

Society (Social Activities)

Contributing to the SDGs through Social Activities



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Social Activity Goals and Results

Goal achieved or steadily progressing: ○ Goal not achieved: △

Items	Boundary	Fiscal 2022 Goals	Fiscal 2022 Results	Evaluation	Fiscal 2023 Goals	Pages	
Procurement	Sumitomo Chemical Group	Thoroughly ensure compliance, maintain and enhance sustainable procurement, and promote initiatives for respecting human rights in the supply chain	Promoted thorough compliance among relevant internal and external parties, promoted initiatives for respecting human rights by studying high-risk raw materials, strengthened sustainable procurement by revising the Supplier Code of Conduct, promoted sustainable procurement by strengthening collaboration with business partners through monitoring, feedback, and trade briefings, and promoted initiatives for respecting human rights through detailed surveys using human rights questionnaires (Sumitomo Chemical results)	○	Thoroughly ensure compliance, maintain and enhance sustainable procurement, and promote initiatives for respecting human rights in the supply chain	Pages 170–175	
	HR Management	Sumitomo Chemical Group	Employ human resources and greatly strengthen recruitment capabilities	Secured personnel by promoting recruitment practices aligned with various specialized fields and recruitment categories	○	Employ diverse human resources and further strengthen recruitment capabilities	Pages 176–197
		Sumitomo Chemical Group	Manage global human resources and work on workforce management that is responsive to business expansion	Revamped personnel database, appropriately placed personnel in response to business expansion, and systematically conducted global human resources development	○	Manage global human resources and work on workforce management that is responsive to business expansion	
		Sumitomo Chemical Group	Develop personnel and run HR systems to promote employee growth and development	Formulated action plans based on Sumika "Let's Do This Declaration"	○	Develop personnel and run HR systems to promote employee growth and development	
Sumitomo Chemical Group		Promote sustainability, DE&I, and work-life balance	Promoted measures at each Group company based on the Group's Basic Principles on the Promotion of Diversity, Equity, and Inclusion and executed action plans based on the Sumika "Let's Do This Declaration"	○	Promote sustainability, DE&I, and work-life balance		
Occupational Safety and Health / Industrial Safety and Disaster Prevention	Lost-workday injuries	Sumitomo Chemical	0	2	△	0	
		Partner companies*1	0	6	△	0	
	Frequency rate of lost-workday injuries	Sumitomo Chemical Group*2	Less than 0.1	0.50	△	Less than 0.1	
	Severe accidents*3	Sumitomo Chemical Group*2	0	2	△	0	Pages 198–204
		Sumitomo Chemical Group*5	0	0	○	0	
		Logistics	0	0	○	0	

Note: Further details are provided in the supplementary data (pages 226–235).

*1 A partner company injury is defined as one suffered within a Sumitomo Chemical worksite by an employee of a company affiliated with a subcontractor (including construction and logistics companies) or other company (including spot construction-related companies and delivery companies not included in an association).

*2 For the purposes of occupational safety and health, the Group is defined as Sumitomo Chemical (including its partner companies and others) and consolidated subsidiaries in Japan and overseas.

*3 Severe accidents are defined as those that result in a fatality or those that result in severe lost-workday injuries, including blindness or loss of a limb.

*4 Severe industrial accidents are defined as industrial accidents resulting in any of the below conditions.

- The local residents suffer injuries requiring at least regular hospital visits or treatment.
- Employees at the facility suffer injuries that require at least one lost workday.
- The damage to the facilities totals more than 10 million yen.

*5 For the purposes of industrial safety and disaster prevention, the Group is defined as Sumitomo Chemical (including its partner companies and others) and consolidated Group companies in Japan and overseas.

*6 Lost-workday injuries in logistics are defined as those that are related to logistics and occur within Sumitomo Chemical worksites as well as those that caused by major logistics subcontractors outside of worksites.



Social Activity Goals and Results

Goal achieved or steadily progressing: ○ Goal not achieved: △

Items	Boundary	Fiscal 2022 Goals	Fiscal 2022 Results	Evaluation	Fiscal 2023 Goals	Pages
Product Stewardship / Product Safety / Quality Assurance	Laws and regulations	Sumitomo Chemical	Continue to act precisely in accordance with domestic and overseas laws and regulations	Acted precisely in accordance with relevant laws and regulations	○	Continue to act precisely in accordance with domestic and overseas laws and regulations
	Chemicals management and information disclosure	Sumitomo Chemical	Continue to promote risk-based chemicals management and information disclosure	Systematically put in place risk assessment methods	○	Continue to conduct risk-based chemicals management and information disclosure
	Chemical management system	Sumitomo Chemical	Continue to promote utilization of the Comprehensive Chemical Management System (SuCCESS) and develop concrete plans for expansion to Group companies	As part of our efforts to promote utilization of SuCCESS, 15 Group companies in Japan use the system. We use SuCCESS to calculate the manufactured volumes reported to the government under the chemical substances control law via a substance volume tracking (SVT) system as well as to calculate exported volumes in response to overseas regulations	○	Continue to promote utilization of SuCCESS and develop concrete plans for expansion to Group companies
	Risk assessment	Sumitomo Chemical	Continue to steadfastly perform product safety risk assessments	Performed 56 product risk assessments	○	Continue to steadfastly perform product safety risk assessments
	Logistics quality-related incidents	Sumitomo Chemical*	No Rank A or Rank B incidents, two or fewer Rank C incidents	No Rank A or Rank B incidents, no Rank C incidents	○	No Rank A or Rank B incidents, two or fewer Rank C incidents
Communities	Sumitomo Chemical Group	Provide support to achieve the United Nations Sustainable Development Goals	<ul style="list-style-type: none"> • Provided support for tree-planting activities and education through Matching Gift programs • Support for solving Environmental issues in Africa 	○	Provide support to achieve the United Nations Sustainable Development Goals	Pages 205–210
	Sumitomo Chemical Group	Provide prompt and precise support in response to emergencies and disasters in Japan and overseas	Assisting in relief for the Turkish and Syrian earthquake	○	Provide prompt and precise support in response to emergencies and disasters in Japan and overseas	
	Sumitomo Chemical Group	Promote social contribution activities distinctive to the Sumitomo Chemical Group by leveraging the strengths of each workplace	Participated in and cooperated with local events, held science workshop classes, held plant tours, etc.	○	Promote social contribution activities distinctive to the Sumitomo Chemical Group by leveraging the strengths of each workplace	
	Sumitomo Chemical Group	Continue to expand information disclosure using SDGs and promote interactive dialogue	Continued to expand information disclosure using SDGs and promote interactive dialogue	○	Continue to expand information disclosure using SDGs and promote interactive dialogue	

Note: Further details are provided in the supplementary data (page 236).

* Includes some Group companies in Japan that have Works within a Sumitomo Chemical worksite.



Respect for Human Rights

Basic Stance

Sumitomo Chemical regards respect for human rights as part of the foundation for business continuation. We are continuing to make a Group-wide effort to address this as a material issue to be addressed as management priorities, and provide disclosures on our measures and progress. In order to accelerate its efforts on human rights, Sumitomo Chemical formulated the Sumitomo Chemical Group Human Rights Policy in April 2019, based on the Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the United Nations Global Compact, and the United Nations Guiding Principles on Business and Human Rights. At the same time, we established the Human Rights Promotion Committee, a committee tasked with promoting our human rights initiatives. In order to pursue a Group-wide effort to respect human rights, we are committed to ensuring that all Group companies in Japan and overseas are fully aware of the Human Rights Policy and take action on these principles.

Sumitomo Chemical Group Human Rights Policy (Effective April 1, 2019)

This policy was formulated based on the advice of outside human rights experts with practical experience.

Sumitomo Chemical Group (Sumitomo Chemical Co., Ltd. and its Group Companies) has put in place this Human Rights Policy ("Policy") to demonstrate its commitment to international standards on human rights. All directors, executive officers and employees ("Personnel") of the Sumitomo Chemical Group will uphold this Policy.

1. Our Position on Human Rights

(1) Compliance with Standards, Laws and Regulations

We support and respect international standards on human rights, such as the Universal Declaration of Human Rights, International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and promote respect for human rights in line with the United Nations Guiding Principles on Business and Human Rights. Sumitomo Chemical Co., Ltd. is a signatory to the United Nations Global Compact and supports its Ten Principles, which include human rights and labor.

We comply with applicable laws and regulations in countries and regions where we operate, and where local laws and regulations conflict with international standards, we will seek ways to honor the principles of internationally recognized human rights.

(2) Respect for Human Rights in Our Business Activities

We do not discriminate against individuals based on employment status, age, sex, ethnic or social origin, ancestry, nationality, disability, religion, beliefs, marital status, or any other status. We do not tolerate any form of harassment, including sexual harassment or workplace bullying. We also respect fundamental labor rights including freedom of association and the right to collective bargaining, and prohibit forced labor or child labor.

We are committed to respecting human rights in our business activities and also strive to avoid contributing to infringement of human rights. In order to prevent and mitigate human rights risks related to our business activities, we will take necessary measures, including ensuring compliance with the Compliance Manual (the Sumitomo Chemical Code of Business Conduct) and other relevant policies and guidelines. We are also committed to understanding our impact on local communities and aim for harmonious coexistence with these communities.

We expect our business partners, including our suppliers, and other relevant stakeholders to act in line with the principles in this Policy, and we will seek ways to work with them to promote respect for human rights.



Respect for Human Rights

2. Our Approach to Human Rights Issues

(1) Providing Education and Raising Awareness

We will provide appropriate education and training to our Personnel so that this Policy is understood and effectively implemented.

(2) Human Rights Due Diligence

We will identify adverse human rights impacts, and seek to prevent or mitigate such impacts through our human rights due diligence framework.

(3) Responding to Identified Human Rights Impacts

We will engage with relevant stakeholders in order to address actual or potential adverse human rights impacts.

(4) Remedy

Where we identify that we have caused or contributed to adverse human rights impacts, we will endeavor to remediate such impacts through appropriate processes.

(5) Grievance Mechanisms

We have grievance mechanisms in place in the form of the [Speak-Up System](#) (whistle-blowing channels) in order to address concerns about activities that may adversely impact human rights or any other concerns raised about our business activities. These channels are available for anyone having involvement in Sumitomo Chemical Group's business activities, including their business partners as well as Sumitomo Chemical Group Personnel and their families.

We will continuously seek to optimize our grievance mechanisms.

(6) Disclosure

We will report on our efforts to respect human rights including through our website, integrated report, Sustainability Data Book, and other relevant channels.

Announcement of the Group Statement Based on Human Rights Laws and Regulations

We at the Sumitomo Chemical Group, as a globally operating corporation, have announced a Group statement on our efforts to address risks related to modern slavery and human trafficking in our business activities and supply chain. This statement is based on laws and regulations in various countries with regard to respect for human rights and the prevention of modern slavery and human trafficking, including the Modern Slavery Act of the United Kingdom, the Modern Slavery Act of Australia, and the California Transparency in Supply Chains Act of the United States.

Compliance with the Laws and Regulations involving Respect for Human Rights World-wide

https://www.sumitomo-chem.co.jp/english/sustainability/society/human_rights/statement/



Respect for Human Rights

Management System

Human Rights Promotion Committee

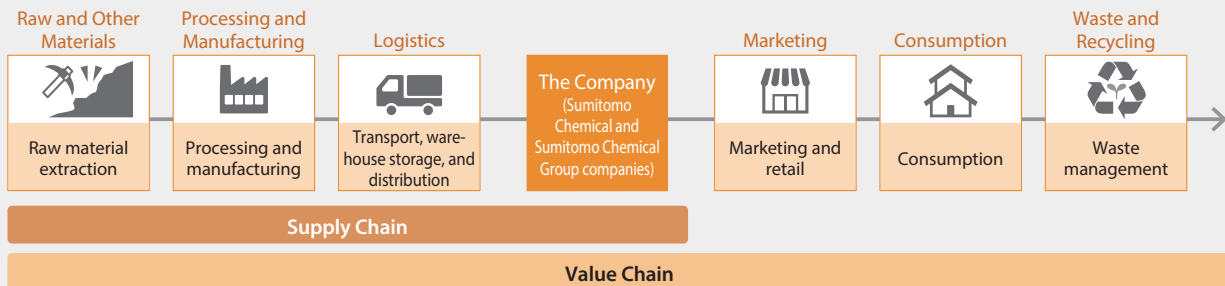
Sumitomo Chemical has established the Human Rights Promotion Committee as its organization for promoting activities in compliance with the Human Rights Policy. In order to plan and implement measures to respect human rights across the entire value chain,*1 this committee consists of members from a broad range of related departments and functions. The senior executive officer in charge of corporate departments serves as chair, while from the business sectors, executive officers responsible for the Planning & Coordination Offices*2 of their respective departments participate as committee members.

*1 Value chain is defined by ISO 26000, which is an international standard related to social responsibility, as an "entire sequence of activities or parties that provide or receive value in the form of products or services." See below for details.

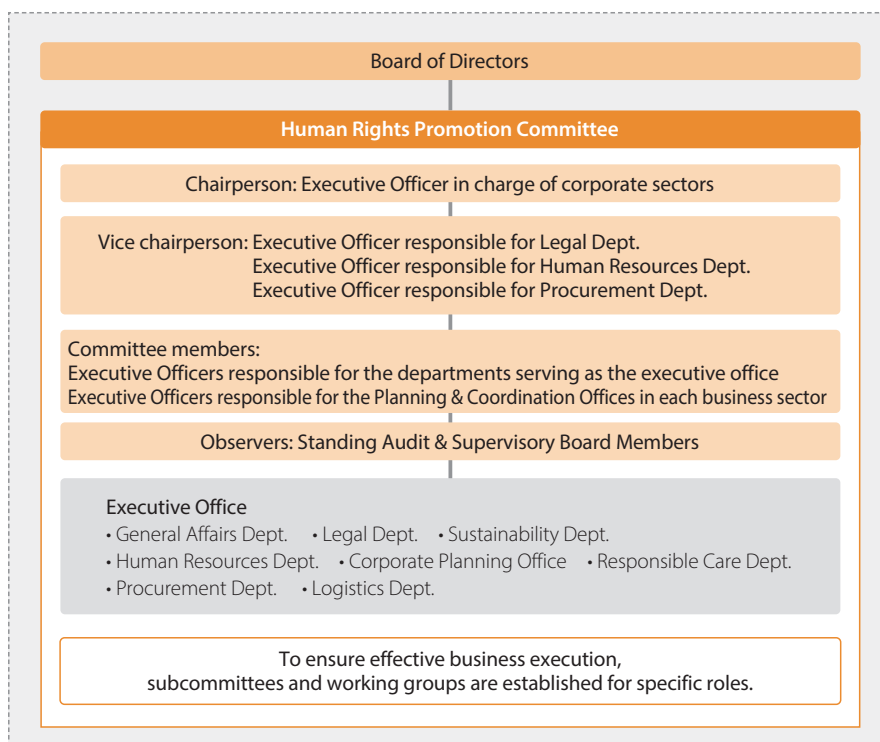
*2 The Planning & Coordination Offices are departments in charge of matters related to the planning, technologies, and development of each business sector.

Roles of the Committee

- (1) Formulation and implementation of measures regarding respect for human rights across the Group's value chain, including:
 - Formulation and publication of policies required by the Guiding Principles on Business and Human Rights and relevant national laws
 - Identification of human rights issues across the value chain, assessment of risks, and implementation of measures, including remedies, that are appropriate for specific issues and their associated risks (human rights due diligence and relief efforts)
- (2) Promotion of awareness of human rights inside and outside the Company



Human Rights Promotion Committee





Respect for Human Rights

Group-wide Approach

Based on its basic policy for respect for human rights, Sumitomo Chemical continues to take various measures to promote respect for human rights by working closely with its Group companies in Japan and overseas, while also engaging business partners.

Overseas, in particular, we are working with our regional headquarters in Europe, the Americas, China, and the Asia-Pacific region to ensure and promote compliance, including initiatives to protect human rights, based on our compliance system that we have established in accordance with respective local legal systems of the countries where we operate.

Examples of Initiatives

Human Rights Due Diligence and Relief Efforts

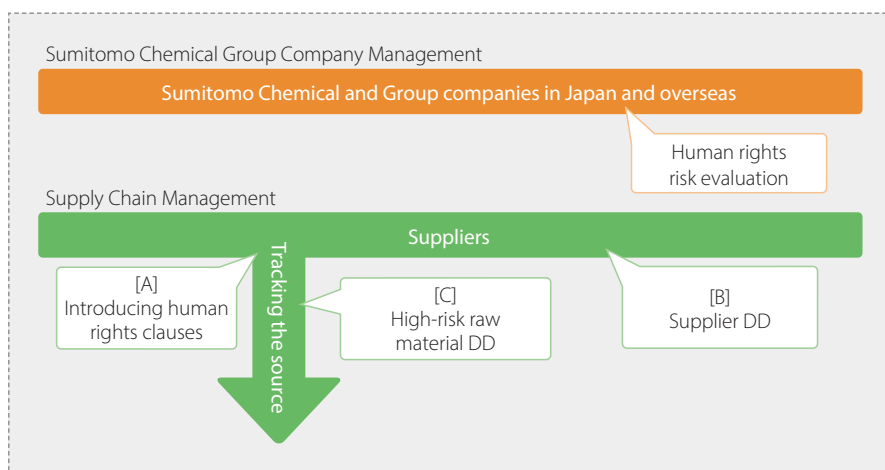
With the aim of promoting respect for human rights in its business activities, the Sumitomo Chemical Group has established a system for human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights. Under our approach to evaluating, reducing, and preventing human rights risks, not only for Sumitomo Chemical itself and its supply chain, but also for Group companies in Japan and overseas and their supply chains, we set priorities based on potential human rights risks, and implement our efforts in steps. The Sustainability Department, Legal Department, Procurement Department, and Logistics Department collectively serve as our secretariat office for human rights due diligence, working with business sectors and other relevant departments to ensure that our entire value chain is assessed.

External specialists conduct human rights risk evaluations of the Group to evaluate, reduce, and prevent human rights risks within the Group.

Moreover, for the supply chain, we rank priorities based on assumed human rights risks, conduct surveys, and promote engagement. As a comprehensive initiative, we ensure the effectiveness of human rights risk reduction initiatives by including clauses related to the implementation of human rights-related initiatives in new and existing agreements. As a practical risk reduction initiative, we distribute the Sumitomo Chemical Group Supplier Code of Conduct and collect responses to check sheets and human rights questionnaires, which independently confirm the status of initiatives by each supplier, thereby determining the status of general sustainability measures and management systems, including those related to human rights, at suppliers (supplier due diligence, hereinafter “supplier DD”). In addition, for suppliers of raw materials that have a high risk of having a negative impact on human rights (high-risk raw materials), we conduct high-risk raw material due diligence (DD) through surveys that track to the source.

If it is discovered through these activities that any negative impacts on human rights are occurring because of our Group’s business activities, or have been fostered by the Group’s business activities, we will redress or resolve those incidents through the appropriate procedures, in collaboration with related stakeholders.

Human Rights Due Diligence Overview of Initiatives





Respect for Human Rights

Approach to Our Human Rights Due Diligence Efforts

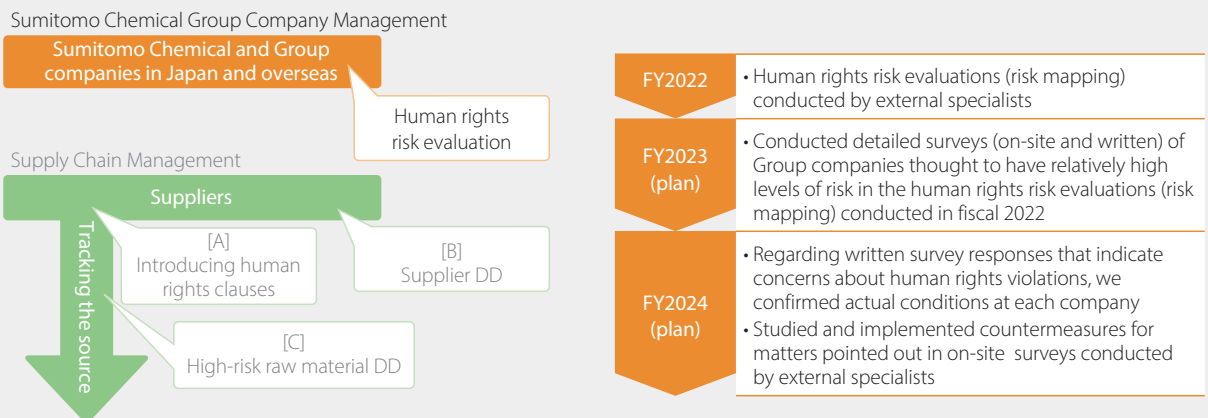


Sumitomo Chemical Group Company Management

Sumitomo Chemical Group Company Management Flow

Group Company Risk Evaluation

Based on our risk approach policy, we are undertaking an overview of human rights due diligence over the past three years.



Initiatives in FY2022

Since it is important to regularly assess human rights risks in response to changes in social conditions and other factors, we conducted a human rights risk assessment (second round) for the Company and 131 consolidated management companies (as of October 2022). With the cooperation of outside human rights experts, we estimated potential human rights risks for each company based on the business activities, location (country/region), personnel composition, raw materials/products handled, and other factors of the group companies. We also confirmed the status of risk measures based on interviewing with personnel in charge and the results of internal audits and responsible care audits. Through these processes, we conducted an assessment more closely attuned to reality while maintaining objectivity.



Respect for Human Rights

Risk Evaluation Items

For this risk assessment, we first set the four categories of society, environment, occupational safety and health, and governance as major focal areas, and for each category, we determined items in detail for assessing risks. For example, in the category of “society,” we selected such diverse items as forced labor, child labor, discrimination, harassment, freedom of association, indigenous people, and cultural heritage. In other categories, we conducted risk assessment as to those items that we had addressed in audits, by examining them from a human rights perspective.

Society

S1	Forced labor and human trafficking
S2	Child labor
S3	Work hours
S4	Wages and employment contract
S5	Discrimination
S6	Harassment and punishments
S7	Freedom of association
S8	Land rights
S9	Negative social impact on local communities
S10	Indigenous people and cultural heritage
S11	Privacy
S12	Countermeasures and management procedures (supply chain)

Environment

E1	Environmental pollution
E2	Resource management
E3	Noises, vibrations, and odors

Occupational Safety and Health

HS1	Countermeasures and management procedures
HS2	Machine safety
HS3	Fires and explosions
HS4	Hazardous operations
HS5	Infectious, dusty, and asbestos operations

Governance

G1	Prevention of bribery
G2	Prevention of accounting fraud
G3	Prevention of quality-related fraud
G4	Examples of violations

Policy for Calculating Risk Scores

Regarding each item, we confirm activities as factors either contributing to or reducing risk. When there are activities that could become risk factors, we add to the risk score, and when there are activities that reduce risk factors, we subtract from the risk score, thereby quantifying risk. The higher the risk score, the higher the human rights risk.

Examples that add to the risk score:

- Employing foreign national workers and migrant workers
- Operational region of the Group company ranked as a high-risk country in indices published by international institutions (for example: the Global Child Forum & UNICEF’s Children’s Rights and Business Atlas)
- Businesses considered labor-intensive (business categories considered to have a relatively high ratio of low-wage workers)

Examples that subtract from the risk score:

- Confirming the personal IDs of migrant workers and storing copies
- Formulating policies related to prohibiting child labor
- Confirming the provision of employee wages in an amount adequate to provide for a family and meet basic needs, such as food and housing

Points Updated for the Second Round of Human Rights Risk Assessments

We considered the following factors to ensure that changes in social conditions are appropriately reflected.

- Country-specific indicators newly formulated and released by international organizations
- Among raw materials being handled, the presence or absence of materials that are considered to have high human rights risks, such as conflict minerals
- Problematic rises in cases of human rights violations in the chemical industry and in countries where Group companies are based
- The addition of the safety and health field to the ILO’s Core Labor Standards



Respect for Human Rights

FY2023 Initiative Plans

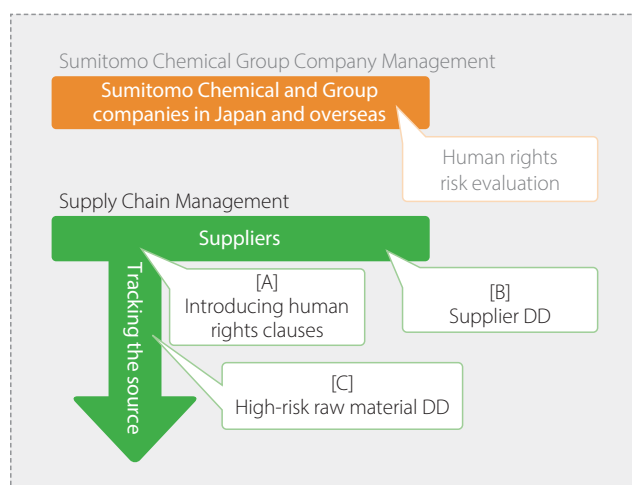
As a result of the human rights risk assessments, we conduct detailed investigations using written surveys and the input of outside human rights experts for Group companies that are considered to urgently need their status confirmed. We will confirm the facts and take remedial measures as needed.

