

SUSTAINABILITY DATA BOOK 2021

April 1, 2020 to March 31, 2021

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Corporate Social Responsibility (CSR)

CSR Management | Key Issues (Materiality) | Materiality KPI

CSR Management

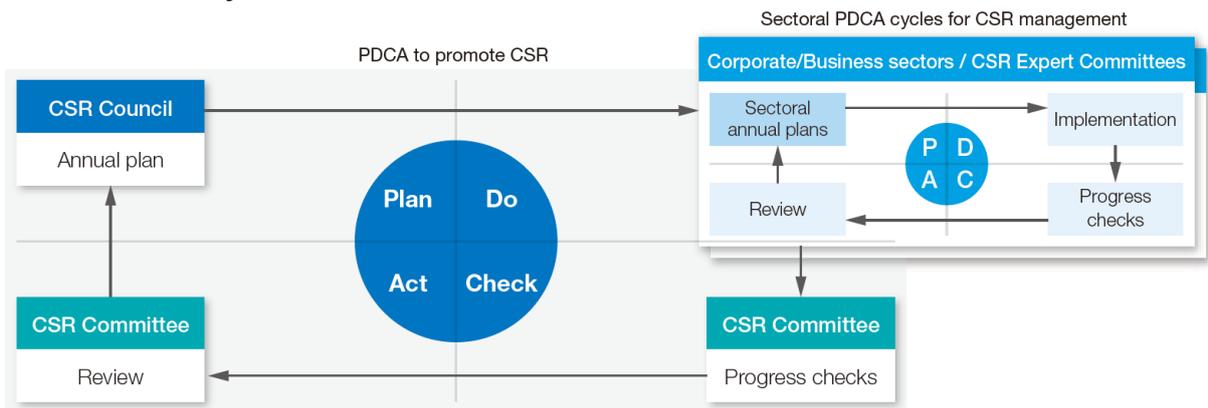
CSR Basic Policy

The MGC Group contributes to realizing a harmonious and sustainable society that keeps growing, in accordance with its vision of “Creating value to share with society.” The Group is deeply aware of its corporate responsibilities in the areas of the environment, society, and corporate governance and carries out its business activities in line with the MGC Corporate Behavior Guidelines.

MGC Corporate Behavior Guidelines

1. MGC will drive innovation to provide high-quality products and services that meet society’s needs in order to gain consumer satisfaction and trust and help customers resolve their problems and achieve sustainable growth
2. MGC will voluntarily and proactively address environmental issues and work to resolve them through all its business activities
3. MGC will comply with laws, regulations, and rules, and will conduct fair, transparent and open business activities, including appropriate transactions and responsible procurement
4. MGC will endeavor to ensure broad-ranging communication with society through its proactive, effective and fair disclosure of information
5. MGC will engage in business activities that are useful for society, and actively contribute to the development of society as a responsible corporate citizen
6. MGC will help its employees improve their competence and provide them with safe, healthful and rewarding working conditions to ensure that they may lead comfortable and productive lives
7. By closely monitoring changes in the environment of its corporate activities, MGC will continually review diversifying risks and develop ways to respond

CSR Promotion System



CSR Council

Chair	President (convener/approver)
Deputy Chair	Director in charge of the CSR & IR Division
Participants	Executive officers, Corporate Sector heads and others designated by the President. Auditors participate as observers.
Secretariat	Corporate Planning Division, CSR & IR Division
Meetings	Held at least annually
Objectives	(1) Deliberate and determine Company-wide policy (2) Deliberate and determine materiality and establish KPIs (3) Assess and finalize annual CSR plan (4) Verify progress in CSR management (5) Build and put in place a CSR promotion system (6) Deliberate and determine policies involving individual projects (7) Issue recommendations for corrective actions (8) Information sharing

CSR Committee

Participating Divisions	The Corporate Planning, Administrative & Personnel, Finance & Accounting, Information Systems, CSR & IR, R&D Production, Advanced Business Development, Purchasing & Logistics, Environment Safety & Quality Assurance, Production Technology and Internal Audit divisions, and others as designated by the Secretariat
Secretariat	CSR & IR Division
Meetings	Held as needed depending on the agenda
Objectives	(1) Deliberate agenda items for submission to the CSR Council Company-wide policy, materiality, annual CSR plan, verification of progress with CSR promotion system, operational reviews, etc. (2) Establish expert committees

Key Issues (Materiality)

Materiality Identification Process

Step 1	Identification of issues	Compiled list of over 600 terms related to societal issues/changes from various sources, including requirements in GRI and SASB standards, ISO 26000 and SDGs and trends among other companies.
Step 2	Winnowing	Classified the terms by keyword related to societal issues and societal change and winnowed them down to 39 materiality factors.
Step 3	Prioritization	Assessed the priority from the standpoint of both stakeholders and the MGC Group. The CSR Committee drafted a materiality prioritization hierarchy and submitted it to the CSR Council.
Step 4	Management deliberation/approval	The materiality submitted by the CSR Committee was deliberated and determined by the CSR Council.
Step 5	Updating of identified materiality	Materiality is subject to change in response to changes in societal imperatives and stakeholders' needs and preferences. Materiality will accordingly be updated as needed in response to changes in society and/or the MGC Group's business activities.

Materiality and Main Initiatives: Pursuing Creation of Value to Share with Society

Materiality		Why it is material	MGC's main initiatives
Category	Elements		
Creating Shared Value (CSV)	<p>Contribution through business operations</p> <p>Contribute to Development of ICT/Mobility Society</p> <p>Solve energy and climate change problems</p> <p>Solve medical and food problems</p>	<p>Pursuing creation of value to share with society leads to improvement in corporate value from economic, social and environmental standpoints.</p>	<p>Helping to move society forward and solve problems through business operations, including by contributing to development of an ICT/mobility society with polycarbonates, polyacetal, super-pure hydrogen peroxide, electronic chemicals, optical polymers and semiconductor packaging materials (BT resin); solving energy and climate change problems with geothermal and LNG- fired power penetration projects and functional monomers; and solving medical and food problems with life science products (e.g., antibody drugs, fermented foods), oxygen absorbers and MX-Nylon</p>
	<p>Related SDGs (targets)</p>  <p>3.6, 3.8, 4.4, 7.2, 7.3, 8.1, 9.4, 11.4, 12.2, 12.3, 17.3, 17.16</p>		
Foundation for shared-value creation (S)	<p>Cultivating a corporate culture of job satisfaction</p>	<p>An organizational culture that enables all employees to confidently give full play to their abilities over the long term while finding individualized meaning in their jobs is the foundation of corporate value creation.</p>	<p>Promoting work-life balance; offering generous child/family care systems, creating dynamic workplace environments</p>
	<p>Promotion of diversity and inclusion</p>	<p>A culture of collaboration among individuals with diverse values is conducive to new ideas and technological innovation.</p>	<p>Providing more opportunities to women; supporting career advancement and work/life balance; promoting employment of individuals with disabilities</p>
	<p>Stakeholder engagement</p>	<p>Corporate value creation is a result of stakeholders' contributions, including the resources they provide.</p>	<p>Disclosing information in compliance with laws and securities exchanges' regulations; fairly and transparently disclosing information online and via news media</p>
	<p>Promotion of socially responsible sourcing</p>	<p>Companies have a societal responsibility to upgrade CSR compliance throughout their supply chains with respect to the environment, working conditions, human rights, etc.</p>	<p>Building safe, legally compliant and environmentally friendly supply chains</p>

	<p>Occupational safety and health/Process safety and disaster prevention</p> <p>Safety is the foundation of business activities. Companies have a societal duty to ensure safety.</p>	Continuing to conduct occupational safety and health risk assessments, daily safety activities and safety education/training in the aim of zero occupational injuries
	<p>Highly energy- and resource-efficient production</p> <p>Companies have a duty to harmonize their operations with global environmental protection in accord with the principle of sustainable development.</p>	Minimizing environmental impacts in sourcing resources; efficiently using resources (energy, raw materials, water, etc.)
	<p>Chemical / product quality and safety assurance</p> <p>Quality assurance is the basis of stakeholders' trust. Companies have a duty to provide highly safe and reliable products and services.</p>	Promoting company-wide quality assurance activities (Q- MGC) throughout supply chains
	<p>Promotion of innovative R&D</p> <p>Developing valuable new products and technologies that help to move society forward and solve problems is the pursuit of creation of value to share with society.</p>	Developing/adopting new processes that maximally leverage core technologies cultivated over many years; founding and developing new businesses
	<p>Related SDGs (targets)</p>  <p>3.8, 3.9, 4.2, 4.4, 5.1, 5.5, 6.3, 7.3, 8.2, 8.7, 9.4, 9.5, 10.2, 12.2, 12.4, 12.6, 16.2, 16.10</p>	
<p>Harmonization of shared-value creation with environmental protection (E)</p>	<p>Proactive response to environmental problems</p> <p>Air Quality Control Water and Biodiversity Conservation Reduction of industrial waste</p>	<p>Addressing environmental problems is imperative for all of humanity. Companies must proactively do so as a prerequisite for their existence and activities.</p> <p>Formulating medium-term and annual RC* plans and endeavoring to achieve their targets *RC: Responsible Care Reducing GHG emissions while supporting the Task Force on Climate-related Financial Disclosures</p>
	<p>Related SDGs (targets)</p>  <p>3.9, 6.3, 12.2, 12.4, 12.5, 13.2, 14.1, 14.3, 15.1</p>	
<p>Value-creative discipline (G)</p>	<p>Strengthen systems:</p> <p>Corporate Governance Compliance Internal controls Risk management</p>	<p>Developing disciplined ways steadily execute strategies to bring business models to fruition and to sustainably grow corporate value.</p> <p>Building effective internal control systems based on appropriate corporate governance, ensuring the soundness of business activities through compliance, risk management, etc.</p>
	<p>Related SDGs (targets)</p>  <p>5.1, 5.5, 8.7, 10.2, 16.2, 16.5, 16.10</p>	

Materiality KPI

Contribution through business operations (CSV)

KPIs	FY2020 Results	Fiscal year 2023 Targets	Fiscal year 2030 Targets	Related SDGs (targets)
Sales from ICT and mobility applications	234.2 bil. JPY	320.0 bil. JPY	Create new businesses that accelerate digital innovation	  3.6 9.4
Contribution to solving energy and environmental problems	Investment: 8.6 bil. JPY* (2018-2020 cumulative)	Investment: 12.0 bil. JPY* (3-year cumulative)	Commercialize carbon-negative technology	 9.4
Sales from medical and food applications	39.4 bil. JPY	50.0 bil. JPY	<ul style="list-style-type: none"> Advance preventative/predictive medicine; enhance healthy longevity Further advance food preservation technology 	  3.8 12.3

*Consolidated basis; Investment: Acquisition; Financing: Approval basis

Foundation for shared- value creation (S)

KPIs	FY2019 Results	Fiscal year 2023 Targets	Fiscal year 2030 Targets	Related SDGs (targets)
Percentage taking fewer than 10 days of annual paid leave*^{1,2}	7.8% (Fiscal year 2018 results)	0%	0%	 8.5 8.8
Serious occupational accidents*^{1,3}	0	0	0	 3.9
Serious accidents*^{1,4}	1	0	0	 3.9
GHG emissions intensity vs. Fiscal 2013*¹	14.6% reduction	19.9% reduction	28.0% reduction	 7.3
R&D investments devoted to solving climate change problems*^{1,5}	3.8% of R&D expenditures	5% or more of R&D expenditures	7% or more of R&D expenditures	 9.5

Proactive response to environmental problems (E)

KPIs	FY2019 Results	Fiscal year 2023 Targets	Fiscal year 2030 Targets	Related SDGs (targets)
GHG emissions vs. Fiscal 2013^{*1}	23.3% reduction	28.0% reduction	36.0% reduction	 13.2
Renewable energy as a percentage of electric power purchased^{*1}	0%	10%	50%	 7.2
Zero waste emission rate^{*1,6}	0.8%	0.3% or less	0.15% or less	 12.5

*1 On a non-consolidated basis

*2 For employees granted 20 days of annual leave

*3 Accidents resulting in lost work days eligible for disability compensation, including death and permanent disability, or potential disability, with four or more lost work days

*4 Accidents that threaten third parties, including those resulting in environmental pollution involving the community or that cause damage to local residents, and other accidents involving serious damage

*5 R&D investments including basic research, pilot plants, technical testing, etc.

