

Foundation for Business Continuation

Occupational Safety and Health, and Industrial Safety and Disaster Prevention

For details of our efforts > [Our Website : Occupational safety and health, and industrial safety and disaster prevention](#)

Basic Stance

Reflecting the core principle of "Making safety our first priority," Sumitomo Chemical 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 Sumitomo Chemical employees and all involved parties, including partner companies, are thus united in promoting safety activities with the goal of eliminating serious accidents. Furthermore, the Company undertakes stringent process risk assessments of the entire process 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; to minimize damage in the event of a natural disaster such as a major earthquake; and to secure the safety and peace of mind of employees and local communities.

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.

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

We also distribute pocket-sized cards and certificates of entry to all sub-contractors who enter Sumitomo Chemical's worksites, which include our basic safety principles and ground rules.

Education and Training

Sumitomo Chemical and its group companies provide education and training on work content, substances to be handled, and protective equipment to employees who work at heights, in oxygen depletion hazardous areas, in hot or cold environments, in noisy environments, or when handling specified chemical substances or organic solvents, and who need to take occupational safety and health into consideration. In addition, special health checkups, working environment measurements, and workplace patrols by industrial physicians and health managers are conducted on a regular basis to improve and maintain the working environment.

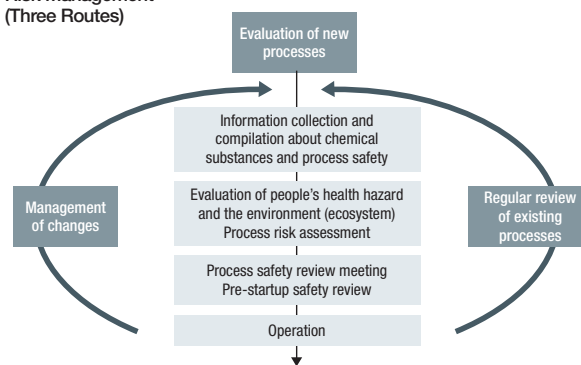
We also provide safety training for employees at partner companies entering our facilities, training for construction supervisors (supervisor responsibilities, risk assessment, etc.), and hazard simulation training for subcontractors working at Sumitomo Chemical's facilities.

In addition, to support the acquisition of knowledge and skills to ensure process safety by employees, we provide a variety of group training (classroom, discussion, and hands-on) and e-learning courses on fire, explosion, reaction hazards, static electricity, and other safety and disaster prevention technologies. In addition, we train personnel to play a central role in process risk assessment and countermeasure planning.

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)



Preparation for Large-scale Natural Disasters

In 2004, Sumitomo Chemical established a Basic Policy on Earthquake Countermeasures and has voluntarily promoted seismic retrofitting of high-risk facilities. In addition, based on recent administrative guidance to improve the seismic resistance of existing facilities, we have prepared seismic retrofitting plans for high-pressure gas facilities of high importance, and are implementing seismic retrofitting and reconstruction work in accordance with the plans. Until these works are completed, risk reduction measures are being taken to ensure security, such as reducing the holding capacity to meet earthquake resistance standards and reducing operating pressure to prevent any impact outside the plant site in the event of an accident.

In light of the recent trend toward more severe natural disasters, we constantly review our safety measures to ensure that they are sufficient, and implement both hardware and software measures as needed.

Product Safety and Quality Assurance

For details of our efforts >  Our Website : Product Stewardship, Product Safety and 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 stewardship¹ and works to provide products and services that satisfy customers and can be used with peace of mind. In this age of risk-based chemical product management, we support the voluntary product stewardship initiatives (GPS/JIPS²) promoted by chemical industry associations and actively participate in capacity building activities as a member of the promotion committee, while working on risk assessment and appropriate risk-based management of our products.

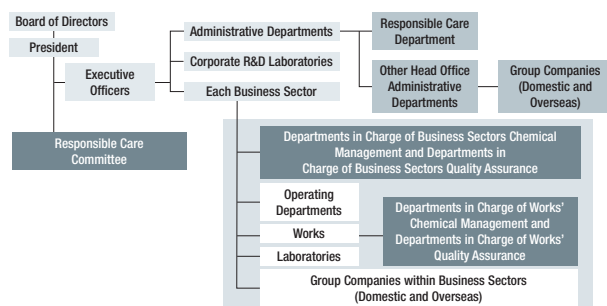
¹ **Product stewardship:** The assessment of risks and protecting people's health and the environment from those risks throughout the product life cycle, which encompasses the entire supply chain from the development of chemical products to manufacture as well as sale, use/consumption, and disposal.