Human Rights Risk Assessments (First Round)

https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/humanrights_riskassessment_1.pdf

Supply Chain Management

Supply Chain Management Flow



A. Introducing Human Rights Clauses into Contracts

In fiscal 2020, we have formulated contract provisions that request understanding of and cooperation with our efforts to respect human rights, and have begun including them in our contracts with our business partners, including raw material suppliers, materials and equipments suppliers, logistics providers, and contract manufacturers.

We will not only continue to sign contracts that include these human rights provisions, we will also respond in line with the procedures defined in these human rights provisions when negative impacts on human rights occur in our supply chain, or under the apprehension that such an impact has occurred.

Main Content in Human Rights Clauses (required matters)

- Comply with human rights-related international standards and the Sumitomo Chemical Group Supplier Code of Conduct
- Strive to seek similar responses from suppliers further upstream
- Formulate policies and conduct human rights due diligence
- Cooperate on the Company's initiatives



Respect for Human Rights

B. Supplier DD

The Sumitomo Chemical Group is committed to building mutually beneficial and sound relationships with its business partners. We ourselves do business in a fair, equitable and transparent way, while also promoting sustainable procurement efforts across the entire supply chain with respect for human rights and a firm commitment to compliance. In order to encourage our business partners to work on sustainability efforts, in the Sumitomo Chemical Group Supplier Code of Conduct, we ask our business partners to respect human rights, prohibit complicity with human rights violations, prohibit discrimination and harassment, respect basic rights related to labor, prohibit forced labor and child labor, comply with the minimum wage, and assurance of a living wage. In addition, to accurately recognize the risk status related to legal compliance and ethics, society, occupational safety and health, and the environment in the procurement of raw materials in the supply chain, we send the Sumitomo Chemical Group Supplier Code of Conduct to our major business partners, collect the Sumitomo Chemical Group Sustainable Procurement Check Sheets filled out by each company, and confirm the status of initiatives.

Furthermore, from fiscal 2021, we are conducting detailed investigations of the Company's major business partners using questionnaires specialized for human rights (the human rights questionnaire). The human rights questionnaire comprises two parts: one for the management system of the entire company and one with questions specialized for human rights (the presence or absence of human rights risks and the implementation status of risk reduction measures). We provide feedback on the results for all business partners who respond. And for those business partners that we would like to take further action, we engage with them on an individual basis (including exchange information related to sustainability initiatives and share the best practices of the Sumitomo Chemical Group, providing support as needed).

P.174 Procurement: Promoting Sustainable Procurement throughout the Supply Chain

Excerpts of the Human Rights Questionnaire

Major items	Examples of specific questions
(1) Questions related to company-wide management systems	Numbers of employees, presence of labor unions, status of formulation of policies (for example: human rights policies, legal and regulatory compliance, environmental conservation, occupational safety and health), supply chain management status (for example: status of risk assessments for business partners and the supply chain), establishment of whistleblower hotline
(2) Questions specially focused on human rights*	<p>We collect responses to the following questions to confirm the risk of forced labor of foreign national workers and migrant workers.</p> <ul style="list-style-type: none"> • Employment status of foreign national workers and migrant workers • Does the company use recruitment specialists when employing foreign national workers and migrant workers? • If using recruitment specialists, is the company doing its due diligence to ensure the specialists' business activities do not violate the human rights of job seekers? • Has the company established an internal procedure for confirming whether recruitment specialists are collecting fees from job seekers? • Before the planned worker departs their home country, does the company provide documents that clarify the main working conditions (job duties, wages, workhours, etc.) in the worker's native language or a language the worker can understand? • Before the planned worker departs their home country, does the company explain necessary information related to the country where they will work or the workplace (rules of the workplace, occupational safety and health, performance considerations, use of dormitory, helpdesk contact information if there are problems, etc.) in the worker's native language or a language the worker can understand?

* We confirm a wide range of human rights issues, such as child labor, forced labor, discrimination (responsible recruitment), and the rights of indigenous people.

Initiatives in FY2022

Based on the fiscal 2022 survey results of the human rights questionnaire, we conducted engagement with major suppliers to gain their understanding of and cooperation on initiatives aligned with the United Nations Guiding Principles on Business and Human Rights. In addition, we revised the Sumitomo Chemical Group Sustainable Procurement Guidebook to further promote sustainability initiatives, including those related to human rights, among suppliers. We amended the guidebook into the Sumitomo Chemical Group Supplier Code of Conduct, incorporating respect for human rights, prevention of complicity with human right violations, and assurance of a living wage.

FY2023 Initiative Plans

To confirm the status of initiatives in line with the Sumitomo Chemical Group Supplier Code of Conduct, we will continue promoting sustainable procurement in the supply chain by sending major suppliers the Sumitomo Chemical Group Sustainable Procurement Check Sheets and questionnaires specialized for human rights, collect responses, and take improvement measures as necessary.



Respect for Human Rights

C. High-risk Raw Material DD

The Sumitomo Chemical Group formulated the “[Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials](#)” in March 2020 to further promote efforts prohibiting the procurement of conflict minerals. Under the policy, the Group defines high-risk raw materials as those that having a high probability of negatively impacting human rights in the supply chain, including, but not limited to, tantalum, tin, gold, tungsten, cobalt, mica, graphite, and pulp. Depending on the characteristics of the high-risk raw materials, we promote initiatives aligned with the premise of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the OECD Guidance).

Initiatives in FY2022

From fiscal 2020, in line with the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials, we conducted surveys of the usage status of high-risk raw materials at the Company and Group companies in Japan. As a result, we determined that we need additional confirmation for some of the raw materials source.

FY2023 Initiative Plans

Regarding some of the raw materials mentioned above, we will conduct additional confirmation. As a result of the confirmation, if there are concerns, we will consider remedial measures to reduce human rights risks in line with the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials and continue implementing necessary initiatives. In addition, for business partners that handle high-risk raw materials, we will continue requesting reports based on the Responsible Minerals Initiative (RMI), steadily promote risk assessments, and consider rolling these efforts out to overseas Group companies.

P.175 Procurement: Initiatives Related to High-Risk Raw Materials

Grievance Mechanisms

We have grievance mechanisms in place in the form of the Speak-Up System (whistle-blowing channels) in order to address concerns about activities that may adversely impact human rights or any other concerns raised about our business activities. These channels are available for anyone involved in Sumitomo Chemical Group’s business activities, including their business partners as well as Sumitomo Chemical Group Personnel and their families.

In addition, regarding harassment in particular, Sumitomo Chemical has established a harassment consultation office and consultants. We have set up systems to provide consultations for employees regarding various types of harassment, including power harassment, sexual harassment, maternity harassment, and SOGI harassment.*

Each of these aforementioned consultation offices accepts anonymous consultations and whistleblower reports. In the Compliance Manual, we make clear that the Company gives utmost consideration to protecting the privacy of the reporting person and maintaining the confidentiality of information provided and that the Company does not put people at any disadvantage, such as through dismissal, transfer, or discrimination, on the grounds of having received a consultation or made a report. We are raising awareness of these facts among employees.

Furthermore, at all aforementioned offices, in fiscal 2022, there were no confirmed cases related to discrimination and no major negative impact on human rights affecting the business continuation of the Group.

The Group will continue working to more effectively operate grievance mechanisms going forward.

* SOGI harassment: harassment related to sexual orientation and gender identity

P.79 Compliance: Speak-Up System



Respect for Human Rights

Education and Awareness Raising

Our basic policy of respect for human rights is articulated in our Compliance Manual (Sumitomo Chemical Code of Business Conduct) and also communicated across through our intranet. In addition, our labor-management agreement makes it clear that an employee who damages the work environment for other employees through sexual speech and behavior, harassment, or other similar actions is considered violating our work regulations and thus subject to disciplinary action.

Under these principles, we value respect for an individual's personality, prohibiting any action to disrespect or disparage an individual's personality taken based on personal emotions or values or any harassment, bullying or similar speech or action.

We also prohibit all kinds of harassment, including power harassment and sexual harassment (including harassment of a person of the same gender and harassment of LGBTQ people regarding sexual orientation and gender identity).

In addition, we prohibit discrimination and do not allow any discriminatory action that is taken for reasons of employment type, age, gender, birthplace, ancestry, nationality, race, disability, religion, beliefs, marital status, or other such attributes and harms an individual's dignity. We particularly make it clear that discrimination based on gender or a difference in sexual orientation or gender identity and discrimination against people with disabilities are prohibited.

Raising Employees' Awareness of Human Rights

To ensure that each employee correctly understands and is fully aware of human rights issues, Sumitomo Chemical incorporates human rights in its employee education. We highlight human rights not only in the introductory training in which all employees participate after joining the Company but also in many other internal training programs, such as those for newly promoted employees (when promoted to a higher grade or a manager position) and those for recruiting interviewers.

In addition, we regularly implement awareness-raising training and initiatives at each site of our operations and each Group company.

Initiatives to Raise Awareness of Human Rights (Sumitomo Chemical Group)

Name and format	Purposes	Boundary	FY	Sessions	Participants	Participation rate (%)
Seminars and lectures on human rights Training based on the Sumitomo Chemical Group Human Rights Policy	<ul style="list-style-type: none"> Preventing harassment and discrimination on the grounds of gender and against social minorities and human rights violations Preventing child labor, forced labor, and human trafficking etc. 	Sumitomo Chemical	2022	98	8,703 (cumulative total)	131.1
		Sumitomo Chemical Group (42 major Group companies in Japan)	2021	147	7,261 (cumulative total)	78.2

Note: The participation rate is calculated as the cumulative total of participants.

We provided opportunities for all Sumitomo Chemical Group management executives and employees to learn about business and human rights through a website specifically for the JIRI-RITA ACTION, which is aimed at helping management executives and employees promote sustainability.

A total of 25,000 people took courses offered on the website, where they learn about the Company's policies and initiatives related to human rights issues, such as modern slavery by answering questions.



Respect for Human Rights

Engaging in Human Rights Initiatives

Stakeholder Engagement Program Hosted by Caux Round Table Japan

Since fiscal 2019, Sumitomo Chemical has participated in the [Stakeholder Engagement Program](#) hosted by Caux Round Table Japan, a non-profit organization, to better understand what circumstances can cause human rights issues and how business activities are related to human rights, as well as material human rights issues and the importance of considering human rights in business activities.

This program invites companies, non-government and non-profit organizations, and experts to discuss human rights due diligence that is required by the Guiding Principles on Business and Human Rights. The subject for fiscal 2022 was “Human Rights Issues by Sector” formulated by the Nippon CSR Consortium in fiscal 2021. Participants engaged in sectoral discussion, referring to the human rights guidance tool created by the United Nations Environment Programme Finance Initiative (UNEP FI). (We participated in the discussion for the chemical, construction material, and manufacturing sectors.)

Fiscal 2022 Stakeholder Engagement Program (Human Rights Due Diligence Workshop) Report

https://www.aoyama-syouji.co.jp/ir/esg/pdf/2022_SHE_final_report_en.pdf

Human Rights Due Diligence Subcommittee Hosted by Global Compact Network Japan

Since fiscal 2019, Sumitomo Chemical has engaged in the Human Rights Due Diligence Subcommittee hosted by the Global Compact Network Japan in order to promote human rights due diligence based on the Guiding Principles on Business and Human Rights.

In fiscal 2022, the subcommittee organized various initiatives such as seminars by experts and workshops related to human rights due diligence. We will continue to deepen our understanding of human rights by engaging in various initiatives, and leverage the learning in the Group’s human rights promotion efforts.

Others

Signed onto the Declaration of Partnership Building

Sumitomo Chemical supports the premise of the “Council on Promoting Partnership Building for Cultivating the Future” promoted by Japan’s Cabinet Office and the Small and Medium Enterprise Agency and announced our Declaration of Partnership Building. This initiative aims to encourage the collaboration of large companies with small and medium-sized companies, promote measures to enhance productivity across the entire supply chain, and build mutually beneficial relationships between large companies and small and medium-sized companies. In its declaration, Sumitomo Chemical not only clarifies as one of its individual items that it will conduct trade in a manner that ensures fairness and transparency but also clarifies that it emphasizes human rights and compliance and is promoting sustainable procurement initiatives throughout the supply chain to enforce sustainability initiatives at suppliers.

Announcement of our “Declaration of Partnership Building” (Japanese only)

https://www.sumitomo-chem.co.jp/news/detail/20210618_2.html

Consideration for Human Rights in Investment

Along with interviews and legal due diligence for investment candidates, before acquisition we confirm consideration for human rights issues, response status, and the systems of investees.

Initiatives for the Rights of Children

The Sumitomo Chemical Group focuses efforts not only on eliminating child labor in Japan and overseas but also on educational support regarding respecting the rights of children.

[P.217 Communities](#)



Respect for Human Rights

Looking Ahead

We at the Sumitomo Chemical Group will observe our Human Rights Policy and work together as one to continue our efforts led by the Human Rights Promotion Committee to promote respect for human rights.



Procurement

Basic Stance

Policy on Sustainable Procurement

The Sumitomo Chemical Group is committed to building mutually beneficial and sound relationships with business partners. In addition to ensuring fairness, equitability, and transparency in our transactions with business partners, we are promoting sustainable procurement activities throughout the supply chain with an emphasis on compliance and respecting human rights, which will encourage our partners to also engage in sustainability initiatives. Furthermore, Sumitomo Chemical's stance toward and policy on sustainable procurement is clarified in the Basic Procurement Principles and the Group Business Standards of Procurement, which provide guidelines for procurement operations for Group companies in Japan and overseas.

■ Basic Procurement Principles (Outline)

1. The Procurement Section shall strive to conduct procurement transactions on the basis of fair, equitable, transparent and free competition without involving personal interests or arbitrary considerations.
2. The Procurement Section shall strive to select suppliers to transact with in accordance with the most appropriate and economically rational methods and shall pursue the maintenance of sound business relationships with suppliers, aiming for mutual growth and development.
3. The Procurement Section shall strive to provide corporate services globally throughout the entire Group.
4. In its procurement, the Procurement Section shall give preference to those suppliers that are active in sustainability initiatives, with the aim of fulfilling its corporate social responsibilities and building sound relationships with suppliers.
5. The Procurement Section shall strive always to meet the quality requirements of Sumitomo Chemical's internal sections that request purchases of Goods and Services.
6. In performing Procurement Operations, the highest priority shall be given to safe and stable operations in order to realize zero-accident and zero-injury operations.
7. In performing Procurement Operations, the highest consideration shall be given to customer satisfaction.
8. The Procurement Section shall ensure the transparency of Procurement Operations.



Procurement

■ Sumitomo Chemical Group Policy for Responsible Procurement of Minerals / Raw Material (Established March 17, 2020)

Recognizing the principles set out in our Sumitomo Chemical Group Human Rights Policy, Sumitomo Chemical Group (Sumitomo Chemical Co., Ltd. and its group companies, hereafter “Sumitomo Chemical Group”) defines those raw materials that involve a high risk of having a negative impact on human rights in the supply chain (including but not limited to Tantalum, Tin, Gold, Tungsten, Cobalt, Mica, Graphite, Pulps etc.) as high-risk raw materials (“HRRM”). Sumitomo Chemical Group recognizes the adverse impact against human rights which may be associated with mining, extracting, refining, manufacturing, trading, handling and/or importing/exporting HRRM, and sets out the following Policy for Responsible Procurement of Minerals/Raw Materials. Sumitomo Chemical Group will comply with this policy, and requests all of its suppliers to acknowledge the contents of this policy and comply with it.

Incorporating the essence of the standards set out in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the “OECD Guidance”) with necessary adjustments, Sumitomo Chemical Group adopts the following 6-step framework in conducting due diligence in respect of HRRM:

1. Establish Strong Company Management Systems

Sumitomo Chemical Group will clearly communicate and explain to suppliers and to the public the contents of this policy, and appoint a senior executive and staff assigned to supply chain management of HRRM. Sumitomo Chemical Group will request HRRM suppliers to comply with this policy by abiding by the standard contract clause or commitment letter.

2. Identify and Assess Risks in the Supply Chain

Sumitomo Chemical Group will establish a system of controls and transparency over the supply chain of HRRM, and will periodically identify and assess risks of HRRM suppliers through an approach consistent with OECD Guidance Annex II. In identifying and assessing the risks, Sumitomo Chemical Group will (i) request HRRM suppliers to map its supply chain to origin and maintain a database of the same, and (ii) conduct additional due diligence procedures against the HRRM supplier, when red-flags of adverse impact on human-rights are discovered in its supply chain, with due attention to the geographical characteristics of conflict-affected and high-risk areas.

3. Design and Implement a Strategy to Respond to Identified Risks

Once risks are identified and mitigation measures are undertaken, the senior executive assigned to HRRM, will compile a risk management plan and will implement either of the following measures:

- i) continuing trade throughout the course of measurable risk mitigation efforts;
- ii) temporarily suspending trade while pursuing ongoing measurable risk mitigation efforts;
- iii) disengaging with the HRRM supplier after failed attempts at mitigation, such as where lack of cooperation, refusal to follow improvement requests etc.

Sumitomo Chemical Group will implement the risk management plan, monitor and trace the risks and progress of risk mitigation efforts, report them to the assigned senior executive of HRRM, and keep record of the same for a designated period. Sumitomo Chemical Group will undertake additional assessments of the identified risks once there is change of circumstance.

4. Sumitomo Chemical Group will request HRRM suppliers who is in a position to more directly and effectively mitigate the adverse impact on human rights in the supply chain to undergo supply chain due diligence audits conducted by Sumitomo Chemical Group or by Sumitomo Chemical Group’s designated independent third-party auditor.

5. Sumitomo Chemical Group will report the above HRRM related activities through our web site, annual report, sustainability data book etc. If required, Sumitomo Chemical Group will request HRRM suppliers to report its HRRM related activities periodically to Sumitomo Chemical Group, and to promptly report to Sumitomo Chemical Group any signs of adverse impact on human-rights discovered in their supply chain, and to follow any instructions of corrective measures by Sumitomo Chemical Group.

6. Sumitomo Chemical Group will support relevant industry initiatives in respect of HRRM and respond to changing situations flexibly.

Sumitomo Chemical Group requests all of its suppliers to develop and implement its own initiatives in accordance with the above 6-step framework, and to cause its upstream suppliers to do the same.



Procurement

Management System

In line with the policy on sustainable procurement, we formulate and implement plans related to sustainable procurement, share these plans with Group companies. Furthermore, Sumitomo Chemical's stance toward and policy on sustainable procurement is clarified in the Group Business Standards of Procurement, which provide guidelines for procurement operations for Group companies in Japan and overseas. We are promoting relevant initiatives across the entire Group.

Goals and Results

■ FY2022 Group-wide Initiatives

Main Initiatives	Details
Group purchasing information exchange meetings 2 times	Participating companies: 24 • Sustainability initiatives (respect for human rights, including high-risk raw materials, environmental conservation, etc.); Shared information about BCPs
Company-wide procurement liaison meetings 2 times	Participants: Representatives responsible for the procurement of business sectors • Sustainability initiatives (respect for human rights, including high-risk raw materials, environmental conservation, etc.); Shared information about BCPs
Procurement staff education	Participants: All procurement staff (including new employees and transferees) • Sustainability initiatives (respect for human rights, including high-risk raw materials, environmental conservation, etc.)

■ FY2022 Initiative for Suppliers

Main Initiatives	Details
Suppliers Dialogues 3 times	Participating companies: 42 (major suppliers of materials and equipment) • Sustainability initiatives (respect for human rights, including high-risk raw materials, environmental conservation, etc.); Shared information regarding occupational safety
Supplier Information Exchange Meeting 1 time	Participating companies: 44 (major raw material suppliers) • We explain the Company's efforts to reduce Scope 3* ¹ emissions to our major suppliers* ² and request that each such company cooperate with us in reducing GHG emissions and share related information. • Provided briefings on and requested cooperation in sustainability initiatives (respect for human rights, including high-risk raw materials, environmental conservation, etc.), introduced on internal reporting systems, etc.
Evaluation of Established Suppliers (Sustainable Procurement Rate Survey)	Targeted companies: All established suppliers, who together account for the top 90% of the raw materials purchased Sustainable procurement rate* ³ : 91% (As of March 31, 2023)
Evaluation of New Suppliers	Due diligence rate for new suppliers: 100% Suppliers who were rated "good" and with whom business began: 100%
Audits	Number of times monitoring was conducted in conjunction with quality audits: 4 (Due to the pandemic, all audits were documentation audits. We confirmed that there were no problems on the sustainable procurement check sheets.)
Initiatives Related to High-Risk Raw Materials	We conduct due diligence in accordance with the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials. For conflict minerals (gold, tantalum, tungsten, and tin), cobalt, and mica, we request they use the template* ⁴ issued by the Responsible Minerals Initiative (RMI), and, for other high-risk raw materials, we request they use a document based on the RMI. We have already received replies from all current suppliers of raw materials, including these high-risk raw materials. Reply collection status: • Conflict minerals, cobalt, and mica: 100% reply collection rate, 0% of suppliers have been determined to have a problem • Other high-risk raw materials: 100% reply collection rate, we are engaging with some suppliers who need additional confirmation
Human Rights Questionnaire	• We provided feedback to 10 companies surveyed in FY2021. We also conducted engagement* ⁵ with five of those companies. • We newly conducted a survey of 10 major suppliers and have collected responses from all of them. We also assess the status of initiatives on human rights.

*1 Emissions from the manufacturing and transportation of purchased raw materials

*2 Covers suppliers accounting for 90% of procured raw materials.

*3 The percentage of Sumitomo Chemical Group Sustainable Procurement Check Sheets that were returned

*4 • Conflict minerals (gold, tantalum, tungsten, tin): Conflict Minerals Reporting Template (CMRT)

• Cobalt and mica: Extended Minerals Reporting Template (EMRT)

*5 Exchanging information on sustainability initiatives, sharing best practices in the Sumitomo Chemical Group, supporting suppliers, etc.



Procurement

Examples of Initiatives

Sustainable Procurement Activities

Sumitomo Chemical has a webpage about sustainable procurement in the Procurement Information section on its official website to inform more stakeholders of its sustainable procurement initiatives. The webpage features the Sumitomo Chemical Group Supplier Code of Conduct. Moreover, Sumitomo Chemical has formulated the Sumitomo Chemical Group Sustainable Procurement Check Sheets to enable suppliers to conduct self-evaluations regarding all items. Suppliers can now download these documents and report the results of their evaluations.

Sumitomo Chemical Group Sustainable Procurement Check Sheets

I Compliance and Ethics

Questions in this chapter focus on whether the company properly complies with laws and regulations; upholds and respects international norms; complies with competition laws; maintains sound relations with governments and administrative agencies as well as prohibits bribery; prohibits the offering and receiving of inappropriate profit; respects intellectual property; establishes a system for the prevention, early detection, and remedy of wrongdoings as well as protects whistleblowers; makes appropriate information disclosure; protects the organization's confidential information and personal information; and develops cyber security measures.

II Society

Questions in this chapter focus on whether the company properly respects human rights; prevents complicity in human rights violations; prohibits all forms of discrimination and harassment; complies with laws and regulations regarding working hours, leave, etc. and labor agreements; respects the ILO standards; reduces excessive working hours; respects basic labor rights, including employees' freedom of association and the right to collective bargaining; prohibits forced labor; prohibits child labor; gives due consideration to young workers; complies with legal minimum wage requirements and gives due consideration to living wages; establishes and implements a product quality management system; ensures safety of products and services; clarifies and complies with relevant laws and regulations, customer requirements, and internal quality control standards; properly manages chemical substances and complies with relevant laws and regulations; makes appropriate information disclosure for products and services; take proper measures in the event that an accident occurs or that a defective product should be shipped out; advances efforts to reduce any negative impact on local communities and contributes to local communities; manages suppliers; establishes a system necessary to ensure a stable supply of products and services; properly controls imports and exports; and responsibly procures raw materials.