*6 Amount of final disposal/total amount of waste generated

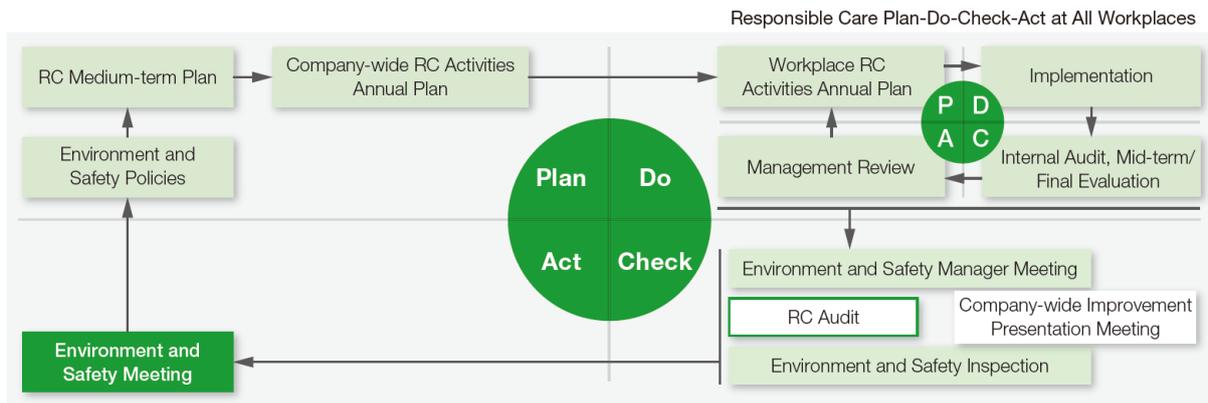
Responsible Care (RC)

Responsible Care Plan-Do-Check-Act (PDCA) | Responsible Care Promotion System

Safety Assessment Process and Provision of Product Information

Responsible Care Medium-term Plan 2023

The Plan-Do-Check-Act (PDCA) Cycle in Responsible Care

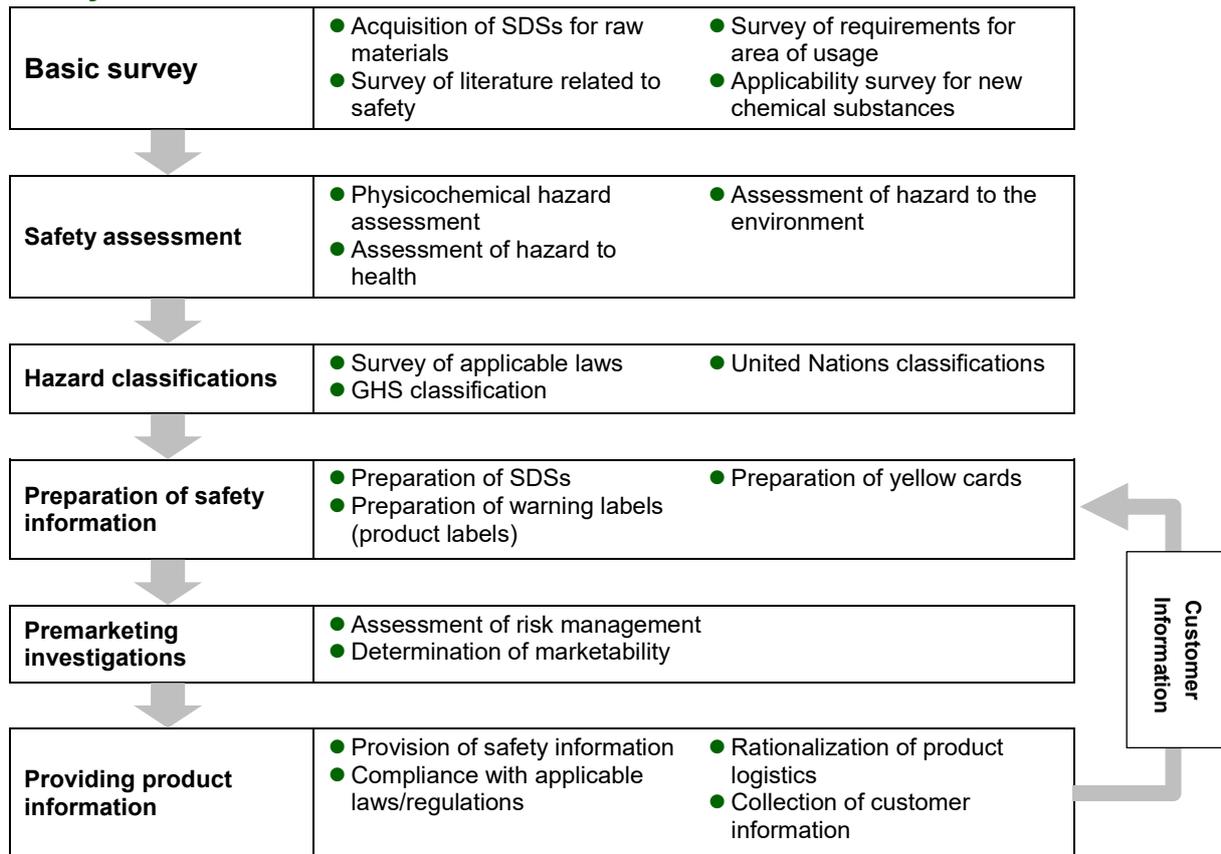


Responsible Care Promotion System

At environment and safety meetings chaired by MGC’s president and attended by directors, Audit & Supervisory Board members, business sector heads, plant/laboratory heads and the general manager of the Production Technology Division, the attendees review and report on environment and safety policies, the Responsible Care Medium-term Plan and annual plans, the status of implementation, and important matters related to Responsible Care, the plans’ implementation status and audit findings.

* Responsible Care : Occupational Safety and Health, Process Safety, Disaster Prevention, Environmental Protection, Chemical/Product Safety and Distribution Safety

Safety Assessment Process and Provision of Product Information



Responsible Care Medium-term Plan 2023 (2021-2023)

Category of Activities	Medium-term Plan (◆: Grow UP 2023 KPIs; Other : RC targets)
Occupational Health and Safety	<p>○ Aim to eliminate occupational injuries at the work sites of MGC and its partner companies. Render direct and indirect determinants of occupational safety visible through various assessment methods and lay groundwork for improvement. [Quantitative occupational health and safety targets through 2023]</p> <p>◆ <u>Zero serious occupational injuries*1</u> MGC parent company: zero injuries, including both lost-time and non-lost-time injuries Partner companies: frequency rate ≤ 0.3; severity rate ≤ 0.003</p>
Process Safety and Disaster Prevention	<p>○ Aim to eliminate accidents in the workplace. Render direct and indirect determinants of process safety and disaster prevention visible through various assessment methods and lay groundwork for improvement. [Quantitative process safety and disaster prevention target through 2023]</p> <p>◆ <u>Zero serious accidents*2</u> Annual ICCA score of 0; applies to both MGC parent company and partner companies</p>
Environmental Protection	<p>○ Aim to protect the natural environment and contribute positively to communities through business activities. Improve public reputation as a result. [Quantitative Environmental Protection Targets through Fiscal 2023]</p> <p>(1) ◆ <u>Reduce GHG emissions 28% relative to fiscal 2013*</u> ◆ <u>Reduce GHG emission intensity 19.9% relative to fiscal 2013*</u></p> <p>① Continuously reduce emissions by 4,000t of CO2e annually ② Discontinue use of heavy oil in MGC-owned power plants, boilers, etc. (Mizushima Plant, Yokkaichi Plant) ③ Reduce GHG emission intensity of purchased power (0.45; MF) ◆ ④ <u>Increase renewable share of purchased power to 10% (at all plants)</u></p> <p>(2) Zero waste ◆ <u>*Zero waste emission rate*3 ≤ 0.3%</u></p> <p>(3) Chemical substances subject to the Pollutant Release and Transfer Register (PRTR) system: Reduce by 10% compared with the fiscal 2020 level</p> <p>(4) Water resource conservation *Water reuse rate ≥ 95% Water risk assessment (domestic manufacturing sites)</p> <p>(5) Biodiversity Conservation *Donate a cumulative 10 Bookcases of Biodiversity *Establish one biodiversity observation site</p>
Chemical and Product Safety	<p>○ Explicitly disclose chemicals/products' properties and handling methods and protect all handlers' health and safety as well as the environment. [Quantitative chemical/product safety targets through 2023*]</p> <p>(1) Conduct multi-stage safety assessments during product development (ongoing) *Pre-/post-marketing investigations of new products: 100% (% of products)</p> <p>(2) Assess/manage risks of products handled (ongoing) *Product safety education: 100% (% of MGC Group Environment and Safety Council-member companies)</p> <p>(3) Reliably comply with application/registration requirements pursuant to each country's chemical substance control laws *Substance registration in compliance with countries' chemical substance controls: 100% (% of products)</p> <p>(4) Operate and roll out automated SDS preparation system *Preparation and disclosure of safety information (SDS): 100% (% of products)</p>
Safe Transport and Storage of Chemicals	<p>○ Aim to eliminate accidents and problems when transporting and storing chemicals by:</p> <p>(1) Continually analyzing problems that occur in the transport and storage of chemicals, and distributing results across to all relevant workplaces</p> <p>(2) Sharing information on the safe transport and storage of chemicals with the logistics departments of each group company</p> <p>(3) Analyzing handling of shipments at their final destinations and making improvements when necessary</p>
Communication with Stakeholders	<p>○ Aim to improve reputation among and foster trust from stakeholders.</p>
RC Initiatives and Management	<p>○ Aim to carry out Group-wide environmental safety activities. Strengthen intra-Group communication and promote management that places priority on security, process safety, disaster prevention and environmental management.</p> <p>○ Continuously make improvements to RC management systems</p>

*1 Accidents resulting in lost work days eligible for disability compensation, including death and permanent disability, or potential disability, with four or more lost work days

*2 Accidents that threaten third parties, including those resulting in environmental pollution involving the community or that cause damage to local residents, and other accidents involving serious damage

*3 Amount of final disposal/total amount of waste generated

Environment

Production-related Inputs and Outputs | Raw Materials / Production Volume | Basic Approach to Climate Change Mitigation | Greenhouse Gas (GHG) Emissions | Basic Approach to Resource Use | Energy Management | Water Resources | Resource Recycling | PRTR Substances | Pollution Prevention | Environmental Accounting | Biodiversity Conservation Project Expenditures | Environment-related Accidents / Violations of Environmental Laws and Regulations | Status of External Certification

Production-related Inputs and Outputs (Non-consolidated)

Input			Output	
Raw materials, Container/packaging materials	0.71Mt		Production volume	1.14Mt
Energy (as crude oil equivalent)	359ML		GHG emissions	0.78 Mt-CO ₂ -e
Water withdrawal	31Mm ³		Water discharge	29Mm ³
			External waste discharge	14kt
			Recycling	25kt

Raw Materials / Production Volume (Non-consolidated)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Raw material input	kt	743	798	764	704
Production volume	kt	1,469	1,416	1,373	1,144

Basic Approach to Climate Change Mitigation

1. Formulate targets for reducing Scope 1 and 2*¹ GHG emissions and steadily reduce them through planning, execution, monitoring and reassessment.
2. Assess, manage, monitor and proactively disclose Scope 3*² GHG emissions and take action to reduce them in collaboration with suppliers.
3. Improve energy efficiency and raw materials' carbon cycle and promote energy transition toward realization of a zero-carbon society by 2050.
4. Contribute to solving energy and climate change challenges through business operations by deploying innovative process technologies and factoring whole-lifecycle GHG emissions into design and development processes.
5. Disclose information through climate change initiatives*³.