² **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.

Chemicals Management and Quality Assurance Activity Structure

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.

Organization of Chemical Management and Quality Assurance Activities



Provision of Products and Services of Stable Quality

In order to continue to supply our customers with products and services of stable quality, the Sumitomo Chemical Group is committed to thorough daily management under management systems based on appropriate quality management systems (ISO 9001³, etc.) and standards (GMP⁴), respectively, while striving to further improve quality.

³ **ISO 9001:** International standard for quality management systems issued by the International Organization for Standardization (ISO).

⁴ **GMP (Good Manufacturing Practice):** A standard for manufacturing and quality control 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, Korea, Taiwan, Southeast Asia, and India, where there is active movement regarding legal revision/improvement, we appropriately comply with the chemical regulations of each country in cooperation with our group companies.

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 (SuCESS⁵). 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 SDSs⁶ in around 40 languages to comply with GHS⁷ 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.

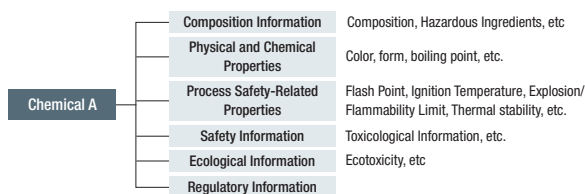
⁵ Sumitomo Chemical Comprehensive Environmental, Health & Safety Management System (SuCESS)

⁶ **Safety Data Sheet (SDS):** SDSs include information on the safe handling of chemical products (properties, handling methods, safety measures, etc.) The content of SDS is specified by standards such as the Japanese Industrial Standards (JIS) and the International Organization for Standardization (ISO).

⁷ **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.

SuCESS comprehensive chemical management system

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



Standardization Initiatives

In order to promptly implement new technologies into society and promote their global adoption, it is crucial to not only to develop technology-driven markets, but also to establish and deploy standards related to the technology both domestically and internationally.

Sumitomo Chemical has established a multidisciplinary structure, including an organization to study standardization strategies, to solve global issues such as innovative technologies for carbon neutrality, and is working to develop innovative technologies to link its technological strengths to the international market. We are also actively engaged in various standardization efforts to establish product value and business foundations, such as participating in an ISO working group for standardization of chemical recycling.

Foundation for Business Continuation

Respect for Human Rights

[For details of our efforts](#) > [Our Website : 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 Groupwide effort to address this as a material issue for management, and provide disclosures on our measures and progress. In 2019, we formulated the Sumitomo Chemical Group Human Rights Policy, based on the United Nations Guiding Principles (UNGPs) on Business and Human Rights, and established the Human Rights Promotion Committee. Since then, under the initiative of this committee, our Group has come together to undertake measures to respect human rights across the value chain.

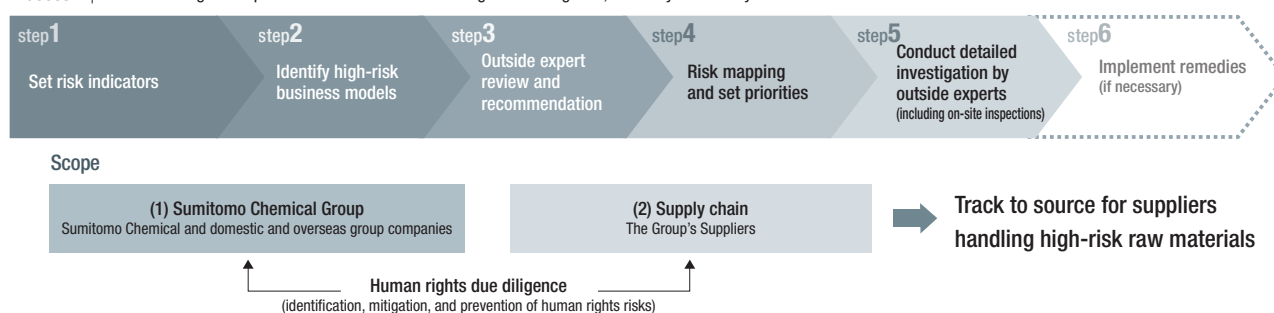
Overall Picture of Human Rights Due Diligence

With the aim of promoting a 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 UNGPs. Human rights due diligence is an initiative to identify, mitigate, and prevent human rights risks for each of (1) the Sumitomo Chemical Group and (2) the Supply Chain. In addition, (2) for suppliers of raw materials in the supply chain that have a high risk of generating negative human rights impacts (high-risk raw materials), we track them down to their source.