III Occupational Safety and Health

Questions in this chapter focus on whether the company properly establishes and implements an occupational safety and health management system; prepares emergency scenarios, including natural disasters and accidents, takes measures to improve facilities, formulates manuals for emergency response measures, and provides awareness-raising and training programs; assesses safety and health risks, implements proper safety and health measures, and provides awareness-raising and training programs regarding safety and healthy information; provides a safe and hygienic work environment; implements proper health management measures; and categorizes and records cases of occupational accidents and illnesses, provides necessary treatment, and conducts investigations, reports, and takes remedial measures.

IV Environment

Questions in this chapter focus on whether the company properly establishes and implements an environment management system; properly controls and reduces chemical substances released to the environment; take measures to respond to climate change, such as greenhouse gas (GHG) emissions reduction and adaptation to climate change; properly manages, reduces, and responsibly treats and disposes of waste; sustainably and efficiently utilizes resources (energy, water, raw materials, etc.); and conserves biodiversity.

Sumitomo Chemical Group Supplier Code of Conduct

https://www.sumitomo-chem.co.jp/sustainability/files/docs/suppliers_code_of_conduct_e.pdf

Sumitomo Chemical Group Sustainable Procurement Check Sheets

https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/cp_csr_check_list_e.pdf



Procurement

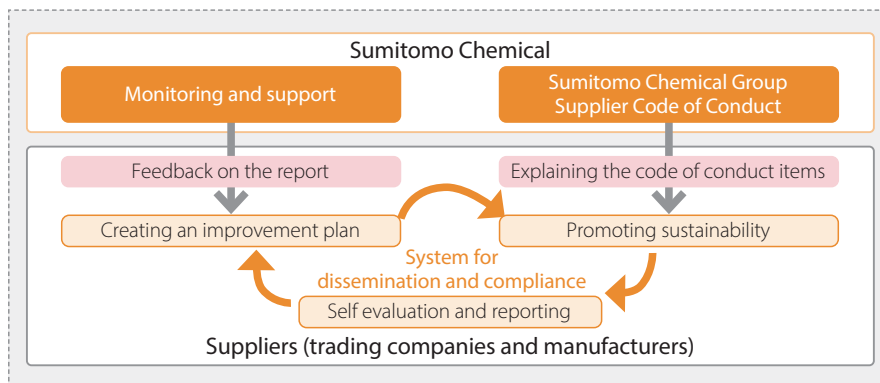
Promoting Sustainable Procurement throughout the Supply Chain

We have every new supplier gain a better understanding of Sumitomo Chemical’s policies and stances through the Sumitomo Chemical Group Supplier Code of Conduct. We also have them fill out and submit the Sumitomo Chemical Group Sustainable Procurement Check Sheets. This enables us to do our due diligence regarding their compliance status, and, upon confirmation of satisfactory evaluation results, we begin doing business with them. Following that, we regularly monitor their compliance status and strive to prioritize procurement from those suppliers who are working hard to ensure sustainable procurement. We manage the data from the monitoring and periodically assess the content.

For suppliers whose initiatives have been determined to be insufficient according to their replies to the sustainable procurement check sheets, we furnish feedback, such as requesting confirmation of improvement plans, to raise awareness of and cooperation in ensuring sustainable procurement. Furthermore, for suppliers who have not shown improvement over the long term regarding important initiatives related to human rights and other issues, we designate them high-risk suppliers and offer more focused feedback and monitoring.

In addition, we send out and collect the code of conduct and check sheets from our main suppliers of raw materials. The collection status is managed as our sustainable procurement rate.

System for Promoting Sustainable Procurement throughout the Supply Chain



In addition to the initiatives above, from fiscal 2021, we have conducted detailed surveys of the Company’s major suppliers through questionnaires specially focused on human rights (the human rights questionnaire). The questionnaires comprise two parts, questions confirming the existence of company-wide management systems and questions specially focused on human rights (the presence of human rights risks and the status of risk mitigation measures). We provide the results of the survey to all suppliers who respond. We also conducted engagement with each supplier that we wish to see promote further measures on an individual basis. This includes exchanging information on sustainability initiatives, sharing best practices in the Sumitomo Chemical Group, and supporting suppliers.

P.165 Respect for Human Rights: B. Supplier DD



Procurement

Initiatives Related to High-Risk Raw Materials

We formulated the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials in March 2020. We define high-risk raw materials as those that involve a high risk of having a negative impact on human rights in the supply chain (including but not limited to tantalum, tin, gold, tungsten, cobalt, mica, graphite, pulps, etc.). In line with the characteristics of each high-risk raw material, we promote initiatives aligned with the content of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). In line with this procurement policy, we designate high-risk raw materials and conduct due diligence.

In line with this policy, we extract data on all raw materials, including identified high-risk raw materials, from our internal database and regularly confirm its accuracy for subject suppliers using templates issued by the Responsible Minerals Initiative (RMI) or documents based on said templates. If we determine there is a problem, we request improvements be made, and, if we do not receive sufficient cooperation, we take appropriate measures, such as suspending procurement.

P.166 Respect for Human Rights: C. High-risk Raw Material DD

Promoting Sustainable Procurement throughout the Group

We periodically hold Group purchasing information exchange meetings that gather together responsible purchasing representatives from each Group company in Japan and overseas to discuss promoting sustainable procurement throughout the Group. In addition, to ensure smooth communication, we set up a website with the Group companies to reciprocally share information as we strive to promote and encourage sustainable procurement as a unified Group.

Supplier Information Exchange Meeting

Sumitomo Chemical regularly holds information exchange meetings with major suppliers and has introduced initiatives related to the sustainability of the Sumitomo Chemical Group. We aim to help realize a sustainable society throughout the supply chain by helping suppliers understand the Group's policies related to procurement activities.

Looking Ahead

In line with the Basic Principles for Promoting Sustainability, the Sumitomo Chemical Group will continue to strengthen cooperation with business partners and promote sustainability in the spirit of respecting human rights and ensuring compliance.



Human Resources Management

Basic Policy

Human resources are the most important management resource, and securing highly motivated and capable personnel is the foundation of business operations. In addition, our business environment has become more complex and sophisticated. In these circumstances, it has become extremely important to secure personnel with broad knowledge and diverse skills, and to conduct training so that employees can maximize their abilities.

Against this backdrop, the Corporate Business Plan (FY2022–2024) sets forth one of its basic policies as promoting the securing and development of human resources from a long-term perspective and achieving sustainable growth through enhanced engagement.

Based on this policy, we are strengthening our recruitment capabilities dramatically and effectively promoting the current personnel and training systems based on the basic philosophy of “growth and development.” We are also working to create an environment in which diverse personnel can work healthily and energetically.

Human Resources System Initiatives

Sumitomo Chemical engages with its employees through a human resource system that takes account of the performance individuals achieve in their roles, depending on the scale of their responsibilities, along with the abilities they employed and their actions in the process. The system enables those willing and capable employees to aspire to higher roles at an early stage, and to build their self-motivated desire to grow in their career process.

Accordingly, our annual performance evaluations are not limited to evaluating how well each employee fulfills their expected role and their achievements; it also evaluates how well said employee demonstrates their ability and acquires the knowledge and skills needed. The system thus contributes to individual growth and development without overly focusing on short-term achievements.

Managers talk with all their subordinates on a regular basis to review their performance and objectives and to provide feedback on their behavioral advantages and areas for improvement. In the interviews, they also discuss future job expectations and career paths in an effort to increase their motivation and abilities.

Moreover, we have adopted a similar human resources system for managers at overseas Group companies to that for Sumitomo Chemical’s managerial employees. We are working to develop personnel on a global level and provide opportunities for advancement.

Philosophy and Aims of the Human Resources System





Human Resources Management

Characteristics of Our HR Systems

(1) Career Development Fields (CDFs)

To encourage the development and growth of each employee amid a time of diversifying ideas about career trajectories, we have incorporated career development fields (CDFs) into our HR systems. We decided to do this because we understand the importance of implementing from the medium- to long-term perspective placements and training in line with each employee's ability and suitability as well as based on their career goals. Planned placements and training are promoted in line with each employee's career goals, and employees are encouraged to take the reins when thinking about their careers.

■ CDFs

Field X	A career in which the employee takes on a specified role, while also working on tasks that support the maintenance and development of Sumitomo Chemical's business over the medium- to long-term.
Field Y	A career in which the employee works on tasks that contribute to the development of business as a professional, within a role with a defined scope.
Field Z	A career in which the employee works on a variety of tasks supporting things like the development of new technology and the increasing sophistication and complexity of business.

(2) Careers for Specialists

We offer more than the conventional path, which assumes a largely vertical progression in rank from manager to general manager, and so on. To reflect the need for complex and advanced knowledge in operational and R&D fields, we have introduced a mechanism that provides appropriate compensation so that personnel with a high degree of specialization can unleash their full potential and rack up accomplishments.

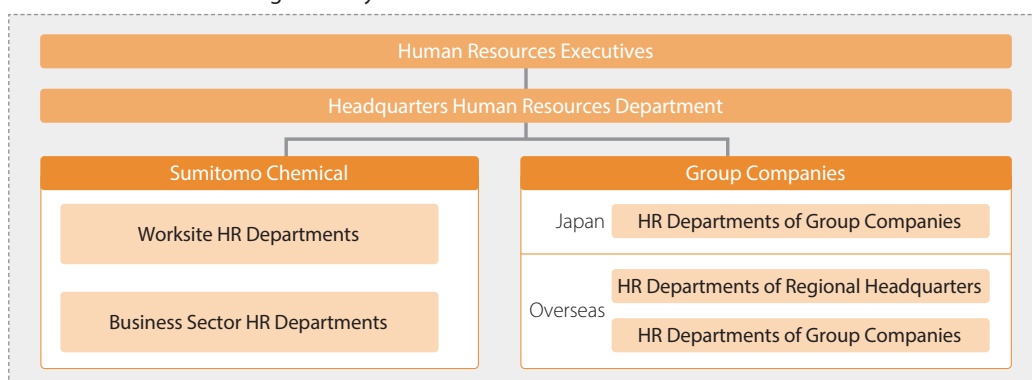
■ Careers for Specialists

Associates	Fellows
Associates refers to those who have particularly outstanding expert knowledge or capabilities, who are hard to replace in specific fields, and who can be expected to continue to make significant contributions in their field using that expertise	Fellows refers to those who, among the Sumitomo Chemical researchers who have produced particularly outstanding research results on the basis of their high-level expertise, and who are also recognized for their achievements outside the Company, are expected to contribute significantly to the research activities of Sumitomo Chemical in the future

Management System

Under the direction of human resources executives, the Headquarters Human Resources Department works closely with the HR departments of worksites, business sectors, regional headquarters, and Group companies in Japan and overseas to promote and roll out various measures. In addition, employees are rotated through job assignments based on each person's specific training plans while sharing information with the aforementioned HR departments and other departments with corporate functions, such as research, production, and administration.

■ Human Resources Management System





Human Resources Management

Sumika "Let's Do This Declaration"

We have set forth a number of important values and views to help our employees find significance and feel pride in working at Sumitomo Chemical in the Sumika "Let's Do This Declaration," and we are promoting this initiative so that they can lead healthy and fulfilling lives as employees, both mentally and physically. The initiative is divided into a series of five steps, with each step further broken down into five action items, and we are promoting various measures to support progress. In addition, we established a labor-management committee to promote the Sumika "Let's Do This Declaration" to ensure that information is shared and opinions are exchanged on the progress of initiatives and their direction.

<h4>1 Work-life Balance</h4> <p>Aiming to harmonize work and private life to lead fulfilling lives</p> <ul style="list-style-type: none"> ① Stop long working hours! ② Create an environment that makes it easy for employees to fully utilize work-life balance systems. ③ Encourage employees to take at least 80% of paid leave and facilitate effective use of the flextime system. ④ Prohibit business instructions that would require holiday or late-night work. ⑤ Cooperative framework in the workplace. <p>Joint labor and management declaration</p> <p>▶ P.182</p>	<h4>2 Activities by All Employees (DE&I)</h4> <p>Respect and leverage diversity, promote active roles for all, and leave no one behind</p> <ul style="list-style-type: none"> ⑥ Active roles for everyone regardless of gender! ⑦ Let's eliminate preconceptions and assumptions! ⑧ Let's build a hybrid human resource group! ⑨ Encourage active roles for people with disabilities. ⑩ No harassment! <p>Joint labor and management declaration</p> <p>▶ P.186</p>	<h4>3 Development and Growth</h4> <p>Development and growth to help our employees and the Company flourish together!</p> <ul style="list-style-type: none"> ⑪ Invest in growth for everyone. ⑫ Support the desire to learn. ⑬ Study every day, grow every day. ⑭ Strive to enhance management capabilities! ⑮ Allow people to take on challenges and demonstrate their growth. <p>Joint labor and management declaration</p> <p>▶ P.191</p>
<h4>4 Healthy Employees</h4> <p>Good health is a prerequisite for good work and a good life!</p> <ul style="list-style-type: none"> ⑯ Revise eating habits, achieve a healthy weight. ⑰ Exercise a little and stay healthy forever! ⑱ High performance depends on quality sleep. ⑲ Smoking does nothing but harm. ⑳ Don't forget to take care of your mental health. <p>Joint declaration by Company and corporate health insurance association</p> <p>▶ P.195</p>	<p>Sumika "Let's Do This Declaration"</p> <p>Declaring what we want to cherish</p>	<h4>5 How to Proceed with Work</h4> <p>Reasonable, efficient, and creative work by each employee will lead to the improvement of their skills and the growth of the Company.</p> <ul style="list-style-type: none"> ㉑ Always review work goals and methods. ㉒ Make the use of digital technologies the default. ㉓ Eliminate excessive quality, streamline your work. ㉔ Maximize the added value of meetings. ㉕ Put customers first! <p>Company declaration</p>



Human Resources Management

Action Items

1 Work-Life Balance

We are fostering a work environment where it is easy to work and ensuring each employee feels a deeper sense of fulfillment through work-life balance.

① Stop long working hours!

As a general rule, we aim to eliminate long working hours (on average over 45 hours/month worked after regular hours and on weekends and holidays).

② Create an environment that makes it easy for employees to fully utilize work-life balance systems.

We are working to encourage employees to fully utilize systems for childcare, caregiving, illness treatment, and more, and to create an environment that makes it easy to use those systems.

③ Encourage employees to take at least 80% of paid leave and facilitate effective use of flextime system.

We aim for employees to take at least 80% of paid leave. We also facilitate the effective use of the flextime system for afternoon work (no core time).

④ Prohibit business instructions that would require holiday or late-night work.

As a general rule, we do not delegate or carry out tasks that are predicated on working late-night overtime or on days off, such as an email asking for a reply on a day off.

⑤ Cooperative framework in the workplace.

Supervisors manage subordinates in a way that burdens are not distributed unevenly. Employees carry out tasks with a genuine feeling of cooperation and support in close communication with each other.

2 Activities by All Employees (DE&I)

Through DE&I, we are working to enable employees and the Company to develop.

⑥ Active roles for everyone regardless of gender!

We will ensure anyone can thrive in the workplace and enhance employee capabilities regardless of gender and age.

Relevant KPI: Achieve at least 15% of employees promoted to managerial positions (equivalent to section manager) being female over the 5 years between FY2023 and FY2027 on average

⑦ Let's eliminate preconceptions and assumptions!

We will eliminate assumptions about the fixed division of roles and unconscious bias, e.g., thinking you have to do something "because I'm a man/woman."

Relevant KPI: Achieve at least 90% of male employees who have taken extended childcare leave or other childcare-related leave due to the birth of a child during the current fiscal year.

⑧ Let's build a hybrid human resource group!

We will flexibly incorporate and leverage the different abilities and ideas of diverse human resources to help invigorate the workplace and grow the organization.

⑨ Encourage active roles for people with disabilities.

The Company and Sumika Partners Co., Ltd. have come together to provide an environment where people with disabilities can thrive. Everyone in the workplace offers support as fellow workers.

⑩ No harassment!

Aiming for complete eradication, we will not tolerate any form of harassment, including power harassment, sexual harassment, maternity harassment, paternity harassment, or SOGI* harassment.

* SOGI harassment: harassment related to sexual orientation and gender identity



Human Resources Management

3 Development and Growth

Through development and growth, we are working to enable employees and the Company to develop.

⑪ Invest in growth for everyone.

We will continue to invest 300,000 yen per person* per year in education for the growth of our employees, who constitute our human capital.

* Direct costs, off-the-job training opportunity costs, on-the-job opportunity costs

⑫ Support the desire to learn.

We offer a learning platform that enables employees to learn and grow for themselves regardless of when they joined the Company or their age.

Relevant KPI: 50% or more of all employees taking self-selected training programs by fiscal 2024

⑬ Study every day, grow every day.

We aim for 10% of work time to be used for training and work study to cultivate more professionals.

⑭ Strive to enhance management capabilities!

We strive to enhance management capabilities, with managerial employees learning every day.

Target 1: 800 or more people taking training courses to enhance management capabilities per year.

Target 2: Receive 80% or higher positive responses to the following questions in the employee opinion survey.

- Supervisors clearly point out issues regarding the achievement of workplace targets.
- Supervisors proactively guide and advise subordinates on how to enhance their capabilities.

⑮ Allow people to take on challenges and demonstrate their growth.

We allow subordinates looking to grow to take on challenges, for example, to try work designated for personnel one rank above their current rank. Subordinates give their all to tackle these new challenges.

4 Healthcare

Under the slogan of "Good health is a prerequisite for good work and a good life!" we are undertaking specific action plans in the five fields of meals, exercise, sleep, quitting smoking, and mental health.

⑯ Revise eating habits, achieve a healthy weight.

To prevent lifestyle diseases, all employees should maintain an appropriate BMI (18.5–24.9).

- 100% of employees received specified health guidance and cured their metabolic syndrome through careful guidance.
- Introduced nutritionally balanced dishes at the employee cafeteria.

⑰ Exercise a little and stay healthy forever!

Use downtime to exercise regularly every day.

- Establish walking habits (10,000 steps per day).
- Enhance exercise and training environments.
- Everyone should work out together after lunch.

⑱ High performance depends on quality sleep.

Improve the quality of your sleep to ensure energy for the next day.

- Implementing sleep improvement programs.
- Thoroughly practice the dos and don'ts of sleep improvement.

⑲ Smoking does nothing but harm.

We ban smoking for the health of ourselves and those around us.

- As a general rule, smoking is banned during work hours and on the Company's premises (including on business trips).
- Participate in programs to support smoking cessation.

⑳ Don't forget to take care of your mental health.

Fostering fuller workplace communication and eliminating stress in your own way.

- Supervisors and subordinates should directly communicate with each other at least once a day.
- Practice mindfulness 10 minutes per day.



Human Resources Management

5 Initiative to Enhance Productivity

By using digital tools and constantly revising work methods, we are enhancing productivity and promoting rational, efficient, and creative work.

㉑ Always review work goals and methods.

Do not rely on old ways of thinking. Constantly think of methodologies aligned with this era and work that is currently in demand.

Target 1: Reduce current workload by 10%.

Target 2: Receive 80% or higher positive responses to the following questions in the employee opinion survey.

In my workplace, I can say anything about work without being conscious of my rank, age, gender, or other characteristic

㉒ Make the use of digital technologies the default.

Everyone in the Company, from top management to employees, utilizes digital technologies more than ever to create value and revise operations!

Target 1: Everyone takes basic digital education courses.

Target 2: Go paperless (to under 20 million sheets).

Target 3: Improve operations by at least utilizing digital tools in the work place.

㉓ Eliminate excessive quality, streamline your work.

Do not assume too much. Do not hesitate to confirm your partners' intentions and clarify communications in order to stay on track and eliminate excessive quality.

- Superiors clearly point out "what, why, and by when." Subordinates confirm.

- Report when 30% done.

㉔ Maximize the added value of meetings.

Meetings are for discussion and decision making.

- Target halving the number of meetings and attendees as well as their duration compared with FY2019.

㉕ Put customers first!

Aim to increase by 50% the amount of time spent on customer communication and assessing social needs.

Through action items ㉑ to ㉔, streamline the in-house use of time and labor as much as possible.

Communication with Employees

Sumitomo Chemical and the Sumitomo Chemical Labor Union are working together to solve various issues within a labor-management relationship based on mutual understanding and trust.

We have concluded a labor agreement covering a wide range of topics, including union members' concerns about human resources, work duties, compensation, disaster compensation, welfare facilities, safety and health, labor-management meetings, and collective bargaining. Based on this agreement, as a place for labor and management representatives to exchange opinions, we hold central labor-management meetings twice a year as well as regional labor-management meetings at each worksite twice a year. In addition, we have established Safety and Health Committees at each worksite to ensure and improve the safety and health of union members.

Furthermore, the Company and labor union have concluded a union shop agreement, ensuring that 100% of general employees at the Company are enrolled in the labor union. The percentage of union employees among all the Company's employees is 68%.



Human Resources Management

Work-Life Balance

Basic Policy

We aim to ensure that each employee feels greater motivation and a deeper sense of fulfillment while promoting a better work-life balance. In addition, we are working to foster a workplace environment where it is easy to work, mainly by introducing a flextime system, utilizing telework, and establishing daycare facilities at worksites.

Management System

In 2010, Sumitomo Chemical established a labor-management committee to promote DE&I as well as work-life balance. To this end, the committee has shared information and exchanged opinions in addition to checking on the progress of efforts undertaken by labor and by management.

From 2020, we delegated these functions to the labor-management committee for promoting the Sumika “Let’s Do This Declaration” as we strive to be more constructive.

Targets and Results / Examples of Initiatives

To encourage work-life balance, Sumitomo Chemical established key performance indicators (KPIs) along with three main targets: ① Correct long working hours, ② Encourage employees to take paid annual leave, and ③ Promote flexible workstyles. We implement various measures to achieve these targets.