*1 Scope 1 emissions are GHG emissions directly generated by MGC. Scope 2 emissions are indirect GHG emissions associated with the use of energy (mainly electric power) purchased from external suppliers.

*2 Scope 3 emissions are indirect GHG emissions generated in supply chains through organizational activities such as raw material sourcing, manufacturing, distribution, sales and waste disposal.

*3 MGC proactively participates in various collaborative activities to mitigate climate change (climate change initiatives)

Greenhouse Gas (GHG) Emissions

Scope1+2

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
		Non-consolidated	Non-consolidated	Non-consolidated	Consolidated
CO ₂ emissions from non-energy use	t-CO ₂ -e	788,451	805,250	768,469	1,282,951
CO ₂ emissions from non-energy use	t-CO ₂ -e	81,146	78,097	78,246	74,596
N ₂ O	t-CO ₂ -e	796	753	841	3,688
CH ₄	t-CO ₂ -e	524	513	562	685
HFCs	t-CO ₂ -e	1,325	4,257	1,212	875
PFCs	t-CO ₂ -e	0	0	0	0
SF ₆	t-CO ₂ -e	0	0	0	23
NF ₃	t-CO ₂ -e	0	0	0	0
Total*1	t-CO ₂ -e	872,242	888,869	849,331	1,362,817
Scope1	t-CO ₂ -e	632,134	599,243	602,661	653,428
Scope2 (market based)	t-CO ₂ -e	240,108	289,626	246,670	709,389
GHG emissions intensity ratio per unit to sales	t-CO ₂ -e / million yen	2.4	2.4	2.4	2.3

*1 Due to rounding off figures, there are places where the sums for each item do not match the total.

*Data for prior fiscal years were revised to reflect changes in the Group's composition and revision of calculation standards.

*For the above table's reporting boundaries, see MGC Group's Consolidated Subsidiaries on page 32.

Scope 3

Category	Unit	FY2017	FY2018	FY2019	FY2020
		Non-consolidated	Non-consolidated	Non-consolidated	Consolidated
Purchased goods and services	kt CO ₂ -e	5,329	5,129	5,010	6,110
Capital goods	kt CO ₂ -e	39	53	45	109
Activities related to fuels and energy not includable in Scopes 1 and 2	kt CO ₂ -e	90	84	101	235
Transportation and distribution (upstream)	kt CO ₂ -e	723	715	626	642
Waste generated in operations	kt CO ₂ -e	<4	<4	<4	6
Business travel	kt CO ₂ -e	<4	<4	<4	1
Employee commuting	kt CO ₂ -e	<1	<1	<1	1
Leased assets (upstream)	kt CO ₂ -e	<8	<8	<8	7
Transportation and distribution (downstream)	kt CO ₂ -e	177	109	158	212
Processing of sold products	kt CO ₂ -e	—	—	—	—
Use of sold products	kt CO ₂ -e	—	—	—	—
End-of-life treatment of sold products	kt CO ₂ -e	1,760	1,312	2,026	1,824
Leased assets (downstream)	kt CO ₂ -e	13	14	34	26
Franchises	kt CO ₂ -e	0	0	0	0
Investments	kt CO ₂ -e	589	513	586	361
Total	kt CO ₂ -e	8,737	7,947	8,604	9,533

*Due to rounding off figures, there are places where the sums for each item do not match the total.

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*For the above table's reporting boundaries, see MGC Group's Consolidated Subsidiaries on page 32.

GHG Emissions/Calculated Value-added GHG Emissions Intensity

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
GHG emissions	kt CO ₂ -e	872	889	849	780
Calculated value added of GHG emissions intensity	100 million yen/ kt CO ₂ -e	1.12	1.09	1.09	1.16

*Calculated value added: The estimated amount of added value calculated based on MGC Alone net sales of MGC multiplied by the value added rate for the chemical industry published by the Ministry of Economy, Trade and Industry.

*Data for prior fiscal years were revised to reflect changes in the Group's composition.

GHG Emissions in Transportation Sector

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
By rail	kt CO ₂ -e	0.54	0.59	0.58	0.57
By ship	kt CO ₂ -e	11.5	11.3	10.8	9.9
By truck	kt CO ₂ -e	17.5	17.0	16.2	16.2

Basic Approach to Resource Use

The MGC Group promotes efficient utilization of fuel and other resources (including product raw materials) and development of innovative process technologies at its domestic and overseas production sites and contributes to reduction in GHG emissions.

Energy Management (Non-consolidated)

Energy Use (Ratio of grid power, renewable energy and self-generated energy)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Total energy use*	MWH	3,531,261	3,424,987	3,482,864	3,200,855
Ratio of grid power	—	9.0%	11.3%	9.8%	9.7%
Ratio of renewable energy	—	0.0%	0.0%	0.0%	0.0%
Total self-generated energy	MWH	296,313	205,432	272,094	243,556

*Calculated based on SASB standards

*Data for prior fiscal years were revised to reflect changes in the Group's composition.

Energy Use (Ratio of renewable/non-renewable energy)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Nonrenewable fuels purchased and consumed (A) (nuclear power, coal, oil, natural gas, etc.)	MWH	2,853,996	2,675,134	2,831,478	2,608,631
Nonrenewable Electricity purchased (B)	MWH- purchased electricity	316,996	388,671	340,631	309,240
Steam, heat, cooling and other nonrenewable energy purchased (C)	MWH	419,329	418,329	377,594	345,762
Renewable energy purchased or generated. (D) (wind, energy solar, biomass, hydroelectric, geothermal etc.)	MWH	0	0	0	10
Non-renewable energy sold (E) (electricity, heating, cooling)	MWH	59,060	57,146	66,839	62,778
Total non-renewable energy consumed (A+B+C-E)	MWH	3,531,261	3,424,987	3,482,864	3,200,855

*Data for prior fiscal years were revised to reflect changes in the Group's composition.

Energy Use (crude oil equivalent)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Production and research divisions, Corporate Sector	ML-crude oil equivalent	394	396	393	359
Logistics division	ML-crude oil equivalent	11	11	10	10
Energy intensity	KL/million ton kilo	20	19	19	20

*Data for prior fiscal years were revised to reflect changes in the Group's composition.

Energy Use/Calculated Value-added Energy Intensity

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Energy use	ML-crude oil equivalent	394	396	393	359
Energy intensity of calculated added value	100 million yen /ML-crude oil equivalent	2.49	2.45	2.35	2.52

*Calculated value added: The estimated amount of added value calculated based on MGC Alone net sales of MGC multiplied by the value added rate for the chemical industry published by the Ministry of Economy, Trade and Industry.

*Data for prior fiscal years were revised to reflect changes in the Group's composition.

Water Resources (Non-consolidated)

Water Resource Risk Management

MGC uses large quantities of water, both as a raw material of chemical products and for various other purposes, including steam-heating and cooling in chemical manufacturing processes, product refining and cleaning containers. To sustainably use water resources essential to manufacturing chemicals, MGC manages a variety of risks. Specifically, MGC monitors its actual water consumption and uses water efficiently by measuring water withdrawal, water discharge, water usage and water recycling. In drawing from water sources, MGC restricts its intake to permitted quantities in accord with applicable laws or agreements with municipalities. Additionally, MGC discharges wastewater into rivers, the sea or other public water bodies in compliance with effluent standards after treating it to filter out identified pollutants. Data on these water-related environmental impacts are presented in detail below.

Additionally, MGC maintains a sanitary water-use environment at all its sites to provide its workforce with access to properly functioning, safely managed sanitary facilities (wash service).

From a business continuity standpoint, MGC has identified production downtime due to drought or flooding of production facilities as a water-related risk, formulated a business continuity plan (BCPs) that addresses this risk and implemented measures to mitigate it. None of the areas in which MGC's plants are located has experienced either adverse impacts on production activities due to water stress or conflicts with stakeholders regarding use of water resources.

Meanwhile, MGC sees opportunities in businesses that provide solutions for issues surrounding the coolant water of air conditioning equipment and cooling systems. Such solutions include water treatment agents that maintain healthy coolant water quality by killing disease-causing legionella bacteria and a comprehensive water treatment system service offered through affiliate Dia Aqua Solutions Co., Inc.

Going forward, MGC will set qualitative and quantitative targets for efficient water usage to more effectively preserve water resources.

Use of Water Resources

Indicator		Unit	FY2017	FY2018	FY2019	FY2020
Water withdrawal	Municipal water supplies (tap water)	Mm ³	440	420	407	497
	Fresh surface water (lakes, rivers, etc.)	Mm ³	10,415	9,892	9,601	10,084
	Ground water	Mm ³	406	391	368	392
	Total	Mm ³	30,919	29,370	31,089	30,838
Water discharge	River/lake/reservoir	Mm ³	18,532	17,182	17,819	18,265
	Sewage system	Mm ³	2,121	2,104	1,959	1,935
	Ocean/sea	Mm ³	8,393	7,962	9,050	8,540
	Other	Mm ³	0	0	0	0
	Total	Mm ³	29,046	27,248	28,827	28,740
Net fresh water consumption*1		Mm ³	1,873	2,122	2,262	2,098
Percentage of water recycled for use*2		Mm ³	—	23,585	460,079	421,920
Ratio of water recycled for use		%	—	45	94	93

*1 Water withdrawal — Water discharge

*2 Value for FY2018 is small due to a narrow survey scope

Water Withdrawal/Calculated Value-added Water Withdrawal Intensity

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Water withdrawal	Mm ³	30.9	29.4	31.1	30.8
Calculated added value of water withdrawal intensity	100 million yen/Mm ³	31.7	33.1	29.7	29.4

*Calculated value added: The estimated amount of added value calculated based on MGC Alone net sales of MGC multiplied by the value added rate for the chemical industry published by the Ministry of Economy, Trade and Industry.

Water Consumption/Calculated Value-added Water Consumption Intensity

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Water consumption	Mm ³	1.9	2.1	2.3	2.1
Calculated added value of water consumption intensity	100 million yen/Mm ³	523	458	409	432

*Calculated value added: The estimated amount of added value calculated based on MGC Alone net sales of MGC multiplied by the value added rate for the chemical industry published by the Ministry of Economy, Trade and Industry.

