

Social

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Employee Health | Occupational Health and Safety / Process Safety and Disaster Prevention | Ensuring the Quality and
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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	FY2021	FY2022	FY2023	FY2024
Average age	Male	Years old	42.2	42.2	42.3	42.4
	Female	Years old	38.7	38.2	37.8	37.6
	Overall	Years old	41.8	41.8	41.8	41.8
Average length of service	Male	Year	19.1	19.1	19.0	19.0
	Female	Year	15.3	14.5	13.9	13.5
	Overall	Year	18.7	18.7	18.5	18.4

Full-time Employees

Indicator	Category	Unit	FY2021	FY2022	FY2023	FY2024
Overall	Male	People	2,542	2,516	2,503	2,521
	Female	People	274	287	303	304
	Total	People	2,816	2,805	2,806	2,825
	Ratio of females	%	9.7	10.2	11.0	10.8
By age	20s and under	People	477	465	475	470
	30s	People	721	745	751	779
	40s	People	781	742	703	661
	50s	People	811	818	851	892
	60 and over	People	26	35	26	23

Managers

Indicator	Category	Unit	FY2021	FY2022	FY2023	FY2024
Overall	Male	People	918	922	923	916
	Female	People	26	31	40	44
	Total	People	944	953	963	960
	Ratio of females	%	2.8	3.3	4.2	4.6

Temporary and Contract Employees

Indicator	Category	Unit	FY2021	FY2022	FY2023	FY2024
Number of temporary employees*		People	0	0	0	0
Contract employees	Male	People	27	20	25	28
	Female	People	103	110	107	115
	Total	People	130	130	132	143

* Average number per year

Employees (Consolidated)

Indicator	Category	Unit	FY2021	FY2022	FY2023	FY2024
Overall	Male	People	7,925	7,936	6,428	6,385
	Female	People	2,105	2,158	1,953	1,923
	Total	People	10,030	10,094	8,381	8,308
	Foreign national employees	People	—	—	903	2,451
	Ratio of Non-full-time employees	%	9.7	7.3	8.0	6.9
Management personnel	Male	People	1,775	1,779	1,508	1,472
	Female	People	123	123	91	126
	Total	People	1,898	1,902	1,589	1,598

Notes: 1. Personnel (including contract employees and personnel seconded to MGC) employed as of March 31 of each fiscal year, including temporary and part-time employees.
2. The number of foreign employees indicates the number of employees who are not Japanese nationals (calculated since FY2023)
3. For the reporting boundaries of the data in the table below, see page 37-38.

Diversity (Non-consolidated)

Basic Approach to Hiring

The MGC Group respects individual human dignity and human rights. Our hiring is based on suitability and ability, and does not discriminate on any grounds, including but not limited to pedigree, nationality, race, ethnicity, thoughts, beliefs, religion, gender, sexual orientation, age, disability, educational attainment, language, economic background and political views.

New Employees

Indicator	Category	Unit	FY2021	FY2022	FY2023	FY2024
New Employees (new graduates) *1	Male	People	77	70	67	69
	Female	People	14	14	16	14
	Total	People	91	84	83	83
	Ratio of females	%	15.4	15.8	19.2	16.9
New Employees (mid-career hires) *2	Male	People	22	10	29 [1]	28
	Female	People	4	13	10	6
	Total	People	26	23	39	34
	Ratio of females	%	15.3	56.5	25.6	17.6
Mid-career hires' share of total (first disclosed October 2021)		%	22.2	21.5	32.0	29.1

Note: [] is the number of people who joined the company through the comeback system*3.

*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

*3 Comeback system: A system in which employees who have retired from the company (3 years or more of service, less than 10 years since retirement) are reemployed after a prescribed screening process.

