**Mitsubishi Gas Chemical
Sustainability Data Book 2020**

Published on October 1, 2020
Mitsubishi Gas Chemical Company, Inc.

Corporate Social Responsibility (CSR)

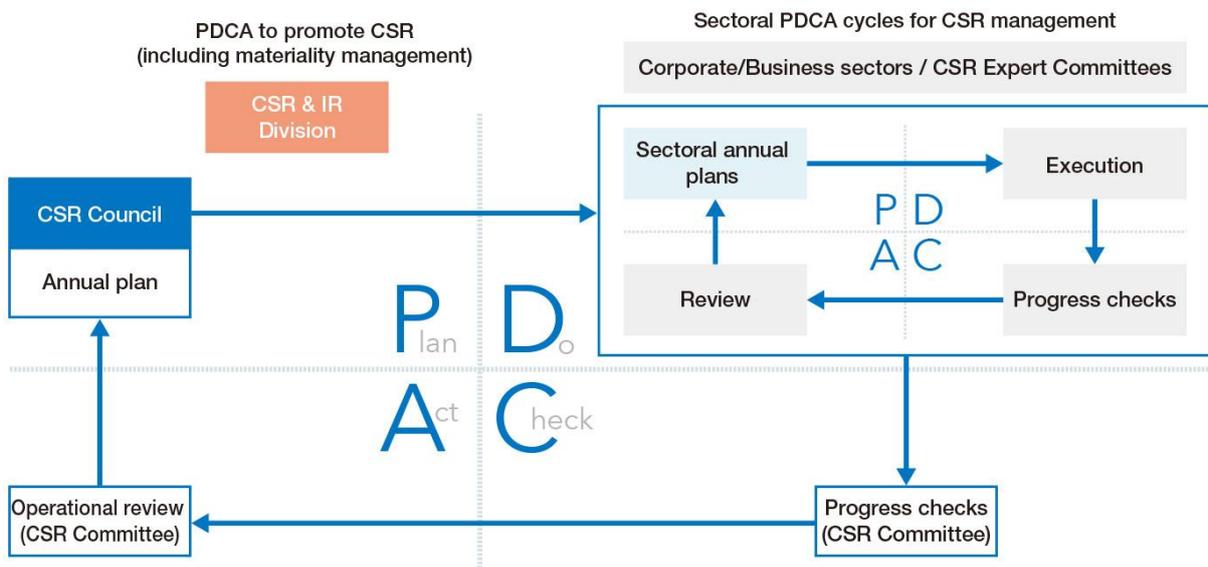CSR Management | Top Priorities (Materiality)

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

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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 Determination 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 theme and winnowed them down to 39 materiality.
Step 3	Prioritization	Assessed the importance of materiality from the standpoint of both stakeholders and the MGC Group. The CSR Committee drafted a prioritized list of materiality 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.

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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)	**Contribution through business operations** • Contribute to development of ICT/mobility society • Solve energy and climate change problems • Solve medical and food problems	Pursuing creation of value to share with society leads to improvement in corporate value from economic, social and environmental standpoints.	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
	Related SDGs (targets) 3.6 3.8 — 4.4 — 7.2 7.3 — 8.1 — 9.4 — 11.4 — 12.2 12.3 — 17.3 17.16		
Foundation for shared-value creation (S)	**Cultivating a corporate culture of job satisfaction**	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.	Promoting work-life balance; offering generous child/family care systems, creating dynamic workplace environments
	Promotion of diversity and inclusion	A culture of collaboration among individuals with diverse values is conducive to new ideas and technological innovation.	Providing more opportunities to women; supporting career advancement and work/life balance; promoting employment of individuals with disabilities
	Stakeholder engagement	Corporate value creation is a result of stakeholders' contributions, including the resources they provide.	Disclosing information in compliance with laws and securities exchanges' regulations; fairly and transparently disclosing information online and via news media
	Promotion of socially responsible sourcing	Companies have a societal responsibility to upgrade CSR compliance throughout their supply chains with respect to the environment, working conditions, human rights, etc.	Building safe, legally compliant and environmentally friendly supply chains
	Occupational safety and health ／ Process safety and disaster prevention	Safety is the foundation of business activities. Companies have a societal duty to ensure safety.	Continuing to conduct occupational safety and health risk assessments, daily safety activities and safety education/training in the aim of zero occupational injuries

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	Highly energy- and resource-efficient production	Companies have a duty to harmonize their operations with global environmental protection in accord with the principle of sustainable development.	Minimizing environmental impacts in sourcing resources; efficiently using resources (energy, raw materials, water, etc.)
	Chemical/product quality and safety assurance	Quality assurance is the basis of stakeholders' trust. Companies have a duty to provide highly safe and reliable products and services.	Promoting company-wide quality assurance activities (Q-MGC) throughout supply chains
	Promotion of innovative R&D	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.	Developing/adopting new processes that maximally leverage core technologies cultivated over many years; founding and developing new businesses

Related SDGs (targets)

3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
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

Harmonization of shared-value creation with environmental protection (E)	Proactive response to environmental problems • Air Quality Control • Water and Biodiversity Conservation • Reduction of Industrial Waste	Addressing environmental problems is imperative for all of humanity. Companies must proactively do so as a prerequisite for their existence and activities.	• 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

Related SDGs (targets)

3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND
3.9	6.3	12.2 12.4 12.5	13.2	14.1 14.3	15.1

Value-creative discipline (G)	Strengthen systems: • Corporate governance • Compliance • Internal controls • Risk management	Developing disciplined ways steadily execute strategies to bring business models to fruition and to sustainably grow corporate value.	Building effective internal control systems based on appropriate corporate governance, ensuring the soundness of business activities through compliance, risk management, etc.

Related SDGs (targets)

5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
5.1 5.5	8.7	10.2	16.2 16.5 16.10