Water recycling achievement status

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Water recycling rate	%	-	45	94	93
Target: at least 95%	-	-	×	×	×

Resource Recycling (Non-consolidated)

Waste

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Volume of waste generation	Ton	82,130	80,575	83,969	79,483
Recycled volume	Ton	24,733	23,700	24,228	25,133
Final disposal volume	Ton	466	580	671	406
Recycling rate	%	30	29	29	32

Zero waste emission rate

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Amount of final disposal/total amount of waste generated	%	0.57	0.72	0.80	0.51
Target: at most 0.3%	-	×	×	×	×

PRTR Substances (Non-consolidated)

Emissions of PRTR Substances

Indicator		Unit	FY2017	FY2018	FY2019	FY2020
Emissions of PRTR Substances	Atmosphere	Ton	213	227	270	266
	Water bodies	Ton	15	8	10	11
	Soil	Ton	0	0	0	0
	Total*	Ton	228	234	280	277

*Due to rounding off figures, there are places where the sums for each item do not match the total.

High-emission Substances Notified under the PRTR Law

Government-designated number	Substance	Unit	FY2017	FY2018	FY2019	FY2020
296	1,2,4-Trimethylbenzene	Ton	91	99	150	152
186	Dichloromethane	Ton	78	87	74	77
300	Toluene	Ton	12	10	12	12
80	Xylene	Ton	22	16	18	10

Reduction of PRTR Chemical Discharges

In its Responsible Care Medium-term Plan 2020, MGC set a target of reducing its plants' discharges of chemicals regulated by Japan's PRTR Law by 10% relative to FY2017. It regrettably fell short of the target. MGC will continue to reduce such PRTR chemical discharges in pursuit of its Responsible Care Medium-term Plan 2023's voluntary 10% reduction target relative to FY2020.

Pollution Prevention (Non-consolidated)

Air Emissions

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Volatile organic compounds (VOCs)	Ton	296	318	376	339
NO _x	Ton	573	478	472	508
SO _x	Ton	62	55	54	64
Dust	Ton	12	17	25	31

Control of Water Discharge

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
BOD	Ton	23	31	33	47
COD	Ton	137	114	125	121
Total oxygen demand	Ton	161	144	157	169
Total phosphorus emissions	Ton	60	72	59	51
Total nitrogen emissions	Ton	257	230	247	193

Environmental Accounting (Non-consolidated)

Environmental Accounting

Breakdown		Unit	FY2017		FY2018		FY2019		FY2020		
			Amount invested	Expenses							
Onsite cost	Pollution prevention cost	Air pollution	Million yen	57	771	10	1,021	6	926	95	878
		Water pollution	Million yen	56	1,602	83	1,750	106	1,669	178	1,561
		Soil/noise pollution	Million yen	17	0	138	12	80	0	354	0
	Global environmental protection cost	Million yen	90	1,928	115	1,664	139	1,806	192	1,872	
	Resource recycling cost	Million yen	0	932	70	1,119	0	837	6	1,143	
Up or down stream cost		Million yen	0	56	0	43	0	35	0	40	
Management activity cost		Million yen	25	488	43	471	25	475	41	547	
R&D cost		Million yen	259	2,498	222	2,376	337	2,716	442	2,748	
Social contribution cost		Million yen	0	10	0	9	0	8	0	7	
Environmental damage cost		Million yen	0	78	0	71	0	74	0	71	
Total*		Million yen	504	8,363	680	8,536	692	8,546	1,308	8,866	

*Due to rounding off figures, there are places where the sums for each item do not match the total.

Economic Benefits Associated with Environmental Protection Measures

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Income	Million yen	29	30	45	48
Reduction of expenses	Million yen	1,064	183	398	111

Biodiversity Conservation Project Expenditures (Non-consolidated)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Biodiversity conservation project expenditures	Million yen	99	101	113	108

Environment-related Accidents / Violations of Environmental Laws and Regulations (Non-consolidated)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Violations of environmental laws and regulations	Cases	0	0	0	1
Accidents/pollution with potential to cause environmental problems	Cases	0	0	1	1
Complaints regarding environmental problems	Cases	0	0	0	0
Total environmental fines/penalties	¥000	0	0	0	0

Status of External Certification

ISO 14001 Certification Status (Non-consolidated)

* 100% of domestic manufacturing plants are certified

Certified Facility	Registration Number	Date Acquired	
		1996 version	2015 version
Niigata Plant	1162-1998-AE-KOB-RvA	June 1998	November 2017
Mizushima Plant	JCQA-E-0145	May 2000	May 2018
Yokkaichi Plant Naniwa Plant Saga Plant	JQA-EM0502	August 1998 (as the Yokkaichi Plant)	August 2017
Kashima Plant	JQA-EM0345	February 1999	January 2018
Yamakita Plant	JQA-EM0859	May 2000	May 2018

Status of External Certification (As of November 2021)

Japan

Company	Business Sites	ISO 14001	OHSAS 18001	ISO 45001	ISO 9001
MITSUBISHI GAS CHEMICAL COMPANY, INC.	Niigata Plant	●			●
	Mizushima Plant	●			●
	Yokkaichi Plant	●			●
	Kashima Plant	●			●
	Yamakita Plant	●			●
JSP CORPORATION	Hokkaido Plant	●			●
	Kanuma No.1 Plant	●			●
	Kanuma No.2 Plant	●			●
	Kanuma No.3 Plant				
	Mirafoam Plant	●			●

Company	Business Sites	ISO 14001	OHSAS 18001	ISO 45001	ISO 9001
JSP CORPORATION	Kashima Plant	●			●
	Yokkaichi No.1 Plant	●			●
	Yokkaichi No.2 Plant	●			●
	Kansai Plant	●			●
	Kitakyushu Plant				
	Kyusyu Plant	●			●
JAPAN FINECHEM COMPANY, INC.	Sakaide Factory	●			●
	Niigata Factory	●			●
	Hiratsuka Division	●			●
TOHO EARTHTECH,INC.	Factory				●
	Construction Business Headquarters	●			●
Yutaka Chemicals Corporation	Hiratsuka Factory				●
	Shimizu Factory				●
	Mizushima Factory				●
Japan U-Pica Company Ltd.	Shonan Factory				●
	Mine Factory	●			●
Fudow Company Limited	Fujinomiya Factory	●			●
	Hiratsuka Factory	●			●
	Gamagori Factory				●
	Tokai Office				●
J-CHEMICAL, Inc.	Shizuoka Factory				*
KYODOU KASANKASUISO CORP.	Factory				
MGC Filsheet Co., Ltd.	Tokorozawa Factory				●
	Osaka Factory				●
	Shirakawa Factory				●
MGC Electrotechno Co.,Ltd.	Factory	●			●
Yonezawa Dia Electronics Co., Inc.	Factory	●			●
MGC AGELESS Co.,Ltd.	Factory				●
EIWA CHEMICAL IND. CO.,LTD	Kinuura Factory				●
	Ujitawara Factory				●
TOYO KAGAKU ,INC.	Headquarters Factory	●			●
	Mitake Factory	●			●
	Mizushima Factory	●			●

* Included in the certification of Yutaka Chemicals Sites as it is located within the Yutaka Chemicals sites premises

Asia

Company	Business Sites	ISO 14001	OHSAS 18001	ISO 45001	ISO 9001
■ Korea					
Samyoung Pure Chemicals Co., Ltd	Cheonan Plants	●		●	●
	Ulsan Plants	●		●	●
■ Taiwan					
MGC Pure Chemicals Taiwan, Inc.	Plant	●		●	●
■ China					
Taixing Lingsu Specialty Materials Co., Ltd.	Plant	●			●
MITSUBISHI GAS CHEMICAL ENGINEERING-PLASTICS (SHANGHAI) CO., LTD.	Plant	●			●
Suzhou MGC Suhua Peroxide Co., Ltd.	Plant	●			●
■ Singapore					
MGC PURE CHEMICALS SINGAPORE PTE. LTD.	Plant	●		●	●
■ Indonesia					
PT PEROKSIDA INDONESIA PRATAMA	Plant	●		●	●
■ Thailand					
THAI POLYACETAL CO., LTD	Plant	●		●	●
AGELESS (THAILAND) CO., LTD.	Factory			●	●
MGC ELECTROTECHNO (THAILAND) CO., LTD	Factory	●			●

Americas

Company	Business Sites	ISO 14001	OHSAS 18001	ISO 45001	ISO 9001
MGC ADVANCED POLYMERS, INC.	Factory	●			●
MGC PURE CHEMICALS AMERICA, INC	Arizona Facility	●		●	●
	Texas Facility			●	●
	Oregon Facility				●

* Total 38sites (68%) of 56 production sites acquired ISO 14001 certification.

* Total 0sites (0%) of 56 production sites acquired OHSAS 18001 certification.

* Total 9sites (16%) of 56 production sites acquired ISO 45001 certification.

Social

Employees | Diversity | Human Resource Development | Work-life Balance | Respect for Human Rights |
Employee Health | Occupational Health and Safety / Process Safety and Disaster Prevention | Ensuring the Quality and
Safety of Chemicals and Products | Socially Responsible Sourcing | Communication with Stakeholders |
Social Contribution Activities | Participation in External Initiatives

Employees (Non-consolidated)

* Unless otherwise noted, data are current as of March 31 of each fiscal year and include MGC personnel seconded to other companies.

Average Age, Average Length of Service

Indicator	Category	Unit	FY2017	FY2018	FY2019	FY2020
Average age	Male	Years old	41.4	41.5	41.8	42.0
	Female	Years old	39.8	39.7	39.1	38.8
	Overall	Years old	41.3	41.3	41.5	41.7
Average length of service	Male	Year	18.6	18.6	18.8	19.0
	Female	Year	17.3	16.8	15.8	15.5
	Overall	Year	18.5	18.4	18.5	18.6

Full-time Employees

Indicator	Category	Unit	FY2017	FY2018	FY2019	FY2020
Overall	Male	People	2,381	2,437	2,468	2,503
	Female	People	243	250	264	270
	Total	People	2,623	2,687	2,732	2,773
	Ratio of females	%	9.3	9.3	9.7	9.7
By age	20s and under	People	439	465	480	474
	30s	People	686	690	689	704
	40s	People	850	814	828	808
	50s	People	636	701	723	774
	60 and over	People	13	17	12	13

Managers

Indicator	Category	Unit	FY2017	FY2018	FY2019	FY2020
Overall	Male	People	870	889	885	904
	Female	People	12	13	18	22
	Total	People	882	876	903	926
	Ratio of females	%	1.4	1.5	2.0	2.4
Under general manager	Male	People	457	453	450	449
	Female	People	11	11	16	19
	Total	People	468	464	466	468
	Ratio of females	%	2.4	2.4	3.4	4.1
General manager and above	Male	People	413	423	435	455
	Female	People	1	2	2	3
	Total	People	414	425	437	458
	Ratio of females	%	0.2	0.5	0.5	0.7

Temporary and Contract Employees

Indicator	Category	Unit	FY2017	FY2018	FY2019	FY2020
Number of temporary employees*		People	0	0	0	0
Contract employees	Male	People	9	13	17	34
	Female	People	90	92	106	96
	Total	People	99	105	123	130

*Average number per year

Employees (Consolidated)

* Personnel (including contract employees and personnel seconded to MGC) employed as of March 31 of each fiscal year, including temporary and part-time employees.

* For the reporting boundaries of the data in the table below, see MGC Group's Consolidated Subsidiaries on page 32.