Ratio of Employees with Disabilities

Indicator	Unit	FY2021	FY2022	FY2023	FY2024
Number of employees with disabilities	People	53	55	52	57
Ratio of employees with disabilities*	%	2.5	2.5	2.3	2.3
(Statutory minimum rate)	%	2.3	2.3	2.3	2.5

* Data as of June 1 of each fiscal year

Re-employment of retired employees

Indicator	Unit	FY2021	FY2022	FY2023	FY2024
Re-employment of retired employees	People	29	48	46	41
Ratio of re-employment of retired employees	%	83	74	79	84

Human Resource Development (Non-consolidated)

Performance review and career development

Target and performance interviews are held once every six months for employees (full-time employees and retired employees who have been rehired) and reviews are conducted. Additionally, career interviews are held once a year for non-managerial staff to review their career training and development.

Average Training Hours

Indicator	Unit	FY2021	FY2022	FY2023	FY2024
Average training and development hours per full-time employee	Hours	26.1	26.2	26.2	26.2

Training Programs (FY2023)

Training purpose	Content	Target audience
Training for all employees	Compliance/internal control education, DEI promotion education, human rights awareness education, sustainability education	All employees
Level-specific education and training	Organizational management training, mid-level management training, new management training	Managerial level
	Managerial candidate training, mid-career employee training, course selection training	Mid-career employee level
	Young employee training, new employee follow-up training, new employee training	Young employee level
Job-specific education and training	Logical communication training, problem-solving ability training, negotiation training, facilitation training, coaching skills training, design thinking training, overseas short-term training, MGC Learning Circle	Mid-career/young employees
Job-based education and training	Patent training, marketing education, DX education, HAZOP training, engineer planning training	Mainly research and technical staff
Selective education and training	New talent development curriculum, Globiz Management School	Managerial level, mid-Career/young employees

Note: Indicates training conducted company wide. Job-specific training and OJT are implemented at each office.

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 to ensure that employees enjoy a standard of living that is at or above a certain level.

The Company also applies the concept of paying the same wage for the same job to employ a compensation system that does not provide a difference due to gender or other attributes for workers in the same position.

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 and excessive work schedules.

Work-life Balance Data (Non-consolidated)

Indicator		Unit	FY2021	FY2022	FY2023	FY2024
Total annual average working hours (excluding managers)		Hours	1,859.2	1,851.0	1,857.6	1,855.1
Average monthly overtime/holiday work (excluding managers)		Hours	14.6	14.8	14.4	14.6
Annual paid vacation days available		Days	19.3	19.3	19.5	19.4
Annual paid vacation days taken		Days	15.6	16.5	17.5	17.7
Ratio of taking annual leave		%	80.9	85.4	89.6	91.5
Employees who started maternity leave*1		People	13	10	19	13
Employees who started parental leave	Male	People	31	48	75	69
	Female	People	14	11	17	16
Return to work rate after taking maternity/childcare leave	Male	%	100	100	100	98.6
	Female	%	100	100	100	100
Employees who took shortened working hours for childcare	Male	People	0	2	4	3
	Female	People	36	45	42	53
Employees who started taking nursing care leave		People	0	3	1	2
Voluntary retirement*2		People	30	40	49	41
Retired due to company reasons		People	0	0	0	0
Total retirees		People	30	40	49	41
Rate of employee turnover		%	1.1	1.4	1.7	1.5
Rate of employee turnover due to voluntary retirement		%	1.1	1.4	1.7	1.5
Employee turnovers within three years*3		People	3	1	0	9
Rate of employee turnover within three years		%	3.3	1.2	0	10.7

*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. Including those who have completed the period of leave of absence.

*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)

Purpose of the system	Program	Description
A system that allows for a variety of ways to use your work time	Flextime	Introduced a super flextime system with no core time throughout the company (to regular day-shift workers only)
	Teleworking	Company-wide implementation.; employees may work from home up to three days per week
	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)
A system that allows for a variety of ways to take time off	Annual paid leave by "half-day"	Employees can take a half-day leave up to 30 times per year
	life support leave	10 days of leave are granted annually, and up to 40 days can be accumulated. This leave can be used in case of emergencies or unforeseen circumstances (personal illness, caring for family members, providing care for dependents, natural disasters, etc.), as well as for medical checkups, fertility treatments, volunteer activities, organ donation, etc.
	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, fertility treatment)
	Childcare leave	Employees are entitled to up to 20 days of leave per year for the purpose of caring for children aged 12 or younger (elementary school age).
	Nursing leave for children	Employees can take up to 20 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
	Refresh leave	Upon turning 50 years old, employees are granted five days of special (paid) vacation and paid a one-time bonus
A system that allows you to take the necessary time off with peace of mind during life events	Parental leave	Employees unable to secure childcare 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
	Leave to accompany spouse overseas	Employees can take a leave of absence for up to three years to accompany their spouse working overseas.

