



Diversity, Equity, and Inclusion (DE&I)

Examples of Initiatives

Promoting the Active Advancement of Women

As a part of our DE&I promotion efforts, we are actively taking measures to create an environment where even more women can thrive. Sumitomo Chemical has outlined the following targets in line with the Act on Promotion of Women's Participation and Advancement in the Workplace and is implementing the specific initiatives detailed below.

Sumitomo Chemical Co., Ltd. Action Plan

1. Plan period:

From April 1, 2023 to March 31, 2028

2. Targets, initiative details, and implementation period

Target 1 Achieve at least 15% of employees promoted to managerial positions (equivalent to section manager) being female over the 5 years between FY2023 and FY2027 on average

Initiative Details

• Diversity management training

We hold diversity management training that helps us practice diversity management (leadership, human relations skills) and comprehend unconscious bias.

Eligible employees: Mandatory for all people in positions equivalent to manager or above (managerial employee MGI grade)

• E-learning related to unconscious bias

We hold e-learning training with the purpose of raising awareness and recognition related to overall unconscious bias.

Eligible employees: All employees and management executives

• Internal lectures to help promote diversity, equity, and inclusion

We hold lectures related to the significance of DE&I and the importance of providing growth opportunities through operations.

Eligible employees: All grades equivalent to manager or above (managerial employee MGI grade)

• Dispatching employees mainly to training programs held by outside groups

Regularly dispatch employees mainly to training programs held by outside groups with the purpose of career building, enhancing knowledge and skills, and forming networks with outside groups. (Several employees per year as a general rule.)

Eligible employees: Young female employees

• Conducting career design training

Conduct training to form career image based on balancing work and life for young employees.

Eligible employees: Young employees (grades II and III)

• Implement initiatives for the Sumika "Let's Do This Declaration"

We have positioned promoting the active advancement of women and eliminating unconscious bias as an action item in the Sumika "Let's Do This Declaration," in which we proclaim those values and views of importance to us as a company. To this end, we implement various relevant initiatives.

Target 2 Achieve at least 90% of male employees who have taken extended childcare leave or other childcare-related leave due to birth of a child during the current fiscal year*

Initiative Details

• Implement measures to raise awareness of program details and encourage men to take extended childcare leave

Continuously implement awareness-raising measures related to the Company's various programs to flexibly respond to individual situations, including such life events as childcare and nursing care. In addition, we implement measures to encourage male employees with newborn children to take extended childcare leave and their supervisors to accommodate them.



Details of Measures

- Male employees with newborn children, as a general rule, plan two or more weeks of extended childcare leave and submit the plan to the human resources department via their manager
- If leave is not taken, the reason is submitted to the human resources department via their manager
- Improve environment to realize flexible workstyles
By utilizing digital tools and work-life balance to enhance productivity, we will further enhance the productivity of workplaces and individuals and foster a workplace environment where flexible workstyles can be easily achieved.
- Take measures to promote use of programs
 - (1) Through labor-management committee meetings and other meetings, we determine specific user needs and ways to improve various programs. We then use this information to help craft and implement measures to promote greater use of the programs.
 - (2) In the Sumika "Let's Do This Declaration," in which we proclaim those values and views of importance to us as a company, we have set the following action items: creating an environment that makes it easy for all employees to fully utilize work-life balance systems, including male employees to take extended childcare leave, facilitating the effective use of the flextime system, and establishing a cooperative framework in the workplace. To this end, we have implemented various relevant initiatives.

* Regarding children aged one to three months, calculated for the portion taken as of the end of the following fiscal year.

Internal Lecture Helping Promote DE&I

From 2013, we have invited experts on various topics (women's advancement, equal gender participation, promotion of inclusion, and more) to hold internal lectures. We heard the call for further promoting DE&I among a wide range of people, from top management to general employees. In fiscal 2022, a lecture was held on the key perspective for building an organization that embraces diverse members for workplace managers (general managers and section managers).

Diversity Management Training

For workplace managers (manager level employees), who play an essential role in promoting DE&I in the workplace, we conduct training that provides them with necessary management skills in this area. Content includes the management qualities and skills needed to bring together diverse personnel and to foster teamwork and achieve goals as well as how to influence organizational performance.

Encouraging Male Employees to Take Childcare Leave

As a general rule, male employees who have had children plan to take at least two weeks of childcare leave in total and submit plans for such leave. By default, the application assumes that eligible employees will take the childcare leave they are offered; should they decide not to take it, they must state the reason why on the application. Through these initiatives, we have increased the percentage of leave taken and, since fiscal 2021, have achieved the KPI of "at least 70% of male employees taking extended childcare leave."