Human Resources Management

Measures to Promote Work-Life Balance

	KPI	Measure Details
① Correct Long Working Hours	Aim to eliminate long working hours as a general rule (on average over 45 hours/month worked after regular hours and on weekends and holidays) from fiscal 2020.	<p>A. Enhance Productivity by Utilizing Digital Tools Enhance productivity by utilizing digital platforms and tools, automate and enhance efficiency of operations by proactively utilizing robotic process automation (RPA), conduct training for effectively utilizing digital tools, etc.</p> <p>B. Improve productivity by promoting a better work-life balance Regularly convene the Labor-Management Committee consisting of labor and management representatives, take various measures to improve productivity in each workplace, hold lectures to promote better work-life balance, etc.</p> <p>C. Promote initiatives for the Sumika "Let's Do This Declaration" We declared details related to work-life balance in the Sumika "Let's Do This Declaration," which is an initiative in which we proclaim those values and views that are of importance to us as a company. In addition, we have positioned the elimination of long working hours as an action item.</p> <p>D. Appropriately Manage Working Hours and Health</p> <ul style="list-style-type: none"> Reduced the upper limit on overtime work from April 2017 (upper limit: 80 hours per month and 720 hours per year) Regarding the occupational physician interviews for people working long hours mandated by the Industrial Safety and Health Act, we have been enforcing our own guidelines, which are more stringent than legally mandated, requiring interviews for people who work 70 hours or more of overtime in one month or 150 hours or more in a three-month period From March 2018, we established an even more appropriate work management system by displaying computer logon and logoff times when reporting work hours, moving away from the existing system for reporting work hours.
② Encourage Employees to Take Paid Annual Leave	Realize an average of 80% of paid leave taken annually from fiscal 2020.	<p>A. Create an annual leave chart that covers several fiscal years Every year create an annual leave chart that covers several fiscal years to make it easier to plan far into the future and help encourage employees to take paid leave.</p> <p>B. Encourage employees to take paid leave</p> <ul style="list-style-type: none"> Encourage employees to take paid leave during Golden Week and other similar periods Encourage employees to create four-day weekends by adding days of paid leave to either side of weekends and promote taking time off in the September–November period Encourage senior employees to take paid leave <p>C. Continue to systematically provide paid leave Systematically provide five paid-leave days every year (does not include statutory leave)</p> <p>D. Promote initiatives under the Sumika "Let's Do This Declaration" We declared details related to work-life balance in the Sumika "Let's Do This Declaration," which is an initiative in which we proclaim those values and views that are of importance to us as a company. In addition, we have positioned the use of 80% of paid leave as an action item.</p>
③ Promote Flexible Workstyles	• Achieve at least 90% of male employees who have taken extended childcare leave or other childcare-related leave due to birth of a child during the current fiscal year*	<p>A. Promote and raise awareness about programs Continually promote and raise awareness about various programs that enable employees to flexibly adjust for their individual needs, including those related to life events like childcare and caregiving. In addition, encourage male employees with newborns to take extended childcare leave.</p> <p>B. Foster an environment that allows the realization of flexible workstyles By taking the measures outlined above in the action plan for ① Correct Long Working Hours, create an environment where it is easy to improve the productivity of employees and their workplaces and to realize flexible workstyles.</p> <p>C. Promote initiatives under the Sumika "Let's Do This Declaration" We declared details related to work-life balance, DE&I in the Sumika "Let's Do This Declaration," which is an initiative in which we proclaim those values and views that are of importance to us as a company. In addition, we have set the following action items: creating an environment that makes it easy for employees to fully utilize work-life balance systems, facilitating the effective use of the flextime system, establishing a cooperative framework in the workplace, and eliminating unconscious bias (including the assumption of fixed roles for men and women).</p>

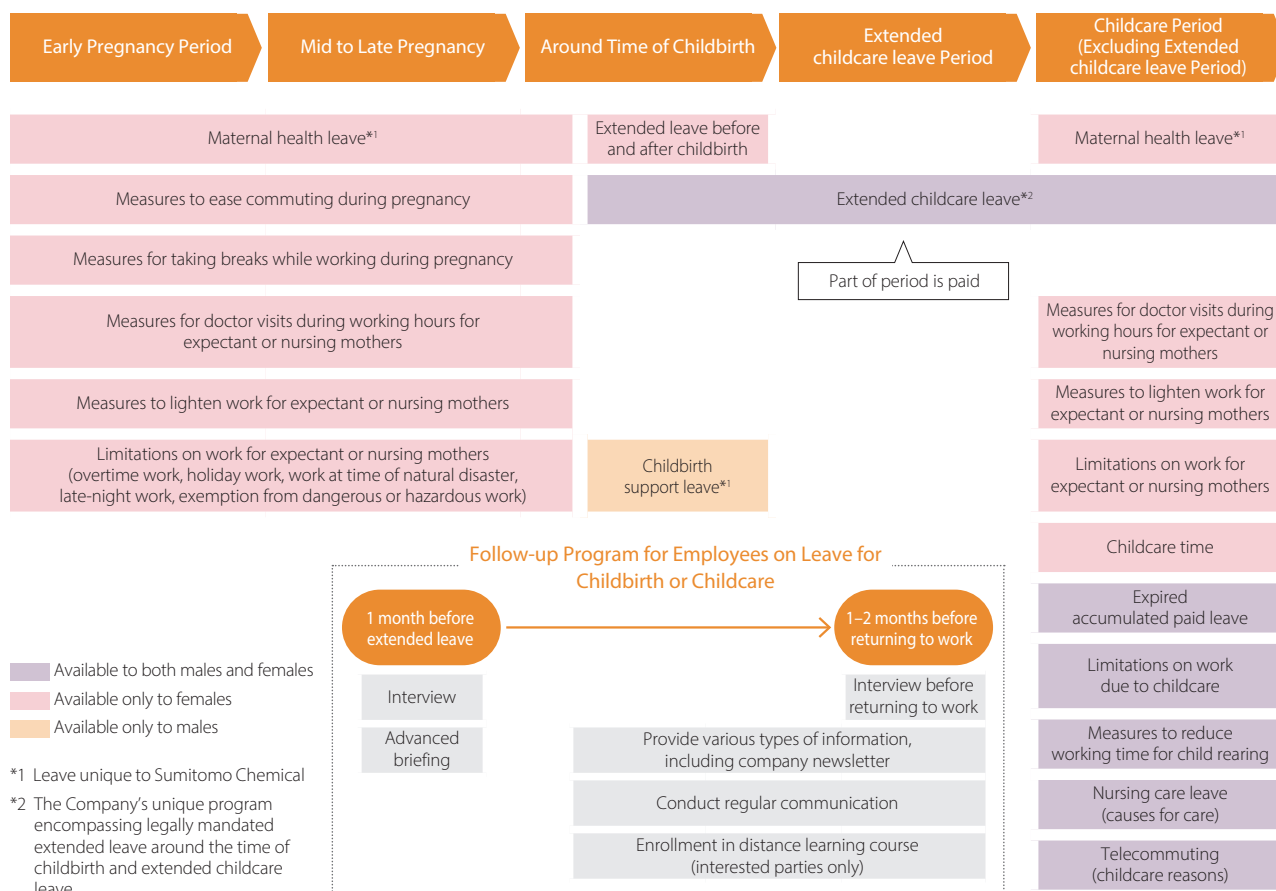
* In the case of children aged one to three months, calculated as the portion taken by the end of the following fiscal year



Human Resources Management

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Systems and Measures for Better Work-Life Balance and for Use at Time of Pregnancy, Childbirth and Childcare



Results of Systems for Work-Life Balance (Sumitomo Chemical)

System/Measure		(No. of people)			
		FY2020	FY2021	FY2022	
Childcare/Nursing Support	Extended childcare leave	Total	476	524	480★
		Male	374	427	411★
		Female	102	97	69★
		Percentage of men*1	63.8	73.5	77.4
	Extended leave for nursing care		4	1	2
	Nursing care leave		133	156	184
	Childbirth support leave		171	174	179
	Maternal health leave		41	44	34
	Expired accumulated paid leave*2		136	179	175
	Reduced working hours system		159	179	173
Telecommuting*3		41	131	224	
Reemployment system*4		6	4	9	
In-house childcare facilities*5		136(101)	125(88)	121(83)	
Mutual aid association support money for childcare*6		112	116	120	
Other	Suspension from work for special reasons for employees accompanying spouses going on overseas transfer*7		2	1	3
	Employee awareness survey*8		—	—	Conduct

Note: Employee numbers do not include temporary employees, part-time staff, or dispatch employees.

*1 The percentage is the number of people who have taken extended childcare leave during the relevant period divided by the number of male employees who have had children in the relevant period.

*2 Only for childcare and nursing care

*3 Number certified in each fiscal year (for childcare, nursing care, pregnancy, and other reasons that make coming into work more difficult)

*4 Number registered as of the end of each fiscal year

*5 Number of users on April 1 each fiscal year. Includes users other than Sumitomo Chemical. The figures in parentheses are the number of Sumitomo Chemical users.

*6 Aggregate number of people at end of each fiscal year

*7 Number of applicants as of the end of each fiscal year

*8 Conducted once every three years (slated to be conducted once every two years starting from 2022)



Human Resources Management

Employee Awareness Survey

Sumitomo Chemical conducts an employee awareness survey that covers work, the working environment, career values, diversity and inclusion, and work-life balance with the principle aim of grasping the current situation and uncovering issues in order to enhance work environments and create more satisfying workplaces. Using the results of this survey, we promote measures to further increase people's desire to work at the Company.

2022 Employee Awareness Survey

Total of five points. Four points and above is a high rating, and many employees were affirmative in their awareness.

Item	Average employee rating
I am motivated to grow on my own using digital technologies.	4.0
The workplace culture allows people to easily go home.	4.1
The working environment is conducive to easily working while raising children or caregiving.	4.0
Going forward, I want to work at the Company.	4.1
In my workplace, there is no discrimination based on gender, age, birthplace, or nationality.	4.0

Daycare Facilities at Worksites

With support from the Company, we encourage the use of these facilities by setting a daycare fee that is lower than those of the municipalities. To make it easy for parents to accompany children to the facilities, we consider the commuting method depending on the location, such as allowing employees to commute using their private vehicles in special cases.

Support for Childbirth and Childcare

For employees to achieve work-life balance, Sumitomo Chemical operates generous systems, for example, it offers a system that allows for a period far longer than is legally required for extended childcare leave (up to 3 years, 11 months) and a system that offers male employees leave to support their spouses during childbirth.

In addition, to support employees' balance of childcare and work, the health insurance association and mutual aid association provide various forms of monetary support for childbirth and childcare, subsidies for home aides, and other help.

Kurumin Mark

In September 2015, Sumitomo Chemical was certified for the third time as a company that supports childcare and received the next-generation Kurumin certification mark. Under this system, business operators who successfully carry out action plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children and meet all the certification criteria receive certification from the Minister of Health, Labour and Welfare.

This certification was in recognition of our third round of initiatives covering the period between June 2012 and March 2015. The first certification covered the period between April 2005 and May 2007, the second one covered the period between June 2007 and May 2012, the third one covered the period between June 2012 and March 2015, and the fourth one covered the period between April 2015 and March 2020. The Company was commended for its initiatives to help promote work-life balance, such as expanding in-house childcare facilities and encouraging employees to take various forms of leave. (We are currently applying for our fifth certification.)



Next-generation
Kurumin
certification mark



Human Resources Management

Diversity, Equity, and Inclusion (DE&I)

Basic Policy

Sumitomo Chemical has raised “promotion of diversity, equity, and inclusion (DE&I)” as one of the material issues to be addressed as management priorities based on the Basic Principles for Promoting Sustainability. We have established a Group-wide basic philosophy related to DE&I and are promoting measures in line with the situation of each Group company.

Group Diversity, Equity, and Inclusion Policy

We will promote diversity, equity, and inclusion across the Sumitomo Chemical Group. We understand that a variety of ideas and values among our employees represents a vital resource that forms the foundation of the Sumitomo Chemical Group’s competitiveness. In order to continuously create new value, we will build and enable an inclusive organizational culture that allows us to respect the individuality of each employee and embrace diversity to empower employees in an environment of mutual and close communication.

In addition, we are promoting various initiatives to prevent workplace discrimination and harassment and to ensure that people of all different backgrounds can thrive.

P.158 Respect for Human Rights

P.28 Key Performance Indicators (KPIs) for Material Issues: DE&I, development & growth, health

Management System

For management systems for promoting DE&I, refer to the management systems for work-life balance.

P.182 Work-Life Balance: Management System

Targets and Results

To promote DE&I, the Group set specific KPIs centered on basic principles related to DE&I for around 100 of the major Group companies and is promoting relevant measures. Moreover, when setting the KPIs, we established the following three points as Critical Success Factors for the promotion of DE&I.

◆ Critical Success Factors (CSFs)

- (1) Employ and develop diverse human resources, including those at senior management level
- (2) Implement measures to empower diverse human resources
- (3) Enhance diversity and inclusion awareness among managers and employees at all levels, and implement measures to build an inclusive culture that empowers employees

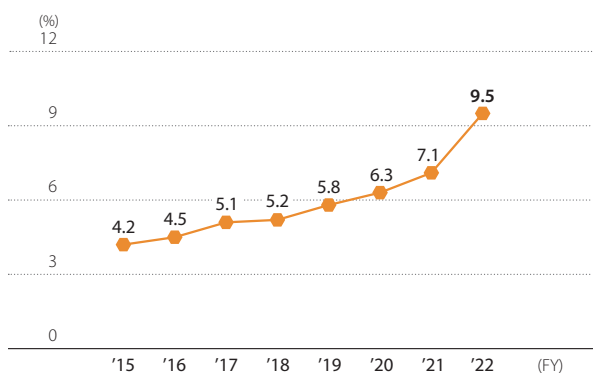


Human Resources Management

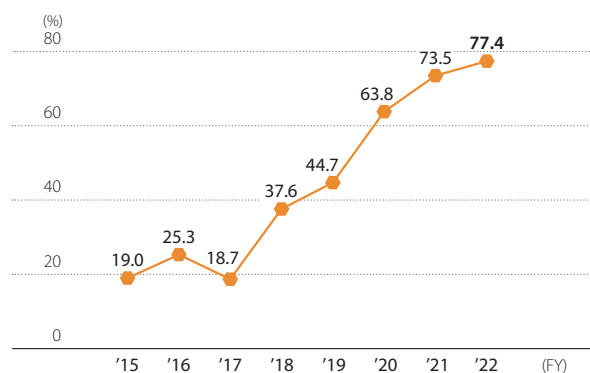
Sumitomo Chemical (Non-Consolidated): Results of KPIs (FY2016–2022)

1. Have women in at least 10% of positions equivalent to managers or above
2. At least 70% of male employees taking extended childcare leave

Percentage of women in positions equivalent to managers or above (female manager rate)



Percentage of male employees taking extended childcare leave



Sumitomo Chemical (Non-Consolidated): New KPIs (FY2023–2027)

Sumitomo Chemical set a new KPI focusing on the promotion rate to managerial positions as a measure that can reflect the total progress of measures to promote the advancement of women, including recruitment, training, promotion, and environmental improvement, in line with the Company's basic human resources policy of focusing on growth and development from a medium- to long-term perspective.

1. Percentage of employees promoted to managerial positions (equivalent to section manager) being female
Target: Over 15% over the 5 years between FY2023 and FY2027 on average
2. Percentage of male employees who have taken extended childcare leave or other childcare-related leave due to birth of a child during the current fiscal year.
Target: Over 90%

Progress on the setting of KPIs at Group companies in Japan and Overseas

Many of the KPIs set by Group companies are related to the active promotion and empowerment of women, work-life balance, and diversity regarding nationality, racial background, and age. Going forward, we will continue working with Group companies to promote initiatives aimed at achieving these KPIs.

https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/kpi_diver_group.pdf



Human Resources Management

Examples of Initiatives

Promoting the Active Advancement of Women

As a part of our DE&I promotion efforts, we are actively taking measures to create an environment where even more women can thrive. Sumitomo Chemical has outlined the following targets in line with the Act on Promotion of Women's Participation and Advancement in the Workplace and is implementing the specific initiatives detailed below.

Sumitomo Chemical Co., Ltd. Action Plan

1. Plan period:

From April 1, 2023 to March 31, 2028

2. Targets, initiative details, and implementation period

Target 1 Achieve at least 15% of employees promoted to managerial positions (equivalent to section manager) being female over the 5 years between FY2023 and FY2027 on average

Initiative Details

• Diversity management training

We hold diversity management training that helps us practice diversity management (leadership, human relations skills) and comprehend unconscious bias.

Eligible employees: Mandatory for all people in positions equivalent to manager or above (managerial employee MGI grade)

• E-learning related to unconscious bias

We hold e-learning training with the purpose of raising awareness and recognition related to overall unconscious bias.

Eligible employees: All employees and management executives

• Internal lectures to help promote diversity, equity, and inclusion

We hold lectures related to the significance of DE&I and the importance of providing growth opportunities through operations.

Eligible employees: All grades equivalent to manager or above (managerial employee MGI grade)

• Dispatching employees mainly to training programs held by outside groups

Regularly dispatch employees mainly to training programs held by outside groups with the purpose of career building, enhancing knowledge and skills, and forming networks with outside groups. (Several employees per year as a general rule.)

Eligible employees: Young female employees

• Conducting career design training

Conduct training to form career image based on balancing work and life for young employees.

Eligible employees: Young employees (grades II and III)

• Implement initiatives for the Sumika "Let's Do This Declaration"

We have positioned promoting the active advancement of women and eliminating unconscious bias as an action item in the Sumika "Let's Do This Declaration," in which we proclaim those values and views of importance to us as a company. To this end, we implement various relevant initiatives.

Target 2 Achieve at least 90% of male employees who have taken extended childcare leave or other childcare-related leave due to birth of a child during the current fiscal year*

Initiative Details

• Implement measures to raise awareness of program details and encourage men to take extended childcare leave

Continuously implement awareness-raising measures related to the Company's various programs to flexibly respond to individual situations, including such life events as childcare and nursing care. In addition, we implement measures to encourage male employees with newborn children to take extended childcare leave and their supervisors to accommodate them.



Human Resources Management

Details of Measures

- Male employees with newborn children, as a general rule, plan two or more weeks of extended childcare leave and submit the plan to the human resources department via their manager
- If leave is not taken, the reason is submitted to the human resources department via their manager
- Improve environment to realize flexible workstyles
By utilizing digital tools and work-life balance to enhance productivity, we will further enhance the productivity of workplaces and individuals and foster a workplace environment where flexible workstyles can be easily achieved.
- Take measures to promote use of programs
 - (1) Through labor-management committee meetings and other meetings, we determine specific user needs and ways to improve various programs. We then use this information to help craft and implement measures to promote greater use of the programs.
 - (2) In the Sumika "Let's Do This Declaration," in which we proclaim those values and views of importance to us as a company, we have set the following action items: creating an environment that makes it easy for all employees to fully utilize work-life balance systems, including male employees to take extended childcare leave, facilitating the effective use of the flextime system, and establishing a cooperative framework in the workplace. To this end, we have implemented various relevant initiatives.

* Regarding children aged one to three months, calculated for the portion taken as of the end of the following fiscal year.

Internal Lecture Helping Promote DE&I

From 2013, we have invited experts on various topics (women's advancement, equal gender participation, promotion of inclusion, and more) to hold internal lectures. We heard the call for further promoting DE&I among a wide range of people, from top management to general employees. In fiscal 2022, a lecture was held on the key perspective for building an organization that embraces diverse members for workplace managers (general managers and section managers).

Diversity Management Training

For workplace managers (manager level employees), who play an essential role in promoting DE&I in the workplace, we conduct training that provides them with necessary management skills in this area. Content includes the management qualities and skills needed to bring together diverse personnel and to foster teamwork and achieve goals as well as how to influence organizational performance.

Encouraging Male Employees to Take Childcare Leave

As a general rule, male employees who have had children plan to take at least two weeks of childcare leave in total and submit plans for such leave. By default, the application assumes that eligible employees will take the childcare leave they are offered; should they decide not to take it, they must state the reason why on the application. Through these initiatives, we have increased the percentage of leave taken and, since fiscal 2021, have achieved the KPI of "at least 70% of male employees taking extended childcare leave."

Joining the Ikuboss Corporate Alliance

To support male employees' active participation in childcare, Sumitomo Chemical develops ikubosses.* We are actively working to establish workplace environments where employees easily balance work and private life.

* "Ikuboss" refers to a superior (manager level, including women) who gets results and enjoys their work and private life while supporting subordinates' careers and lives.

Hiring Personnel with Diverse Skill Sets and Qualities

To secure diverse personnel who support the sustainable growth of the Sumitomo Chemical Group, we encourage the hiring of foreign nationals who have studied abroad in Japan, experienced professionals, and personnel who possess advanced expertise in specific fields. In addition, we conduct proactive hiring activities in science major fields with a low percentage of female students and are working to raise the percentage of female employees hired.



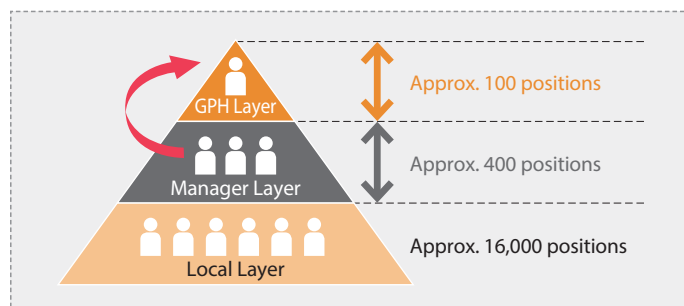
Human Resources Management

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Promoting the Utilization and Advancement of Global Personnel

To enhance personnel who support the global business development of each Group company, Sumitomo Chemical has introduced a personnel system common to Sumitomo Chemical managerial employees for managers at overseas Group companies. In addition, we actively hire local employees for major positions at overseas Group companies and appoint global position holders (GPHs) as core personnel for the Group, providing them with opportunities for advancement and personnel training that include learning about our corporate philosophy.

Overseas Human Resources Pipeline (Local employees at overseas Group companies)



Promoting the Hiring of Persons with Disabilities

To help realize a society where the employment of persons with disabilities is normalized, Sumitomo Chemical works to hire such individuals. In August 2017, we established Sumika Partners Co., Ltd.* to support the increased participation of persons with disabilities in society and to provide employment opportunities to persons with disabilities who want to work. This company actively hires persons with intellectual and mental disabilities. It has established a support system to enable employees with disabilities to thrive at work in their own way, such as by assigning one leader for every five persons with disabilities.

Going forward, we will continue working with Sumika Partners to provide an environment where persons with disabilities can thrive.

* In March 1, 2018, Sumika Partners acquired certification from the Minister of Health, Labour and Welfare as a special subsidiary based on the Handicapped Persons' Employment Promotion Act.

Sumika Partners Co., Ltd. (Japanese only)

<https://www.sumika-partners.co.jp/>

Achievements in DE&I (Sumitomo Chemical)

Name	Concept	FY2020	FY2021	FY2022
Number of women in positions equivalent to manager or above*1	In order to promote the success of female employees, Sumitomo Chemical sets quantitative targets regarding the ratio of women in positions equivalent to sectional manager or above and systematically promotes female employees.	123	139	194★
Percentage of women in positions equivalent to sectional manager or above (%)*1		6.3	7.0	9.5★
Employment rate for people with disabilities (%)*2	Sumika Partners Co., Ltd., a special subsidiary, began operations in April 2018, and we are working to expand employment opportunities for persons with disabilities who are motivated to work, including at Group companies in Japan that have received approval as special affiliated companies.	2.56	2.56	2.54★
Reemployment of retiree rate (%)*3	Sumitomo Chemical has established a retiree reemployment system that enables a variety of workstyles while appropriately reflecting the motivation and abilities of each person.	95.0	91.2	93.8

Note: Results include staff assigned to other companies but do not include staff assigned from other companies.

*1 To align the securities report and the reporting fiscal year, we changed the calculation time point from April 1 of each fiscal year to the following April 1 of each fiscal year.

*2 As of June 1 of each fiscal year

Group companies that have received approval as special affiliated companies:

FY2020: Group companies in Japan: 4, FY2021: Group companies in Japan: 6, FY2022: Group companies in Japan: 8

*3 As of March 31 of each fiscal year

Equal Pay for Equal Work

In line with the main purpose of the revised Part-time and Fixed-term Employment Act and the Worker Dispatching Act—ensuring equal pay for equal work—we revised the compensation for part-time employees, fixed-term employees, and employees dispatched to the Company. Going forward, we will provide explanations to eligible employees upon demand.



Human Resources Management

Human Resources Development and Growth

Basic Policy

We are implementing various training programs and measures for different purposes and employee classes to realize our current human resources system, the basic philosophy of which is “development and growth.”

Specifically, we are developing all motivated and skilled employees and enhancing their capabilities by upgrading our training system in a “stepwise” manner in line with our goals. Education includes class-based training aligned with positions and roles, management skills enhancement training for managers, and programs to enhance language skills appropriate to global business development.

Organization of Training Programs

Employee class	Methodical Development of Global Talent	Sense of Responsibility, Knowledge, Skills, Leadership Development	Management Capability Enhancement	Career Development	Language Proficiency, Intercultural Understanding	Specialized Knowledge, Qualifications	Other		
Managerial employees	Advanced Global Leader Training	Training for mid-career hires after joining the Company	Line manager training		TOEIC Training prior to working abroad Self study courses	Sunika Knowledge (including specialized basic knowledge, legal and intellectual assets, R&D, marketing)	Life design seminars Lectures Dispatching outside organizations		
	Global Leader Training		New department manager/team leader training	Sunika Management				Diversity management training	Basic English Skill Special Improvement (BESSI)
	MG I grade promotion training								
Non-managerial employees	Sending employees to universities in Japan and abroad	Nihama Roots Training	Management basic training		Career design training	Sunika Basic	Self study courses		
		II, III, IV grades promotion training							
		New employee training		Career education					

Note: The Company conducts in-house training courses in the areas of compliance, human rights, sustainability, and health maintenance and improvement

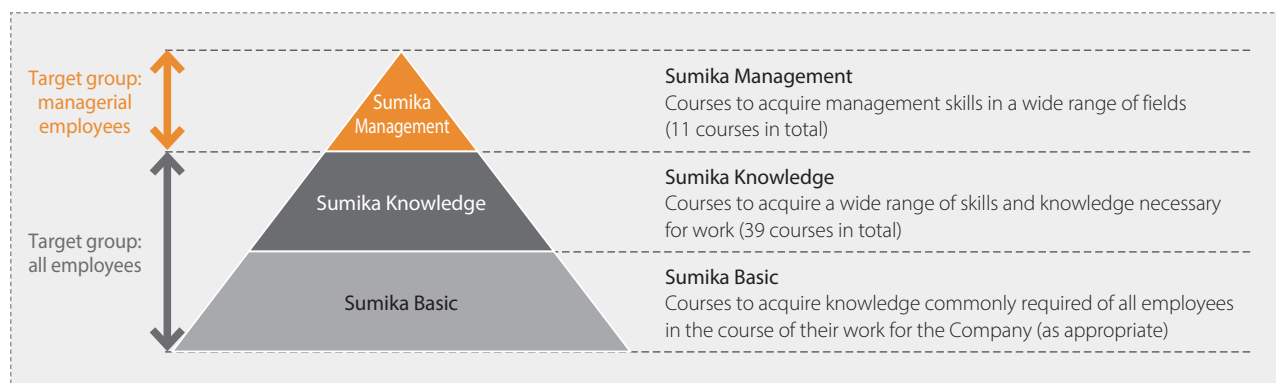


Human Resources Management

Targets and Results / Examples of Initiatives

Since FY2022, we have provided a learning platform called the SUMIKA Learning Square to enable all employees to update their knowledge and skills as and when necessary, regardless of their age, job title, or other such factors, thereby supporting autonomous and voluntary learning.