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

The Human Rights Expert Committee comprises members from the Administrative & Personnel, Purchasing & Logistics, Production Technology, and Environmental Safety & Quality Assurance Divisions, the Green Energy & Chemicals Business Sector, the Specialty Chemicals Business Sector, and the Sustainability Promotion Department. The Human Rights Expert Committee manages human rights-related activities in the MGC Group, plans and executes human rights due diligence, and works to identify, prevent, mitigate, and remedy negative impacts on human rights in the supply chain.

Deliberation and decisions on addressing human rights and other sustainability key issues are conducted in the Sustainability Promotion Council, chaired by the President and primarily made up of all directors, including outside directors, with Audit & Supervisory Board members also attending. Particularly important items among these are resolved by the Board of Directors.

Initiatives for Respecting Human Rights

The MGC Group expects all of its stakeholders to respect human rights and works to ensure this through the creation of guidelines such as the Mitsubishi Gas Chemical Group Human Rights Principle and the Mitsubishi Gas Chemical CSR Procurement Guidelines.

We also conduct appropriate training for all employees and strive to promote understanding for all stakeholders affected by the MGC Group's business activities.

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	FY2021	FY2022	FY2023	FY2024
Union members*2	People	1,902	1,888	1,892	1,925
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	FY2021	FY2022	FY2023	FY2024
Ratio of employees receiving regular health checkups*	%	99	100	100	100
Ratio of employees receiving stress checks	%	98	98	98	98

* Employees on temporary retirement excluded

Ensuring the Safety of, and Providing Medical Support for, Employees Traveling or Posted Overseas

By engaging an outside consultant for security and medical assistance, and receiving advice based on analysis of threats to safety by country, we are able to promptly acquire accurate information, and, when necessary, provide that information to employees posted, or traveling on business, overseas, as well as using it to determine whether it is advisable to travel or not, and on appropriate safety measures for travel.

In terms of medical care, we have established a comprehensive support system for employees posted, or traveling on business, overseas, including referrals to local hospitals, telephonic consultations with doctors in Japanese, preventive advice on local infectious diseases, and arrangement of medical transport in case of emergencies.

Occupational Health and Safety / Process Safety and Disaster Prevention

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(non-consolidated)

Indicator		Unit	FY2021	FY2022	FY2023	FY2024
Lost work accident	Employees	Cases	2	1	0	1
	Partner*1	Cases	8	2	6	2
Work-related fatalities	Employees	People	0	0	0	0
	Partner*1	People	0	0	0	0
Lost-time injury frequency rate*2	Employees	—	0.45	0.28	0	0.29
	Partner*1	—	1.73	0.54	1.83	0.54
Lost-time injury severity rate*3	Employees	—	0.001	0.004	0	0.007
	Partner*1	—	0.023	0.048	0.061	0.002
Occupational illness frequency rate (per one million hours worked)	Employees	—	0.83	0.28	0.85	2.32
	Partner*1	—	1.35	1.73	3.04	2.72
Number of violations of occupational health and safety regulations and codes		Cases	0	0	0	0

*1 Including contract employees

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

*3 Total number of working days lost per 1,000 working hours

Note: We have reviewed past data and revised figures.

