

# **Mitsui Plastics Inc.'s Supply Chains Act Report (2024)**

## **ABOUT THIS REPORT**

Mitsui Plastics, Inc. ("MPI") has prepared this report (the "Report") being submitted pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") for the financial year ended March 31, 2024.

This Report describes the efforts being taken to enhance the transparency in our supply chains by outlining the steps taken during the 2024 financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

## **COMPANY STRUCTURE, ACTIVITIES AND SUPPLY CHAIN**

### ***Company Structure***

MPI was incorporated in the state of Delaware, USA in 1988 and is a wholly owned subsidiary of Mitsui & Co, (U.S.A.) Inc. ("Mitsui USA"), which is a wholly owned subsidiary of Mitsui & Co., Ltd. ("Mitsui & Co"), headquartered in Tokyo, Japan.

MPI is headquartered in White Plains, New York with other locations in Troy, MI, Houston, TX and Torrance, CA. In these offices, MPI employed 76 employees as of March 31, 2024.

### ***Activities***

MPI is a general trading company (Sogo Shosha) and we provide the plastics and chemical industries with a diverse portfolio of quality materials utilizing our specialized team of technical and business professionals, innovatively linking our global resources with our partners' local requirements.

The Company conducts sales, exports, imports, and offshore trades related to Chemical products, while providing general services for retailing, information and communications, technical support, transportation and logistics, and financing.

We specialize with a broad range of materials for diverse industries, such as Automotive, Food Packaging, Construction, Electronics, etc., and our portfolio includes different types of commodity and specialty plastic resins and additives, synthetic rubbers and elastomers. We engage in domestic/international trade and logistic services for these materials (storage and transportation).

### ***Supply Chains***

In the Reporting Period, we contracted with approximately 78 suppliers ("Suppliers") who supplied us with different goods such as diverse plastic resins, synthetic rubbers, polymer additives and logistics and storage services. The majority of our Suppliers, approximately 64%, are based in North America, specifically in the United States.

## **POLICIES AND DUE DILIGENCE**

At MPI, we greatly value our reputation for integrity and high ethical standards. It is our policy to comply with all applicable laws and regulations, including, but not limited to, those pertaining to customs, antitrust, anti-boycott, international trade controls, employment and the environment. It is also our policy to conform to the highest ethical standards in conducting our business. This includes a screening process of Denied Parties and such screening includes UFLEL (Uyghur Forced Labor Entity List) which is managed by the U.S. Department of Homeland Security.

To ensure that this policy is followed and to guide us, the Board of Directors of MPI adopted the Statement of Policy and Business Conduct Guidelines, and all officers, employees and agents are expected to comply fully with them.

To ensure that we all understand the importance of compliance with U.S. laws and regulations and adherence to the highest ethical code of behavior in light of the existing Statement of Policy and Business Conduct Guidelines.

A failure to observe the policy with respect to full compliance with laws and regulations or the Business Conduct Guidelines will subject an employee to disciplinary action, up to and including termination of employment. In addition, disciplinary action will apply to any officer or manager who directs or approves a violation or who has knowledge of it but does not take prompt action to correct a violation.

As a wholly-owned subsidiary of Mitsui USA, the policies and documents linked below are those of Mitsui USA and are applicable to MPI, unless otherwise indicated.

### ***With Integrity ([Group Conduct Guidelines](#))***

At MPI, we understand that business is built on a foundation of trust, and compliance is necessary to maintain and foster such trust. In our pursuit of compliance, it is not enough simply to obey laws, regulations, and norms. It is also extremely important that we continually verify the appropriateness of our words and actions against our sense of integrity.

Mitsui & Co. and each of the Mitsui & Co. Group companies, including MPI, have individually established their own corporate philosophy and business conduct guidelines. While such company-level initiatives remain very important, Mitsui Japan has put together the Mitsui & Co. Group Conduct Guidelines —With Integrity— to share the approach towards integrity and compliance on a global group basis and to continue achieving sustainable growth as a group. As a member of the Mitsui & Co. Group, MPI and its employees are expected to fully understand these guidelines and use them as the basis for judgment in their day-to-day work.

### ***Policy for Compliance with United States Laws***

It is our policy that all officers and employees will, without limitation, comply with all United States laws and regulations, including those relating to human rights and Modern Slavery.

### ***Business Conduct Guidelines of MPI ([Business Conduct Guidelines](#))***

The Guidelines apply to all officers, employees, and agents of the Company and apply to all transactions between employees, with customers, and with suppliers. Some rules are based on federal laws which penalize individuals, as well as companies, for violations and were created to

highlight our goal to have all employees adhere to proper legal and ethical standards in their business relationships.

***MPI Compliance Program ([Compliance Program](#))***

The President and CEO of MPI is ultimately responsible for supervising compliance at MPI.

The Chief Compliance Officer (the "**CCO**") is appointed to assist the President and CEO of MPI. The CCO is responsible for developing and implementing compliance programs and for maintaining and improving the effectiveness of such programs.