SUMIKA Learning Square



Moreover, in recent years, in addition to the aforementioned training systems and programs, to support the independent career building of all motivated and skilled employees, we are focusing on online programs that enable learning on smartphones and PCs with the slogan “whenever, wherever, and however many times.”

Specifically, we offer a broad range of content open to all employees, including a comprehensive MBA curriculum spanning business basics to practical application, DX skills training, leadership training programs, an online language learning program for English and eight other languages, and an online English business writing course, and other programs. We are also working to raise the level of and strengthen the knowledge, skills, and language abilities of employees in global business development.

KPI

50% or more of all employees taking self-selected training programs by FY2024

Investment in Training (Sumitomo Chemical)

FY2022 Results	Target
Approx. 350,000 yen/year per person	300,000 yen/year per person or more continuously

Time Spent on Training (Sumitomo Chemical)

FY2022 Results	Target
Approx. 138 hours/year per person (8% of regular working hours)	Aim to spend 10% of work time on training or studying for work

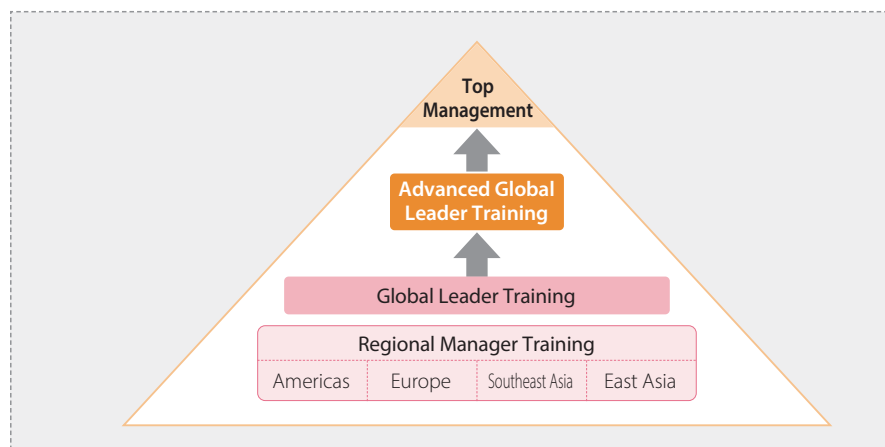


Human Resources Management

Methodical Development of Global Talent

Sumitomo Chemical is carrying out a staged training program in human resource development for employees both in Japan and at overseas Group companies, in order to discover and develop next-generation leaders in a systematic way, emphasizing the creation of Global Leaders who can take on the role of core management.

Next-Generation Leader Development System



(1) Advanced Global Leader Training

In our Advanced Global Leader Training for general managers inside and outside of Japan, we instill management perspectives and insights among participants through lectures and discussions featuring the Company's executive officers and external experts.

(2) Global Leader Training

In Sumitomo Chemical's Global Leader Training for managerial employees both inside and outside of Japan, Sumitomo Chemical has worked with a graduate school of business with the goal of developing the employees' ability to propose and conceptualize business strategies. They decide on their own topics and provide advice on the content of these specific initiatives to the President and others in management.

Training for Development of Global Talent (for select participants)

(No. of people)

Name	Approach	FY2020	FY2021	FY2022
Development of Global Talent	In order to create global leaders who will play a central role in management and to develop talent that supports our global business operations, we systematically conduct various training programs.			
(1) Advanced Global Leader Training	Our global leader training program focuses on action learning.	—	14	13
(2) Global Leader Training	Conduct training programs to develop the next generation of leaders.	27	27	14

FY2022 Results

Participants **27**
Average time **58** hours per person
(breakdown: 23 men, 4 women)



Human Resources Management

Management Skills Enhancement Training

We are conducting a training program to provide managers with the ability to guide their own organization and thus achieve their goals through the learning of general principles and practical skills needed for workplace management.

Management Skills Enhancement Training (required for all eligible employees)

(No. of people)

Name	Approach	FY2020	FY2021	FY2022
Management basic training	Training that promotes the systematic understanding of basic management principles and enables the practice of skills that can be used in the workplace	213	237	184
New department manager/ team leader training	Training for developing and guiding subordinates as well as managing workplaces from the perspective of risk management, including the authority of management supervisors in the Labor Standards Act	89	86	65
MG I grade promotion training	Training for management-level employees aimed at fostering self-awareness regarding their roles and occupational duties along with cultivating strong self-actualization and at changing their mindsets as organizational leaders	118	158	126
Training for new line managers	Training that depicts scenarios for transforming organizations and deepening knowledge through learning aimed at instilling the knowledge and perspectives needed in a general manager	—	—	25
Training in communicating with subordinates	Training on feedback methods used to develop subordinates and ensure understanding of basic communication policies	123	183	55
Diversity management training	Training covering management capabilities, including how to influence organizational performance, and the management qualities and skills needed to gather diverse personnel and guide them on teamwork and achieving goals	230	219	269

FY2022 Results

Participants
724

Average time
7 hours per person

System for Passing on Skills and Developing Personnel

We have established a Trainer System, a Senior Training Advisor System, and an Advanced Maintenance Specialist Certification System with the main aim of steadily passing on skills essential to the manufacturing frontlines and developing future core personnel.

(No. of people)

Name	Approach	FY2020	FY2021	FY2022
Trainer System	Highly skilled employees who have an aptitude for teaching provide instruction and advice to facilitate development.	62	64	58
Senior Training Advisor System	Supervisors and potential supervisors are provided OJT to develop core personnel for manufacturing departments.	9	8	8
Advanced Maintenance Specialists Certification System	People who have high practical knowledge and a wealth of experience in maintaining equipment promote measures to take the Company's safety level to the next level.	—	—	20

Looking Ahead

Going forward, Sumitomo Chemical will continue to promote various measures for employee growth to realize a human resources system centered on "development and growth." We have expanded online options for training programs. We will continue to take measures that let employees choose their own training content and make learning a habit.



Human Resources Management

Healthcare

Basic Policy

To ensure that employees can live healthy and active lives both physically and mentally, Sumitomo Chemical is promoting a variety of health support programs to help solve employee health issues and on the other hand improve employee health.

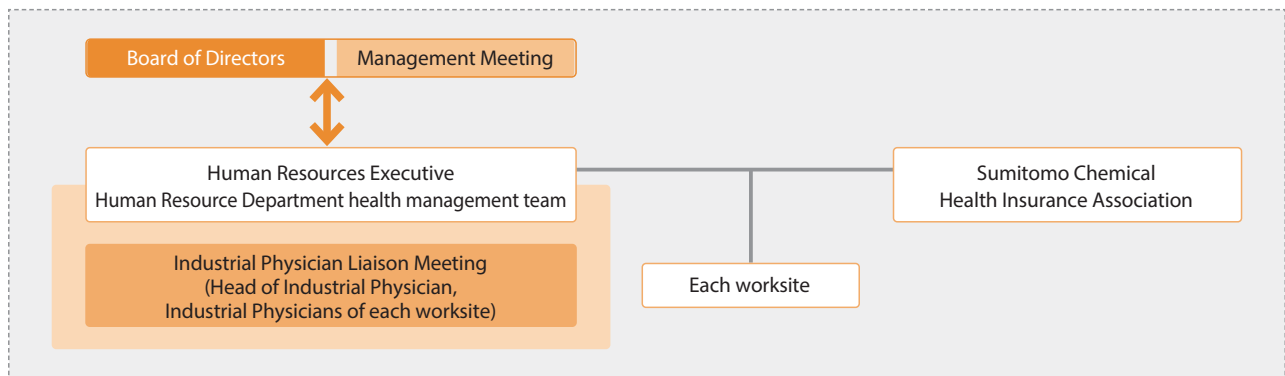
Management System

The Board of Directors and the Management Meeting seize opportunities to receive reports and hold discussions on the status of employee health and the direction of initiatives addressing various issues. At the annual liaison meeting of industrial physicians, the head of industrial physician and the industrial physicians of each worksite hold discussions and their opinions are being sought when deciding on Company-wide measures and targets. Moreover, the industrial physicians, medical staff (public health nurses, registered nurses, etc.), and health managers of each worksite work together to implement measures to maintain and promote employee health in collaboration with the Company and the Health Insurance Association.

Furthermore, at Health Manager Meetings, the progress of Company-wide measures at each worksite and the measures taken at each worksite are shared and the results are assessed. The Health Management Promotion Committee shares financial status of the Health Insurance Association's healthcare business and medical expenses.

As for Group companies, through liaison meetings attended by executive officers in charge of human resources at Group companies, we announce such information as key points regarding legal amendments related to health management and disseminate information to ensure appropriate responses.

■ Promotion System for Health Maintenance and Promotion Measures





Human Resources Management

Targets and Results / Examples of Initiatives

To maintain employee health both physically and mentally, we are implementing the following initiatives.

Physical Health

Regarding employees of Group companies in Japan, we are working to improve their health by enrolling them in health insurance based on the Health Insurance Act. In addition, we are appropriately conducting regular health checkups based on the Industrial Safety and Health Act.

Initiatives Aligned with the Health Insurance Association

(1) Specified health checkups and specified health guidance

- We expanded the eligible age range for specified health guidance to include all ages as we work to prevent lifestyle diseases with the goal of ensuring 100% of employees receive such guidance.
- We analyze results and medical questionnaire responses to study employee health.

(2) Smoking cessation support programs

- We have banned smoking during work hours and on the Company's premises as a general rule and are supporting employees' smoking cessation efforts through specialized programs in conjunction with the Health Insurance Association.

Initiatives Promoted by Sumitomo Chemical (Non-Consolidated)

(1) Sleep improvement programs

- We introduced programs to improve sleep quality under the guidance of experts who use sleep monitoring devices to observe employees while sleeping and apps to visualize their sleeping issues. Ensuring employees get better sleep leads to improved health outcomes and helps employees give their best performance.

(2) Enhancing exercise and physical training environments

- We are promoting embedding of exercise habits by providing more and better opportunities for exercise, including increasing the number of physical training facilities we partner with (increased from approx. 420 facilities to approx. 5,800 throughout Japan).



Human Resources Management

Mental Health

We have been cooperating with medical staff to properly perform the stress checks required by law for companies. We are working to prevent mental health problems by encouraging employees to take care of themselves and encouraging superiors to look after their subordinates. Employees can receive counseling from the Company's medical staff. We have also set up external counseling services available to employees for individual counseling.

We also carry out group analysis through stress checks, and while analyzing trends at worksites and workplaces, we provide feedback to workplaces and select themes for lectures, etc., in an effort to provide mental healthcare to our employees.

Additionally, during the new employee training and the grade-based promotion training, we hold appropriate mental healthcare training for participants eligible for training, encouraging employees to take care of themselves and encouraging superiors to look after their subordinates. Besides, we produced lecture videos on mindfulness, which is said to contribute to building good human relationships and increasing productivity, and released them in-house as part of our efforts to improve the mental healthcare environment.

KPI

Continuing certification as a Health & Productivity Management Outstanding Organization (White 500)

Health & Productivity Management Outstanding Organization (White 500)

After analyzing medical examination results and questionnaire responses, we set quantifiable targets, such as improving BMIs, and take various measures to maintain and promote employee health.

In addition, Sumitomo Chemical was certified as a Health & Productivity Management Outstanding Organization (White 500) for the sixth year in a row. The Certified Health & Productivity Management Outstanding Organization Recognition Program was created in 2016 by the Ministry of Economy, Trade and Industry. The program recognizes companies that practice outstanding health and productivity management based on the health promotion efforts of the Nippon Kenko Kaigi. The Company's various measures and systems related to health and productivity management received a positive evaluation.



Percentage of regular health checkups*

FY2021

99.4%

Previous year 99.3%

Percentage receiving a full medical checkup*

FY2021

67.0%

Previous year 54.0%

Adequacy rate of BMI*

FY2022

67.4%

Previous year 67.6%

Smoking rate*

FY2021

15.8%

Previous year 17.5%

Percentage receiving specific health guidance*

FY2021

83.8%

Previous year 84.9%

Note: 40 years old and over

Stress check examination rate*

FY2022

94.0%

Previous year 94.3%

Participation in health events*: (Walking events)

FY2022

41.7%

Previous year —

Note: Calculation has begun in FY2022

* All figures are on SC only basis.

Looking Ahead

Sumitomo Chemical will continue creating and implementing various initiatives to maintain and promote the health of employees in line with the belief that personnel are the most important management resource. Furthermore, we will assess the results of these initiatives, make improvements, and run the PDCA cycles in our continuing efforts to develop more effective measures and support employee health.



Occupational Safety and Health / Industrial Safety and Disaster Prevention

Basic Stance

Reflecting the core principle of “Making safety our first priority,” the Sumitomo Chemical Group has formulated five fundamental and personal safety principles that each employee is expected to follow as well as guidelines based on the core principle. All Group employees and all involved parties, including partner companies, are thus united in promoting safety activities with the goal of eliminating all accidents. Furthermore, the Group undertakes stringent process risk assessments of the entire life cycle (development, manufacture, distribution, use, disposal), and takes appropriate safety measures based on its evaluation of risks. The aim of these efforts is to prevent unforeseen industrial accidents, including fires, explosions, and the leakage of hazardous substances, and to minimize damage in the event of a natural disaster such as a major earthquake.

Sumitomo Chemical has acquired OSHMS*¹ certification at its worksites. In addition, the Company implements PDCA cycles that support a host of measures on the path to realizing improvements based on risk assessments. These safety-related measures and their results are reviewed at the end of each fiscal year by the Responsible Care Committee, which is headed by the President. The reviews ensure a continuous connection to future fiscal years’ cycles, thereby strengthening safety and health activities that prevent accidents.

*1 By introducing and deploying ISO (International Organization for Standardization) 45001 and JISHA (Japan Industrial Safety and Health Association) OSHMS (Occupational Health and Safety Assessment Series) Standards equivalent to OHSAS 18001, the Company conducts sound corporate management and risk management from the perspective of occupational safety and health.

Core Principle: Making Safety Our First Priority

Raison D’être for the Core Principle

1. Line management is fundamental to Safety and Health.
2. Each person is responsible for Safety and Health.
3. Sumitomo Chemical is united with partner companies on Safety and Health.

Five Fundamental and Personal Safety Principles that Each Employee is Expected to Follow.

- I will give safety and health the top priority in every aspect of business.
- I will identify and resolve safety and health issues at the source.
- I will comply with rules and instructions.
- I will act with safety in mind 24 hours a day, not just during working hours.
- I will cooperate with all involved parties, including partner companies, to ensure safety and health.

Management System

The President serves as the chief coordinator and the executive officer in charge of Responsible Care serves as the coordinator of the Safety Group of the Responsible Care Department. This group is responsible for matters related to safety, health, industrial safety, and disaster prevention of the Company as a whole and supports the safety, health, industrial safety, and disaster prevention activities of Group companies. To assess the safety, health, and industrial safety management status and to consider measures for improvement, the safety, health, industrial safety, and disaster prevention departments of each worksite and Group company regularly meet and exchange information. In these and other ways, relevant departments work together to steadily enhance the level of safety, health, industrial safety, and disaster prevention activities.

In addition, Safety and Health Committees*² (called the Safety & Health Committee at some worksites) comprising labor and management representatives are convened every month at each worksite of Sumitomo Chemical and Group companies in Japan. The committees investigate and deliberate matters related to safety and health risks to all employees at worksites and promotes specific measures in unison with labor and management. The minutes of the meetings of these committees are shared with all employees within the worksites. Group companies overseas also share policies and initiatives related to safety, health, industrial safety, and disaster prevention through the Global Meeting and other meetings.

*2 Worksites with 50 or more employees



Occupational Safety and Health / Industrial Safety and Disaster Prevention

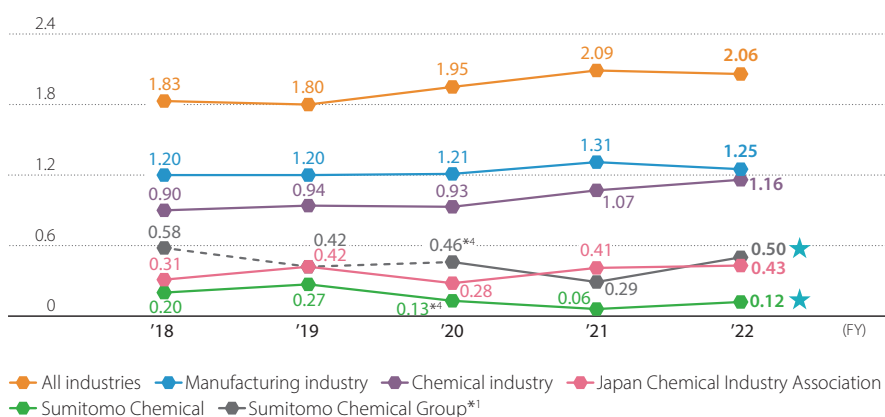
★ : Assured by an independent assurance provider

Goals and Results

Occupational Safety and Health

The Sumitomo Chemical Group*¹ targets a frequency rate of lost-workday injuries*² of under 0.1, but its rate was 0.50 in fiscal 2022, or a total of 44 injuries, failing to meet the target. Moreover, while the Group has set a goal of zero severe accidents,*³ a contractor at a Sumitomo Chemical facility recorded one fatal accident in fiscal 2022, the same number of severe accidents as the previous fiscal year, failing to meet the target. On a non-consolidated basis, Sumitomo Chemical recorded a frequency rate of 0.12 (lost-workday injuries: 2) and a severity rate of 0.005 in fiscal 2022, while contractors and other affiliate companies recorded a frequency rate of 0.63 (lost-workday injuries: 6) and a severity rate of 0.80.

Frequency Rate of Lost-workday Injuries



Lost-workday Injuries (Sumitomo Chemical Group*¹)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of lost-workday injuries	35	27	40	26	44

Disaster Prevention

Regarding the fatal accident at the Ehime Works in November 2021, all management executives and employees have gravely accepted the seriousness of this accident, identified problems, and thoroughly debated preventive countermeasures. We have implemented the following initiatives.

- (1) Revisions were made to the Development and Commercialization Regulations to include a method for taking intrinsic safety into account. A review meeting that confirms fundamental safety has been newly established and is being carried out.
- (2) Using a third-party agency, we perform partnership surveys with each of our partner companies and implement necessary measures.
- (3) Having performed a zero-based review of our safety-related activities to date, we continuously carry out these activities within the framework of our management system. In addition, to prevent a recurrence at Ehime Works, we are promoting facility countermeasures, including those to address root causes.

We reaffirm the core principle of “Making safety our first priority,” are keenly aware of our mission to protect precious life, and will continue working with all our might to ensure this kind of tragic accident never occurs again.

*1 The Sumitomo Chemical Group as defined for occupational safety and health:
 Until FY2019:
 Sumitomo Chemical (including contractors) and consolidated Group companies in Japan and overseas.
 From FY2020 onward:
 Sumitomo Chemical (including contractors) and consolidated subsidiaries in Japan and overseas.

*2 Scope of frequency rate:
 Employees of Sumitomo Chemical (including contractors) and consolidated subsidiaries (excluding one overseas consolidated subsidiary), including temporary employees, part-time staff, and dispatch employees.

Calculation of hours worked:
 For the number of hours worked by consolidated Group subsidiary employees, the Company uses an estimate reached by multiplying the number of employees by 1,928 hours (Sumitomo Chemical’s standard number of hours worked annually). (For the number of hours worked by Sumitomo Chemical employees (non-consolidated) and contractors, the Company uses the actual number of hours recorded.)

*3 Severe accidents are defined as those that result in a fatality or those that result in severe lost-workday injuries, including blindness and loss of a limb.



Occupational Safety and Health / Industrial Safety and Disaster Prevention

Industrial Safety and Disaster Prevention

The Sumitomo Chemical Group*¹ achieved the target of “no severe industrial accidents”^{**2} in fiscal 2022.

In addition, there were ten industrial accidents, which are minor accidents whose scale does not reach that of a severe industrial accident, in fiscal 2022. We will work to enhance industrial safety management and quickly share the causes of the minor industrial accidents and the lessons learned across the entire Sumitomo Chemical Group.

■ Severe Industrial Accidents (Sumitomo Chemical Group*¹)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of severe industrial accidents	0	0	0	1	0

*1 The Sumitomo Chemical Group as defined for industrial safety and disaster prevention:
Sumitomo Chemical (including contractors) and consolidated Group companies in Japan and overseas.

*2 “Severe industrial accidents” refers to any of the following workplace incidents:

- Accidents that cause injuries to local residents requiring outpatient/hospital treatment
- Accidents that result in lost-workday injuries to workers on the site
- Accidents that result in equipment and facility damage exceeding 10 million yen

Examples of Initiatives

Occupational Safety and Health

Sumitomo Chemical thoroughly investigates the causes of each accident and works to prevent accidents by taking such measures as ensuring strict adherence to safety rules, providing hazard prediction training, also known as Kiken Yochi Training (KYT), and sharing accident information. In addition, we are working to raise safety awareness among all partner companies that enter our Works and research laboratories by distributing pocket-size cards and entrance certificates that feature the ground rules and core principles of safety as we promote our initiative of “Making safety our first priority.”

Ensuring Thorough Compliance with the Sumitomo Chemical Group’s Basic Safety Rules (Ground Rules)

In light of trends in the causes of accidents, the Group has established the following ground rules and is working to ingrain safe behavior.

1. Think Before You Act!
2. Help each other to be more aware of unsafe actions
3. Do not place hands in or around areas of working machinery/equipment

Improving Hazard Prediction Abilities

We are working to improve employees’ hazard prevention ability—their ability to perceive and avoid danger—through, for example, behavior-based safety training and workplace discussions using illustrations.

Sharing and Using Accident Data

The Group shares information about all accidents mainly for use in safety education and comprehensive on-site investigations. When an accident occurs, we conduct a thorough examination of the causes and organize studies on how to prevent recurrences through on-site inspections with the top management of the affected workplace and safety managers.

Awards for Safety

Safety awards are given to workplaces (Works and research laboratories) that achieve zero lost-workday injuries. The President’s Award for workplace safety is presented to workplaces with both a solid safety track record and good practices for safety and health, which could be an example to other workplaces. The President’s Award was given to eight workplaces in fiscal 2022.

Safety Promotion through In-house Magazine, Slogan and Poster

Since fiscal 2013, in our in-house magazine entitled “Raising the Level of Safety!” (renamed “Learn through Manga! Promoting a culture of safety” since fiscal 2019), we have introduced examples of accidents that tend to happen at work and their preventive measures in a series of articles on enhancing safety.



Occupational Safety and Health / Industrial Safety and Disaster Prevention

Preventing Severe Accidents in Subcontracted Operations and Construction Operations

Sumitomo Chemical is taking action across the Company to ensure the safety and health of all involved parties, including partner companies. For example, one of the key initiatives outlined in the “Fiscal 2022 to Fiscal 2024 Medium-Term Plan for Responsible Care Activities” and “Fiscal 2023 Annual Responsible Care Policy” is responding to changes in employment structure, working to establish a foundation to ensure work safety and health, and promoting measures to prevent severe accidents in subcontracted operations and construction operations. We also conduct thorough risk assessments.

Risk Assessment of Chemical Substances

Sumitomo Chemical and all Group companies in Japan* that handle chemical substances conduct risk assessments of chemicals based on the Industrial Safety and Health Act and strive to reduce the risk of crises caused by chemicals.

