

Material Issues for Future Value Creation



Human Resources

DE&I, Development & Growth, Health

'People' are a major source of corporate competitiveness, and securing and developing human resources is a key issue for our future value creation. Sumitomo Chemical will promote the securing and development of human resources, which we consider to be our most important management resource, from a long-term perspective and achieve sustainable growth of our Group through enhanced engagement.

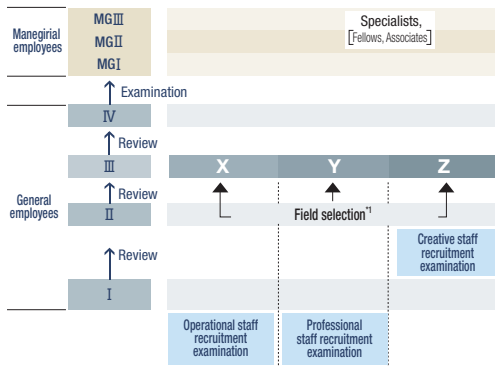


Human Resource System

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.

In addition, we have introduced a personnel system common to Sumitomo Chemical managerial employees for managers at overseas Group companies. This system promotes the sharing of values based on our corporate philosophy, as well as the provision of opportunities for development, growth, and active roles.

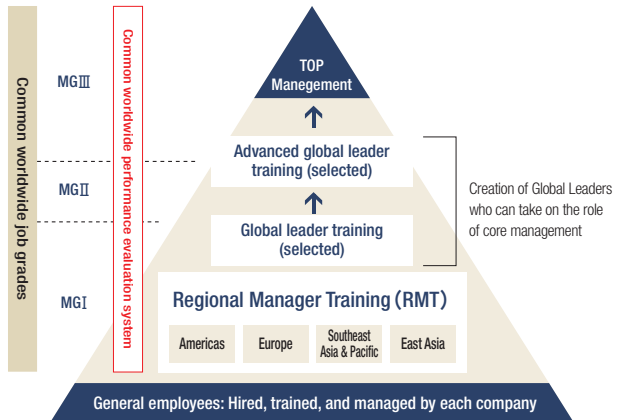
Diagram of Sumitomo Chemical's HR System



*Choose the Career Development Field (X/Y/Z) according to the different careers the employee want to pursue. (The employee can change the field even after a decision has been made.)

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.
 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.
 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.

Development of Global Talent

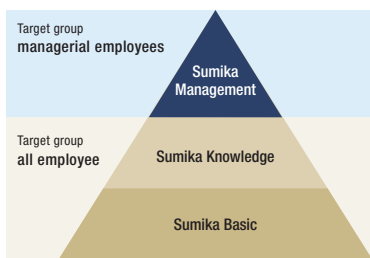


Human Resources Development and Growth

In accordance with our personnel system's basic philosophy of "development and growth," we are creating training programs to foster the development of employees with diverse capabilities and qualities. In particular, from FY2022, we have been establishing a learning platform called the SUMIKA Learning Square to enable all employees to update their knowledge and skills (reskilling) as and when necessary, regardless of their age, year of employment, or

current job title, thereby supporting autonomous and voluntary learning. In addition, for all employees, in accordance with their respective positions and roles, we provide staged training programs, such as programs for strengthening management skills for different levels of management, and programs to improve language skills to support global business development.

SUMIKA Learning Square



Sumika Management

Courses to acquire management skills in a wide range of fields (11 courses in total)

Sumika Knowledge

Courses to acquire a wide range of skills and knowledge necessary for work (39 courses in total)

Sumika Basic

Courses to acquire knowledge commonly required of all employees in the course of their work for the Company (as appropriate)

Investment in Training (SC only)

FY2021 Results

Approx. **¥340,000**/year per person

Target

¥300,000/year per person or more continuously

Time Spent on Training (SC only)

FY2021 Results

Approx. **137** hours/year per person (8% of regular working hours)

