

Policy statement on respect for human rights and the environment of Mitsubishi Chemical Europe GmbH

1. Commitment at the highest corporate level

Respect for human rights and the environment is of central importance for Mitsubishi Chemical Europe GmbH and its subsidiaries (“MCE”). In this policy statement, we set out our strategy regarding human rights. The policy statement is issued by MCE’s management. In this way, we ensure that respect for human rights and the environment is implemented in every part of our group.

The purpose of MCE is fully aligned with that of its parent company Mitsubishi Chemical Group Corporation which is that ‘We lead with innovative solutions to achieve KAITEKI, the well-being of people and the planet.’ This purpose expresses MCE’s persistent determination to realize KAITEKI, the Group’s North Star, which has guided the organization and its commitment to its stakeholders since 2011. KAITEKI is both our philosophy and management framework for delivering our sustainable development promises. KAITEKI can contribute to making people's lives better by adopting three key terms: 'Sustainability', 'Health', and 'Comfort' through the means of saving our resources and protecting our environment.

2. Reference to international standards

MCE is guided by international standards and frameworks. Our human rights strategy is therefore based in particular on the following guidelines:

- The United Nations International Covenant on Political and Civil Rights
- The United Nations International Covenant on Economic, Social and Cultural Rights
- The Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO)
- 10 principles of the UN Global Compact
- Universal Declaration of Human Rights of the United Nations
- The Rio Declaration on Environment and Development
- The conventions and recommendations of the International Labor Organization (ILO) on labor and social standards
- The International Labor Organization (ILO) Declaration of Principles concerning Multi-national Enterprises and Social Policy

- The United Nations Guiding Principles on Business and Human Rights
- European Convention for the Protection of Human Rights and Fundamental Freedoms

Our strategy includes and goes beyond national laws.

3. Process description

The human rights and environmental strategy of MCE aims to prevent or minimize risks to human rights as well as to the environment and to prevent, end or minimize the extent of human rights or environmental violations. To achieve this goal, we have implemented appropriate measures in our own business areas and in our procurement processes. Our own employees and the employees of our suppliers are the focus of every measure. However, it is always a particular concern for MCE to include and take into account the interests of those potentially affected.

3.1. Risk management

MCE has established comprehensive risk management with regard to human rights and environmental protection in its own business area and in the business areas of its direct suppliers. Responsibility for the day-to-day management and monitoring of human rights and environmental risk management lies with the responsible Procurement Department. Efficient risk management process structures ensure the success of our measures and a continuous improvement process. We monitor the effectiveness of such risk management measures regularly and on an ad-hoc basis and adjust where necessary. The management is informed about risk management at least once a year. Risk management is divided into the sub-processes of risk analysis, preventive measures, complaints procedures, remedial measures, effectiveness testing, documentation and reporting.

3.2. Risk analysis

MCE sees due diligence of human rights and the environment as an ongoing process with constantly changing framework conditions. We carry out annual analyses to identify potential and actual negative impacts on human rights and the environment in our business area and at our direct suppliers. We work together with the company IntegrityNext to carry out a comprehensive and in-depth analysis. The platform enables a holistic assessment of our own business operations and our direct suppliers regarding ESG issues on the basis of country and industry risks, critical news monitoring and an evaluation of our suppliers' sustainability performance

based on questionnaires. IntegrityNext also helps us to identify potential industry-specific human rights and environmental risks in our deeper supply chain.

In addition, it is important for MCE to incorporate the perspectives and interests of potentially affected parties into our analysis. We are currently holding talks as part of multi-stakeholder initiatives and will continue to expand this in the future. We pay particular attention to potentially more vulnerable groups, such as indigenous peoples, minorities, people with disabilities, contractor employees and expectant parents. In addition, we include past complaints in our risk analyses in order to assess the actual risk in our own business area and at suppliers.

In the event of changes or restructuring of our business activities, we also carry out event-driven risk analyses.

As a result of the risk analysis, we have identified and prioritized the following potential human rights and environmental risks in our own business area:

- Substances of concern: Our formulation of products or manufacturing processes do not contain persistent organic pollutants (POPs), however trace amounts of such substances may be present due to background amounts in the surrounding environment.

As a result of the risk analysis, we have identified and prioritized the following potential human rights and environmental risks at our direct suppliers:

- Due to our broad supplier base in the European region, comprising approx. 8,500 suppliers, we have established internal effective structures for ensuring consistent risk management across all business groups. Through the assessments conducted on a subset of the supply base, risks have been identified in the following key areas:
 - Environmental Protection
 - Human Rights & Labor.
 - Supply Chain Responsibility
 - Health & Safety

3.3. Preventive measures

We subject identified risks to an appropriateness check as part of our risk management and increase our investigative efforts on an ad hoc basis. If there is an actual risk that our business activities could cause or contribute to negative effects on human rights or the environment, we have developed efficient processes to counter these risks. Appropriate preventive measures are a fundamental part of these processes.