Indicator	Category	Unit	FY2017	FY2018	FY2019	FY2020
Overall	Male	People	6,992	7,253	7,311	7,449
	Female	People	1,764	1,826	1,814	1,956
	Total	People	8,756	9,079	9,125	9,405
Management personnel	Male	People	1,503	1,556	1,597	1,735
	Female	People	98	106	116	126
	Total	People	1,601	1,662	1,713	1,861

Diversity (Non-consolidated)

New Employees

Indicator	Category	Unit	FY2017	FY2018	FY2019	FY2020
New Employees (new graduates)*1	Male	People	35	48	66	63
	Female	People	6	7	12	13
	Total	People	41	55	78	76
	Ratio of females	%	14.6	12.7	15.4	17.1
New Employees (mid-career hires)*2	Male	People	13	57	19	20
	Female	People	2	11	10	2
	Total	People	15	68	29	22
	Ratio of females	%	13.3	16.2	34.5	9.1
Mid-career hires' share of total (first disclosed October 2021)		%	26.8	55.3	27.1	22.4

*1. Number of people who joined the company in April of each fiscal year

*2. Number of people who joined the company from April to March of the following year

Ratio of Employees with Disabilities

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Number of employees with disabilities	People	50	52	50	51
Ratio of employees with disabilities*	%	2.28	2.33	2.30	2.27
(Statutory minimum rate)	%	2.00	2.20	2.20	2.20

*Data as of June 1 of each fiscal year

Re-employment of retired employees

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Re-employment of retired employees	People	19	32	24	22
Ratio of re-employment of retired employees	%	100	89	80	81

Number of Employees/Managers who are Foreign Nationals

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Number of employees who are foreign nationals	People	9	10	11	10
Number of managers	People	1	1	3	4

Human Resource Development (Non-consolidated)

Average Training Hours

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Average training and development hours per full-time employee	Hours	4.9	5.9	6.1	4.9

Training Programs (FY2020)

Program	Content	Duration	Attendees
New employee training	Personnel system, company overview, business etiquette, compliance, teamwork, safety education, human rights awareness training, mental health, English conversation, etc.	4 days	57
New Employee Follow-up Training	Trainee presentations, mental health, PBI training	2 days	51
P3 Promotee Training	Personnel system, company overview, career building, compliance	1 day	60
Optional Training Course A	Personnel system, company overview, trainee presentations, compliance, theme-specific training, DC follow-up training	2 days	31
Optional Training Course B	Personnel system, company overview, trainee presentations, compliance, theme-specific training, DC follow-up training	2 days	40
A3-level Promotee Training	Company overview, trainee presentations, compliance, mid-level leadership training	2 days	27
A4-level Candidate Training	Personnel system, company overview, trainee presentations, compliance, theme-specific training	2 days	15
B2-level Candidate Training	Personnel system, company overview, trainee presentations, compliance, theme-specific training	2 days	49
A4/B2-level Promotee Training	Evaluator training	1 day	35*
M1-level Candidate Training	Time management training	1 day	Training not held
M1-level Promotee Training	Trainee presentations, compliance, supervisor training, evaluator training, organizational management, finance/accounting training	3 days	52
Senior M1-level Training	Trainee presentations, compliance, internal controls, MBC training	3 days	30
M2-level Promotee Training	Trainee presentations, compliance, internal controls, MINE training	3 days	46
Life/Career Design Training	Self-analysis, understanding of own strengths and career environment, career/life balance, retirement plan, corporate pension plan, re-employment system.	2 days	50
Negotiation Strategy Training	Fundamental mechanisms and practical theories of negotiation	2 days	35
Logical communication training	Improvement of business communication skills based on logical thinking	2 days	36
Facilitation Training	Facilitation skills training	2 days	40
HAZOP Training	Understanding of HAZOP, accident case studies, HAZOP drills	2 days	44

* Number of attendees in Kanto region

Work-life Balance

Basic Approach to Wages and Working Hours

The MGC Group complies with local minimum wage laws and regulations in the countries/regions in which it operates and pays wages to its employees based on fair evaluations. In addition to also complying with local laws and regulations on working hours, the Group endeavors to enable employees to have a healthy work-life balance through appropriate labor management to avoid onerous work schedules.

Work-life Balance Data (Non-consolidated)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020	
Total annual working hours per employee	Hours	1,876.7	1,863.0	1,845.8	1858.2	
Average overtime per month (union members)	Hours	14.4	14.2	13.6	12.6	
Annual paid vacation days available	Days	19.4	18.9	18.8	18.7	
Annual paid vacation days taken	Days	16.6	17.2	17.4	16.0	
Ratio of taking annual leave	%	90	91	92	85	
Employees who started maternity leave*1	People	13	11	21	8	
Employees who started parental leave	Male	People	1	0	3	15
	Female	People	13	8	21	8
Return to work rate after taking maternity/parental leave	Male	%	100	100	100	100
	Female	%	100	100	100	100
Employees who took shortened working hours for childcare	Male	People	0	0	1	0
	Female	People	20	28	35	32
Days of nursing leave taken	People	1	2	0	3	
Voluntary retirement*2	People	21	27	25	25	
Involuntary retirement	People	0	0	0	0	
Other retirement	People	0	0	0	0	
Total	People	21	27	25	25	
Rate of employee turnover	%	0.8	1.0	0.9	0.9	
Rate of employee turnover due to voluntary retirement	%	0.8	1.0	0.9	0.9	
Employee turnovers within three years*3	People	0	4	2	2	
Rate of employee turnover within three years	%	0.0	7.3	2.6	2.6	
Transfers	People	2	2	1	4	

*1. Does not include those who are still on leave that started in the previous fiscal year.

*2. Does not include transferees to other Group companies.

*3. Number of employee turnovers within three years from among new graduate hires in each fiscal year.

Programs to Promote Work-Life Balance (Non-consolidated)

Program	Description
Flexitime	Available on company-wide basis (to regular day-shift workers only); MGC's headquarters and research laboratory are trialing super flexitime with no core time
Teleworking	Trial ongoing at MGC's headquarters and research laboratory; employees may work from home up to three days per week
Parental leave	Employees unable to secure child care can take leave until child is two years old
Paternity leave	Employees can take five days of (paid) leave when spouse gives birth
Nursing leave	Employees can take one year of leave per family member requiring care; the year can be split into up to three intervals
Shortened work schedule for caregivers	Employees with young children (up to third grade) or other family members requiring care can work a shortened schedule (up to six hours per day in 30-minute units)
Nursing leave for children	Employees can take up to 10 personal days per year to care for children not yet of school age
Nursing leave	Employees can annually take five days per family member requiring care, up to a maximum of 10 days if two or more family members require care
Annual paid leave by "half-day"	Employees can take a half-day leave up to 30 times per year
Accumulating annual leave	Employees can accumulate up to 40 unused paid leave from prior years for emergency use (e.g., personal illness/injury, family illness, natural disaster)
Refresh leave	Upon turning 50 years old, employees are granted five days of special (paid) vacation and paid a one-time bonus
Volunteering leave	Employees who volunteer to assist with emergency disaster relief can take up to three (paid) days per year to do so
Medical donor leave	Employees can take up to three (paid) days per year for bone marrow donation, including registration, screening and extraction
Leave to accompany spouse overseas	Employees can take a leave of absence for up to three years to accompany their spouse working overseas
Re-hiring of former employees	MGC re-hires qualified former employees with at least three years of service who resigned within the previous 10 years as a result of circumstances beyond their control

Respect for Human Rights

Basic Approach to Human Rights

The MGC Group supports international human rights standards such as the UN Global Compact, UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises.

The MGC Group respects everyone's dignity and rights. It does not discriminate on any grounds, including but not limited to pedigree, nationality, race, ethnicity, beliefs, religion, gender, sexual orientation, age, disability, personal interests, educational attainment, pregnancy, language, economic background and political views.

Promotion of Respect for Human Rights

MGC promotes respect for human rights mainly through its Diversity and Inclusion Promotion Expert Committee (administrative staffing for which is provided by the Administrative & Personnel Division's D&I Promotion Group). An advisory body of the CSR Council (made up of directors and chaired by MGC's president), the Diversity and Inclusion Promotion Expert Committee reports to the CSR Council through the CSR Conference Secretariat.

The Administrative & Personnel Division's D&I Promotion Group carries out initiatives to promote everyday respect for human rights (e.g., educating about/raising awareness of human rights, addressing human rights issues).

Basic Approach to Rights to Organize and to Collectively Bargain

The MGC Group respects basic labor rights, including workers' rights to organize and collectively bargain.

Freedom of Association*1 (Non-consolidated)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Union members*2	People	1,846	1,883	1,887	1,885
Ratio of union members*3	%	100	100	100	100

*1. Includes some affiliates

*2. Data is as of March 31 for each fiscal year

*3. Number of union members / number of eligible people (excluding management level and others stipulated by agreement)

Employee Health (Non-consolidated)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Ratio of employees receiving regular health checkups*	%	99	100	99	99
Ratio of employees receiving stress checks	%	98	99	98	98
Employees taking leave due to mental health issues	People	5	4	15	13
Employees taking leave due to personal injury/sickness (excluding those due to mental health issues)	People	4	2	3	3

*Employees on temporary retirement excluded

Occupational Health and Safety / Process Safety and Disaster Prevention (Non-consolidated)

Occupational Health and Safety / Process Safety and Disaster Prevention Policies

In accord with its Safety Philosophy and Safety Philosophy Behavior Guidelines, MGC conducts safety activities aimed at completely eliminating occupational injuries with the participation of all personnel, including partner companies' employees working at MGC sites in addition to MGC employees. Every MGC site also conducts their own safety activities spearheaded by front-line personnel. Additionally, MGC conducts company-wide improvement activities through its cross-organizational LINK program. MGC systematically maintains its facilities and is stepping up TPM* (total productive maintenance) activities at production plants as an effective means of not only preventing accidents but also reducing equipment breakdowns and production downtime.

*TPM activities: activities that continuously improve productivity and contribute to profits by eliminating all types of losses that exist in production systems.

• Safety Philosophy

Ensuring safety is the top priority of our business activity

• Safety Philosophy Behavior Guidelines

- (1) Fostering a safety culture
- (2) Thorough education and drills
- (3) Confirming and abiding by safety rules
- (4) Promoting preventive safety measures

• Safety Slogan

Build a safety culture together through keen awareness and certain knowledge.

Occupational Health and Safety

Indicator		Unit	FY2017*1	FY2018*1	FY2019*1	FY2020*1
Ratio of sites with OHSAS (Occupational Health and Safety Assessment Series) 18001 certification		%	0	0	0	0
Serious occupational accidents*2	Employees	Cases	0	0	0	1
	Partner*3	Cases	4	5	4	4
Work-related fatalities	Employees	People	0	0	0	0
	Partner*3	People	0	0	0	0
Lost-time injury frequency rate*4	Employees	—	0	0.29	0	0.28
	Partner*3	—	0.57	1.91	1.41	1.38
Lost-time injury severity rate*5	Employees	—	0	0	0	0.01
	Partner*3	—	0.02	0.03	0.04	0.07
Occupational illness frequency rate (per one million hours worked)	Employees	—	0.00	1.47	0.29	0.56
	Partner*3	—	0.29	1.64	1.13	1.11
Number of violations of occupational health and safety regulations and codes		Cases	0	0	0	0

*1. Calendar year

*2. Accidents resulting in lost work days eligible for disability compensation, including death and permanent disability, or potential disability, with four or more lost work days

*3. Including contract employees

*4. Total number of deaths and injuries caused by labor accidents per one million actual hours worked

*5. Total number of working days lost per one million actual hours worked

Performance monitoring and management of health and safety

Indicator	Unit	FY2017*1	FY2018*1	FY2019*1	FY2020*1
Results: serious occupational accidents (employees)	Cases	0	0	0	1
Results: serious occupational accidents (partner companies)	Cases	4	5	4	4
Targets: 0	-	▲	▲	▲	×

Procedure for Handling Labor Standard Violations

When the MGC Group is contacted by authorities about a violation, the matter is referred to concerned staff in the Environment, Safety & Quality Assurance Division and Administrative & Personnel Division and reported to senior management. Said staff decide how to rectify the violation, set a timeline for doing so in consultation with each other and oversee the rectification process until completed. MGC endeavors to also raise awareness and prevent recurrence by sharing examples of nonconformance with its entire workforce.

