

The Material Issues to Be Addressed as Management Priorities and KPI

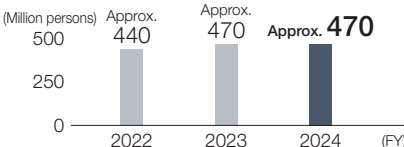
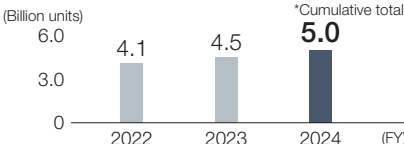
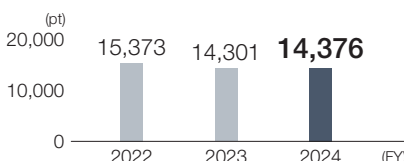
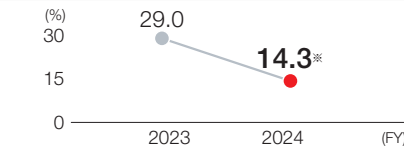
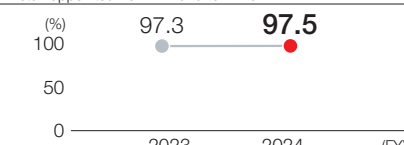
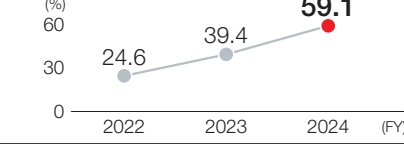
Sumitomo Chemical had identified the material issues to be addressed as management priorities in FY2018. These material issues were identified through deliberation and approval by management based on overall evaluation of the group’s contribution to sustainability. And these were reviewed again in FY2021 based on subsequent changes in social conditions. The material issues are classified into “material issues for sustainable value creation” and “foundation for business continuation”. Of the “material issues for sustainable value creation”, issues that lead to the creation of business opportunities are positioned as “material issues for social value creation”, and resources that serve as the driving force for the creation of business opportunities are positioned as “material issues for the creation of future value”. Key Performance Indicators (KPI) have been set for each initiative. With the use of KPIs, we will continue to manage and disclose the progress of those initiatives, while also promoting dialogues with stakeholders in and outside the company, to enhance and accelerate our sustainability efforts.

For details on the process of identifying and reviewing key issues, as well as information on each KPI, please refer to the Sustainability Report.

[The Material Issues to Be Addressed as Management Priorities \(Sustainability Report\)](#)

Material Issues for Sustainable Value Creation

		KPI	Targets	Results
Material Issues for Social Value Creation	Contribute to the Environment	Amount of Group’s GHG emissions (Scope1 + 2) * Scope1: Direct greenhouse gas emissions from operators themselves (fuel burning and industrial processes) *Scope2: Indirect emissions from purchases of power and heat from outside the factory	Reduce by 50% by 2030 (vs.FY2013) (4.77 million tons)	(Million tons) 8.0 6.58 5.03 5.55 4.0 0 2022 2023 2024 (FY)
		Contribution to reducing GHG emissions throughout the product life cycle (Batteryrelated materials)	Contribution to reducing GHG emissions throughout the product life cycle by developing and supplying products	(Million tons) 20 17.66 16.43 14.28 10 0 2022 2023 2024 (FY)
		Sales revenue of Sumika Sustainable Solutions designated products Metrics and Targets (Opportunities)	Sales revenue of 1,200 billion yen by FY2030	(Billions of yen) 800 682.8 588.7 554.3 400 0 2022 2023 2024 (FY)
		Unit energy consumption	Will achieve improvement of 3% or more per each Corporate Business Plan period as a group (FY2021 level as baseline)	*FY2021 is set as 100 150 86 87 85 100 50 0 2022 2023 2024 (FY)
		Number of petrochemical technology licenses (SC only)	Helping to reduce environmental impact through technology licensing	FY2024 13 licenses
		The amount of recycled plastics used in manufacturing processes	200k tons/year by 2030	(Tons) 12,000 Approx. 5,900 Approx. 7,300 Approx. 11,440 6,000 0 2022 2023 2024 (FY)
	Contribute to the Food Supply	Effect of increasing production of animal protein including poultry	Continuously improving the production of animal protein, including poultry, by developing and providing feed additives	(Million tons) 6 Approx. 4.3 Approx. 4.2 Approx. 4.4 3 0 2022 2023 2024 (FY)
		Agricultural land area where agrosolution products are used	Ensuring the stable supply of food by developing and providing agrosolution products	(Million ha) 120 Approx. 110 Approx. 104 Approx. 111 60 0 2022 2023 2024 (FY)

