Promoting Safe and Stable Operations

Large-scale fires and explosions continue to plaque chemical plants in Japan. Viewing these accidents as serious learning opportunities, Sumitomo Chemical has been making every effort to ensure safe and stable operations, "Making Safety the First *Priority"* to achieve a record of zero-accident and zero-injury.



Ensuring Safety at Manufacturing Facilities

Sumitomo Chemical believes ensuring safety at manufacturing facilities requires not only safety assurance capabilities, such as a framework for ensuring safety, but also the estab-

lishment of a culture of safety that supports and promotes these safety assurance capabilities. Sumitomo Chemical engages in a variety of activities aimed at strengthening its safety assurance capabilities and enhancing a culture of safety.

Carelessness leads to accidents. Maintaining safety requires



Strengthening Safety Assurance Capabilities

"Safety assurance capabilities" refer to actions and items essential to ensuring safety in the design, construction, and operation of plants, including safety-technology information, safety education, and process risk assessment. Having taken to heart a number of lessons learned from significant incidents in the past, Sumitomo Chemical compiles a safety-technology information database, develops risk assessment methods, and enhances safety education efforts.

With the aim of promoting the acquisition of basic knowledge, Sumitomo Chemical also conducts safety education programs, including lectures and group discussions, and a training series for recognizing danger in order to maintain and improve sensitivity to risk. Company-wide safety education classes cover the latest topics each fiscal year. Sumitomo Chemical Group companies in Japan are also taking part in these lessons.

Going forward, the Company will continue to implement effective measures to strengthen safety assurance capabilities, which is one of its main objectives.



Safety training at a business site

Enhancing a Culture of Safety

One lesson learned from the recent accidents is the lack of safety-related personnel education and passing on of techniques to younger employees. Accordingly, attention is now focused on promoting a culture of safety that is based on safety activities involving mutual understanding (communication), operational management, and traditional learning. In light of the situation, Sumitomo Chemical has identified areas to improve based on an assessment of its strengths and weaknesses at the business site level and the department level and is working to instill a robust culture of safety. Sumitomo Chemical's activities to enhance awareness of danger through Kiken Yochi Training (KYT) are being continued in Japan and also being expanded to overseas Group companies.



Ehime KYT meeting



An annual KYT contest is held at the Fhime Works to improve employees' ability to sense danger.

Responsible care managers at overseas group companies learned about KYT at the RC Global Meeting



Increasing the safety awareness of employees

The president of Sumitomo Chemical personally visits and gives safety commendations to facilities that have recorded zero accidents. In fiscal 2012, the President's Award for Workplace Safety was established as a program to promote workplace safety at the section and team level, reflecting the president's idea that more can be done to encourage manufacturing and research employees to make steady efforts to maintain safe and stable operations. This award was presented to seven workplaces in fiscal 2012 and six in fiscal 2013.



Award-winning workplace example: Third Production Section, Kikumoto No.1 Manufacturing Dept., Ehime Works This section's safety training uses original study materials to effectively use safety time.

First President's Award for Workplace Safety



Workplace Safety

Award-winning workplace example: Polypropylene Section, No. 3 Manufacturing Dept., Chiba Works This section continues to maintain no accidents thanks to safety initiatives undertaken by employees and cooperating companies.

Industrial Safety Action Plan

In its role as an industry organization, the Japan Petrochemical Industry Association drew up an industrial safety action plan in July 2013 in a bid to step up efforts aimed at promoting industrial safety and preventing industrial accidents. Here we introduce the Company's initiatives in response to the action plan.

(1) Commitment by top management to industrial safety

- Sumitomo Chemical has identified efforts to ensure full and strict compliance and maintain safe and stable operations as one of the Group's priority management issues under its Corporate Business Plan.
- The president issues a safety week message to all employees and Group companies in Japan and overseas to coincide with National Safety Week, which begins on July 1 each year.

(2) Setting industrial safety targets

- Each year, Sumitomo Chemical sets targets for a variety of key parameters including the elimination of all accidents resulting in lost workdays as well as all severe industrial accidents. The Company engages in a broad spectrum of activities aimed at achieving these targets.
- (3) Drawing up an action plan to secure industrial safety
- Sumitomo Chemical has initiated activities aimed at thoroughly identifying industrial safety risks that encompass regular and irregular operations.

(4) Checking and evaluating progress toward achieving targets and implementing measures

• Chaired by a director, the Responsible Care Committee reviews progress toward the achievement of targets and the implementation of measures. Findings under this review are reflected in the plan for the next fiscal year.

(5) Initiatives aimed at promoting voluntary safety activities

- Sumitomo Chemical designates one day each month as a "safety day" in an effort to continuously focus the attention of the entire Group on the importance of industrial safety.
- Sumitomo Chemical has initiated the program for the President's Awards for Workplace Safety.
- Academic experts conduct seminars and undertake an evaluation of industrial safety capabilities.

Future Initiatives

With the aim of achieving and maintaining zero accidents, Sumitomo Chemical will continue to implement activities to enhance a culture of safety. In addition, by carefully calculating the degree of improvement on a quantitative basis, the Company intends to maintain a clear grasp of the effects of these activities. Moreover, with the goal of reducing severe industrial accidents to zero, Sumitomo Chemical will continue to enhance efforts to strengthen its safety assurance capabilities, including by promoting knowledge of process safety technology from the "know-how" (teaching why things must be the way they are) perspective.



Oita Works

Award standard: Periods

Ehime Works

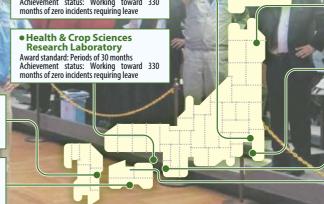
hours Achievement status: Achieved target of

Award standard: Periods of 3 million work hours

nent status: Working toward 3 million

million work hours in November 2012

Research Laboratories Award standard: Periods of 30 months Achievement status: Working toward 330 months of zero incidents requiring leave



• Chiba Works Award standard: Periods of 3 million work hou Achievement status: Achieved target of million work hours in August 2012

Award standard: Periods of 30 months

Achievement status: Working toward 120

• Misawa Works

Osaka Works

Award standard: Periods of 3 million work hours Achievement status: Working toward 3 million

● Ohe Works · SAT Award standard: Periods of 3 million work hour. evement status: Achieved target of 6 million

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