In FY2020, the MGC Group was not notified of any labor standard violations by administrative authorities.

Occupational Safety and Health Committees, Management Council Meetings and Management Briefings

MGC has established Occupational Safety and Health Committees comprising representatives of labor and management at all of its sites. The committees thoroughly research and discuss basic safeguards to prevent workplace hazards and protect workers' health (including identification of causes of occupational accidents and recurrence prevention measures) among other important matters.

Additionally, representatives of management (President, as well as Directors who are appointed by President) and labor unions regularly gather together at management council meetings and management briefings to discuss operations in general and occupational safety and health matters.

• **Selected Initiatives**

With safety as its top priority, MGC proactively pursues initiatives aimed at zero accidents and zero injuries.

Intensification of everyday safety activities	MGC is stepping up workplace safety activities, including hazard prediction, finding near-miss incidents, pointing and calling, 5S activities and supervisor patrols.
Augmentation of education	MGC is augmenting its educational programs, including by installing operator training simulators and hiring an external organization to conduct process risk assessment (HAZOP) training.
Workplace improvement presentations	MGC aims to encourage workplace safety activities by sharing and commending outstanding activities at workplace and company-wide improvement presentations.
Accident recurrence prevention	MGC endeavors to prevent recurrence of accidents similar to ones that have occurred at its sites or at Group companies by sharing and analyzing case studies of the accidents. Additionally, its plants actively share information on their occupational safety and disaster prevention activities with each other through LINK activities in the aim of upgrading their independent process-safety capabilities to a high level and ensuring safe operations.
Disaster prevention support for partner companies	MGC strengthens communications with partner companies through such means as holding disaster prevention conferences and providing information on accidents that occurred at other plants/companies. Additionally, it supports partner companies' safety activities by, e.g., making internal educational facilities available for them.
Safety awards	MGC's president presents awards to plants without any occupational injuries for a certain period of time. Two sites received such awards in 2020.
Safety consciousness-raising through, e.g., posters	MGC's Safety Philosophy, and Policies on Environment and Safety are displayed on banners and posters at every workplace. Additionally, MGC promote safety consciousness by having all personnel carry a Safety Slogan card while on the job.
Adoption of new technologies	MGC is preparing to adopt state-of-the-art testing/inspection technology and upgrading its facilities management technologies.

Process Safety and Disaster Prevention

• **Average unplanned down time per plant**

Metric	Unit	FY2017	FY2018	FY2019	FY2020
Average unplanned down time per plant	Hours	53.3	117.7	135.4	105.1

• **Process Safety Incidents**

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Total count of process safety incidents (PSIC)	Cases	2	3	3	0
Process safety total incident rate (PSTIR)	—	0.1	0.2	0.2	0
Process safety incident severity rate (PSISR)	—	0.6	0.3	0.3	0

Investment in Safety and Disaster Prevention Measures

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
		Amount invested	Amount invested	Amount invested	Amount invested
Explosions, fires and leaks	Million yen	181	205	515	195
Aging equipment	Million yen	1,866	2,316	4,226	3,099
Work environment improvements	Million yen	1,228	1,612	697	456
Earthquakes and other natural disasters	Million yen	30	95	23	191
Others	Million yen	37	260	1,062	211
Total	Million yen	3,341	4,488	6,523	4,151

Process Safety Assessments for New Processes

Plants/laboratories mitigate the risk of accidents in the course of their operations by identifying workplace hazards, assessing risks by type and frequency of occurrence and devising and implementing measures to avert any intolerable risks.

Process Safety Assessments for Existing Processes

When installing new capacity or modifying existing facilities, plants/laboratories mitigate the risk of accidents by assessing process safety, implementing necessary safeguards and subsequently reassessing/updating on a regular basis.

Ensuring the Quality and Safety of Chemicals and Products (Non-consolidated)

Policy on Chemical and Product Safety

Under its Safety Philosophy and Safe Behavior Guidelines, the MGC Group's basic policy is to ensure the safe handling, use and disposal of chemical products.

System for Promoting the Safety of Chemicals and Products

The MGC Group promotes responsible care (RC) in all divisions in accordance with the MGC Group Policies on Environment and Safety. It establishes RC medium-term and annual plans, and progress with those plans is reported to the Environment and Safety Council, chaired by the president, at a meeting held in December of each year. One approved, the plans ensure continuous improvements through a PDCA cycle.

Chemical and Product Safety Activities

At MGC, we conduct basic surveys and safety assessments at the product development stage.

When products correspond to new chemical substances, we first conduct safety testing and then classify the products according to whether they do or do not come under applicable regulations, as well as according to their degree of hazard under standards such as GHS*, before preparing safety information such as safety data sheets (SDSs). Based on these, we perform risk assessments (based on hazards of the substances themselves and hazards related to exposure) for every stage of a product, from manufacture to disposal. Products are offered once this screening (premarketing investigation) is complete.

Many of MGC's products are chemicals, and potential product-related accidents include fires and chemical burns. We present hazard information about chemicals with SDSs, product labels, and yellow cards given to customers and others concerned to ensure that products are handled safely. Hazard information is also provided for products aimed at overseas markets, via translated SDSs and other means.

*GHS: The Globally Harmonized System of Classification and Labelling of Chemicals.

Chemical hazards are classified under fixed standards and are indicated clearly with pictograms on labels and through SDS documentation. Ultimately, the information contributes to accident prevention and to protecting human health and the environment.

Chemical Safety Information Management

MGC manages chemical safety information to help customers, employees, partner companies' employees and other concerned parties better understand chemicals' hazardous/toxic properties, promote proper handling of chemicals and, in turn, prevent occupational injuries and pollution due to chemicals.

MGC manages chemical safety information on hazardous/toxic properties of all chemicals it supplies (including chemicals sourced from external vendors) and all chemicals involved in the process of manufacturing or prototyping its products (including products in development, prototypes and intermediates).

For safety information on end products, products in development, prototypes, raw materials, intermediates, byproducts, waste products and reagents, MGC stores certain safety information in an environmental and safety database accessible via its intranet site. Information in the database includes reports on internally and externally conducted safety assessments/tests, Safety Data Sheets in multiple languages and warning labels in multiple languages.

Product Risk Assessments

MGC performs risk assessments on all new products. It also reassesses existing products' risks whenever a raw-material input or manufacturing process changes, the product is to be used for a new application, applicable laws, regulations or standards are revised or new scientific knowledge becomes available.

Safety Assessment

When commencing production using a newly developed chemical or using an existing chemical for a new application, MGC assesses (1) physical and chemical hazards, (2) human health toxicity and (3) environmental toxicity. When assessing a chemical's safety, MGC also factors in the chemical's compatibility with applicable laws and both domestic and international regulations. In the case of new products, MGC analyzes and assesses risks at every stage of the product's lifecycle from manufacturing, sales and distribution to usage/consumption and disposal, fully taking into account how the product foreseeably could be used, prospective users' characteristics, usage environments and other relevant factors. When a product requires regulatory approval as a new chemical substance, MGC formally seeks such approval from competent authorities.

Quantitative Chemical/Product Safety Targets Through

Indicator	Unit	FY2023
Pre-/post-marketing investigations of new products	% of products	100
Substances registered in compliance with local chemical substance controls	% of products	100
SDS (safety information) prepared and distributed	% of products	100

Socially Responsible Sourcing (Non-consolidated)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Share of total purchases* sourced from suppliers that completed CSR questionnaires	%	—	—	—	90

*Purchases by Purchasing & Logistics Division

Basic Approach to Human Rights

Under the Mitsubishi Gas Chemical CSR Procurement Guidelines, MGC calls upon its suppliers (including contractors or agents) to prohibit discrimination, inhumane treatment, forced labor and child labor. MGC is proactively endeavoring to gain suppliers' understanding of and cooperation with the Guidelines.

Basic Approach to Rights to Organize and to Collectively Bargain

The MGC Group respects basic labor rights, including workers' rights to organize and collectively bargain. Even in raw material supply chains, MGC respects workers' rights to organize and collectively bargain as a means of negotiating their wages, working conditions, working environment and other such matters with management.

Approach to Water Use and Biodiversity in Socially Responsible Sourcing

- MGC complies with local environmental laws and regulations, including those pertaining to water withdrawals, wastewater discharges, industrial sewage and emissions, in the countries/regions in which it operates. It also sets voluntary standards in pursuit of further improvement.
- MGC uses materials conducive to preserving biodiversity, discloses its progress in reducing emissions, effluents, soil contamination, resource usage and waste usage for the sake of environmental protection. It also carries out initiatives to improve in the areas.

Communication with Stakeholders (Non-consolidated)

Stakeholder	Communication philosophy	Main means of communication	Frequency
Customers	MGC offers a wide range of products. To respond to customer expectations and the trust they place in our products, MGC incorporates customer requests and feedback in product development and in improving its services.	Direct contact by sales staff	Daily
		Incoming phone calls, website contacts	Daily
		Survey requests from customers	Daily
		Responses to CDP climate change questionnaires	Once yearly
		Responses to CDP water security questionnaires	Once yearly
Shareholders / Investors	MGC conducts a broad range of communication activities and ensures shareholders and the investment community have a correct understanding of MGC; we strive to disclose information timely in a fair and transparent manner.	Earnings briefings	Twice yearly
		IR inquiries/responses	As necessary
		Information disclosure in compliance with laws or securities exchanges' regulations	Timely
		IR section of website	Daily
		General Meeting of Shareholders	Once yearly
		Reports to shareholders	Twice yearly
Business Partners	We consider supporting suppliers' CSR activities to be an important factor in this regard. In this way, we endeavor to build a supply chain that takes into account regulatory compliance, the environment and safety.	Communication through purchasing activities	Daily
		Inquiries about product sourcing	Daily
		Responses to CSR surveys	As necessary
Local communities	We encourage community interaction and contribute to their development through participation in local festivals, blood drives, and traffic safety campaigns in Japan, as well as through participation in local activities outside of Japan.	Incoming phone calls, website visits	Daily
		Local community activities (disaster relief, litter pickup, tree-planting, traffic safety, etc.)	As necessary
		Scholarships for foreign students through Mitsubishi Gas Chemical Memorial Foundation	Applications accepted twice yearly
		Support for education of next generation (distribution of chemistry experiment kits, etc.)	Periodically
		Community meetings at plants	As necessary
		Plant tours	As necessary
		Participation in local events	As necessary
Employees	MGC aims to create dynamic workplace environments where all employees know their respective roles, give full play to their creativity, produce impressive results and find meaning in their jobs.	Training programs, interviews	Periodically
		Management conferences/briefings (labor-management talks)	Periodically
		Personnel System Review Committee for joint labor-management discussion	Periodically
		Collective bargaining	As necessary
		Internal newsletter	Quarterly
		Intranet	Daily
		Consultation desk, whistleblower hotline	Daily
		Occupational Safety and Health Committee meetings	Periodically

