

# Third-Party Assessment of the Mitsubishi Materials CSR Report 2008



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## Profile

After a period working for a management consulting firm, Mizue Unno established So-Tech Consulting in 1996. She uses her unique analytical expertise to offer management solutions and proposals in the fields of CSR and the environment and provide practical support for Japanese companies engaging in CSR activities.



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## 1. Method and Scope of Assessment

Before compiling this assessment, we conducted inspections at Mitsubishi Materials' Tsukuba Plant (processing) and Yokkaichi Plant (electronic materials and components). The opinions expressed in this assessment refer to these two plants along with Mitsubishi Materials' two core lines of business, namely cement and metals.

## 2. Our Views

Last year, Mitsubishi Materials identified a number of key issues that needed to be addressed in the field of CSR. The identification process extended beyond the Corporate Social Responsibility Department to include all relevant departments, with issues pinpointed based on a clear overview of the nature of the company's operations. As a result, the company has a shared set of priorities as part of its CSR activities, which are even incorporated into its business strategies. We hope that Mitsubishi Materials will continue to work on each of these issues and include details of its progress and achievements in this report as and when appropriate in order to improve the visibility of its external reporting.

### • Identified Key CSR Issues

Issues were identified from a new perspective, incorporating the elements of business risks and opportunities as well as matters of public interest. First and foremost, the nine key issues identified clearly point to the relationship between Mitsubishi Materials' strategy with regard to its resource and recycling operations and its CSR activities. Although the company has put a great deal of effort into its recycling activities to date, they should not be positioned as merely part of its business model but also as important activities in terms of helping to create a recycling-oriented society, thereby generating both economic and social value. That is something that employees involved in each and every area of business would be able to understand.

Other items relate to basic aspects of CSR and once again include issues that are closely related to Mitsubishi Materials' business, including social and other measures as part of the company's supply chain. Although specific implementation will come at a later stage, these are nonetheless important areas that require constant attention.

Similarly, there are areas in which initiatives remain insufficient in the field of general CSR as well. With regard to human resource development, the company has established and is currently operating personnel and labor systems and has also started to work on improving

on-site capabilities, including training skilled engineers. Although it may take a while for the results to show through, these are nonetheless CSR issues that need to be addressed on an ongoing basis.

Although more of an approach than a real issue, we recognize the intent to make changes to areas of stakeholder communication in which stakeholders' perspectives may have been overlooked somewhat in the past. Building on from this report's section on dialogue with employees, we would like to see the company creating even more opportunities for substantial interaction with stakeholders in the future.

### • Expanding Global Initiatives

Last year we advised Mitsubishi Materials to look beyond Japan and expand its initiatives on a more global scale. As a result of the President himself taking our advice on board, this year's report evidences a keen awareness of borderless CSR on a truly worldwide scale. We would like to see the company acknowledge the strength of its relationships with developing and emerging nations in the mining and materials industries and continue to demonstrate its presence as a sustainable business leader in the future. As the government earmarked 2007 as the first year in its program of strategic resource diplomacy and has started to take specific action, we feel that there is scope for Mitsubishi Materials to play an even greater role than at present.

### • Firmly Establishing CSR Practices

Although the company is currently doing enough to deal with the identified key issues, there are a number of areas that relate to concerns held by the general public. In terms of measures to combat global warming for instance, ongoing efforts are tempered somewhat by the sense that CO<sub>2</sub> emissions from the cement manufacturing process are unavoidable. Irrespective of how the situation is viewed internally however, levels of public interest are on the increase, meaning that the company will have to take further action.

The same is true of a number of issues unique to this particular industry, including environmental measures at closed mines and soil pollution. People are becoming increasingly sensitive to environmental issues, resulting in conventional wisdom being turned on its head in some cases. Although steps to avert a negative legacy and preemptive measures to avoid risks may not seem particularly productive, if the company fails to recognize the gap between itself and the general public it could face major problems. Mitsubishi Materials should therefore look to shore up measures on this front in the future.