The CCO also handles general compliance matters, U.S. customs-related matters and international trade controls; consults with the Human Resources Division for employment matters and the Legal Department for general legal matters, including compliance with antitrust laws. The CCO further provides educational seminars to inform employees of their compliance obligations.

***MPI Reporting System ([Reporting System](#))***

We have an established reporting hotline where any employee of MPI may report potential or actual compliance violations to the CCO, Legal Department or Human Resources, as appropriate, including violations of U.S. laws and regulations, the Statement of Policy or Business Conduct Guidelines.

The reporting lines are anonymous, if requested by the employee and we encourage the reporting of all potential violations and do not tolerate punitive or retaliatory action taken against any employee for making a report in good faith.

***Sustainable Supply Chain Policy***

We strive to understand the issues associated with our supply chains, in accordance with our Supply Chain Policy, and are working with Suppliers and other business partners to achieve a sustainable supply chain.

Under the Supply Chain Policy, MPI expects our Suppliers to understand and implement principles that include:

- Respect for Human Rights: To strive not to infringe on human rights in our business activities, nor to contribute to human rights infringements by others through our business relationships, including supply chains.
- Forced Labor: Not to tolerate forced labor or any forms of modern slavery, including bonded labor or human trafficking.
- Child Labor: Not to tolerate child labor and to comply with the minimum working age stipulated by the law. Not to hire individuals that are under the age of 18 for roles requiring hazardous work.
- Discrimination: To prohibit any form of discrimination in employment.
- Harassment and Inhumane Treatment: Not to tolerate any form of harassment, irrespective of whether it is physical or mental harassment.

- Freedom of Association and Right to Collective Bargaining: To respect the rights of employees to associate freely and bargain collectively in our labor-management relations.
- Working Hours and Wages: To properly manage employees' working hours, holidays, leaves of absence, and wages in accordance with applicable laws and regulations.
- Occupational Health and Safety: To secure the health and safety of employees in the work environment.
- Community impact: To conduct human rights impact assessments, covering issues such as prevention of pollution and water stress, for prevention of adverse impacts on the safety and health of local communities. To implement necessary measures in line with international standards to avoid risks and mitigate negative impacts.

Where it is identified that in violation of this policy, MPI's business activities have caused adverse human rights impact or contributed to it through its business transactions including its supply chains, MPI will work to remediate such impacts through appropriate processes.

## **POTENTIAL RISKS OF MODERN SLAVERY IN OUR SUPPLY CHAINS**

### ***Potential Risks in Our Operations***

MPI considers the risk of Modern Slavery occurring within its operations to be low considering our workforce and our policies and procedures that govern our employment relationships. In addition, MPI does not manufacture or produce goods. From a geographical risk perspective, our employees are located in the United States only, which has a low prevalence of child and forced labour, a low risk of vulnerability to child and forced labour and a fairly robust governmental response addressing child and forced labour.<sup>1</sup>

### ***Potential Risks in Our Supply Chains***

We recognize that the risk of Modern Slavery may be higher within our supply chains than in our operations, as our operations are entirely domestic, and our supply chains engage global supply chains. We understand that particular regions, products and raw materials carry a higher risk of child and forced labour because of the prevalence of child and forced labour in particular countries. There are also risks linked to certain industries even in countries considered to have lower risks of child and forced labour. Accordingly, our supply chains are subject to using the various processes described in this Report. As noted, these assessments consider a combination several factors including category, industry, country, and supplier management risk profiles.

Additionally, the majority of our supplier and procurement spend is in the United States. According to [Walk Free](#), an international human rights group focused on the eradication of modern slavery, in all its forms, the [United States](#) ranks 122<sup>nd</sup> out of 160 countries for prevalence of modern slavery, and also has below average vulnerability to modern slavery, making it a low risk jurisdiction.

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<sup>1</sup> Walk Free, Global Slavery Index 2023, found [here](#).

As of the date of this Report, we are aware of any instances of child or forced labour in our operations or supply chains during the Reporting Period. Accordingly, no steps were required to remediate child or forced labour, or the loss of income associated with remediation efforts.

## TRAINING

MPI's CCO coordinates and provides various seminars and educational programs designed to educate the officers and employees of MPI about the importance of complying with applicable laws and regulations and maintaining the highest ethical standards and distributes explanatory materials to assist in ensuring MPI's compliance with all applicable laws and regulations.

Beginning in May 2024, the new compliance schedule includes a module titled, "The Ethical and Legal Choice" which includes a topic on forced and child labour.


## ASSESSING EFFECTIVENESS

As discussed above, the CCO is responsible for developing and implementing compliance programs and for maintaining and improving the effectiveness of such programs. As we continue to evaluate our compliance measures in place that are designed to prevent and reduce the risk of Modern Slavery, we intend to consider, where appropriate, implementing measures to assess the effectiveness of any of our processes.

## BOARD OF DIRECTORS APPROVAL AND ATTESTATION

This Report was Approved by the Board of Directors of Mitsui Plastics, Inc., pursuant to section 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

DocuSigned by:  
  
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I have the authority to bind Mitsui Plastics, Inc.

**Nao Kawamura**

President & CEO, Mitsui Plastics, Inc.

May 30<sup>th</sup>, 2024