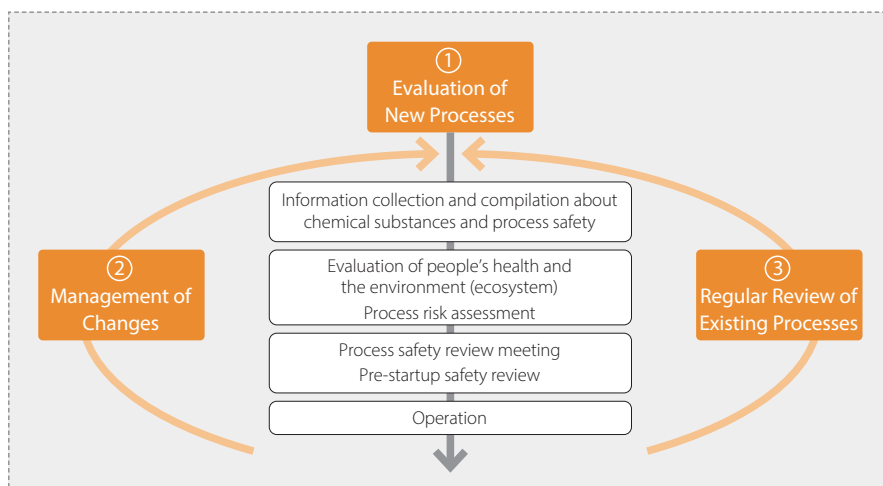
* The percentage of worksites that conducted assessments at Sumitomo Chemical and Group companies in Japan is 100%.

Industrial Safety and Disaster Prevention

Risk Management Initiatives

Sumitomo Chemical manages risks related mainly to process safety, chemical (raw materials, products) safety, and occupational safety and health at each stage from new chemical process R&D through the commercialization process to plant design, construction, operation, maintenance, and even demolition. The items and procedures essential to risk management are specifically outlined in the Development and Commercialization Regulations, the Safety Management Rules, the Chemical Safety Management Regulations, and other similar documents that provide the standards for the Company. In addition, we introduced this system to major consolidated subsidiaries as part of efforts to enhance safety management across the entire Group.

■ Risk Management (Three Routes)



① Evaluation of New Processes

The Process Safety Review Meeting (levels 1 to 5) convenes at every step, from R&D through to industrial-scale production. These meetings are held to identify risks related mainly to process safety and chemical safety, to review risk assessment results as well as to determine whether safety countermeasures are appropriate. This mechanism ensures that processes do not proceed to the next step unless adequate safety has been confirmed. Furthermore, before starting operations, the meeting conducts safety reviews to assess responses to risks related to occupational safety and health. For example, the meeting confirms the absence of problems in the operational environment (including temperature, noise, vibration, etc.), if safety signs are appropriately displayed, if necessary personal protective equipment and ample equipment and materials for emergency have been secured, and whether there is sufficient preparation of and education regarding instruction manuals.



Occupational Safety and Health / Industrial Safety and Disaster Prevention

② Management of Changes

When certain changes are made to, for example, improve plant facilities or modify operating conditions, the Company conducts all necessary safety assessments before such changes are made to confirm whether there are new risks related mainly to process safety, chemical safety, and occupational safety and health following the changes and to, as needed, consider additional safety measures.

③ Regular Review of Existing Processes

Even when there is no change in the process, Sumitomo Chemical conducts regular process hazard reviews (no more than every five years, as a general rule) to catch up with the latest information on industrial safety technologies and to check whether there will be a significant impact from the long-term use of a plant. In addition, in our internal audits conducted every year for each workplace, we check whether or not safety management systems are functioning appropriately.

Preparation for Large-Scale Natural Disasters

Sumitomo Chemical drew up a basic plan on earthquake countermeasures in 2004, taking the initiative to improve the earthquake resistance features of equipment that was especially susceptible to the risk of damage. Furthermore, in accordance with recent directives by government authorities to improve the seismic adequacy of existing facilities, we made a plan to obtain required earthquake-resistant features of critical high-pressure gas equipment and are carrying out reinforcements and reconstruction in line with the plan. Before carrying out this work, we took measures to reduce risk and ensure safety, such as reducing the volume of gas held in equipment in order to decrease its weight and meet the earthquake resistance criteria.

In addition, as natural disasters continue to grow more extreme, including the typhoons and torrential rains seen in recent years, we continually review the current status of our safety measures to ensure they are adequate and take measures aimed at securing facilities and personnel as necessary. Furthermore, we confirmed that even in the event of flooding inside a plant due to a typhoon or torrential rain, the risk of the following is low: a loss of power to the plant's cooling facilities or water-reactive substances inside the warehouse coming into contact with water causing large-scale fires and explosions that could cause trouble for neighboring residents.

Safety Education and Drills

Sumitomo Chemical has a variety of industrial safety educational programs that reflect the operational roles of employees throughout the Company. The programs are aimed at bolstering the ability of employees to acquire knowledge and skills in order to ensure process safety. In addition, we provide safety education to Group companies in Japan suited to each company's needs.

■ FY2022 Main Safety Education Programs (Company-wide Education)

Name	Type	Purpose	Boundary	Participants
Disaster Prevention Theory	Group training	Promoting the acquisition of basic knowledge regarding industrial safety and disaster prevention for fires, explosions, reaction hazards, static electricity, etc.	Sumitomo Chemical (Works, research laboratories)	76
			Group companies in Japan	11
Fire and Explosion Training	Group training and self-study	Promoting the acquisition of knowledge to prevent accidents and perceive hidden dangers in the workplace through hands-on training related to fires and explosions	Sumitomo Chemical (Works, research laboratories)	197
			Group companies in Japan	65
HAZOP* Training	Group training	Training personnel to learn the basics of HAZOP and to be able to conduct HAZOP	Sumitomo Chemical (Works, research laboratories)	62
			Group companies in Japan	3
Safety Engineer Training Course	Group training and self-study	Training personnel who have central roles in uncovering process hazard sources, carrying out appropriate risk assessments, crafting safety measures, and effectively reducing risks	Sumitomo Chemical (Works)	21
			Group companies in Japan	2

* HAZOP:

A method of assessing process hazards that was developed with the aim of uncovering all latent hazards in chemical processes, assessing those impacts and results, and considering necessary safety measures.



Occupational Safety and Health / Industrial Safety and Disaster Prevention

At each of their worksites, Sumitomo Chemical and Group companies conduct education when necessary regarding operational details, substances handled, and the setup of protective equipment for operators who need to consider occupational health and safety in situations such as operations in high places, operations in hazardous places with poor oxygen, operations in high or low temperature environments, operations in high-noise environments, and operations handling specified chemical substances and organic solvents. In addition, special health assessments are made, operational environments are monitored, and workplace patrols are regularly conducted by occupational physicians and health inspectors as we strive to upgrade and maintain operational environments.

Examples of Safety Education and Drills at Sumitomo Chemical Worksites

Safety Education Examples	Safety and health training for new employees, newly appointed supervisors, and newly appointed managers; briefings on laws and regulations (Industrial Safety and Health Act, High Pressure Gas Safety Act, Fire Service Act, etc.), health management system education, safety and health seminars (protective equipment, etc.), hazard experience training (exposure to liquids, squeezing, falling, etc., includes VR training materials.), hazard prediction training, also known as Kiken Yochi Training (KYT), training in accident analysis methods (the five whys, etc.) safety and health education in officers, traffic safety education, etc.
Safety Drill Examples	Petrochemical complex integrated emergency response drills (municipalities, companies in petrochemical complex districts), earthquake and tsunami evacuation drills, joint firefighting drills with specialized firefighting teams and workplace firefighting teams, drills using fire extinguishers and fire hydrants, drills on lifesaving procedures (AEDs, etc.), drills on emergency contacts at night and on holidays, etc.

In addition, for everyone at partner companies conducting operations within our worksites (works, research laboratories), we provide safety education for entering worksites (basic policy on safety, basic rules inside worksites, etc.), construction supervisor training (supervisor obligations, risk assessments, etc.), hazard experience training, and more.

Industrial Safety Action Plan

Industry organizations came together with the Japan Petrochemical Industry Association and drew up an industrial safety action plan in July 2013 in a bid to step up efforts aimed at promoting industrial safety. Here we introduce the Company's initiatives based on the action plan.

(1) Commitment by Top Management to Industrial Safety

- Sumitomo Chemical has identified efforts to ensure full and strict compliance and maintain safe and stable operations as one of the Group's priority management issues under its Corporate Business Plan.
- The President issues a safety week message to all employees and Group companies in Japan and overseas to coincide with National Safety Week, which begins on July 1 each year.
- We have held the President's Awards for workplace safety on a continuous basis since fiscal 2012.

(2) Setting Industrial Safety Targets

- Each year, Sumitomo Chemical sets targets for a variety of key parameters, including the elimination of all accidents resulting in lost workdays as well as all severe industrial accidents. The Company engages in a broad spectrum of activities aimed at achieving these targets.

(3) Drawing Up an Action Plan to Secure Industrial Safety

- Sumitomo Chemical pursues activities aimed at thoroughly identifying industrial safety risks that encompass regular and irregular operations.

(4) Checking and Evaluating Progress toward Achieving Targets and Implementing Measures

- The Responsible Care Committee reviews progress toward the achievement of targets and the implementation of measures. Findings under this review are reflected in the plan for the next fiscal year.

(5) Initiatives Aimed at Promoting Voluntary Safety Activities

- The Sumitomo Chemical Group established the ground rules related to safety and strives to foster a culture of safety.
- Sumitomo Chemical designates one day each month as a "safety day" in an effort to continuously focus the attention of the entire Group on the importance of industrial safety.
- Academic experts conduct seminars and undertake an evaluation of safety assurance capabilities by the Process Safety Competency Center of Japan Society for Safety Engineering.



Occupational Safety and Health / Industrial Safety and Disaster Prevention

Logistics Initiatives

The Sumitomo Chemical Logistics Partnership Council was formed by Sumitomo Chemical and the logistics subcontractors (113 companies) for Sumitomo Chemical and its Group companies in Japan with the core principle of “Making Logistics Safety the First Priority.” The Council maintains committees for Works in each area as well as for stock points (transport and storage) and marine transport-related operations nationwide. The Council is expanding the Logistics Department’s responsible care activities. In fiscal 2022, we conducted discussions, such as exchanges of opinions, to further strengthen our partnerships with logistics subcontractors, and focused on further promoting the activities of this council.

In terms of health and safety, there were no accidents resulting in lost workday injuries. We will continue to review operational risks and further improve the level of safety and health management.

In addition, as for industrial safety and disaster prevention, we present our logistics subcontractors with transport standards to ensure safety, such as safety management rules related to the land and marine transport of hazardous substances, and strictly ensure the rules are followed. We built a system under which we cooperate with logistics subcontractors even during critical times when an accident occurs to quickly arrive at the crisis site and address the situation as well as a system that enables rapid response to accidents, to this end joining the Hazardous Materials Emergency Response Service of the Maritime Disaster Prevention Center.

Lost-workday Injuries in Logistics

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of cases	1	5	1	0	0

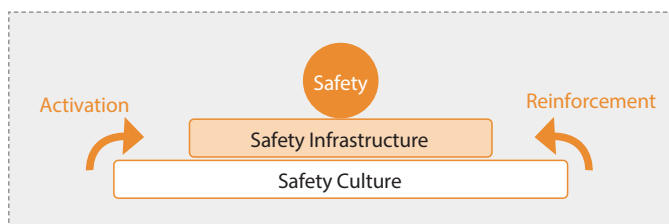
Note: Lost-workday accidents caused by logistics subcontractors on the premises of Sumitomo Chemical workplaces and lost-workday accidents caused by major logistics subcontractors outside the premises of Sumitomo Chemical workplaces.

Looking Ahead

Although activities to enhance a culture of safety have taken root, we currently have not entirely eliminated severe accidents, including those resulting in fatalities. To bring these accidents down to zero, we measure the level of the safety culture of each workplace and constantly strive to make improvements as we strive to foster a culture where safety is a given. In addition, we promote safety and health activities based on international standards (occupational safety and health management systems, machinery safety, etc.) and will continue adapting as we work toward realizing a society where people can choose from a diverse range of flexible working styles.

In addition, we will further strengthen our safety infrastructure by carefully managing our facilities and construction projects, providing advanced training for safety-related personnel, and introducing sophisticated risk assessment methods and cutting-edge technologies, including IoT, to bolster our employee safety and industrial safety management technologies. We will also reinforce our responses to new threats, such as intensifying natural disasters and terrorism.

Illustration of How We Ensure Safety through Safety Infrastructure and Safety Culture





Product Stewardship / Product Safety / Quality Assurance

Basic Stance

Product Stewardship at Sumitomo Chemical

Under its Corporate Policy on Responsible Care (Safety, Health, the Environment and Product Quality), the Sumitomo Chemical Group promotes product stewardship*¹ and works to provide products and services that satisfy customers and can be used with peace of mind.

The “2020 Targets”^{**2} were proposed at the World Summit on Sustainable Development (WSSD) in 2002, and we are now in an era in which risk-based management of chemicals is required in terms of both regulations and companies’ efforts to promote product stewardship, which is expected to continue. Since 2020, international discussions have proceeded on the framework for chemical substances and waste management, and we project that company-led product stewardship activities will continue to become ever more important.

Sumitomo Chemical promotes voluntary initiatives to enhance product stewardship, including the Global Product Strategy (GPS)^{*3}/Japan Initiative of Product Stewardship (JIPS)^{*3} put forward by chemical industry associations, including the International Council of Chemical Associations (ICCA) and the Japan Chemical Industry Association. We actively participate in capacity-building activities, conduct risk assessments of our products, and perform risk-based management. We will continue responding to international trends.

*1 Product stewardship: The assessment of risks and protecting people’s health and the environment from those risks throughout the product life cycle, which encompasses the entire supply chain from the development of chemical products to manufacture as well as sale, use/consumption, and disposal.

*2 2020 goal: Ensure that chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment.

*3 GPS/JIPS: Initiatives that call on companies to conduct risk assessments of their products and to engage in appropriate chemical management based on risk in order to minimize risks throughout the supply chain. Under GPS/JIPS, toxicological information on chemical products is disclosed to the general public, including customers.

Ensuring Thorough Compliance

Sumitomo Chemical Group conscientiously adheres to various laws and regulations related to the manufacture, import, export, and sale of goods. We are working to ensure thorough compliance throughout our entire globally expanding group of companies.

Quality Assurance

The Group maintains its commitment to further improving product quality and is continually enhancing its global quality assurance system, which is tailored to each product, because the Group values the trust it has earned from customers and society and aims to further improve customer satisfaction.



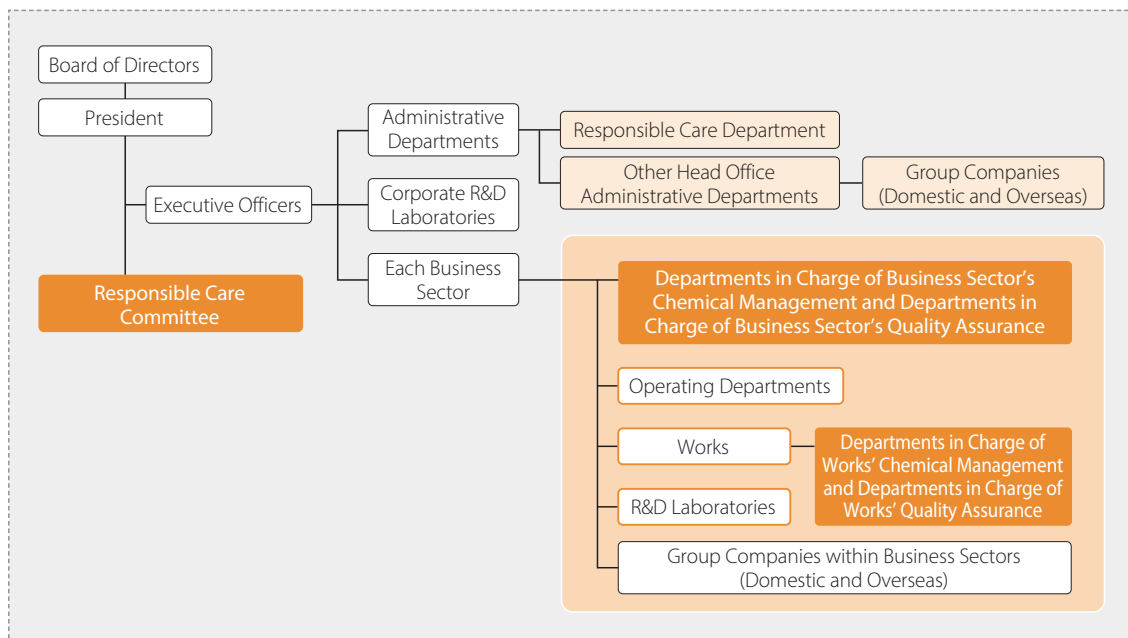
Product Stewardship / Product Safety / Quality Assurance

Management System

As the highest body for deliberating and approving Sumitomo Chemical's RC activities, the Responsible Care Committee is chaired by the President and comprises executive officers supervising the administrative departments and the four business sectors of the Company, and the General Manager of each Works. The Committee puts in place annual policies on RC activities, including chemical management and quality assurance activities; medium-term plans; and specific measures as they relate to responsible care. The Committee also analyzes and assesses the results of responsible care activities.

In addition, the Responsible Care Department oversees the Company's chemical management and quality assurance activities as well as supports each Group company's chemical management and quality assurance activities. Each department in charge of chemical management and quality assurance for Works promote appropriate chemical management and quality assurance activities for their respective Works and department.

Organization of Chemical Management and Quality Assurance Activities





Product Stewardship / Product Safety / Quality Assurance

Goals and Results

For goals and results for Product Stewardship / Product Safety / Quality Assurance, refer to the section entitled, "Social Activity Goals and Results."

P.157 Product Stewardship / Product Safety / Quality Assurance

Examples of Initiatives

Risk Assessment and Management throughout the Entire Product Life Cycle

With regard to the chemicals (products) that it uses and sells, Sumitomo Chemical conducts risk assessments that span the entire product life cycle and all that could be affected, including internal operators, neighboring residents, the surrounding environment, customers, and consumers. The Company supports the Ministry of the Environment's Eco-First Program and completed appropriate whole life-cycle risk assessments for its products manufactured or sold in annual amounts of one ton or more by fiscal 2020 to promote the voluntary initiatives (GPS/JIPS) adopted by chemical industry associations. The results of these assessments are compiled into a safety summary and made publicly available online, including on the Japan Chemical Industry Association (JCIA)'s portal website (https://www.jcia-bigdr.jp/jcia-bigdr/en/material/icca_material_list). From fiscal 2021, we will continue to conduct appropriate risk assessments of products that are newly included in the scope through, for example, product development (reinspection of risks of already assessed substances based on the latest insights).

In conducting chemical risk assessments, it is necessary to collect information regarding the hazards associated with each product and the levels of human and environmental exposure when products are handled. Based on the information needed for these risk assessments, we work to ensure that customers and employees handle chemical substances safely. To this end, we have created a collaborative framework centering on the Responsible Care Department and encompassing the frontlines of production and our internal research laboratories, which possess specialized technologies in risk assessment and safety engineering. To estimate exposure levels, the Company draws on projection models and expert insights in Japan and overseas and has developed its own simulation program. We also use the latest technology to efficiently conduct highly precise risk assessments. In line with our internal rules, during the development of new products, we collect data regarding risks and hazards for all handled substances before entering the production stage and survey and respond to all relevant laws and regulations. We will continue to conduct risk assessments based on the most up-to-date information available.

Risk Management for Product Safety

As for risk assessments of product safety, it is necessary to assess the risks of chemical substances in products as well as the risks associated with product applications and uses. Taking into consideration not only their use by our direct customers but also the use and disposal of such products by their end-users, we conduct risk assessments of applications and uses using failure mode and effects analysis (FMEA)* and other methods in addition to chemical substance risk assessments. Sumitomo Chemical conducts rigorous risk assessments of new products and reassesses items already on the market. In fiscal 2022, we performed 56 risk assessments. Going forward, we will continue to conduct rigorous risk assessments of new products and regularly conduct reassessments of products already on the market. In addition, we continue supporting Group companies in conducting similar product risk assessments and countermeasures.

* FMEA: A systematic method of analysis for detecting potential malfunctions and defects with the objective of their prevention



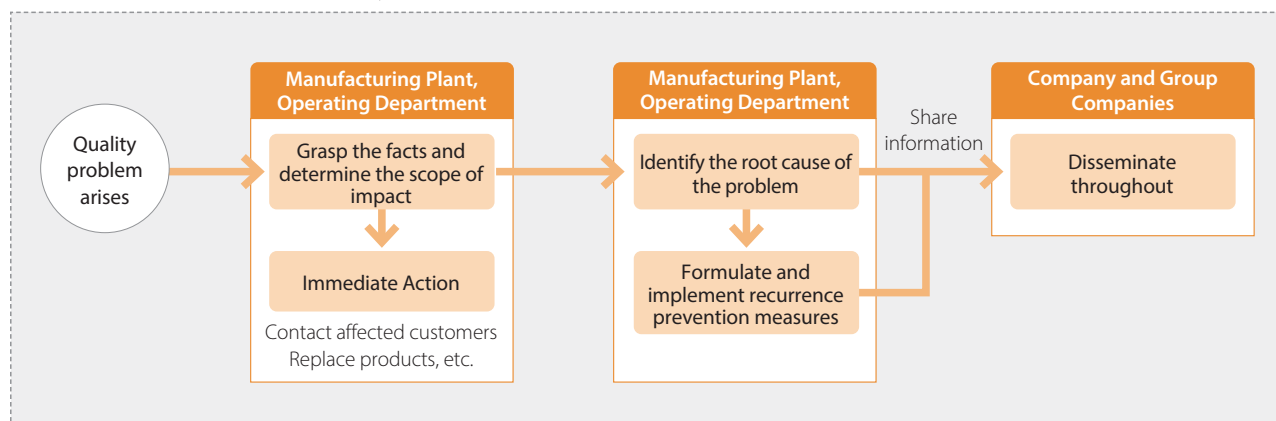
Product Stewardship / Product Safety / Quality Assurance

Providing Products and Services of Stable Quality

In order to continue to supply its customers with satisfying products and services that can be used with peace of mind, the Sumitomo Chemical Group has established quality assurance systems based on quality management systems (such as ISO 9001*1) and manufacturing and quality management guidelines (GMP*2) appropriate for each product and service. In addition to maintaining thorough day-to-day product quality control, we are committed to further improving product quality.

When a problem related to the quality of our products or services occurs, we grasp the facts and determine the scope of impact in line with internal rules. We then take immediate action, such as contacting affected customers and replacing products. We subsequently work to identify the root cause of the problem, formulate and implement recurrence prevention measures, and implement those measures. Moreover, from the perspective of preventing recurrence of similar quality problems, depending on the severity of the problem, we disseminate information related to the root cause and recurrence prevention measures within the Company and to Group companies. We are committed to ensuring the prevention of problems in the first place.

Flowchart of How We Handle Quality Problems



In fiscal 2022, there was one major quality problem in the Sumitomo Chemical Group. We are investigating the cause of this problem and taking thoroughgoing measures to prevent a recurrence. We are sharing the knowledge gained and rolling out countermeasures across the Group. Going forward, we will also work to strengthen quality assurance for the entire Group by sharing information and activities related to quality and product safety. Furthermore, in order to continue supplying products and services of stable quality worldwide while addressing growing supply chain diversification accompanying its business expansion and the increasingly sophisticated needs of customers, the Group is enhancing its global quality assurance system through measures that include strengthening the management of overseas suppliers and contractors.

*1 ISO 9001: The international standards on quality management systems issued by the International Organization for Standardization (ISO).

*2 Good Manufacturing Practice (GMP): Guidelines relating to the manufacturing and quality management of pharmaceutical products, etc.

The Information Sharing System and Ensuring thorough Compliance

The governments of Europe, the Americas, China, and the Asia Pacific region hold considerable way over trends in global laws and regulations. To ensure thorough compliance, we post product stewardship specialists at our regional headquarters in these areas and are constructing a system to swiftly collect information related to regulatory trends. Especially in Europe, China, South Korea, Taiwan, Southeast Asia, and India, where there is active movement regarding legal revision/improvement, we are appropriately complying with the chemical regulations of each country in cooperation with our group companies.

As a response to the REACH Regulation in Europe, which is a world leader in terms of laws and regulations, we are moving forward with appropriate legal registration, managing our supply chain, and properly transferring information. In addition, our local Group company Sumitomo Chemical Europe is drawing up letters about its registration status in response to its customers' requests as well as a declaration of conformity, which states the status of compliance and certificate acquisition with regard to various regulations.