MCE has implemented internal guidelines and policies to express our commitment to respecting human rights and environmental protection in our own business operations and with our business partners. The following guidelines serve as a binding framework for the daily actions of our employees, suppliers and business partners.

- The Code of Conduct for the EMEA region as applicable for MCE employees and our Business Partner Code of Conduct form the basis for our social, ethical and ecological values for ourselves and our business partners. It formulates our requirements and expectations of our employees and business partners based on the identified risks. We communicate it to internal and external stakeholders.
- Mitsubishi Chemical Group Global Policy on Respecting Human Rights, Employment and Labor which is applicable to MCE puts a clear focus on respecting human rights within and outside our organization.
- Mitsubishi Chemical Group Environment & Safety Policy.

We ensure the implementation of the aforementioned guidelines and policies through the following preventive measures in our own business area:

- Regular **training** for all employees in all relevant departments ensures a high level of quality in the implementation of our human rights strategy. In addition to our procurement practices and strategies, employees from the Purchasing department receive training on human rights and are made aware of the relevance of these issues.
- In **industry initiatives**, we show commitment beyond our own company. We work with other companies on cross-industry solutions and standards. The Mitsubishi Chemical Group is part of the Global Impact Coalition, the Carbon Disclosure Project and The United Nations Global impact. The Global Impact Coalition focuses on driving a net-zero future in the chemical industry through innovative, sustainable practices, while the Carbon Disclosure Project (CDP) promotes transparency in managing and reducing

environmental impacts like emissions and climate risks. The United Nations Global Compact (UNGC) aligns the company with global standards on human rights, labor, environment, and anti-corruption, emphasizing ethical and sustainable business practices.

We counter actual human rights or environmental risks that we have identified with our direct suppliers with appropriate preventive measures as part of our risk management.

- We require our direct suppliers to comply with our human rights and environmental expectations, which we have set out in our Business Partner Code of Conduct.
- Sending assessments to our high-spend suppliers to verify compliance with human rights and environmental standards.
- Establish Monitoring and Reporting Mechanisms: Define KPIs, conduct assessments, and utilize questionnaires to monitor compliance, track progress, and address risks in areas like environmental impact, supplier labor practices, and community interactions.
- Promote Ethical Practices Across the Value Chain: Introduce measures to ensure ethical supplier practices, including prohibitions on forced labor, child labor, and corruption, while supporting fair wages, collective bargaining, and environmental sustainability.

If we have actual indications that violations are possible at an indirect supplier, we immediately involve the originator in our risk management and risk analysis and develop appropriate preventive and remedial measures.

3.4. Complaints procedure

MCE is aware that despite due diligence in the area of human rights and environment, violations can occur. We provide those affected in our own operations, at our suppliers and throughout our supply chain, as well as affected third parties, with confidential access to an appropriate grievance procedure to report violations. We communicate our grievance procedure internally and publicly on our website and investigate all reported concerns confidentially.

3.5. Remedial measures

If the violation is in our own business area, we will ensure that the violation is terminated. If the violation is with one of our direct suppliers or with an actor in our supply chain, we will endeavor to remedy the situation appropriately through the following remedial measures:

- We expect and require our suppliers to immediately end actual human rights or environmental violations. If necessary, we support our business partners in implementing the necessary measures. We reserve the right to suspend or terminate the business relationship if the breach is not resolved.
- In industry initiatives, we work together with other companies to find efficient solutions that lead to the termination of the violation in our supply chain.

3.6. Effectiveness review

MCE ensures its due diligence with regard to human rights and the environment with the measures described. However, global circumstances and our business environment are constantly changing. We therefore review the effectiveness of all the measures described annually and on an ad hoc basis and make adjustments where necessary. Our established tools include on-site visits, audits, quick checks and working with indicators. We see respect for human rights as an ongoing process in which we strive for continuous improvement.

3.7. Responsibilities

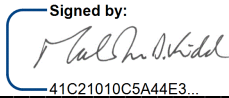
MCE ensures compliance with the human rights strategy internally through clear structures and responsibilities. The company management is responsible for compliance with the human rights strategy at a strategic level. The Procurement Department supervises and monitors all operational processes and measures and works on implementing the human rights strategy in all relevant business processes and improving internal processes. The interdisciplinary composition of employees from the sustainability, legal, purchasing, HR, health and safety, quality management, supply chain and communications departments ensures internal cooperation and the multifaceted development of the topic in internal processes.

3.8. Documentation & report

MCE documents all human rights due diligence activities in its own business area and in the supply chain and reports annually on the current human rights' due diligence processes in our annual *report*. The report is publicly available to interested parties on our website. The complaints procedure and other documents on human rights due diligence are also available on our website. This policy statement is communicated internally and externally and is publicly available on our website.

Mitsubishi Chemical Europe GmbH

06-12-2024

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Malcolm Kidd
Managing Director

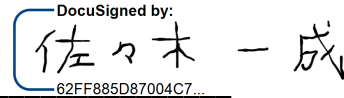
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