		KPI	Targets	Results								
Material Issues for Social Value Creation	Contribute to Healthcare	Number of people protected by vector control products	Protection from vector-borne diseases through the development and dissemination of vector control products such as Olyset™ net	(Million persons)  <table><thead><tr><th>FY</th><th>2022</th><th>2023</th><th>2024</th></tr></thead><tbody><tr><td>Approx.</td><td>440</td><td>470</td><td>470</td></tr></tbody></table>	FY	2022	2023	2024	Approx.	440	470	470
		FY	2022	2023	2024							
	Approx.	440	470	470								
Sustainable creation of innovative pharmaceuticals and medical solutions to meet diverse medical needs	Targets and KPIs for Material Issues Click here for details Sumitomo Pharma Website	New Drugs Approved Click here for details Sumitomo Pharma Website										
Contribute to ICT	Number of mobile devices using polarizing films	Advancing technological innovation for diversified workstyles and improved productivity through the provision of materials for mobile devices	(Billion units)  <table><thead><tr><th>FY</th><th>2022</th><th>2023</th><th>2024</th></tr></thead><tbody><tr><td></td><td>4.1</td><td>4.5</td><td>5.0</td></tr></tbody></table> *Cumulative total	FY	2022	2023	2024		4.1	4.5	5.0	
FY	2022	2023	2024									
	4.1	4.5	5.0									
Material Issues for Future Value Creation	Advance Innovation	Patent asset size	Maintain a high level of patent assets	(pt)  <table><thead><tr><th>FY</th><th>2022</th><th>2023</th><th>2024</th></tr></thead><tbody><tr><td></td><td>15,373</td><td>14,301</td><td>14,376</td></tr></tbody></table> * Patent asset size is evaluated using the Patent Asset Index™ generated using the patent analysis tool LexisNexis PatentSight™. * The Patent Asset Index™ is an index for comprehensively assessing the status of legally active patents based on quantity (number of patents) and quality (countries of registration and number of citations)	FY	2022	2023	2024		15,373	14,301	14,376
	FY	2022	2023	2024								
		15,373	14,301	14,376								
	Bolster Competitiveness Leveraging DX	Digital maturity level	Sustained leveling up of digital maturity	<table><thead><tr><th>FY2022</th><th>FY2023</th><th>FY2024</th></tr></thead><tbody><tr><td>3.5 Points</td><td>3.7 Points</td><td>—</td></tr></tbody></table> *The achievement level for 12 items, including IT system construction, is evaluated in four stages. Through initiatives that have been ongoing since fiscal 2019, we are seeing a steady increase in our maturity level, including the building of foundational systems. We are therefore reviewing our present KPI and are evaluating new metrics.	FY2022	FY2023	FY2024	3.5 Points	3.7 Points	—		
	FY2022	FY2023	FY2024									
3.5 Points	3.7 Points	—										
Human Resources DE&I*, Development & Growth, Health	Percentage of employees promoted to managerial positions (equivalent to section manager) filled by female employees (SC only)	Over 15% on average over the 5 years between FY2023 and FY2027	(%)  <table><thead><tr><th>FY</th><th>2023</th><th>2024</th></tr></thead><tbody><tr><td></td><td>29.0</td><td>14.3*</td></tr></tbody></table> * Percentage of women among the total number of managerial staff appointed from FY2023 to FY2024	FY	2023	2024		29.0	14.3*			
	FY	2023	2024									
		29.0	14.3*									
	Percentage of male employees who have taken childcare leave or other childcare-related leave due to birth of a child (SC only)	Over 90% during FY2024	(%)  <table><thead><tr><th>FY</th><th>2023</th><th>2024</th></tr></thead><tbody><tr><td></td><td>97.3</td><td>97.5</td></tr></tbody></table>	FY	2023	2024		97.3	97.5			
FY	2023	2024										
	97.3	97.5										
Percentage of employees who have taken self-selected training programs, etc. (SC only)	50% or more of all employees by FY2024	(%)  <table><thead><tr><th>FY</th><th>2022</th><th>2023</th><th>2024</th></tr></thead><tbody><tr><td></td><td>24.6</td><td>39.4</td><td>59.1</td></tr></tbody></table>	FY	2022	2023	2024		24.6	39.4	59.1		
FY	2022	2023	2024									
	24.6	39.4	59.1									
	Maintain certification as a Health & Productivity Management Outstanding Organization (White 500) (SC only)	Maintain certification	Maintained certification over the past 8 years since FY2017 									