In fiscal 2022, there were no reports of violations of regulations for Sumitomo Chemical products and services at any stage of their life cycles.



Product Stewardship / Product Safety / Quality Assurance

Effective Use of SuCESS

In order to appropriately manage and effectively use information on chemicals handled by the Company, such as their composition, toxicological information (risks and hazards), and regulatory requirements, Sumitomo Chemical has developed the Comprehensive Chemical Management System (SuCESS).^{*1} This system is used in order to respond to inquiries from customers concerning substances contained in our products and precisely comply with laws and regulations in Japan and around the world, such as the REACH Regulation in Europe. We also use this system to create SDSs^{*2} in around 40 languages to comply with GHS^{*3} and accurately and efficiently communicate hazard information throughout the supply chain. This system is also being proactively rolled out to Group companies. We had installed the system at 15 Group companies in Japan and overseas as of fiscal 2022. In addition, we are using SuCESS to calculate the manufactured volumes reported to the government under the chemical substances control law via a substance volume tracking (SVT) system as well as to calculate exported volumes.

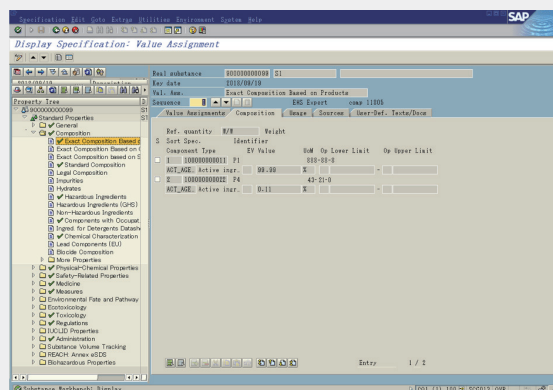
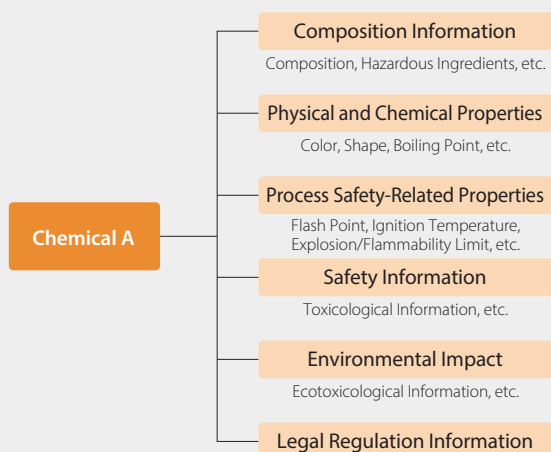
*1 Sumitomo Chemical Comprehensive Environmental, Health & Safety Management System (SuCESS)

*2 Safety Data Sheets (SDS): SDSs include information on the safe handling of chemical products (properties, handling methods, safety measures, etc.) and should be created in compliance with the Japanese Industrial Standards (JIS) and the standards set by the International Organization for Standardization (ISO).

*3 Globally Harmonized System of Classification and Labeling of Chemicals (GHS): In 2003, the United Nations established these global rules for how to convey information about the classification and degree of hazards for chemical substances.

SUCCESS Comprehensive Chemical Management System

Management of chemical composition, toxicological, regulatory information based on tree-shaped structure



Providing Toxicological Information

To ensure its products are handled safely, Sumitomo Chemical uses SDSs and labels to provide customers with toxicological and regulatory information about the chemical substances they contain and the hazard data consolidated in SuCESS. Furthermore, especially regarding products requiring warnings about their handling, we create yellow cards that are a simplified version of their SDSs. This provides logistics operators with the information they need to ensure they can respond appropriately to an emergency situation during transportation.



Product Stewardship / Product Safety / Quality Assurance

Sharing Information on Chemicals in Products

Countries and regions around the world are moving forward with regulations on chemicals in products, as represented by the European Union's RoHS Directive*¹ and REACH Regulation.*² Because the content and required action for these regulations differs by country, region, and product field, we need to properly manage the chemicals present in not only final products but also raw materials and parts, and we need to accurately share this information on the chemicals present across the supply chain.

As a founding member of the Joint Article Management Promotion-consortium (JAMP), Sumitomo Chemical encourages acquiring and sharing information using chemSHERPA, which is an information-sharing scheme promoted by JAMP, and provides information in response to customer demands.

*¹ RoHS Directive: An EU law related to restricting the use of specific hazardous substances, such as those in electric and electronic equipment

*² REACH Regulation: A regulation related to the registration, evaluation, authorization, and restriction of chemicals within the EU

Laboratory Animal Welfare

In the process of developing useful chemical substances, a large variety of safety assessments are required. With this in mind, Sumitomo Chemical is actively developing new assessment methods, including structure-activity relationship approaches, and minimizing the use of laboratory animals for safety assessments. However, assessments of impact on humans, animals, and the environment cannot be completed without conducting experiments using laboratory animals. Sumitomo Chemical therefore advocates the humane treatment of laboratory animals and applies the 3Rs*³ of replacement, reduction, and refinement to conduct animal studies appropriately with due consideration for animal welfare.

Furthermore, we are working hard to confirm whether subcontractors of animal experiments and suppliers of animals used in experiments similarly conduct animal studies with appropriate consideration for animal welfare.

*³ The 3Rs: From the Law for the Humane Treatment and Management of Animals

Replacement: To the greatest extent possible, replace methods that involve animals with those that do not.

Reduction: To the greatest extent possible, reduce the number of animals used.

Refinement: To the greatest extent possible, refine methods to minimize the suffering of animals.

Responses to Latest Emergency Issues, Including Reducing Marine Plastic and Microplastics

Microplastics, plastic additives, and marine plastic pollution have become a global problem in recent years. Recognizing the importance of this issue, Sumitomo Chemical quickly agreed to the measures of the Japan Plastics Industry Federation and bolstered its internal education system. We also participate in the International Council of Chemical Associations (ICCA) and Japan Chemical Industry Association's task force. We are working to keep abreast of the latest issues and are also proposing our comments to the aforementioned organizations.

Looking Ahead

Sumitomo Chemical promotes appropriate risk-based chemical management and continually conducts safety risk assessments of all products, including newly introduced items.

In response to strong social demand for the proper management of chemicals, the pace of establishment and revision of laws and regulations relating to chemical management is expected to pick up in even more countries and regions in the near future. Closely collaborating with Group companies in Japan and overseas, Sumitomo Chemical consistently undertakes thorough compliance initiatives that involve carefully studying information on the regulatory trends as well as enhancing the functions of its comprehensive chemical management system (SuCCESS).

In addition, we will optimize our quality assurance system to respond to globalization and increasingly complex business formats and supply chains as we continue to work to enhance the Group-wide quality assurance level so that customers can use Group products and services with peace of mind.



Responsibility to Our Customers

Basic Stance

Throughout the Group, Sumitomo Chemical is working to provide high-quality products and services that can be used safely while satisfying customers' recently diversifying needs, and sales managers and customer consultation offices provide support tailored to products and specific details.

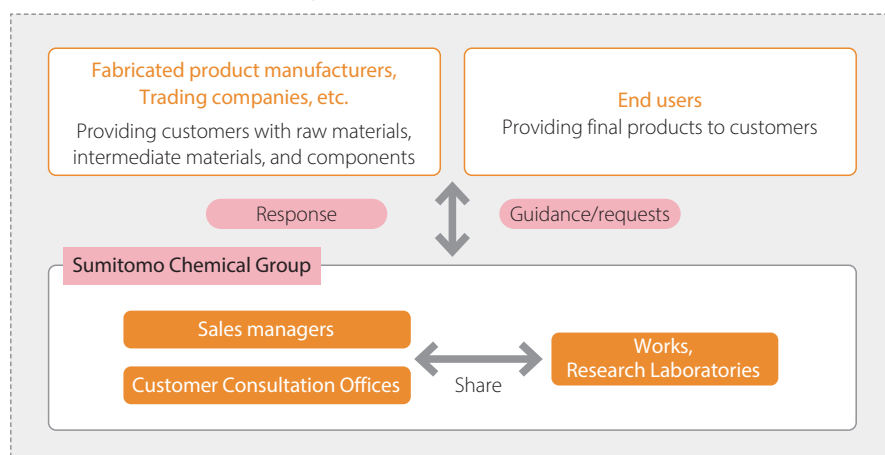
Business & Products

<https://www.sumitomo-chem.co.jp/english/products/>

Management System

Sumitomo Chemical works to accurately and rapidly reflect customers' requests in product development and improvement by sharing this information among Works, Research Laboratories, and sales personnel. In addition, data on customer inquiries and requests for improvements in product quality are stored on an internal database to prevent similar issues from occurring.

Customer Communication System



Examples of Initiatives

In this section, we will introduce the Sumitomo Chemical Group's initiatives in agriculture and gardening related products that are closely entwined with customers' daily lives.

Product Development for Sustainable Agriculture

Sumitomo Chemical's AgroSolutions Division-Japan is focusing on developing new sustainable agricultural technologies and products for smart agriculture and new biorational products, with an eye on developing and promoting new formulations with new effects and on the changing structure of agriculture going forward.



Responsibility to Our Customers

● Weedkillers for Rice Paddies

In smart agriculture, to make operations more efficient and less labor intensive, more agricultural drones are being utilized. In the field of herbicide for rice paddies, the Company is working to expand its series of the new formulation called FG (Floating Granule), which is self-diffusing and suitable for being sprayed by drones.



FG formulation product packaging and aerial photos of drone spraying

● Fertilizers

The amount and rate of release of a fertilizer into the soil can be adjusted by coating the surface of the fertilizer particles with resin. The Company helps reduce environmental impact by developing coated fertilizers cloaked in resin films calibrated to degrade in soil.

● Biorationals and Botanicals

The Sumitomo Chemical Group defines biorational products as naturally-derived microbial-based crop protection products, plant growth regulators, and rhizosphere microbial materials, as well as the solutions that use them to protect crops from pests or improve the quality or yield of crops. In addition to biorationals, we vigorously work to research and develop new botanical products. In the field of biorationals and botanicals, we further accelerate the research and development of products that contribute to sustainable agriculture.

“Natural Products” Designated Symbol



(Registered trademark of Sumitomo Chemical)

Natural Products is the shared symbol used to designate the naturally derived products offered by Sumitomo Chemical and the Group companies Sumitomo Chemical Garden Products Inc., SC Environmental Science Co., Ltd., and Sumika Technoservice Corporation.

Reflecting growing compliance with SDG initiatives and environmental awareness, low environmental impact products are increasingly becoming a requirement in all facets of pest control, encompassing everything from crop protection in farming and plant protection in gardening to insect control at home and public hygiene management. The Sumitomo Chemical Group, a leader in providing a wide range of naturally derived products, including biorational and botanical items, is carrying out unified branding activities to increase public awareness of these goods in Japan.

■ Target Areas of Naturally Derived Products Sold by Group Companies

Company name	Target areas of naturally derived products
Sumitomo Chemical Garden Products Inc.	Home and gardening
SC Environmental Science Co., Ltd.,	Household insecticides Insecticides for Termite Control Operation and for Pest Control Operation
Sumika Technoservice Corporation	Natural enemy insects
Sumitomo Chemical Co., Ltd. (AgroSolutions Division - Japan)	Crop protection products for agriculture

Natural Products | Sumitomo Chemical Co., Ltd. (sc-natural-products.com) (Japanese only)

<https://www.sc-natural-products.com>



Responsibility to Our Customers

Communicating with Customers

● Enhancement of Information Dissemination Tools

In 2002, Sumitomo Chemical's AgroSolutions Division-Japan launched the website i-nouryoku as a means of supporting agricultural producers by providing a variety of relevant agricultural information. In addition to the website, we also provide farmers with simple and easy-to-understand product information through social media platforms like Facebook and YouTube via posts and videos.

The division established a customer support office related to Sumitomo Chemical's crop protection chemical products, fertilizers, and plant growth regulators. The division promotes business operations based on the basic stance of prompt, appropriate, and sincere service provided with an awareness of the customer's perspective and ensuring legal compliance.

Furthermore, we respond to questions about gardening. Consultants strive to closely engage with customers to ensure that they can properly and effectively use the Company's products.

Sumitomo Chemical i-nouryoku (Japanese only)

<https://www.i-nouryoku.com/index.html>

The YouTube channel of Sumitomo Chemical's AgroSolutions Division-Japan (Japanese only)

<https://www.youtube.com/channel/UCk0GEjn4LXD7dxEf9uSfnlw>

The Facebook page of Sumitomo Chemical's AgroSolutions Division-Japan (Japanese only)

<https://www.facebook.com/住友化学アグロ事業部-101167691634705/>

Sumitomo Chemical Garden Products Inc. is working to enhance its websites to ensure the provision of easy-to-understand information to a variety of gardeners. In addition, it began uploading videos to YouTube, with content not only ranging from product information videos to instructions on the preparation of diluents and how to read registration slips, but also including Garden Doctor TV, which covers cultivation methods for tomatoes and roses as well as other topics. As for customer consultations, in addition to answering questions via telephone and email, from April 2020 the company began providing web content via the Garden Doctor™ AI, an AI image diagnostic tool that enables anybody to easily diagnose plant diseases and pests at any time.



Sumitomo Chemical Garden Products Inc. official website (Japanese only)

<https://www.sc-engei.co.jp>

Sumitomo Chemical Garden Products' YouTube channel (Japanese only)

<https://www.youtube.com/c/scengeich/playlists>

Sumitomo Chemical Garden Products' Garden Doctor™ AI (Japanese only)

<https://www.sc-engei.co.jp/gardendoctor.ai>



Responsibility to Our Customers

● Improvement of Usability

To meet the diversifying needs of users who enjoy gardening, Sumitomo Chemical Garden Products Inc. constantly works to upgrade its offerings, for example, via improved product containers, as well as to enhance services related to information dissemination and customer consultation.

BENICA X NEXT™ Spray

Sumitomo Chemical Garden Products is researching customer concerns through marketing surveys and working to develop products to solve those issues. The company developed a longer trigger for BENICA X NEXT™ Spray that is more comfortable and easier to pull even when spraying continuously.



Sumitomo Chemical Garden Products' BENICA X NEXT™ Spray (Japanese only)

https://www.sc-engei.co.jp/sp_contents/en/201902/benicaXnext

Grass Killer Mega Long Shower GT

The company is working hard to increase the usability of Grass Killer Mega Long Shower GT by developing its bottle through cooperative research with ergonomic experts in order to lighten users' burden, especially by enabling people without much physical strength to scatter the product easily.



Sumitomo Chemical Garden Products' Grass Killer Mega Long Shower GT (Japanese only)

<https://www.sc-engei.co.jp/guide/detail/5318.html>

● Provision of safe Agricultural Products

Sumika Agrotech Co., Ltd., a JGAP* certified farm, strives to encourage sustainable agriculture through the production and sale of safe and secure agricultural goods to consumers.

* JGAP stands for Japan Good Agricultural Practice.

■ List of JGAP Certified Farms

Farm Name	Registration No.	Location	ASIAGAP/JGAP version	Item	Certification Expiration Date
Farm Nagano, Sumika Agrotech Co., Ltd.	200000045	Nagano Prefecture	JGAP Fruits and Vegetables 2016	(Cultivation, harvest, handling) Strawberries	Mar. 21, 2024
Farm Oita, Sales Operation Department, Sales Division, Sumika Agrotech Co., Ltd.	440000052	Oita Prefecture	JGAP Fruits and Vegetables 2016	(Cultivation, harvesting, handling) Tomatoes, mini-tomatoes	Apr. 23, 2024



Responsibility to Our Customers

Initiative for Access to Healthcare

Sumitomo Chemical started its pharmaceuticals business as the first Japanese company to manufacture synthetic pharmaceuticals based on its advanced organic synthesis technology. Our Group company Sumitomo Pharma Co., Ltd. considers the below listed items to be part of its duty to its customers in the pharmaceutical business.

Fair Marketing

(Refer to section “12. Cooperation with Healthcare Professionals, etc.,” “13. Sales, Marketing and Information Communication Activities” of Sumitomo Pharma’s Compliance Standard for more details.)

https://www.sumitomo-pharma.com/profile/compliance_risk-management/compliance/

● Transparency in Partnerships with Patient Groups and Medical Institutions

As a member of the Japan Pharmaceutical Manufacturers Association (JPMA) which issued its Transparency Guideline for the Relation between Corporate Activities and Medical Institutions and its Transparency Guideline for the Relation between Corporate Activities and Patients’ Groups, Sumitomo Pharma established its own Guidelines for Transparency in Partnerships with Medical Institutions in October 2011 and Guidelines for Transparency in Partnerships with Patients’ Groups in April 2013. In accordance with these guidelines, the company publicly discloses information on its corporate website on such issues as payments that the company makes to medical institutions, healthcare professionals, patient groups and patient advocacy groups.

● Our Approach to Promotional Activities for Healthcare Professionals

In compliance with the IFPMA Code of Practice, the JPMA Code of Practice, and Guidelines for Prescription Drug Marketing Information Provision issued by the Ministry of Health, Labour and Welfare, Sumitomo Pharma has drawn up the “Rules for Marketing Information Provision” and established the Department Responsible for Supervising Marketing Information Provision. The Department Responsible for Supervising Marketing Information Provision supervises and provides guidance to departments that implement detailing activities, examines and approves materials, carries out monitoring as well as education and training for officers and employees, operates a complaints desk and handles complaints.

As an advisory body to the Department Responsible for Supervising Marketing Information Provision, we have established the Review and Supervisory Committee, which is held regularly. It has an external chairperson who is completely independent of our company.

Sumitomo Pharma has drawn up internal rules for the examination of materials for use in promotional activities titled “Rules for Examination of Materials Used in Marketing Information Provision” and created an internal structure for examination and approval of such materials.

https://www.sumitomo-pharma.com/sustainability/healthcare_innovation/fair_marketing.html

Contribution to Global Health

● Countermeasures to Antimicrobial Resistance (AMR) and Initiatives for the Appropriate Use of Antibiotics

Sumitomo Pharma is conducting joint research with a drug discovery group of Kitasato Institute.

In 2019, as a partnership initiative with the Ministry of Health of Vietnam, Sumitomo Pharma and the National Center for Global Health and Medicine jointly commenced the first antibiotic susceptibility surveillance study in Vietnam in order to contribute to antimicrobial resistance (AMR) countermeasures and promote the proper use of antibiotics in Vietnam. In 2020, we completed a data analysis of the first year of research, reports of results to each hospital facility, and exchanges of opinions. In 2021, we presented this content at the European Society of Clinical Microbiology and Infectious Diseases (ECCMID). The second antibiotic susceptibility surveillance study began in February 2023.

● Efforts for the Eradication of Malaria

Sumitomo Pharma is working on the research and development of malaria vaccines in collaboration with Ehime University and the global organization PATH, and supports initiatives for the eradication of malaria in several countries in Asia and Africa. The Company has cooperated with NPOs, local governments and communities to provide insecticide-treated mosquito nets, rapid diagnostic test kits for malaria, and educational activities in Zambia, Tanzania, and Indonesia, as well as advocacy initiatives for public awareness of malaria in Japan.



Responsibility to Our Customers

● Participation in the Global Health Innovative Technology Fund (GHIT Fund)



Through participation in the GHIT Fund, Sumitomo Pharma seeks to improve access to medicines by exploring the possibility of utilizing our innovative drug discovery technologies to tackle neglected tropical diseases (NTDs), malaria, and other diseases with significant unmet medical needs.

https://www.sumitomo-pharma.com/sustainability/social/contribution_to_global_health.html

Initiatives to Improve Access to Medicines

● Targets and KPIs for Material Issues

As described below, Sumitomo Pharma established the targets and KPIs for initiatives to improve access to medicines and advocacy, which is a material issue linked to value creation.

Material Issues	Targets	KPIs	Targets of KPIs
<p>Improving access to medicines and advocacy</p>  	<p>Attempt to improve access to medicines by promoting disease awareness from patient-centered perspectives, which is expected to reduce illness stigma and facilitate early treatment, and by working to lessen a drug lag, which will increase treatment options for patients.</p> <p>Contribute to the betterment of the healthcare system in countries/regions that struggle with equal access to necessary healthcare, by developing healthcare professionals, raising awareness of the public, and making policy recommendations through collaboration with the industry, governments, and NPOs/NGOs</p>	<ol style="list-style-type: none"> 1. Further increase in health literacy of the public, including patients 2. Number of products, and policy recommendations contributing to access to medicines 3. Number of partnerships contributing to improvement in healthcare access in developing countries 	<ul style="list-style-type: none"> • Number of public lecture participants by FY2027 cumulative total of 10,000 since FY2023* • Total annual visits to schizophrenia and bipolar disorder disease awareness website (Kokoro Share) 40% increase over FY2022 by FY2027* • Responding to requests for development of unapproved and off-label drugs of high medical necessity* • Continued participation in policy recommendations* • Constantly two or more

* Targets of KPI for Sumitomo Pharma non-consolidated

https://www.sumitomo-pharma.com/sustainability/assets/pdf/material_issues_kpi_en.pdf

● Partnership Initiative “Access Accelerated”

Sumitomo Pharma has participated in a partnership initiative called “Access Accelerated” since its launch in 2017. Access Accelerated is a coalition of more than 20 pharmaceutical companies and six international institutions, including the World Bank. In fiscal 2021, a total of 121 individual access programs were implemented by different companies in 126 low- to middle-income countries in Africa and Asia, while programs on pharmaceutical regulatory easing, healthcare specialist development, and public education for citizen awareness were promoted centering on three target countries: Kenya, Ghana, and Vietnam.

● Initiatives to Fight against Counterfeit Pharmaceuticals

As a member of the Pharmaceutical Security Institute (PSI), the Company maintains close contact with other global pharmaceutical manufacturers in information gathering and promoting anti-counterfeit enforcement operations. Sumitomo Pharma donated to the International Criminal Police Organization (INTERPOL) a total of 4.5 million Euro over a three-year period beginning in 2013. The donation was used to fund activities to promote public awareness of counterfeit pharmaceuticals and efforts to prevent pharmaceutical crime as well as for the training of specialist pharmaceutical crime investigators.

https://www.sumitomo-pharma.com/sustainability/social/improvel_access.html

Looking Ahead

Collecting information through close consultation with internal and external partners, and maintaining a proactive attitude when listening to our customers’ opinions, Sumitomo Chemical remains committed to continuously providing products that satisfy the needs of its customers. Moreover, the Company is expanding information disclosure in order to provide our customers with vital information in the most appropriate manner.



Communities

Basic Stance

We at the Sumitomo Chemical Group are contributing to establishment of sustainable society through achieving sustainable growth of business. We are committed to social contribution activities undertaken from three perspectives: securing safety and health, and protecting the environment; raising children who will lead the next generation; and assisting in natural disaster relief.

Regarding communication with society, while enhancing information disclosure and engaging in interactive dialogue, Sumitomo Chemical, its worksites in Japan and overseas, and Group companies engage in a variety of activities to ensure harmonious coexistence with local communities, thereby building good relations with them.

Sumitomo Chemical's Social Contribution Activities



Securing Safety and Health, and Protecting the Environment

- Work and research laboratory tours
- RC dialogues and distribution of local newsletters
- Malaria prevention campaign
- TABLE FOR TWO program
- Matching Gift program (support for tree-planting activities)
- Cooperation with U.N. activities
- Support for infection control measures
- Local clean-up activities



Raising Children Who Will Lead the Next Generation

- Establishment of in-house childcare facilities
- Launch of Young Inventors' Club, Science Workshops, etc.
- Sponsorship of community sports events
- Cooperation on civic and university courses
- Acceptance of student interns
- Matching Gift program (educational and developmental support for children)
- Educational support in Africa
- University scholarship programs



Assisting in Natural Disaster Relief

- Relief activities after typhoons, earthquakes, and other disasters
Offering facilities for public use after major disasters
- Relief donations for victims of hurricanes, earthquakes, etc.

Management System

We are promoting Sumitomo Chemical's social contribution activities throughout the entire Sumitomo Chemical Group, including Sumitomo Chemical's Head Office, each worksite, and each Group company. To encourage such activities across the Group, we hold manager meetings attended by social contribution managers from each worksite. These meetings enable attendees to share information about their activities and exchange opinions. In addition, Group companies in Japan share information and exchange opinions through Domestic Group Company Liaison Meetings held by each functional department.

We are cooperating with the labor union in planning and conducting certain social contribution activities.