Joining the Ikuboss Corporate Alliance

To support male employees' active participation in childcare, Sumitomo Chemical develops ikubosses.* We are actively working to establish workplace environments where employees easily balance work and private life.

* "Ikuboss" refers to a superior (manager level, including women) who gets results and enjoys their work and private life while supporting subordinates' careers and lives.

Hiring Personnel with Diverse Skill Sets and Qualities

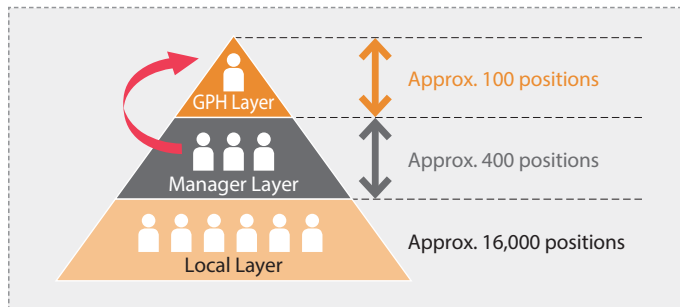
To secure diverse personnel who support the sustainable growth of the Sumitomo Chemical Group, we encourage the hiring of foreign nationals who have studied abroad in Japan, experienced professionals, and personnel who possess advanced expertise in specific fields. In addition, we conduct proactive hiring activities in science major fields with a low percentage of female students and are working to raise the percentage of female employees hired.



Promoting the Utilization and Advancement of Global Personnel

To enhance personnel who support the global business development of each Group company, Sumitomo Chemical has introduced a personnel system common to Sumitomo Chemical managerial employees for managers at overseas Group companies. In addition, we actively hire local employees for major positions at overseas Group companies and appoint global position holders (GPHs) as core personnel for the Group, providing them with opportunities for advancement and personnel training that include learning about our corporate philosophy.

Overseas Human Resources Pipeline (Local employees at overseas Group companies)



Promoting the Hiring of Persons with Disabilities

To help realize a society where the employment of persons with disabilities is normalized, Sumitomo Chemical works to hire such individuals. In August 2017, we established Sumika Partners Co., Ltd.* to support the increased participation of persons with disabilities in society and to provide employment opportunities to persons with disabilities who want to work. This company actively hires persons with intellectual and mental disabilities. It has established a support system to enable employees with disabilities to thrive at work in their own way, such as by assigning one leader for every five persons with disabilities.

Going forward, we will continue working with Sumika Partners to provide an environment where persons with disabilities can thrive.

* In March 1, 2018, Sumika Partners acquired certification from the Minister of Health, Labour and Welfare as a special subsidiary based on the Handicapped Persons' Employment Promotion Act.

Sumika Partners Co., Ltd. (Japanese only)

<https://www.sumika-partners.co.jp/>

Achievements in DE&I (Sumitomo Chemical)

Name	Concept	FY2020	FY2021	FY2022
Number of women in positions equivalent to manager or above* ¹	In order to promote the success of female employees, Sumitomo Chemical sets quantitative targets regarding the ratio of women in positions equivalent to sectional manager or above and systematically promotes female employees.	123	139	194
Percentage of women in positions equivalent to sectional manager or above (%)* ¹		6.3	7.0	9.5
Employment rate for people with disabilities (%)* ²	Sumika Partners Co., Ltd., a special subsidiary, began operations in April 2018, and we are working to expand employment opportunities for persons with disabilities who are motivated to work, including at Group companies in Japan that have received approval as special affiliated companies.	2.56	2.56	2.54
Reemployment of retiree rate (%)* ³	Sumitomo Chemical has established a retiree reemployment system that enables a variety of workstyles while appropriately reflecting the motivation and abilities of each person.	95.0	91.2	93.8

Note: Results include staff assigned to other companies but do not include staff assigned from other companies.

*¹ To align the securities report and the reporting fiscal year, we changed the calculation time point from April 1 of each fiscal year to the following April 1 of each fiscal year.

*² As of June 1 of each fiscal year

Group companies that have received approval as special affiliated companies:

FY2020: Group companies in Japan: 4, FY2021: Group companies in Japan: 6, FY2022: Group companies in Japan: 8

*³ As of March 31 of each fiscal year

Equal Pay for Equal Work

In line with the main purpose of the revised Part-time and Fixed-term Employment Act and the Worker Dispatching Act—ensuring equal pay for equal work—we revised the compensation for part-time employees, fixed-term employees, and employees dispatched to the Company. Going forward, we will provide explanations to eligible employees upon demand.