Social Contribution Activities

Main Donations

Recipient	Amount (Million yen)
In-kind donation of emergency food stocks to Second Harvest Japan	—
Donation to aid victims of record-breaking cold wave in Texas	5.5
COVID-19 research funding	6.0
Donation of polycarbonate resin face shields to clinics/hospitals	—
Chemistry Human Resource Development Program Conference, Japan Chemical Industry Association	2.5
Mitsubishi Memorial Foundation for Educational Excellence	6.5
Bookcase of Biodiversity Donation Program, Japan Committee for UN Decade on Biodiversity	0.7

* Amounts are funds donated by MGC

Main Social Contribution Activities

Activity
Hosting of plant/laboratory tours
Promotion of communication with production plants' local communities
Sponsorship of community youth sports
Provision of instructors for university courses
Internship program (for university/technical college students)
University scholarship program (Mitsubishi Gas Chemical Memorial Foundation)
Donation of science experiment kits to middle schools

Social Contribution Activity Expenditures (Non-consolidated)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Social contribution activity expenditures	Million yen	115	427	251	230
Of which, total donations	Million yen	74	395	235	210
Of which, other expenditures	Million yen	0	0	16	17

Priorities for Activities to Contribute to Society

• Contributions to local communities

MGC engages in community activities like sponsoring sporting events and participating in public gatherings, mainly in communities around its plants and other sites.

MGC places priority on reciprocal communication and partnerships with local communities. It also values coexisting in harmony with local communities and contributing to society through employees' participation on their own initiative. MGC supports employees' community/societal activities.

• Initiatives for the Next Generation

MGC host student visits to Japan and internships involving local junior high schools, high schools, technical junior colleges, and universities. We have also continued to provide chemistry experiment kits to junior high schools near our facilities since 2008, with the aim of helping students to realize that chemistry is useful in everyday life and preventing a declining interest in science. The kits help students learn about the oxidation of iron by making pocket heating pads.

Through these and other initiatives, we are stimulating interest in chemistry among children and students who represent the next generation.

• Support for promising talent and chemistry/chemical engineering research

Developing elite human resources who will shoulder the next generation is essential for sustained growth of society. At MGC as well, people are our most important asset from the standpoint of continuing to operate in perpetuity. Companies have a responsibility to contribute to society by supporting research and providing learning environments for self-motivated students. The Mitsubishi Gas Chemical Memorial Foundation provides scholarships to undergraduate and graduate students majoring in chemistry or chemical engineering, particularly foreign students from ASEAN countries who attend Japanese universities.

• Business-related contributions

As a company that develops and disseminates chemical technologies, MGC dispatches its researchers to speak at universities on topics such as product (new material) development at a chemical company, technological development programs, regulation of chemicals, and chemical industry developments based on their own practical experience.

Participation in External Initiatives (Non-consolidated)

Main External Initiatives

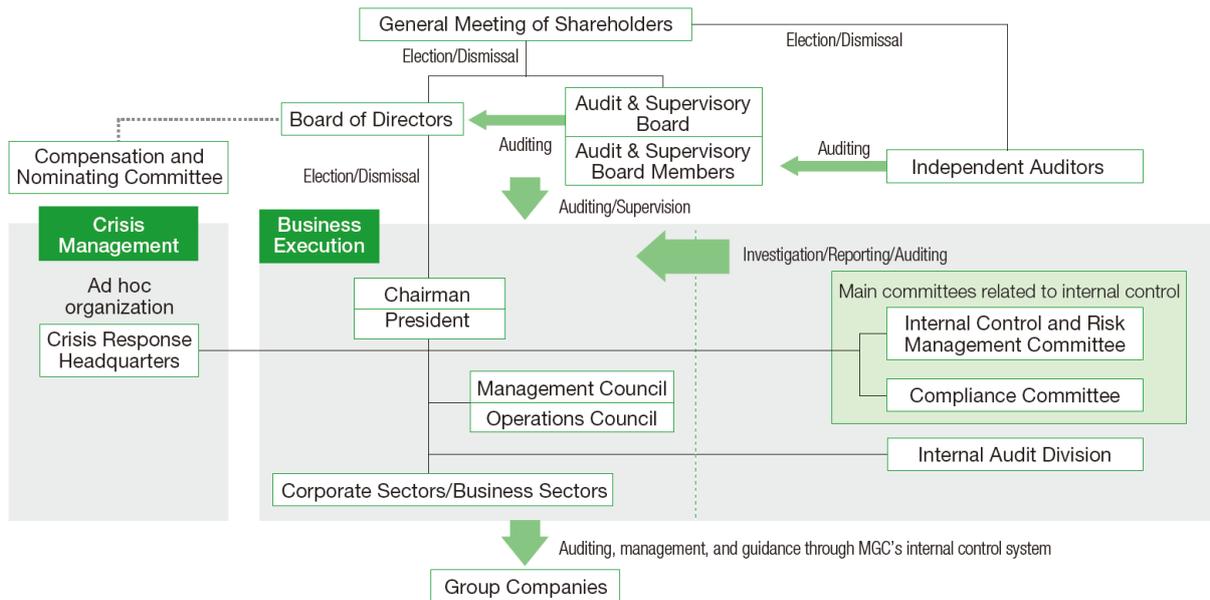
Entity
Japan Business Federation
Japan Business Federation's Committee on Nature Conservation
Japan Chemical Industry Association
Japan Petrochemical Industry Association
United Nations Global Compact
Task Force on Climate-related Financial Disclosures (TCFD)
Zero-Emission Challenge (Japan Business Federation)
Tokyo Zero-emission Innovation Bay (Ministry of Economy, Trade and Industry)
Japan Hydrogen Association
Responsible Care Global Charter
Japan Chemical Industry Association's Responsible Care Committee
Global Compact Network Japan

Governance

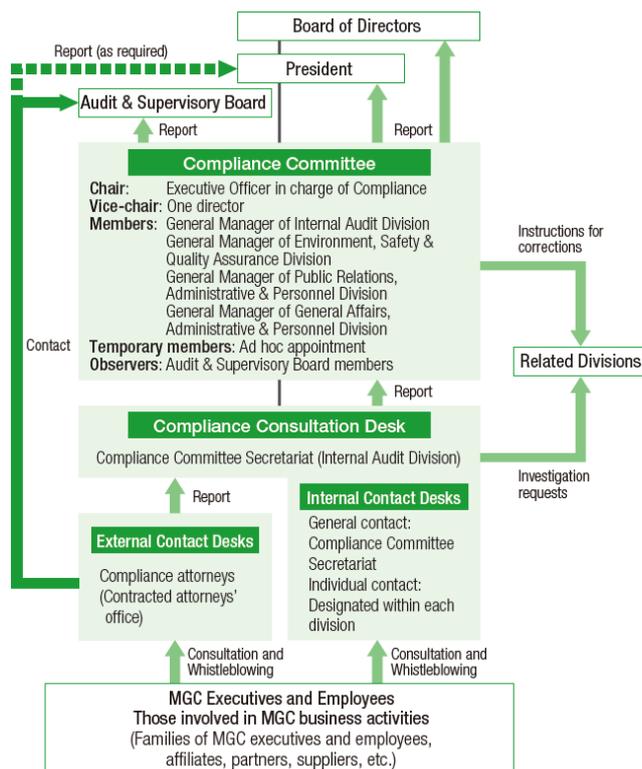
Management System | Governance Structure | Number of Major Meetings and Attendances | Officer Remuneration | Legal/Regulatory Violations | Compliance Violations | Internal Audits
Compliance Consultation Desk | Approach to Prevention of Corruption | Prevention of corruption training
Approach to Tax Governance | Political Contributions | Categories of Shares Issued

Management System

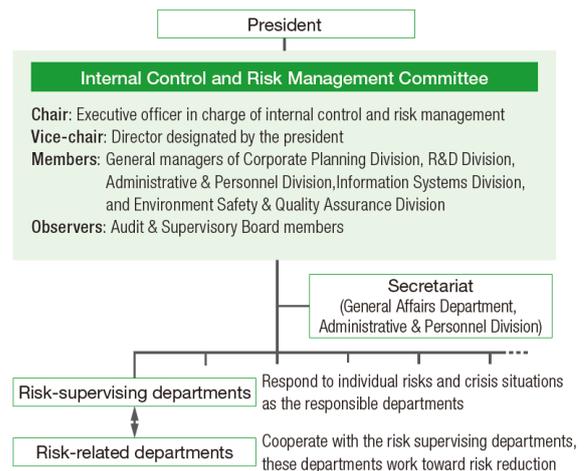
Corporate governance and risk management organization chart



Compliance Structure



Risk Management Promotion System



Governance Structure

Indicator	Scope		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Directors	Inside directors	Male	People	10	10	9	8	8
		Female	People	0	0	0	0	0
		Total	People	10	10	9	8	8
	Outside directors (independent)	Male	People	2	2	2	3	3
		Female	People	0	0	0	1	1
		Total	People	2	2	2	4	4
	Altogether		People	12	12	11	12	12
Average term			Year	4y8m	5y2m	5y11m	3y7m	-
Ratio of independent outside directors (actual)			%	17	17	18	33	-
Ratio of female directors			%	0	0	0	8	8
Executive directors			People	10	10	9	8	8
Audit & Supervisory Board Members	Inside Audit & Supervisory Board members	Male	People	2	2	2	2	2
		Female	People	0	0	0	0	0
		Total	People	2	2	2	2	2
	Outside Audit & Supervisory Board members	Male	People	2	2	2	2	2
		Female	People	0	0	0	0	0
		Total	People	2	2	2	2	2
	Altogether		People	4	4	4	4	4
Average term			Year	3y3m	3y9m	4y9m	5y9m	-
Ratio of independent outside Audit & Supervisory Board members (actual)			%	50	50	50	50	-
Ratio of female Audit & Supervisory Board members			%	0	0	0	0	0

*Data as of the conclusion of the General Meeting of Shareholders held each fiscal year

Number of Major Meetings and Attendances

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Board meetings	Times	12	14	12	12
Average attendance of directors at board meetings	%	100	100	99	100
Average attendance of Audit & Supervisory Board members at board meetings	%	100	100	98	100
Audit & Supervisory Board meetings	Times	14	14	14	14
Average attendance at Audit & Supervisory Board meetings	%	100	100	98	98

*Data from April to March of each fiscal year

Officer Remuneration

Indicator	Scope	Unit	FY2017	FY2018	FY2019	FY2020
Directors (excluding outside directors)	Total remuneration	Million yen	496	549	489	444
	Number of officers*	People	11	11	13	11
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board members)	Total remuneration	Million yen	52	52	52	53
	Number of officers*	People	2	3	2	3
Outside officers	Total remuneration	Million yen	54	55	55	70
	Number of officers*	People	5	4	4	6
Total		Million yen	602	656	596	567

*Above number of Directors and Audit & Supervisory Board members, remuneration, etc. include remuneration for officers who resigned at the close of the General Meeting of Shareholders.

There is no Officer Remuneration, etc. received by outside officers from our subsidiaries.