Communities

Goals and Results

The results of the main social contribution activities undertaken by Sumitomo Chemical and its Group companies are as follows.

■ FY2022 Main Social Contribution Activities at Bases in Japan (Sumitomo Chemical*1)

Type of Activity	Number of Events
Education for the next generation*2 (including science classes held at schools, children's office visits)	13
Cleaning beaches and neighborhoods around worksites	60
Worksite tours, community dialogues, hands-on work experiences	22
Hosting and participating in regional sports competitions, festivals, and other events	10

*1 Includes some Group companies in Japan

*2 Includes content related to the SDGs and sustainability

■ Volunteers for the OISCA Coastal Woodland Rejuvenation Project (Sumitomo Chemical Group*3)

	(No. of people)		
	FY2020	FY2021	FY2022
Number of volunteers for the OISCA coastal woodland rejuvenation project*4	0*5	0*5	0*5

*3 Sumitomo Chemical and Group companies in Japan participating in the Matching Gift program

*4 Volunteer activities in Natori, Miyagi Prefecture

*5 Suspended due to the pandemic

P.224 Support for Recovery from the Great East Japan Earthquake

■ Major Donations in FY2022 (Sumitomo Chemical)

Item	(Million yen)
	Amount
Assisting in relief for the Turkish and Syrian earthquake	7.0
Support for education in Africa (Plastic Recycling Education)	6.8
Support for the development and education of children through ASHINAGA (Matching Gift program)	7.0
Support for OISCA's tree planting activities (Matching Gift program)	5.9
TABLE FOR TWO (Matching Gift program)	0.5

Note: Donation figures for Matching Gift programs are the amount of money provided by the Company.

■ Number of Major Donations in FY2022 (Sumitomo Chemical)

Total number of donations: 295

Item	Number of cases
Local community activities	116
International exchange and cooperation	15
Sports	10
Academic study and research	9
Culture and art	14
Education and social education	22
Social welfare	15
Environment	9
Support to areas devastated by disasters	5
Others	80



Communities

Social Contribution Activities at Group Companies in Japan and Overseas

At Group companies in Japan and overseas, we emphasize community bonds and contributions at each business location and proactively conduct social contribution activities as a part of our broadly defined CSR activities, including creating shared value by leveraging the unique characteristics of each company.

In fiscal 2022, we conducted more than 500 social contribution activities, including activities aimed at contributing to local communities and activities aimed at enhancing employee awareness through donations and fund raising.

The Sumitomo Chemical Group will continue to work toward helping solve social issues, educating employees, and providing integrated communication mainly through community contributions in collaboration with the Company's worksites, initiatives promoted by the entire Group in unison, and promoting education for citizens and the broader society while respecting the individuality of employees.

Social Contribution Activities at Group Companies in Japan and Overseas

FY2022 Results

Over **500**



Guest lecture conducted at a nearby university (Group company in Japan)



Clean-up activity around the United Nations HQ (Group company overseas)

Examples of Initiatives

Securing Safety and Health, and Protecting the Environment

Initiatives to Ensure Safety at All Group Workplaces

The Sumitomo Chemical Group aims to achieve zero severe accidents across all workplaces, as per the basic principle of "Making safety our first priority." To this end, we have ramped up our efforts to ensure safety by communicating thoroughly to make sure everyone observes the Safety Ground Rules, which are common to all Group employees, evaluating and improving the level of safety culture in workplaces, raising the level of safety management with the use of IoT technology, and reviewing and reinforcing natural disaster prevention measures. Through dialogues with residents in the region, we explain to neighboring residents our efforts to ensure safety, and work to deepen our mutual understanding.

Status of Dialogues with Local Communities

FY2022 Results*

Number of dialogues held	Participants
9	129

* Cumulative result of each Sumitomo Chemical worksite

Clean-up Activity: Global Clean-up Challenge

The Sumitomo Chemical Group helps solve the plastic waste problem through clean-up activities at each worksite and their neighboring communities, beaches, and other areas.

It is said that one of the sources of increasing marine waste, including plastic waste, is garbage left outside and waste thrown away that will enter waterways due to wind and rain then flow out to sea. The clean-up activities we can do at nearby locations are connected to countermeasures against the marine waste problem.

In fiscal 2022, the Group launched new clean-up initiatives called "Global Clean-up Challenge" with the aim of fostering unity as a Group. Going forward, we will continue working to address the plastic waste problem.



The symbol image for Global Clean-up Challenge



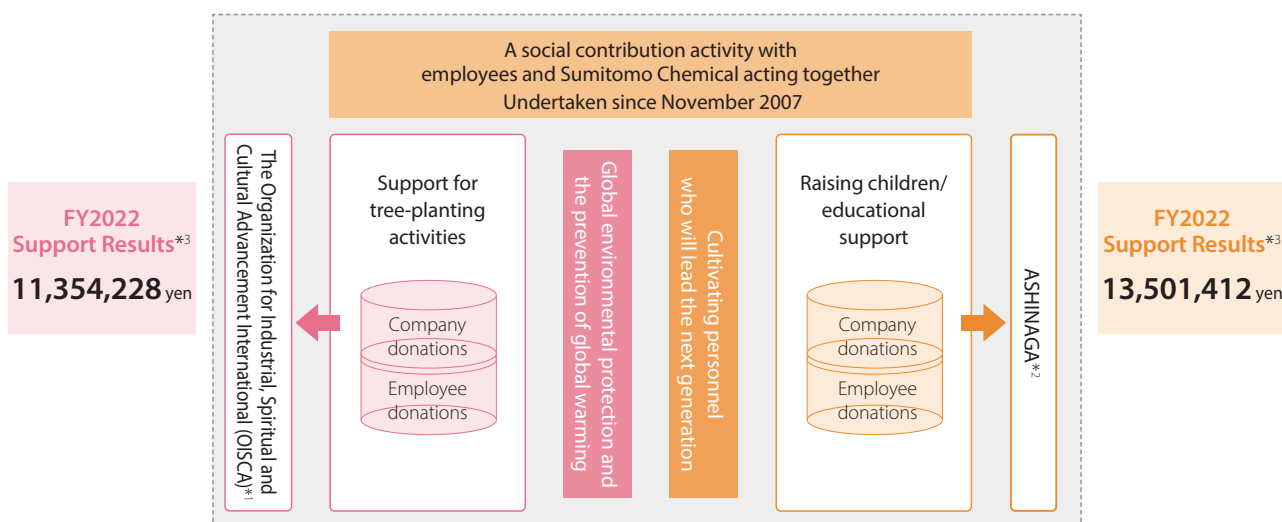
Communities

Matching Gift Program

As a social contribution activity with employees and the Sumitomo Chemical Group acting together since 2007, the Matching Gift program, which is run in collaboration with the labor union, collects donations from management executives and employees working at Sumitomo Chemical and Group companies. Sumitomo Chemical then matches their donations.

One of the beneficiaries of the donations from the Matching Gift program is the Organization for Industrial, Spiritual and Cultural Advancement International (OISCA),*1 with whom we work on various tree-planting projects. In collaboration with the labor union, we have been dispatching employee volunteers to help with these projects since 2008.

■ Matching Gift Program



*1 The Organization for Industrial, Spiritual and Cultural Advancement International (OISCA) is a global NGO engaged in rural development and environmental protection, mainly in the Asia-Pacific region. The money donated by Sumitomo Chemical to this organization is used for its Children's Forest Program and Japan's Coastal Forest Restoration Project following the Great East Japan Earthquake.

*2 ASHINAGA is an NPO established to provide physical and mental support for children who have lost their parents because of illness, accidents, or for other reasons. The money donated to this organization is used to provide a scholarship fund for these orphans.

*3 Sums after matching by the Company

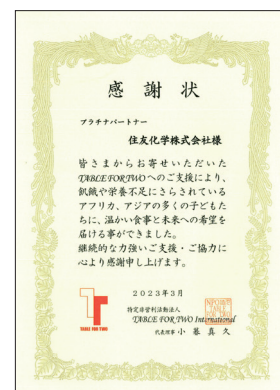
TABLE FOR TWO Activities

Since May 2008, each of Sumitomo Chemical's worksites has participated in the TABLE FOR TWO (TFT) initiative. Participating companies in this Matching Gift program donate an amount of money equal to the total donated by management executives and employees.

When employees choose to eat any of the healthy TFT menu options available at the Company's cafeterias, 20 yen per meal is donated to help fight starvation in developing countries as well as obesity and lifestyle diseases in advanced nations. Through these types of social contribution activities originating in Japan, we are working to eliminate food disparity.

For the Company's support in 2022, Sumitomo Chemical received a letter of appreciation as a Platinum Partner from the TABLE FOR TWO secretariat.

2022 Results
1,045,520 yen **26,138 meals**
 (Sums after matching by the Company)





Communities

Raising Children Who Will Lead the Next Generation

Supporting Education through Science Workshops

The Sumitomo Chemical Group holds science workshops for children to conduct experiments and make crafts. These workshops enable them to experience the wonders and appeal of science with their own hands, in order to convey in a manner that children can easily understand how the products all around them are linked to chemicals.

These science workshops are held during tours of plants and research laboratories and through class visits, including at schools near worksites and at summer vacation events sponsored by local municipalities. Every year, we receive feedback from regular schools, community schools,*1 and other institutions telling us that local children enjoy these workshops. In fiscal 2022, after taking thorough precautions to prevent the spread of COVID-19, we held workshops at a limited number of worksites.

In addition, the Tsukuba Regional Research Laboratory used a web meeting system to conduct classes in a middle school class room with the theme of “Let’s search for SDGs around us” in collaboration with the city’s hands-on science education program Tsukuba STEAM Compass.

At Ehime Works, so that children who could not go outside due to the pandemic could still have fun at home, in continuation from the previous year, videos were produced in collaboration with Ehime Works veteran employees entitled, “Science Experiments and Crafts You Can Do at Home!”*2 (Vol. 7–9). They have been made available on YouTube for anyone to watch at their convenience.



Screenshots from the videos

“Science Experiments and Crafts You Can Do at Home!”

vol.7 Let’s make fluffy flowers

vol.8 Let’s make a sparkly and cute air fresheners

vol.9 Let’s make a toy woodpecker

*1 Community schools (school management councils): Promoted by the Elementary and Secondary Education Bureau of the Ministry of Education, Culture, Sports, Science and Technology, these systems enable guardians and local communities to participate in efforts to solve various issues schools face in order to support the autonomous growth of children in each grade.

*2 Video production collaborators: The Akagane Museum, heart network (heart TV: a cable TV channel in Niihama City and Saijo City), and Sumitomo Chemical Ehime Shayuukai (the Company’s organization for former employees)

“Science Experiments and Crafts You Can Do at Home!” (Japanese only)

<https://youtube.com/playlist?list=PLdCPE61HN0W7Jcys1mzqLjrVI52fjvJLY>

Educational Support Related to SDGs

In recent years, education for sustainable development is gaining attention as a method to achieve the fourth SDG (Quality Education) on the front lines of education. As a strong supporter of education, the Company works to introduce the Group’s sustainability initiatives in various formats for the next generation, those who will lead the sustainable society that the SDGs aim for. Employees serve as instructors for classes conducted at schools and online, and we invite people to our [SYNERGYCA](#) Co-Creation Lounge, established at the Company’s Tokyo Head Office, to conduct hands-on classes that search for solutions to social issues while fostering communication.



Communities

13th Eco Proverb Contest

As an Eco-First Company certified by Japan's Ministry of the Environment and as a participating company in the Eco-First Promotion Council,* Sumitomo Chemical is a cosponsor of the Eco Proverb Contest.

In fiscal 2022, the theme was "We wonder what we can do to continue living on the beautiful Earth: What kind of future do we want to make in 2050?" The council collected self-written proverbs created by elementary and middle school students across Japan. As one of the companies that provide corporate awards, Sumitomo Chemical selected the following work that embodies its vision aiming to solve the waste problem, including waste plastics, for the Sumitomo Chemical Award in FY2022.

* This council comprises 56 Eco-First Companies certified by the Minister of the Environment as the best in their industry regarding environmental conservation. Each participating company collaborate across industries to promote environmental conservation activities.

Sumitomo Chemical Award

ゴミじゃない 分ければ資源 また会おう

It is not garbage
If we separate it, we will again meet
the resources

(The English text is a translation of the original Japanese composition above)

Riki Fujii

(6th grader at Nishinomiya City Harukaze Elementary
(as of receiving the award in 2022))



Awards ceremony

Judging Results of the 13th Eco Proverb Contest (Japanese only)

<https://www.eco1st.jp/wp-content/uploads/2022/10/8abdd0a96b1f974aeb00240051c78e5f-2.pdf>

Support for Education in Africa

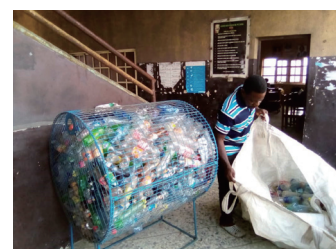
Because Sumitomo Chemical believes that Africa needs to build a better educational environment for children in order to break free from poverty and achieve sustainable economic development, since fiscal 2005, the Company has been supporting education to support children, on whom the continent's future rests. At first, we mainly supported the construction of schools, but, after studying how to best offer support as a chemicals company, we branched out into supporting female students and programs in science as well as ICT-related education.

Currently, we support initiatives that contribute to recycling resources, which is one of the material issues that we will address as management priorities.

Supporting Plastic Recycling Education in Nigeria

Sumitomo Chemical has been donating US\$50,000 per year to the Clean Our World (COW) Project, which is run by the Nigeria-based Oando Foundation with the aim of raising awareness of plastic recycling. Over 32 million tons of garbage are generated in Nigeria every year, and more than 30% of that is classified as plastics. Currently, most of the plastic is not properly disposed of. It sometimes clogs pipes, causing flooding, and is also washed into the ocean via West Africa's main waterway, the Niger River. To resolve this situation, the Oando Foundation established the COW Project in 2020. Through this project, we provide opportunities for elementary school children, those who will lead the future, to learn about the plastic waste problem and recycling, conduct local clean-up activities, and share out experience in collecting waste and processing it into daily commodities. A portion of the around 11 tons of plastic waste collected through this initiative was converted into school supplies and other products and given to children.

Going forward, Sumitomo Chemical will continue working to improve the educational environment as an important social contribution activity and actively promote initiatives aimed at resolving social issues on a global scale.



Plastic bottles collected at an elementary school

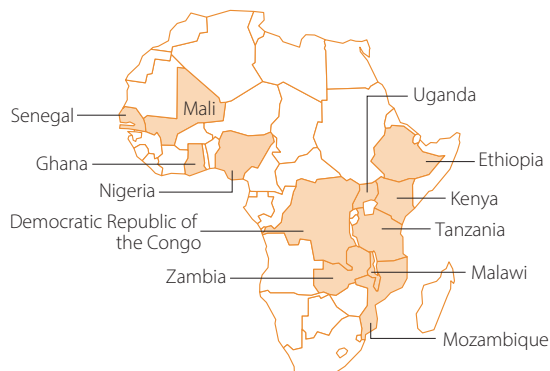


Sorting out collected plastic bottles



Communities

Support for Education in Africa



Support Results

Beneficiaries: over **68,000** people

Supported countries: **12**
(33 projects completed)

Support Results

Country	Collaborator	Support details
Tanzania	WVJ*1	Between 2005 and 2007, we built elementary schools, teacher housing, and other structures. In 2014, we built elementary schools and restrooms.
Kenya	WVJ*1	In 2005 and 2006, we built girls' dormitories, restrooms and other structures for elementary schools. In 2015, we built elementary schools and provided math and science teaching materials.
Zambia	WVJ*1	Between 2005 and 2007, we built middle schools, restrooms, teacher housing, and other structures.
Uganda	WVJ*1	In 2006, we built elementary schools, restrooms, and other structures. Between 2008 and 2011, we built schools, restrooms, and other structures. In 2019 and 2020, we built classrooms for elementary schools and raised awareness of malaria prevention techniques.
Ethiopia	WVJ*1	In 2007, we built elementary schools, middle schools, restrooms, and other structures. In 2013, we built elementary schools, restrooms, water storage tanks, and other structures.
Mali	PIJ*2	Between 2010 and 2012, we built elementary schools, restrooms, wells, and other structures.
Ghana	PIJ*2	Between 2010 and 2012, we built elementary schools, libraries, and other structures. In 2015 and 2016, we built technical schools, science laboratories, and other structures. In 2019 and 2020, we built technical high schools, science laboratories, and other structures, provided teaching materials, and provided training to teachers.
Malawi	WVJ*1	Between 2010 and 2012, we built elementary schools and other structures. In 2013, we built elementary schools, restrooms, and other structures.
Democratic Republic of the Congo	WVJ*1	In 2012 and 2013, we built elementary schools, restrooms, and other structures. Between 2016 and 2019, we built elementary schools, restrooms, and other structures, provided math and science teaching materials, provided training to teachers, and raised awareness of malaria prevention techniques.
Mozambique	PIJ*2	In 2012 and 2013, we built elementary schools, restrooms, and other structures.
Senegal	PIJ*2	In 2014 and 2015, we built elementary schools, restrooms, and other structures and provided training to school management committees. Between 2016 and 2019, we built middle schools, high schools, and restrooms, set up science laboratories, and enhanced science courses for girls.
Nigeria	Oando*3	Between 2017 and 2020, we set up ICT centers, provided computer peripheral equipment, and provided science, technology, engineering, and math (STEM) education. In 2020, 2021 and 2022, we carried out clean-up activities, education related to plastic waste and recycling, and waste collection ("Clean Our World" (COW)*4 I project to COW*4 III project).

*1 WVJ: World Vision Japan

*2 PIJ: Plan International Japan

*3 Oando: The Oando Foundation of the Federal Republic of Nigeria

*4 A project established by the Oando Foundation that aims to raise awareness of plastic recycling



Communities

Assisting in Natural Disaster Relief

Assisting in Relief for the Turkish and Syrian Earthquake

Sumitomo Chemical provided a monetary donation of 2,000,000 yen through the Japanese Red Cross Society as aid for the Turkish and Syrian earthquake that was occurred in February 2023. In addition, we donated 5,000,000 yen in material aid in the form of our SumiShield™ 50WG, which is an effective countermeasure against infectious disease through The Mentor Initiative,* which is an international humanitarian aid NGO.

* An international humanitarian aid NGO founded in 2002. The initiative uses the Company's vector control products to disperse chemicals that prevent the spread of communicable diseases in affected areas.

Support for Recovery from the Great East Japan Earthquake

Since the Great East Japan Earthquake of 2011, we have been promoting initiatives involving employee participation to keep the memory of the disaster fresh in people's minds. We have also been providing donations collected through the sale of "Disaster Hit Area Support Meals" served in our cafeterias since April 2011. Under this scheme, a portion of sales is donated to a business that aids orphans in areas hit by the disaster, and the companies match that amount.

Since fiscal 2013, through the Matching Gift program, we have participated in the OISCA coastal woodland rejuvenation project aimed at rejuvenating black pine coastal woodlands in Natori, Miyagi Prefecture.

Since fiscal 2015, we have dispatched employee volunteers to the area to provide black pine saplings, plant trees, and weed and fertilize areas where trees have been planted with the aim of rejuvenating about 100 hectares of coastal woodland. These activities were suspended in fiscal 2022 in continuation from the previous fiscal year, however, to prevent the spread of COVID-19. We have already achieved our planting goal, and, going forward, we will continue to help manage the planted black pines on a voluntary basis.

FY2022 Results

Disaster Hit Area Support Meals

604,280 yen **15,107** meals

(Sums after matching by the Company)

The Great East Japan Earthquake
Iwate Learning Hope Fund 292,480 yen 7,312 meals
(the portion used between April 2022 and September 2022)

The Great East Japan Earthquake
Miyagi Children's Education Fund 311,800 yen 7,795 meals
(the portion used between October 2022 and March 2023)

Examples of Social Contribution Activities (Japanese only)

https://www.sumitomo-chem.co.jp/sustainability/files/docs/social_contribution_activities.pdf

Emergency Humanitarian Aid for Ukraine

Sumitomo Chemical provided emergency humanitarian aid for people forced by the conflict to flee their homes in Ukraine. We have provided 10,000,000 yen through the Japanese Red Cross Society. We also donated a total of 8,250,000 yen through a matching donation program where the Company matched the donations from executives and employees.



Communities

Coexistence with Local Communities

Disclosing Information and Holding Diverse Interactive Dialogues Rooted in Local Communities

Sumitomo Chemical, with the understanding and cooperation of local communities, works to foster smooth communication to continue conducting better business activities as a community member.

Every year, all worksites create and publish their own environmental and safety reports, detailing the initiatives taken at each worksite. In addition, the Ehime, Osaka, and Oita worksites publish community newsletters that are inserted into newspapers as a way to disseminate information that is especially relevant to their communities. Moreover, we proactively cultivate diverse two-way dialogue from a wide range of perspectives. Our activities include regular dialogue meetings, opinion exchanges, and Works tours held with local community members at each worksite, conducting risk communication model businesses in cooperation with municipalities, conducting support businesses focused on the environment and safety for local governments and companies, and holding community dialogues in collaboration with the chemical industry.

Going forward, we will continue working to foster greater understanding of the Company and earning more trust while continually exchanging opinions with various stakeholders in local communities and disseminating necessary information.

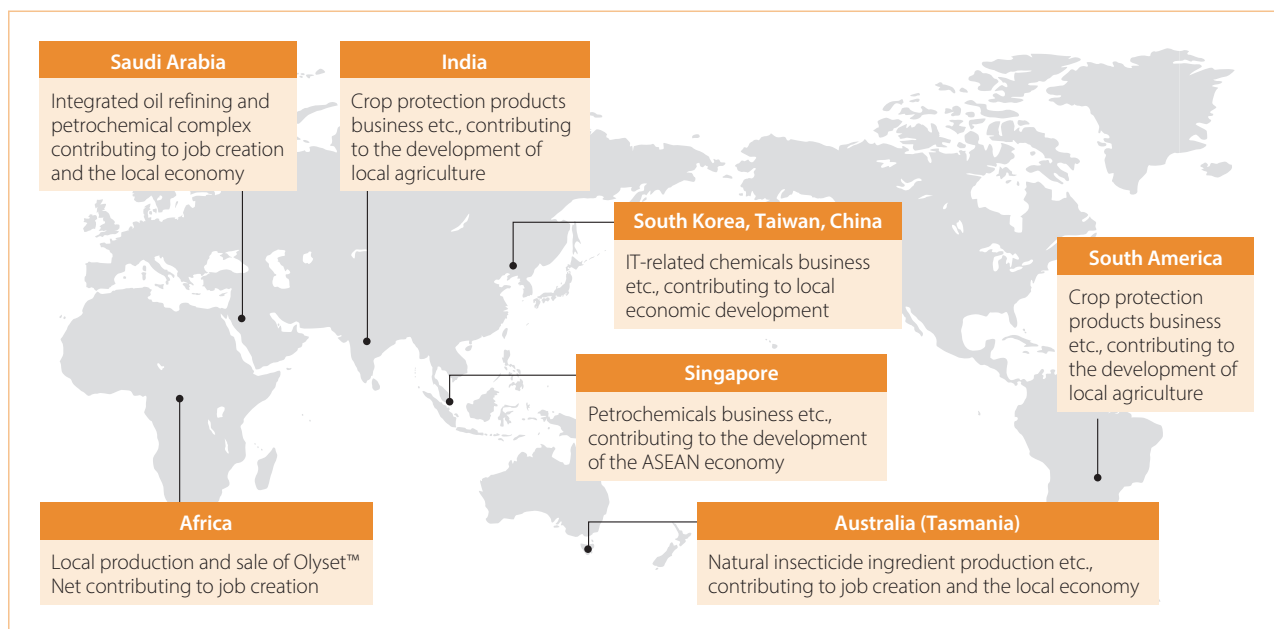
Report on the Environment and Safety (at all worksites) (Japanese only)

<https://www.sumitomo-chem.co.jp/sustainability/information/library/>

Coexistence with Each Country and Region

Sumitomo Chemical has rolled out diverse activities that meet the needs of local communities and worked hard to build solid relationships with everyone in the community. In addition, through our global business development, we contribute to the economic development of each country and region.

Contributing to Economic Development in Each Country and Region



Looking Ahead

In order to maintain the trust of local communities, Sumitomo Chemical Group will promote its social responsibilities by making various social contributions distinctive to the Sumitomo Chemical Group that lead to solving global problems and coexistence with local communities through various activities.