Respect for Human Rights

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 2019, Sumitomo Chemical fomulated the Sumitomo Chemical Group Human Rights Policy, based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) At the same time, we established the Human Rights Promotion Committee, a committee tasked with promoting our human rights initiatives. Since then, under the initiative of the Committee, the entire Group has been working together to promote efforts to respect human rights throughout the value chain.

Respect for Human Rights (Sustainability Report)
Sumitomo Chemical Group Human Rights Policy (Sustainability Report)

Management System

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, 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 in charge of the Planning & Coordination Offices of their respective departments participate as committee members.

The Human Rights Promotion Committee develops and implements initiatives to promote respect for human rights throughout the entire value chain, including the Group, and promotes awareness of human rights both within and outside the Group.

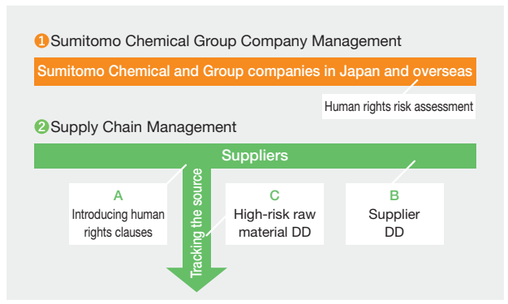
Human Rights Promotion Committee



Human Rights Due Diligence

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 (UNGPs) Human rights due diligence is an initiative to identify, mitigate, and prevent human rights risks for each of the Sumitomo Chemical Group and supply chain (Sumitomo Chemical Group Company management and supply chain management). Furthermore, in supply chain management, we track suppliers of raw materials that have a high risk of having adverse impact on human rights (high-risk raw materials) down to their sources.

Human Rights Due Diligence Overview of Initiatives



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.

Major Initiatives

Sumitomo Chemical and Group companies in Japan and overseas

1 Sumitomo Chemical Group Company Management

Group Company Risk Evaluation

With risk-based approach, we have implemented a series of human rights due diligence steps.

Step1	• Human rights risk assessment (risk mapping) conducted by external experts
Step2	• Written surveys and detailed surveys of the Group companies that were identified as having comparatively high risk through human rights risk assessments (risk mapping)
Step3	• Formulation and implementation of countermeasures for the items for improvement identified by external experts in the written/detailed surveys

The Group has completed this three-year cycle of human rights due diligence twice. The Group companies where written and detailed surveys were conducted have conducted their initiatives in accordance with applicable laws and regulations. We identified no major risks of non-compliance with requirements of international standards, such as the International Labour Organization's (ILO) Core Labor Standards.
Going forward, we will continue to conduct human rights due diligence at each Group company. If it is identified that our Group's business activities are causing or contributing any adverse impacts on human rights, we will correct or remedy those impacts through the appropriate procedures, in collaboration with relevant stakeholders.

Suppliers

2 Supply Chain Management

A. Introducing Human Rights Clauses into Contracts

We have formulated contract clauses that request understanding and cooperation with our efforts to respect human rights, and included them in our contracts with our business partners, including raw material suppliers, materials and equipment suppliers, logistics roviders, and contract manufacturers. We will also respond in line with the procedures defined in these human rights provisions when adverse impacts on human rights occur in our supply chain, or under the apprehension that such an impact has occurred.

B. Supplier Due Diligence

To accurately recognize the status of risks in the supply chain, we distribute 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 of those business partners, and assess their practices. Furthermore, from FY2021, we are conducting detailed assessments of our major business partners using questionnaires focusing on human rights (the human rights questionnaire). By assessing the responses and taking improvement measures as necessary, we have been broadly promoting sustainable procurement throughout our supply chain.

C. Hi-risk Raw Material Due Diligence

In line with the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials formulated in 2020, we conduct surveys on the usage, supply chain routes, audit status, etc. of raw materials having high risk of adverse impact on human rights (high-risk raw materials) for the business partners of such high-risk raw materials to prioritize our human rights due diligence on the business partners. For those business partners, we request reports based on the RMI* and steadily promote risk assessments.

※Responsible Minerals Initiative