

Social

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Employees (MGC Alone)

*Data is as of March 31 of each fiscal year, unless otherwise noted

Average Age, Average Length of Service

Indicator	Category	Unit	FY2016	FY2017	FY2018	FY2019
Average age	Male	Years old	40.4	40.2	40.4	40.8
	Female	Years old	38.7	38.9	38.7	38.3
	Overall	Years old	40.3	40.1	40.2	40.5
Average length of service	Male	Years	17.2	17.5	17.6	17.8
	Female	Years	15.3	16.2	15.7	15.0
	Overall	Years	17.1	17.4	17.4	17.5

Full-time Employees*

Indicator	Category	Unit	FY2016	FY2017	FY2018	FY2019
Overall	Male	People	1,967	1,929	2,000	2,051
	Female	People	208	210	218	229
	Total	People	2,175	2,139	2,218	2,280
	Ratio of females	%	9.6%	9.8%	9.8%	10.0%
By age	20s and under	People	445	424	448	461
	30s	People	593	579	594	593
	40s	People	721	696	679	704
	50s	People	380	435	489	516
	60 and over	People	36	5	8	6

*Excluding part-time employees and those employees on outside assignment from MGC to other companies, but including employees on outside assignment from other companies to MGC.

Managers*

Indicator	Category	Unit	FY2016	FY2017	FY2018	FY2019
Overall	Male	People	601	597	611	633
	Female	People	12	11	11	15
	Total	People	613	608	622	648
	Ratio of females	%	2.0	1.8	1.8	2.3
Under general manager	Males	People	353	344	338	344
	Female	People	11	10	9	13
	Total	People	364	354	347	357
	Ratio of females	%	3.0	2.8	2.6	3.6
General manager and above	Male	People	248	253	273	289
	Female	People	1	1	2	2
	Total	People	249	254	275	291
	Ratio of females	%	0.4	0.4	0.7	0.7

*Excluding those employees on outside assignment from MGC to other companies, and employees on outside assignment from other companies to MGC.

Temporary and Contract Employees

Indicator	Category	Unit	FY2016	FY2017	FY2018	FY2019
Number of temporary employees*		People	0	0	0	0
Contract employees	Male	People	9	9	13	17
	Female	People	91	90	92	106
	Total	People	100	99	105	123

*Average number per year

Diversity (MGC Alone)

New Employees

Indicator	Category	Unit	FY2016	FY2017	FY2018	FY2019
New employees (graduates)* ¹	Male	People	35	35	48	66
	Female	People	8	6	7	12
	Total	People	43	41	55	78
	Ratio of females	%	18.6	14.6	12.7	15.4
New employees (mid-career hires)* ²	Males	People	6	13	57	19
	Females	People	8	2	11	10
	Total	People	14	15	68	29
	Ratio of females	%	57.1	13.3	16.2	34.5

*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	FY2016	FY2017	FY2018	FY2019
Ratio of employees with disabilities*	%	2.23	2.28	2.33	2.30
(Statutory minimum rate)	%	2.00	2.00	2.20	2.20

*Data as of June 1 of each fiscal year

Re-employment of Retired Employees

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Re-employment of retired employees	People	78	19	36	24
Ratio of re-employment of retired employees	%	73%	100%	89%	76%

Number of Employees/Managers who are Foreign Nationals

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Number of employees who are foreign nationals	People	10	9	10	11
Number of managers	People	1	1	1	3

Human Resource Development (MGC Alone)

Average Training Hours

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Average training and development hours per full-time employee	Hours	5.0	4.9	5.9	6.1

Training Programs (FY2019)

Program	Content	Duration	Attendees
New Employee Training	Personnel system, company overview, business etiquette, compliance, teamwork, safety education, human rights, mental health, English conversation, etc.	17 days	52
New Employee Follow-up Training	Trainee presentations, mental health, PBI training	2 days	40
New Employee Training (mid-career/local hires)	Personnel system, mental health, group discussion	1 day	65
P3 Promotee Training	Personnel system, company overview, career building, compliance	1 day	150
Optional Training Course A	Personnel system, company overview, trainee presentations, compliance, theme-specific training, DC follow-up training	2 days	28
Optional Training Course B	Personnel system, company overview, trainee presentations, compliance, theme-specific training, DC follow-up training	2 days	45
A3-level Promotee Training	Company overview, trainee presentations, compliance, mid-level leadership training	2 days	29
A4-level Candidate Training	Personnel system, company overview, trainee presentations, compliance, theme-specific training	2 days	21
B2-level Candidate Training	Personnel system, company overview, trainee presentations, compliance, theme-specific training	2 days	53
A4/B2-level Promotee Training	Evaluator training	1 day	75
M1-level Candidate Training	Time management training	1 day	51
M1-level Promotee Training	Trainee presentations, compliance, role of managers/supervisors, evaluator training, organizational management, finance/accounting training	3 days	47
Senior M1-level Training	Trainee presentations, compliance, internal controls, MBC training	3 days	32
M2-level Promotee Training	Trainee presentations, compliance, internal controls, MINE training	3 days	41
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	29
Negotiation Strategy Training	Fundamental mechanisms and practical theories of negotiation	2 days	47
Logical Communication Training	Improvement of business communication skills based on logical thinking	2 days	36
Facilitation Training	Facilitation skills training	2 days	50
HAZOP Training	Understanding of HAZOP, accident case studies, HAZOP drills	2 days	29

Work-life Balance (MGC Alone)

