that to establish mutual trust based partnership and to act on entire supply chain bases are very important, and furthermore, it is essential to have suppliers' cooperation on procurement activities.

We have summarized our norm in below to share with our suppliers.

## 1. Awareness and Responsibility

Based on the fundamental understanding that the foundation of corporate activities should be built on trust of the society, be aware of one's corporate social responsibility and seek to build a better relationship with the human race, the society, and the global environment through the business of each party.

## 2. Accountability and Transparency

Recognize the importance of accountability in corporate activities, preserve transparency in such activities, disclose information appropriately, and always maintain a stance of openness, both internally and externally.

## 3. Legal Compliance and Fairness, Equitability, and Integrity

Always comply with laws and international standards, and ensure fair, equitable and sincere treatment of stakeholders and employees. This attitude shall also apply to dealings among employees.

## 4. Valuing Stakeholders

Respect and communicate closely with all stakeholders including customers, suppliers, shareholders, business partners, government agencies, local communities, and employees, and consider the outcomes of such communication in corporate activities.

## 5. Respect for Human Rights

Respect the dignity and rights of all people, and shall not discriminate against people unfairly based on any reason whatsoever.

## 6. Employment and Labor

Prevent engage in any form of forced, compulsory, or child labor. Managements at all levels shall respect human diversity and create working environments where employees can exercise their abilities to the utmost in safe and healthy settings, in order to make optimal use of human resources. Managements shall build sound relations with its employees through close dialogue, and shall respect employees' rights, including freedom of association and the right to collective bargaining.

## 7. Environment and Safety

Strive to reduce environmental impact and protect the environment and ecosystems in its operations, in addition to supplying environmentally friendly products and services. Recognizing that the health and safety of its employees and communities in which the company do business form the foundation for the very existence of the company and that it has a corporate social responsibility to assure the health and safety of others, it shall continue to ensure safe business activities.

## 8. Fair Business Practices

Conduct business fairly and sincerely, adhering to ethical principles and refraining from unfair trade practices and any form of bribery or corruption, to contribute to sound social and economic development through fair competition in the market.

Handle any approaches from anti-social forces and groups (such as organized criminals or organizations subject to government-mandated business restrictions) in a determined manner and refuse to have any business relationship with them.

## 9. Customer Satisfaction

Constantly strive to satisfy the company's customers by keeping the promises made in contracts with them, doing its utmost to ensure the safety and quality of the products and services it supply, and engaging in dialogue and R&D.

## 10. Information Management

In the course of the company's corporate activities, maintain appropriate records and make reports as required by law and regulation. The company shall manage information carefully to prevent leakage of confidential data relating to customers, business partners, or its own business.

## 11. Science and Technology

Recognize the importance of the company's own and others' intellectual property rights and respect such rights.

## 12. Community Involvement

Contribute broadly to society through our businesses. In addition, the company shall respond to the desires and expectations of local communities by enhancing our understanding of their cultures and customs and acting as a good corporate citizen.

## 13. Sharing Standards

Recognize that the suppliers and other firms with which you do business are your important partners, and willingly disclose and share business philosophies and codes of conduct with each other to deepen mutual understanding.

We have compiled "[Developing Cooperative Business Practices with Suppliers and Business Partners \(Guidebook\)](#) " [\(The link is as follows\)](#) that explains each item more clearly, so please use this guidebook to help deepen your understanding.

[https://www.mcgc.com/english/sustainability/activities/pdf/Developing\\_Cooperative\\_Business\\_Practices\\_with\\_Suppliers\\_and\\_Business\\_Partners.pdf](https://www.mcgc.com/english/sustainability/activities/pdf/Developing_Cooperative_Business_Practices_with_Suppliers_and_Business_Partners.pdf)

As part of our supply chain initiatives, we are conducting a CSR survey of our suppliers, including raw material suppliers. For details of the survey, please refer to "[Mitsubishi Chemical Corporation and its Group Companies CSR Questionnaire](#)" [\(The link is as follows\)](#) .

[https://www.mcgc.com/english/group/outline/mcc/procurement/pdf/csr\\_questionnaire.pdf](https://www.mcgc.com/english/group/outline/mcc/procurement/pdf/csr_questionnaire.pdf)

## History

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