If it is discovered through our human rights due diligence 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 Process and Scope

Process | The following six steps are used to conduct human rights due diligence, with a cycle of 2-3 years.



Specific Initiatives

	Initiatives to date	Action plan for FY2023
Sumitomo Chemical Group	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. 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. The results of interviews with personnel in charge, internal audits, and Responsible Care audits were also reflected in the assessment.	As a result of the human rights risk assessment, we will conduct written investigations and detailed investigations by outside human rights experts for group companies whose status is deemed to be a priority for confirmation, in order to confirm the facts and take corrective measures as necessary. We will also continue to conduct awareness-raising activities, such as training on business and human rights, so that each and every employee of the group will have a deeper understanding of the importance of respect for human rights.
Supply chain	Based on the results of the human rights questionnaire survey, we conducted engagement with key suppliers to gain their understanding and cooperation in our efforts to follow the guiding principles. In addition, we reviewed the Sumitomo Chemical Group Sustainable Procurement Guidebook to further promote sustainability initiatives, including human rights, at suppliers, and revised it into the Sumitomo Chemical Group Supplier Code of Conduct, which includes respect for human rights, prevention of complicity in human rights violations, and consideration of living wages, among others.	We will continue to promote sustainable procurement in our supply chain by sending and collecting the Sumitomo Chemical Group Sustainable Procurement Check Sheet to check the status of initiatives in accordance with the Sumitomo Chemical Group Supplier Code of Conduct and questionnaires specifically for human rights to our major suppliers, and taking improvement measures as necessary.
Suppliers handling high-risk raw materials among the above	In accordance with the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals and Raw Materials formulated in 2020, we have been investigating the usage status of high-risk raw materials at our domestic group companies since FY2020 in order to prioritize due diligence on suppliers of raw materials with a high-risk of causing negative impacts on human rights (high-risk raw materials) in the supply chain. As a result, we found that additional confirmation of the procurement source of some raw materials was necessary.	We will continue to perform additional checks on some of the aforementioned raw materials. If the results of the confirmation indicate any concerns, we will proceed with the necessary measures to reduce human rights risks in accordance with the policy described on the left. In addition, we will continue to request our suppliers who handle high-risk raw materials to report in accordance with RMI *, and will gradually proceed with risk assessment, while considering the expansion of this initiative to overseas group companies. *RMI: Responsible Minerals Initiative

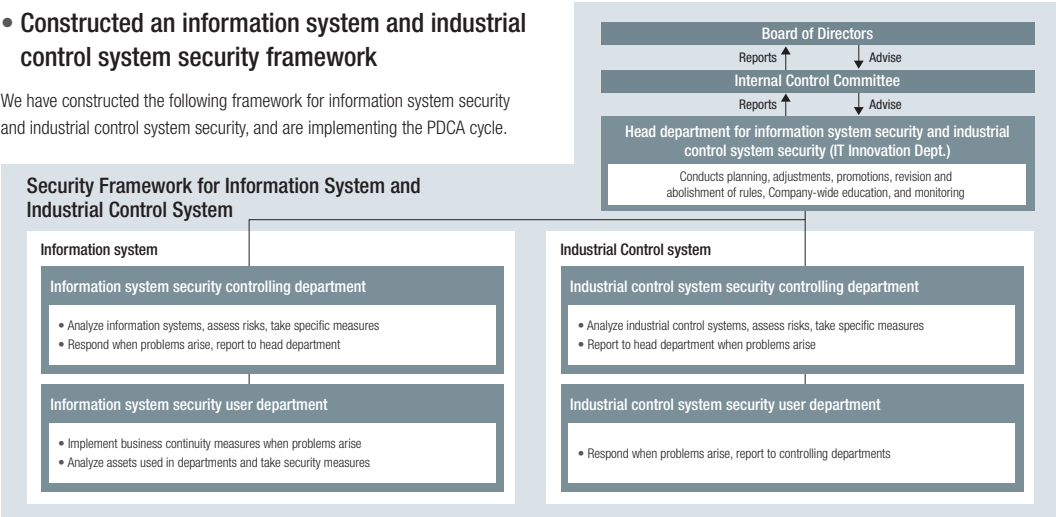
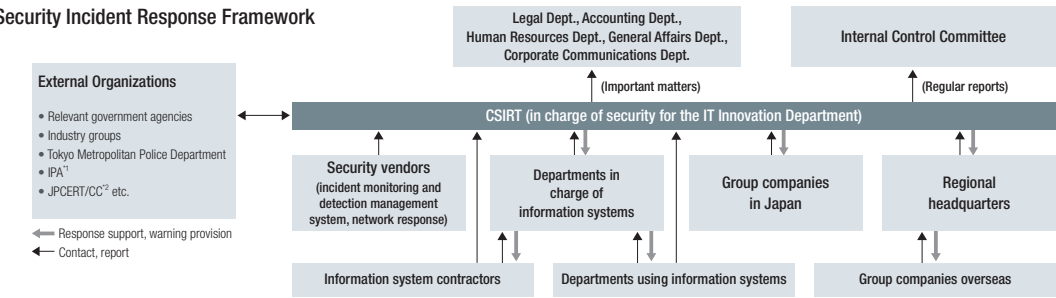
Cybersecurity