Comparison of Lost-time injury severity rate

Indicator	Unit	FY2021	FY2022	FY2023	FY2024
Our Company employees	—	0.45	0.28	0	0.29
Manufacturing industry	—	1.31	1.25	1.29	1.30
Chemical Industry	—	1.07	1.16	1.04	1.23

Occupational Health and Safety (consolidated)

Indicator		Unit	FY2021	FY2022	FY2023	FY2024
Lost work accident	Employees	Cases	4	8	10	6
	Partner*	Cases	1	2	3	6
Work-related fatalities	Employees	People	0	0	1	0
	Partner*	People	0	0	0	0

* Including contract employees

Note: For the reporting boundaries of the data in the table below, see page 37-38.

Performance monitoring and management of health and safety (non-consolidated)

KPI indicator		Unit	Targets	FY2021	FY2022	FY2023	FY2024
Serious occupational accidents* ¹	Cases	Cases	0	1	1	0	1
	achievement status	—	—	×	×	○	×
Serious accidents* ²	Cases	Cases	0	0	0	0	0
	achievement status	—	—	○	○	○	○

*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 pose a threat to third parties, such as local environmental pollution or damage to local residents, and accidents involving serious industrial accidents

Occupational safety and health management system

The Environment and Safety Committee is chaired by the president. The members of the Environment and Safety Committee are directors, auditors, those in charge of the Research & Development, those in charge of the Basic Chemicals Business Sector, those in charge of the Specialty Chemicals Sector, the Plant Managers, the General Manager of the Production Engineering Division, the General Manager of the Purchasing & Logistics Division, and other persons appointed by the President.

The Environmental Safety Committee report the status of implementation of Responsible Care*, the results of Responsible Care audits, the results of environmental safety inspections, and the occurrence of occupational accidents and abnormal phenomena.

* Responsible Care

Voluntary improvement activities that consider "health, safety, and the environment" throughout the entire life cycle of chemical substances, from development to manufacturing, distribution, use, final consumption, and disposal, and harmonize business activities with global environmental protection. "Health, safety, and the environment" here refers to a global concept encompassing occupational health and safety, process safety and disaster prevention, environmental protection, chemical and product safety, logistics safety, and communication with society.

Note: Environment, Safety

It encompasses all of occupational health and safety, process safety and disaster prevention, environmental protection, chemical and product safety, and logistics safety. Environmental conservation includes both local environmental issues (pollution) and global environmental issues.

Occupational Safety and Health Promotion System

MGC has set out its Safety Philosophy and Safety Principle, and formulated its Responsible Care (RC) activity targets and plans based on the MGC Group Basic Policy on Environment and Safety. We are conducting 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 daily safety activities and their own safety activities spearheaded by front-line personnel. Additionally, MGC conducts company-wide safety activities and aims to strengthen its safety foundation and cultivate a culture of safety. Business sites hold accident-prevention consultation meetings and other meetings with partner companies to share information. The status of these activities is checked each year during internal audits, which confirm the progress of our initiatives.

We also hold the Environment and Safety Manager Meeting, a gathering of the heads of environmental and safety departments of each workplace, to report on and discuss the status of RC measures, as well as meetings of the LINK Leaders Conference, which discusses LINK activities at each workplace, multiple times each year.

MGC Group companies hold the MGC Group Environment and Safety Council meetings three times a year. Each company reports and exchanges opinions on matters such as annual plans for environmental and safety activities, PDCA on the results of activities, and the status of accidents and disasters. In this way, we aim to improve the level of our environmental and safety activities.

At environment and safety meetings, which are chaired by the President and held annually, activities are reviewed, plans for the following year are discussed, and the PDCA cycle is implemented to continuously enhance the level of activities.

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.

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.

Role of the Occupational Safety and Health Committee

The Occupational Safety and Health Committees of each business site carry out occupational safety and health initiatives, including occupational safety and health risk management.

Unions and companies discuss and exchange opinions on occupational safety and health at the Central Environmental Safety and Health Conference.

