

October 1, 2018

Sumitomo Chemical Raises Funds through First ESG/SDGs Assessment-Based Syndicated Loan

Sumitomo Chemical ("the Company") has raised funds totaling 22.28 billion yen under "SMBC ESG/SDGs Assessment Syndication", a new corporate loan program launched by Sumitomo Mitsui Banking Corporation (SMBC). The loan to Sumitomo Chemical represents the first instance of the SMBC's new loan program, which is the first domestic syndicated loan in Japan whereby a borrower's ESG/SDGs related activities and information disclosures thereon are assessed, at the time of syndication, in accordance with certain standards developed jointly by SMBC and The Japan Research Institute, Limited (JRI). The syndicated loan to the Company has been provided by a group of financial institutions that favorably appraised the results of the ESG/SDGs assessment for Sumitomo Chemical and have agreed to participate in the lending arrangement.

In JRI's ESG/SDGs Assessment, Sumitomo Chemical's activities and information disclosures are evaluated as excellent in terms of promoting ESG initiatives and working toward attaining SDGs through its corporate management that attaches much importance to sustainability. Among other things, the following aspects of the Company's activities have been pointed out:

Major points of the Assessment

E (Environmental)	The Company is well informed of major environmental loads associated with its business activities, including those of its Group companies. As far as CO2 emissions are concerned, the Company grasps them not only for itself, but as extensive as an entire supply chain of its Group companies, and further it is engaged in taking concrete measures geared to reduce the emissions.
S (Social)	The Company has developed an action plan to expedite work style reforms. Setting numerical targets for reduced overtime work, the Company is promoting concrete initiatives such as enhancing work efficiently by the use of IoT technology.
G (Governance)	Under its business philosophy of working to contribute to society through business activities, the Company's top management has clearly declared that the Company will contribute to realizing a sustainable society.
SDGs	The Company has a definitive program in place where those products and technologies of Sumitomo Chemical Group that will help solve societal challenges and problems are designated as "Sumika Sustainable Solutions." By promoting as broad utilization as possible of the products and technologies, the Company is working to contribute to mitigating impacts of global climate changes and achieving the SDGs.

Guided by the Sumitomo Spirit, which states, among others, the importance of seeking to benefit not only its own business, but also both the nation and society, Sumitomo Chemical Group companies follow the three-tier TSP* approach in undertaking ESG activities. Starting in fiscal 2016, the Company has been conducting a certain program by which products and technologies that will help combat climate change and reduce the environmental impact are designated as “Sumika Sustainable Solutions”, along with a Sustainable Tree program, the Company’s participation-type initiatives geared to achieve the SDGs. In addition, in April of this year, the Company established a Sustainability Promotion Committee to accelerate initiatives that will contribute to sustainability and also to enhance information disclosure on ESG activities.

Toward building a sustainable society, Sumitomo Chemical Group companies will continue to boldly take on the challenges of creating new values by capitalizing on the integrated strengths of chemistry through each member of the companies making the best of their creativity.

*TSP: Promoting a commitment to achieving the SDGs "under **T**op management leadership, through offering business-driven **S**olutions, and with the **P**articipation of all employees.”

Outline of Syndicated Loan

Contract date	September 26, 2018	
Arranger	Sumitomo Mitsui Banking Corporation	
Agent	Sumitomo Mitsui Banking Corporation	
Amount	22.28 billion yen	
Lenders	The Iyo Bank, Ltd. The Musashino Bank, Ltd. The Keiyo Bank, Ltd. The Momiji Bank, Ltd. The Shiga Bank, Ltd. The Yamanashi Chuo Bank, Ltd. The Shizuoka Bank, Ltd. Shinkin Central Bank The 77 Bank, Ltd. The Shinkumi Federation Bank The Juroku Bank, Ltd. Ibaraki Prefectural Credit Federations of The Joyo Bank, Ltd. Agricultural Cooperatives. The Nagano Bank, Ltd. Gifu Prefectural Credit Federation of The Nanto Bank, Ltd. Agricultural Cooperatives The Hachijuni Bank, Ltd. Hyogo Prefectural Credit Federation of The Hyakugo Bank, Ltd. Agricultural Cooperatives The Hyakujushi Bank, Ltd. Daido Life Insurance Company	