Basic Stance

Digital innovation which seeks to improve productivity, business competitiveness, and create new business models is accelerating through the use of IT. On the other hand, risks related to information systems such as the sophistication of cyber-attacks, are also increasing. The purpose of Cybersecurity is to properly manage information, information systems and information communication networks, prevent leaks and losses, and minimize impact of security incidents. As a member of a critical infrastructure provider, we regard cyber security as an important management issue, and we will take measures from multiple angles (organizational, institutional, human, technical, and physical) and respond appropriately.

Our Security Measures

We have established a security policy in accordance with the concept of ISMS (Information Security Management System), an international standard for the organization's information security framework, and have taken multifaceted security measures (defense in depth and disaster mitigation).

Type of measure	Content of measure
<p>Organizational measures</p>	<p>• Constructed an information system and industrial control system security framework</p> <p>We have constructed the following framework for information system security and industrial control system security, and are implementing the PDCA cycle.</p>  <p>The diagram shows a hierarchy starting with the Board of Directors, followed by the Internal Control Committee, and then the Head department for information system security and industrial control system security (IT Innovation Dept.). Below this are two main branches: Information system and Industrial Control system. Each branch has a security controlling department and a security user department. The controlling departments analyze systems, assess risks, and take specific measures, while the user departments implement business continuity measures and analyze assets.</p> <p>• Constructed an information-sharing framework with inside and outside organizations to ensure preparedness against security incidents</p> <p>We have established a CSIRT (Computer Security Incident Response Team) in the information system security head department (IT Innovation Dept.). The team analyzes security information from external organizations, provides warnings to the Group, gathers information on security incidents that occur within the Group, and comprehensively manages the Group's response.</p>  <p>The diagram illustrates the CSIRT (in charge of security for the IT Innovation Department) at the center. It receives reports from External Organizations (including government agencies, industry groups, and JPCERT/CC) and provides response support and warnings. CSIRT reports important matters to the Legal, Accounting, HR, General Affairs, and Corporate Communications departments, and regular reports to the Internal Control Committee. CSIRT also interacts with Security vendors, Information system contractors, Departments in charge of information systems, Departments using information systems, Group companies in Japan, Regional headquarters, and Group companies overseas.</p> <p><small>*1 IPA: Information-Technology Promotion Agency, Japan *2 JPCERT/CC: Japan Computer Emergency Response Team Coordination Center</small></p>
<p>Systematic measures</p>	<ul style="list-style-type: none"> • Establish general standards and standards related to security, including for Group companies • Periodically conduct security self-inspections and conduct IT security internal audits that encompass Group companies
<p>Personnel measures</p>	<ul style="list-style-type: none"> • Conduct periodic security education using e-learning system, etc. • Conduct alerts and security incident response exercises
<p>Technological measures</p>	<ul style="list-style-type: none"> • Implement a range of measures, including access restriction, malware measures, and vulnerability measures, for individual servers and computers as well as networks
<p>Physical measures</p>	<ul style="list-style-type: none"> • Use cloud servers complete with entry/exit controls and other security features

Foundation for Business Continuation

Compliance

[For details of our efforts](#) > [Our Website : The Compliance](#)