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 2022.
Safety consciousness-raising through, e.g., posters	MGC's Safety Philosophy, and MGC Group Basic Policy on Environment and Safety Policies 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

• Process Safety Incidents(non-consolidated)

Indicator	Unit	FY2021	FY2022	FY2023	FY2024
Total count of process safety incidents (PSIC)	Cases	4	8	5	7
Process safety total incident rate (PSTIR)	—	0.1	0.2	0.1	0.2
Process safety incident severity rate (PSISR)	—	0.2	0.3	1.1	0.2

Note: We have reviewed past data and revised figures.

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.

Response after disaster

After the anomalous phenomenon subsides, the site that caused the disaster will investigate the cause and take measures to prevent recurrence in order to resume business.

Once the abnormal phenomenon has subsided, if the plant manager deems it necessary, an accident countermeasures committee will be established to investigate the cause and take measures to prevent recurrence. If the scale of the accident is large and the officer in charge of Environment Safety and Quality Assurance Division deems it necessary, an accident response committee will be established at the head office.

Reporting Scope

Social

Japan

Company	Employees	Occupational Health and Safety
MITSUBISHI GAS CHEMICAL COMPANY, INC.	●	●
MITSUBISHI GAS CHEMICAL NEXT COMPANY, INC.	●	●
TOHO EARTHTECH, INC	●	●
FUDOW COMPANY LTD.	●	●
MGC Terminal Company, Inc.	●	●
MGC Advance Co., Ltd.	●	●
MGC Woodchem Corporation	●	●
Polyols Asia Company, Inc.	●	
MGC ENERGY Company Limited	●	
Cultivecs Inc		
KYODOU KASANKASUIISO CORP.	●	●
MGC Filsheet Co., Ltd.	●	●
MGC Electrotechno Co., Ltd.	●	●
Yonezawa Dia Electronics Co., Inc.	●	●
MGC AGELESS Co., Ltd.	●	●
Mitsubishi Engineering-Plastics Corporation	●	
Global Polyacetal Co., Ltd.	●	
Kashima Polymers Corporation	●	
EIWA CHEMICAL IND. CO., LTD.	●	●
Toyo Kagaku Co., Ltd.	●	●
Mitsubishi Gas Chemical Trading, Inc.	●	
Ryowa Enterprise Co., Ltd.	●	

Overseas

Company	Employees	Occupational Health and Safety
SAMYOUNG PURE CHEMICALS CO., LTD.	•	
Korea Polyacetal Co., Ltd	•	
MGC PURE CHEMICALS TAIWAN, INC.	•	•
mitsubishi gas chemical engineering-plastics (shanghai) co., ltd.	•	•
TAIXING MGC LINGSU CO., LTD.	•	
MGC PURE CHEMICALS SINGAPORE PTE. LTD.	•	•
MITSUBISHI GAS CHEMICAL SINGAPORE PTE. LTD.	•	
PT PEROKSIDA INDONESIA PRATAMA	•	•
THAI POLYACETAL CO., LTD	•	•
THAI POLYCARBONATE CO., LTD.	•	
AGELESS (THAILAND) CO., LTD.	•	•
MGC ELECTROTECHNO (THAILAND) CO., LTD	•	•
MGC ADVANCED POLYMERS, INC.	•	•
MGC PURE CHEMICALS AMERICA, INC	•	•
MITSUBISHI GAS CHEMICAL AMERICA, INC	•	
MGC Specialty Chemicals Netherlands B.V.	•	

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 existing products, as well as improvements to existing products, new materials, and application developments for existing materials. We also reassess risks whenever 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 2026