Legal/Regulatory Violations

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Cease and desist orders from JFTC	Cases	0	0	0	0
Suspension of operations due to, e.g., scandal	Cases	0	0	0	0
Compliance-related criminal indictments	Cases	0	0	0	0
Price-fixing	Cases	0	0	0	0
Bribery	Cases	0	0	0	0
Other violations	Cases	0	0	0	0

Compliance Violations

*For the reporting boundaries of the data in the table below, see MGC Group's Consolidated Subsidiaries on page 32.

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Number of reports to the Compliance Consultation Desk	Cases	18	16	17	27
Legal actions received for anti-monopoly/anticompetitive practices (cases under investigation)	Cases	0	0	0	0
Fines charged and settlement fees for anti-monopoly/anticompetitive practices	Thousand yen	0	0	0	0
Confirmed corruption incidents (cases under investigation)	Cases	0	0	0	0
Fines charged and settlement fees for corruption	Thousand yen	0	0	0	0
Other incidents related to compliance (excluding environmental)	Cases	0	0	0	0
Fines charged and settlement fees for other compliance-related incidents (excluding environmental)	Thousand yen	0	0	0	0
Reported cases of discrimination	Cases	0	0	0	0
Reported human rights violations	Cases	—	—	—	0
Reported cases of child labor	Cases	0	0	0	0
Reported cases of forced labor	Cases	0	0	0	0
Reported cases of infringement of rights of indigenous peoples	Cases	0	0	0	0

Internal Audits

MGC has established an Internal Audit Division, an internal organization that is dedicated exclusively to internal auditing and reports directly to MGC's president. As one activity to monitor internal controls, the Internal Audit Division conducts audits separate from the Audit & Supervisory Board and independent auditor's respective audits. It audits every facet of MGC and Group companies' business execution. Internal audits verify whether internal controls are implemented and functioning properly from multiple standpoints, including maintaining operational effectiveness and efficiency, ensuring the reliability of financial reporting, abiding by laws and regulations applicable to business activities and deterring compliance violations such as bribery, embezzlement and other forms of corruption, and keeping assets, all to enable MGC to achieve its management objectives. The Internal Audit Division audits all business units (MGC's divisions, other organizational units equivalent thereto and consolidated subsidiaries) at roughly three-year intervals. Internal audit findings are periodically reported to the Board of Directors and Audit & Supervisory Board by the director in charge of the Internal Audit Division.

Compliance Consultation Desk

The MGC Group has established a Compliance Consultation Desk accessible both internally and externally (via a law office) to enable prompt detection of and responses to actual or potential situations that cannot be dealt with through normal organizational channels, including legal/regulatory violations (e.g., bribery, other acts of corruption, harassment), misconduct and human rights infringements.

All parties connected with the MGC Group can consult with or report information to the Compliance Consultation Desk, including not only Group personnel inclusive of temp and contract workers but also their family members and the Group's suppliers, customers and collaborators.

As a general rule, the Compliance Consultation Desk allows individuals to consult with or report to it by telephone or in-person conversation in addition to by self-documenting means such as email, fax or letter. It allows individuals to also consult/report anonymously if they so wish and protects the privacy of those who reveal their identity. The Compliance Consultation Desk never divulges names or reported facts to anyone beyond a bare minimum of concerned parties who need to be informed to investigate or otherwise appropriately respond to reports.

The privacy of individuals who cooperate with investigations is also protected, with even the fact that they cooperated kept confidential.

Investigative findings pertaining to consultations/reports are reported to the Compliance Committee, an independent body that reports directly to MGC's president. When the Compliance Committee determines that a compliance violation has occurred, appropriate corrective and recurrence-prevention measures are taken and the whistleblower is notified of the outcome. All Compliance Committee activities' outcomes are reported to the president, Board of Directors and Audit & Supervisory Board members.

Approach to Prevention of Corruption

Under published "MGC Corporate Behavior Guidelines" and "MGC Group Code of Conduct" that are well known MGC Group, MGC Group employees, officers, directors and Audit & Supervisory Board members are obligated to comply with Japan's Unfair Competition Prevention Act, the U.S.'s Foreign Corrupt Practices Act, the U.K.'s Bribery Act and other anti-corruption laws and regulations, including those pertaining to bribery.

MGC promotes strict, Group-wide compliance and a comprehensive ban on "bribery" with "MGC Corporate Behavior Guidelines" and "MGC Group Code of Conduct", both of which have been translated into English, Chinese and Thai.

Specific anti-corruption initiatives include compliance training programs for management personnel and overseas subsidiaries' Japanese expat executives. The programs cover prevention of bribery. Using anti-corruption training materials, MGC strives to thoroughly and uniformly impart a correct mindset to newly appointed executive officers with respect to bribery and other acts of corruption.

Additionally, every organizational unit keeps records of entertainment provided and received, the content of which is checked during internal audits.

Prevention of Corruption training

The compliance handbook distributed to all domestic Group companies' personnel contains the MGC Corporate Behavior Guidelines, MGC Group Code of Conduct, names of major domestic and foreign laws relevant to anti-corruption compliance, including Japan's Public Offices Election Act, Political Funds Control Act and National Public Service Ethics Act, and internal regulations related thereto. The handbook aims to promote understanding of, and cooperation toward compliance with, applicable laws and regulations/ethical standards vis-à-vis public officials.

MGC promotes strict, Group-wide compliance with "MGC Corporate Behavior Guidelines" and "MGC Group Code of Conduct", both of which have been translated into English, Chinese and Thai.

MGC posts compliance training materials, including content on preventing corruption, on its intranet site to ensure employees are able to learn about the compliance risks most pertinent to their own jobs.

MGC conducts compliance training programs for management personnel and overseas subsidiaries' Japanese expat executives. The programs cover prevention of bribery. Using anti-corruption training materials, MGC strives to thoroughly and uniformly impart a correct mindset to newly appointed executive officers with respect to bribery and other acts of corruption.

Approach to Tax Governance

The MGC Group recognizes that tax management and appropriate fulfillment of tax obligations in compliance with each country's relevant laws and regulations plays an important role in the country's economic and societal development and helps to earn the support and trust of all stakeholders.

The Group properly pays taxes in accord with each country's laws and regulations, including those pertaining to transfer pricing taxation and anti-tax-haven taxation. It is endeavoring to strengthen its tax governance by building closer ties with affiliates.

Political Contributions (Non-consolidated)

Indicator	Unit	FY2017	FY2018	FY2019	FY2020
Political contributions	Thousand yen	469	590	496	524

Categories of Shares Issued (As of June 30, 2021)

Category	Number of shares		Number of voting rights	Notes
Non-voting shares	—		—	—
Shares with restricted voting rights (treasury shares, etc.)	—		—	—
Shares with restricted voting rights (others)	—		—	—
Voting shares (treasury shares, etc.)	Ordinary shares	17,800,300	—	Number of shares per unit: 100 shares
Voting shares (other)	Ordinary shares	207,709,500	2,077,095	Same as above
Shares less than one unit	Ordinary shares	229,399	—	Shares that are less than one unit (100 shares)
Total issued shares	225,739,199		—	—
Total number of voting rights	—		2,077,095	—

(Notes) 1. Shares less than one unit includes the following treasury shares and cross-held shares:

Treasury shares: 2 shares, Yamada Kasei Co., Ltd. 5 shares

2. Voting shares (others) includes 500 shares (five voting rights) held in the name of the Japan Securities Depository Center, Inc.

Reporting Scope

Reporting Period

April 1, 2020 to March 31, 2021 (FY2020)

*Some past and most recent data listed

Organizations within Reporting Scope

Mitsubishi Gas Chemical Company, Inc., and its consolidated subsidiaries

*In cases in which the scope of data differs, the scope is noted alongside the relevant data. Company names are represented as follows in this Data Book.

“Non-consolidated”: Mitsubishi Gas Chemical Company, Inc.

“Consolidated”: Mitsubishi Gas Chemical Company, Inc., and its consolidated subsidiaries

“MGC Group”: domestic and overseas group companies in aggregate, including Mitsubishi Gas Chemical Company, Inc.

MGC Group’s Consolidated Subsidiaries (as of June 30, 2021)

Japan

Company	Business segment			Nature of business				Included in Scope 1+2,3 data	Included in consolidated headcount data	Included in compliance violation data
	Basic	Specialty	Others	Manufacturing	Sales	Support	Contracting			
JSP CORPORATION	●			●				●	●	●
JAPAN FINECHEM COMPANY, INC.	●			●				●	●	●
TOHO EARTHTECH, INC.	●			●				●	●	●
Yutaka Chemicals Corporation	●			●					●	
Japan U-PiCA Company, Ltd.	●			●				●	●	
FUDOW COMPANY LTD.	●			●				●	●	●
MGC Terminal Company, Inc.	●					●		●	●	●
MGC Advance Co., Ltd.	●						●	●	●	●
J-CHEMICAL, Inc.	●					●			●	
Polyols Asia Company, Inc.	●					●				
MGC ENERGY Company Limited	●					●				
KYODOU KASANKASUIISO CORP.		●		●				●		●
MGC Filsheet Co., Ltd.		●		●				●	●	●
MGC Electrotechno Co., Ltd.		●		●				●	●	●
Yonezawa Dia Electronics Co., Inc.		●		●				●	●	●
MGC AGELESS Co., Ltd.		●		●				●		
Global Polyacetal Co., Ltd.		●				●				
EIWA CHEMICAL IND. CO., LTD.		●		●				●	●	●
Toyo Kagaku Co., Ltd.		●		●				●	●	●
Japan Circuit Industrial Co., Ltd.		●				●				
Mitsubishi Gas Chemical Trading, Inc.			●			●			●	●
Ryowa Enterprise Co., Ltd.			●			●			●	●

Asia

Company	Business segment			Nature of business				Included in Scope 1+2,3 data	Included in consolidated headcount data	Included in compliance violation data
	Basic	Speciality	Others	Manufacturing	Sales	Support	Contracting			
■ Korea										
SAMYOUNG PURE CHEMICALS CO., LTD.		•		•				•	•	•
■ Taiwan										
MGC PURE CHEMICALS TAIWAN, INC.		•		•				•	•	•
■ China										
Taixing Lingsu Specialty Materials Co., Ltd.		•		•						
MITSUBISHI GAS CHEMICAL ENGINEERING-PLASTICS (SHANGHAI) CO., LTD.		•		•				•	•	•
Suzhou MGC Suhua Peroxide Co., Ltd.		•				•		•		
■ Singapore										
MGC PURE CHEMICALS SINGAPORE PTE. LTD.		•		•				•	•	•
MITSUBISHI GAS CHEMICAL SINGAPORE PTE. LTD.			•		•				•	
■ Indonesia										
PT PEROKSIDA INDONESIA PRATAMA		•		•				•	•	•
■ Thailand										
THAI POLYACETAL CO., LTD		•		•				•	•	•
AGELESS (THAILAND) CO., LTD.		•		•				•	•	
MGC ELECTROTECHNO (THAILAND) CO., LTD		•		•				•	•	

Americas

Company	Business segment			Nature of business				Included in Scope 1+2,3 data	Included in consolidated headcount data	Included in compliance violation data
	Basic	Speciality	Others	Manufacturing	Sales	Support	Contracting			
MGC ADVANCED POLYMERS, INC.	•			•				•	•	•
MGC PURE CHEMICALS AMERICA, INC		•		•				•	•	•
MITSUBISHI GAS CHEMICAL AMERICA, INC			•		•				•	