Basic Stance

The Sumitomo Chemical Group places compliance at the bedrock of its corporate management. As we engage in business in many parts of the world, all of the companies in the Sumitomo Chemical Group are devoting earnest efforts to stay in strict compliance with not only laws and regulations, but also ethical principles in a business environment. Both the spirit and the letter of ensuring compliance in business activities have consistently been enshrined at Sumitomo Chemical ever since the company was founded. This unwavering resolve towards compliance is embodied succinctly in the "Sumitomo Chemical Charter for Business Conduct," which serves as the guideline of conduct for every employee to abide by and constitutes the backbone of our day-to-day compliance activities. In recent years, in particular, companies are expected to fulfill their societal responsibilities more than ever before. Given the circumstances, all companies in the Sumitomo Chemical Group are making concerted efforts to further compliance activities, under the strong leadership of top management, to further enhance compliance in the Group's business activities on a global basis.

Compliance System at the Sumitomo Chemical Group

01 | Compliance Committee

Sumitomo Chemical has established a Compliance Committee chaired by the President and holds a Compliance Committee meeting at least once a year (or more frequently as needed). Details discussed by the committee are reported to the Board of Directors and Board of Audit & Supervisory Board Members, and the committee then receives feedback from them. The committee establishes overarching principles of compliance from a global perspective, and then works with each business sector and Group company, both in Japan and abroad, to build and operate their compliance systems locally in the required manner, according to those global principles.

02 | Group Compliance Structure Focused on Effectiveness ("Think globally, Manage regionally, Act locally")

As business globalizes, it becomes more important that the operation of a corporation's compliance system be fine-tuned to situations specific to individual countries or companies. In light of this, we have established Regional Legal & Compliance Offices (RLCOs) in Sumitomo Chemical's major business regions. The RLCOs, grasping the concrete needs and tasks of their respective Group companies, provide hands-on support and guidance to them, such as helping to set and implement necessary internal rules and procedures, building a company's compliance system, and assisting in its operations.

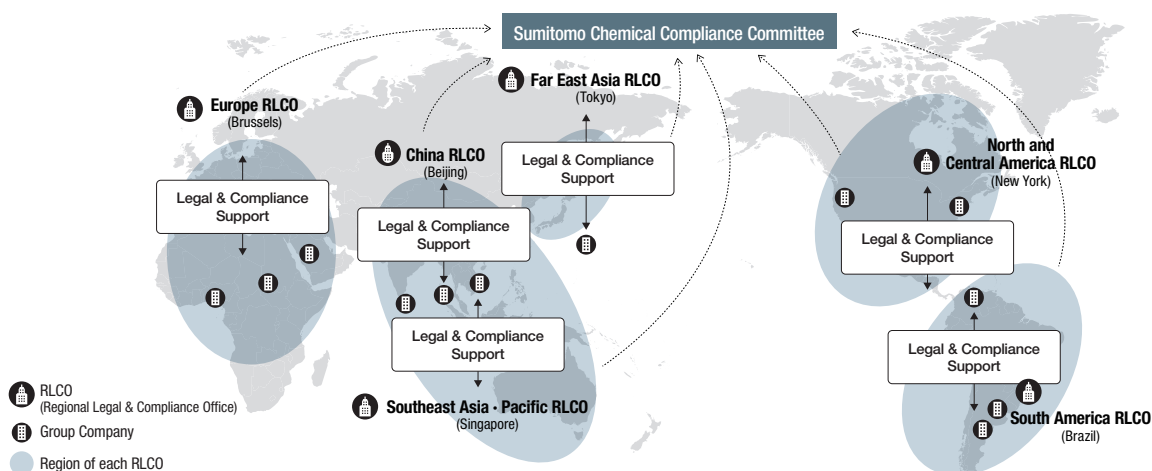
03 | Introducing and Operating a Compliance System for the Company and its Group Companies

To ensure thorough compliance throughout the entire Sumitomo Chemical Group, it is important that Sumitomo Chemical and its Group companies establish and operate their own compliance systems. Sumitomo Chemical and its Group companies are engaged in the following activities.