Indicator	Unit	FY2026
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

Safety Pre-Evaluation for New Plant Expansion

- Stage 1: Collect and prepare the necessary materials for conducting a safety pre-evaluation for the plant. At this stage, we give consideration to basic safety design when preparing materials such as process system diagrams, process equipment lists, types of safety equipment, and their installation locations.
- Stage 2: Using a diagnostic list, conduct a qualitative evaluation of plant safety. If the result shows any points that need to be improved to ensure plant safety, we make changes to the design, and so forth.
- Stage 3: Conduct a quantitative evaluation of overall plant safety based on five points: materials, element (equipment) capacity, temperature, pressure, and operation. This evaluation involves a simultaneous evaluation of the likelihood of an accident and the size of an accident if it were to occur. It is made by quantifying the above five points using a weighted average to create a hazard ranking.
- Stage 4: Identify latent hazards using an appropriate safety evaluation method based on the hazard ranking of stage 3 and the inherent characteristics of each process, and determine safety measures.
- Stage 5: Based on the process safety evaluation result of stage 4, conduct a check of equipment measures. Then organize and confirm the safety measures taken by the plant overall for latent hazards such as runaway reactions and abnormal increases in pressure that could cause equipment damage. Also examine countermeasures to prevent the spread of an accident if one were to occur due to unforeseen circumstances.

Environmental Evaluation of New and Existing Business Investments

MGC has introduced an environmental management system based on ISO 14001, and recognizes the impact of its business activities on the environment and society.

When making capital investments, we require the submission of a Deliberation Summary Sheet on Environmental Safety Measures. The summary sheet contains a risk assessment covering 1) relevant laws and regulations, 2) environmental impact, 3) chemical substances handled, 4) chemical safety, 5) prior evaluation of safety, and 6) environmental safety measures, to grasp the impacts on the atmosphere, water resources, ecosystems, and biodiversity.

Socially Responsible Sourcing (non-consolidated)

Indicator	Unit	FY2021	FY2022	FY2023	FY2024
Percentage of purchases of important raw materials, etc. from companies that responded to the CSR questionnaire	%	99	99	99	99

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.

Approach to Working Hours in the Supply Chain

We abide by the statutory working hours in the countries and regions where we conduct business activities, and reduce excessive working hours. Also, we appropriately manage the working hours, holidays, and leave of employees.

Approach to Appropriate Wages in the Supply Chain

We abide by the statutory minimum wage in the countries and regions where we conduct business activities, and provide incomes that enable workers to enjoy a standard diet in that country or region. Also, we do not unfairly reduce wages.

Use of CSR Surveys

The MGC is working to promote CSR procurement with new and ongoing suppliers. As part of this, we conduct surveys of both new and existing suppliers regarding important raw materials using the CSR Procurement Self-Assessment Tool (SAQ) created by the Supply Chain Working Group of the Global Compact Network Japan.

In this way, we are working with our suppliers to increase awareness of environmental, social, and governance issues in the supply chain and to avoid risks.

Involvement in Initiatives for Promotion of CSR Procurement

MGC strives to give consideration to society and the environment in its supply chain, from raw materials procurement to manufacturing and sales. We participate in EcoVadis, a platform that aims to share information regarding the Company's environmental and social practices in its supply chain in order to improve them.

In April 2022, we published Partnership Building Declaration in support of the aims of the Council on Promoting Partnership Building for Cultivating the Future. The council consists of the Chairman of the Keidanren, Chairman of the Japan Chamber of Commerce and Industry and President of the Japanese Trade Union Confederation as well as related government ministers (from the Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism). We aim to build new partnerships by establishing mutually beneficial relationships with business partners and value-creating companies involved in the supply chain.

The Company supports the United Nations Global Compact (UNGC), and has participated in various working groups of the Global Compact Network Japan (GCNJ) since fiscal 2019. In the Supply Chain Working Group, we coordinate with other participating companies to promote initiatives and information gathering to improve the sustainability of procurement in supply chains.

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	Quarterly
		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
In-kind donation of emergency food stocks to Second Harvest Japan
Mitsubishi Memorial Foundation for Educational Excellence
Important Cultural Property Conservation Activities
Second Harvest Japan In-kind benefit of disaster stockpile
international friendship exchange

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)
Donation of science experiment kits to middle schools

Social Contribution Activity Expenditures (Non-consolidated)

Indicator	Unit	FY2021	FY2022	FY2023	FY2024
Social contribution activity expenditures	Million yen	206	185	191	211
Of which, total donations	Million yen	177	164	179	151
Of which, other expenditures	Million yen	29	17	12	16

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)
Task Force on Nature-related Financial Disclosures (TNFD)
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