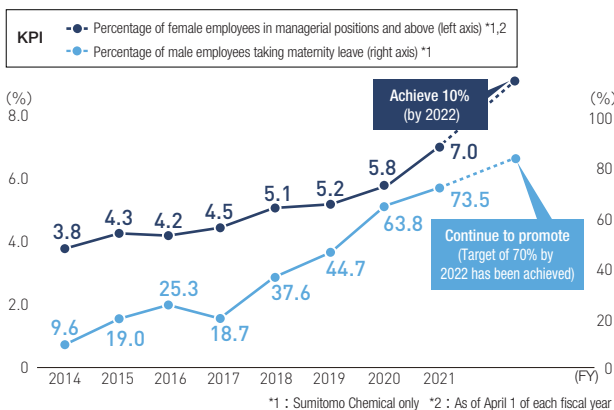
Target

Aim to spend 10% of work time on training or studying for work

DE&I

We have raised "Diversity, Equity & Inclusion (DE&I)" as one of the material issues to be addressed as management priorities, and are promoting gender equality based on the Group's Basic Principles for Promoting DE&I. In order to achieve this, we believe it is necessary not only to improve the working environment but also to change the mindset of both men and women by eliminating the stereotypical division of roles, and we conduct training and in-house lectures for all employees. Moreover, we are promoting initiatives aimed at working together and growing together, while accepting and respecting each other's diversity, regardless of gender.

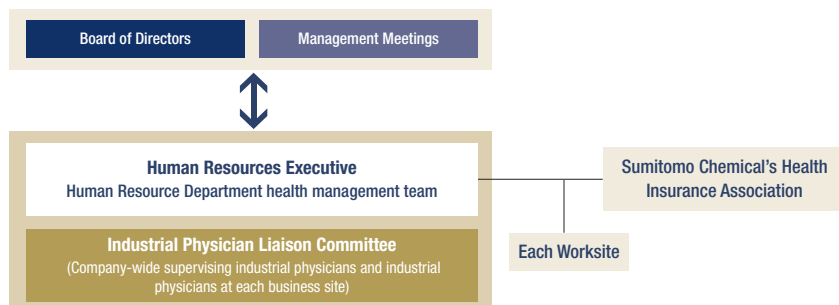
KPIs and progress of Sumitomo Chemical (SC-only)



Health

To help employees lead physically and mentally healthy and fulfilling lives, we analyze the results of regular health checkups and responses to medical questionnaires, and promote various support measures to resolve and improve health issues. In promoting various health support measures, the direction of these measures is discussed at Board of Directors meetings and management meetings at every opportunity, and at the annual liaison meeting of industrial physicians, the Company-wide supervising industrial physician and industrial physicians at each business site hold discussions to obtain opinions on Company-wide measures and target setting, etc. The system and structure are designed to enhance the effectiveness of each measure.

Promotion system for health maintenance and promotion measures



In addition, roughly 100 of our main group companies in Japan and around the world have established key performance indicators in accordance with each company's circumstances to promote DE&I initiatives across the entire Sumitomo Chemical Group.

Recruitment

- Ratio of female new graduates: approximately 25%

Fostering organizational climate

- Diversity management training (for all managers)
- Unconscious bias e-learning (for all employees)
- In-house lectures (Atsuko Muraki, Outside Director / Ando of Ikubosu Enterprise Alliance, etc.)
- SOGI* / LGBT Understanding Seminar

*Sexual Orientation & Gender Identity

Work style

- Establishment of in-house childcare centers (used by 125 employees in 6 offices from 2009 to present)
- Encouragement of male employees to take childcare leave (in principle)
- Childcare leave period: up to 3 years and 11 months
- Leave system for accompanying a spouse on overseas assignment
- Rehiring system for employees who retired due to childbirth, childcare, etc. (Career recovery system)



Izumi Kids (Osaka Works)

Under this system, as part of the Sumika Take Action Declaration,* the Sumika Healthy Employee Declaration, jointly formulated by the Company and the health insurance association, provides individual guidance to employees with sleep issues (sleep measurement and implementation of remedial measures) and calls for a no smoking policy during working hours and on the Company's premises in principle. We are working on specific action items in the five areas of diet, exercise, sleep, smoking cessation, and mental health.

*See Website below

For details of our efforts

Our Website : Sumika Take Action Declaration



For five consecutive years, Sumitomo Chemical has been designated as a Certified Health & Productivity Management Outstanding Organization, a program created by the Ministry of the Economy, Trade and Industry.

BMI adequacy rate for all employees

FY2020 **66.7%**

*Average 65.3% for all ages (from Ministry of Health, Labour and Welfare data)