- 1 Establishing and operating the Compliance Committee (including responding to internal reports and conducting compliance violation investigations)
- 2 Introducing and regularly reviewing the Code of Ethics
- 3 Introducing and operating the Internal Reporting System (the Speak-Up System)
- 4 Conducting compliance activities (education, training, etc.) based on a compliance risk assessment of each Group company

04 | Internal Reporting System (Speak-Up System)

In order to detect any compliance violations as early as possible, or prevent them before they occur, the Sumitomo Chemical Group has introduced an internal reporting system (the Speak-Up System), which allows the following persons to report a compliance violation or a suspected violation upon uncovering it directly to the Compliance Committee or to external lawyers, either by identifying oneself or anonymously: management executives and company employees (including contract employees), their family members, management executives or employees of Group companies, their family members, or those who retired from the Company or its Group companies and their trading partners, and all those who are involved in any of the Group's businesses. The entire Sumitomo Chemical Group has been promoting the use of the Internal Reporting System. As a result, there were 223 reports filed throughout the Sumitomo Chemical Group in fiscal 2022. Reports and compliance violations are reported to the Board of Audit & Supervisory Board Members on a regular basis.



Anti-Corruption

Basic Stance

As corporations expand activities across national boundaries, promoting fair competition becomes increasingly important in the supply of goods and services in the international marketplace. As is evident from the ever tightening laws and regulations in the world designed to prevent corruption, such as the FCPA in the U.S. and the Bribery Act of 2010 in the U.K., there is a growing awareness globally that corrupt conduct, such as bribery, should be eliminated by any means necessary. Under the circumstances, Sumitomo Chemical has positioned the prevention of corruption in all its forms, including bribery of public officials, excessive business entertainment and gift-giving, collusion, embezzlement, and breaches of trust as one of the most important issues in ensuring thorough compliance. We are striving to ensure a sustainable and sound corporate climate by enhancing our internal organization to appropriately respond to corruption risks to prevent the occurrence of corruption.

Committee on Antitrust Compliance and Corruption Prevention

Sumitomo Chemical has established the Committee on Antitrust Compliance and Corruption Prevention (chaired by the company's President) to establish and manage anti-corruption systems for the entire Sumitomo Chemical Group under the guidance and supervision of the Board of Directors and Board of Audit & Supervisory Board Members.

In the President's own messages, the committee states its policy and commitment to prohibit all forms of corruption, including bribery of public officials by management executives or employees, excessive entertainment and gift-giving, collusion, embezzlement, and breaches of trust. In addition, we have formulated a Compliance Manual for Bribery Prevention that contains detailed anti-corruption rules. The manual has been disseminated to

all Group companies in Japan and overseas, and has been posted on the company intranet, and periodic training sessions are conducted to ensure thorough compliance among the employees of the company and its Group companies.

Further, we conduct assessments of anti-corruption regulations and corruption risks in each country, such as the status of transactions and the countries in which our trading partners are located. Based on the results of these assessments, we decide on policies to strengthen measures to prevent corruption, and apply them to the company and all Group companies.

Initiatives in the Supply Chain

In order to prevent corruption in the Group's supply chain, we are making our agents, consultants, distributors, and other business partners aware of our anti-corruption policy by holding regular training sessions when initially engaging or renewing a contract, or at business meetings and other occasions. We also ask our partners to pledge to comply with the policy. In addition, as part of our due diligence procedures, we ask business partners to submit written responses detailing their company's profile and any past corruption problems, and assess the risk of corruption based on these responses. Moreover, when we engage a business partner for business with a high risk of corruption, such as in a public tender transaction or in a developing country, a more detailed risk assessment is carried out, including on-site interviews with the business partner conducted by an outside expert. If it is judged that there is a risk of corruption as a result of the assessment, we conduct awareness-raising activities concerning the prevention of corruption

for such business partners, asking them to implement corrective measures such as strengthening the internal rules and organization to prevent corruption, and offering our support for such efforts. (The company does not engage business partners if the implementation of remedial measures is refused or if there is a strong concern about corruption detected through the assessment process.)

Other Measures

In addition to the above-mentioned measures, we are striving to prevent corruption through the application of internal rules on business entertainment and gift-giving, and the strict application of approval procedures for business decisions and payment.

We have also established and operate an internal reporting system (the Speak-Up Reporting System, which allows anonymous reporting) that can be used by anyone involved in our business, including business and trading partners, in order to quickly identify corruption or the threat of corruption,

to prevent compliance violations from occurring, and to rectify them as soon as possible. We also inform management executives or employees of Group companies, and business and trading partners, about the use of this system.

Management executives and employees whose corrupt conduct has been confirmed are subject to disciplinary action in light of internal rules. Business and trading partners are requested to rectify such actions, and other measures are taken, such as the suspension of transactions.