Work-life Balance Data

Indicator	Unit	FY2016	FY2017	FY2018	FY2019	
Average overtime per month (union members)	Hours	14.2	14.4	14.2	13.6	
Ratio of taking annual leave	%	86	90	91	85	
Employees who started maternity leave	People	19	13	11	19	
Employees who started parental leave	Male	People	2	1	0	3
	Female	People	18	13	26	20
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	0	1
	Female	People	19	20	28	35
Voluntary retirement	People	28	29	33	44	
Involuntary retirement	People	0	0	0	0	
Other retirement	People	0	0	0	0	
Total	People	28	29	33	44	
Rate of employee turnover	%	1.3	1.4	1.5	1.9	
Rate of employee turnover due to voluntary retirement	%	1.3	1.4	1.5	1.9	
Employee turnovers within three years*2	People	2	1	4	0	
Rate of employee turnover within three years	%	4.7	2.2	6.0	0.0	
Transfers	People	8	20	16	0	

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

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

Programs to Promote Work-Life Balance

Program	Description
Flexitime	Available on company-wide basis (to dayshift personnel only); MGC's headquarters and research laboratory are trialing super flexitime with no core time
Teleworking	Trial underway at headquarters and research laboratory, with employees allowed to telework 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
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 (MGC Alone)

Freedom of Association*1

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Union members*2	People	1,877	1,846	1,883	1,887
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 (MGC Alone)

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Ratio of employees receiving regular health checkups*1	%	100	99	100	99
Ratio of employees receiving stress checks*1	%	98	98	99	98
Employees taking leave due to mental health issues	People	10	5	4	15
Employees taking leave due to personal injury/sickness (excluding those due to mental health issues)	People	5	4	2	3

*Employees on temporary retirement excluded

Occupational Health and Safety / Process Safety and Disaster Prevention (MGC Alone)

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 Bridge-II 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	2016* ¹	2017* ¹	2018* ¹	2019* ¹
Ratio of sites with OHSAS (Occupational Health and Safety Assessment Series) 18001 certification		%	0	0	0	0
Accidents involving fatalities and major work-related accidents	Employee	Cases	0	0	0	0
	Partner* ²	Cases	0	0	0	0
Work-related fatalities	Employee	People	0	0	0	0
	Partner* ²	People	0	0	0	0
Lost-time injury frequency rate* ³	Employee	—	0	0	0.29	0
	Partner* ²	—	1.45	0.57	1.91	1.41
Lost-time injury severity rate* ⁴	Employee	—	0	0	0	0
	Partner* ²	—	0.06	0.02	0.03	0.04
Occupational illness frequency rate (per one million hours worked)	Employee	—	0.00	0.00	1.47	0.29
	Partner* ²	—	0.58	0.29	1.64	1.13
Tier 1 process safety events (per one million hours worked)		—	0.87	0.57	0.82	0.85
Number of violations of occupational health and safety regulations and codes		Cases	3	0	0	0

*1. Calendar year

*2. Including contract employees

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

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

• 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.
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.
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 2019.
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.

Process Safety and Disaster Prevention

• Average unplanned downtime per plant

Metric	Unit	FY2016	FY2017	FY2018	FY2019
Avg. unplanned downtime per plant	hours	92.5	53.3	118.4	135.4

• **Process Safety Incidents**

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Number of process safety incidents	Number	3.0	2.0	3.0	3.0
Process safety total incident rate (PSTIR)	—	1.7	1.2	1.8	1.7
Process safety incident severity rate (PSISR)	—	2.8	5.8	2.9	2.9

Investment in Safety and Disaster Prevention Measures

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
		Amount invested	Amount invested	Amount invested	Amount invested
Explosions, fires and leaks	Million yen	95	181	205	515
Aging equipment	Million yen	2,041	1,866	2,316	4,226
Work environment improvements	Million yen	840	1,228	1,612	697
Earthquakes and other natural disasters	Million yen	26	30	95	23
Others	Million yen	42	37	260	1,062
Total	Million yen	3,045	3,341	4,488	6,523

Ensuring the Quality and Safety of Chemicals and Products (MGC Alone)

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.

Communication with Stakeholders (MGC Alone)

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 meetings of shareholders	Once yearly
		Reports to shareholders	Twice yearly
Business Partners	we consider a supporting supplier's CSR activity to be an important factor in this regard. In this way, we endeavor to build a supply chain that takes due account of 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 contributes 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
		Community activities (e.g., disaster relief, litter cleanup, tree planting, traffic safety)	As necessary
		Scholarships for foreign students through Mitsubishi Gas Chemical Memorial Foundation	Twice yearly
		Youth educational support (e.g., donation of chemical experiment kits)	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 council meetings / management briefings (worker consultation)	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 (MGC Alone)

Main Donations

Recipient	Amount (Million yen)
Typhoon Hagibis Disaster (2019) Relief Fund, Japan Red Cross	5.0
Typhoon Hagibis Disaster (2019) Relief Fund, Fukushima Prefecture	5.0
Typhoon Hagibis Disaster (2019) Relief Fund, Shirakawa-shi, Fukushima Prefecture	2.0
Chemistry Human Resource Development Program Conference, Japan Chemical Industry Association	2.5
Mitsubishi Memorial Foundation for Educational Excellence	2.0
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

Participation in External Initiatives (MGC Alone)

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)
Partnership-Building Declaration (Japan Chemical Industry Association)
Responsible Care Global Charter
Japan Chemical Industry Association's Responsible Care Committee
Global Compact Network Japan