

## **Environmental Activity Goals and Results**

Goal achieved or steadily progressing: ○ Goal not achieved: △

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| Items  |  | Boundary  | Goals   | Fiscal 2022 Results                                      | Evaluation |
| Climate Change<br>Mitigation and<br>Adaptation | Greenhouse gas<br>emissions<br>Scope 1+2*1                 | Sumitomo Chemical Group<br>Consolidated             | Reduce 36% compared to fiscal 2020 levels by 2030   | Reduced 11% relative to fiscal 2020                      | 0          |
|  | Scope 3*2  | Sumitomo Chemical Group<br>Consolidated             | Reduce 14% relative to fiscal 2020 for categories 1 and 3*3 by fiscal 2030  | Reduced 4.1% relative to fiscal 2020                     | 0          |
|  |  | Sumitomo Chemical Group<br>Consolidated             | Improve more than 3% over the three years of<br>the Corporate Business Plan (set the base year<br>at fiscal 2021 in tandem with the start of a new<br>corporate business plan (fiscal 2022–2024)) | Improved 14% relative to fiscal 2021                     | 0          |
|  | Unit energy<br>consumption<br>in the logistics<br>division | Sumitomo Chemical and Group<br>companies in Japan*5 | Improve over 1% per year on average over five years   | Worsened by an annual average of<br>0.2% over five years | Δ          |

Note: Further details on goals based on the Act on the Rational Use of Energy and results are provided in the supplementary data (pages 1–2).

- \*1 Scope 1: Direct greenhouse gas emissions from operators themselves (fuel burning and industrial processes) Scope 2: Indirect emissions from purchases of power and heat from outside the factory
- \*2 Scope 3: Emissions from the manufacturing and transportation of purchased raw materials
- \*3 Category 1: Purchased goods and services Category 3: Fuel and energy activities not included in Scopes 1 or 2
- \*4 Energy consumption divided by consolidated net sales
- \*5 Within the scope of specified shippers according to the definition stipulated under the Act on the Rational Use of Energy

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|---|--|---|--|---|---------------|---|
|   | Items  | Boundary  | Fiscal 2022 Goals  | Fiscal 2022 Results   | Evaluation    | Fiscal 2023 Goals   |
| Contribute<br>to Recycling<br>Resources | Promoting the<br>effective use of<br>plastic resources           | Sumitomo<br>Chemical and<br>Group companies<br>in Japan | Improve total amount of valuable<br>resources and effective usage*6<br>by at least 1% on average per year<br>relative to fiscal 2020   | Improved 1.7% relative to fiscal 2020   | 0             | Improve total amount of valuable<br>resources and effective usage by<br>at least 1% on average per year<br>relative to fiscal 2020  |
|   |  | Group companies<br>overseas                             | Improve total amount of valuable<br>resources and effective usage*6<br>by at least 1% on average per year<br>relative to fiscal 2020   | Worsened 14.6% relative to fiscal 2020  | Δ             | Improve total amount of valuable<br>resources and effective usage by<br>at least 1% on average per year<br>relative to fiscal 2020  |
|   | Reduce the<br>amount of<br>industrial waste<br>sent to landfills | Sumitomo<br>Chemical                                    | Maintain 80% reduction compared to fiscal 2000 levels  | Reduced by 92.5% relative<br>to fiscal 2000   | 0             | Maintain 80% reduction compared to fiscal 2000 levels   |
|   |  | Sumitomo<br>Chemical and<br>Group companies<br>in Japan | Maintain waste volume at below<br>fiscal 2015 levels to fiscal 2022  | Reduced by 4.8% relative to fiscal 2015   | 0             | Maintain waste volume at below<br>fiscal 2015 levels to fiscal 2023   |
|   | Promoting the<br>effective use of<br>industrial waste            | Sumitomo<br>Chemical and<br>Group companies<br>in Japan | Improve effective usage rate*7<br>by at least 1% on average per<br>year relative to fiscal 2020  | Improved 1.0% relative to<br>fiscal 2020  | 0             | Improve effective usage rate by<br>at least 1% on average per year<br>relative to fiscal 2020   |
|   |  | Group companies<br>overseas                             | Improve effective usage rate <sup>*7</sup><br>by at least 1% on average per<br>year relative to fiscal 2020  | Improved 1.0% relative to fiscal 2020   | 0             | Improve effective usage rate by at least 1% on average per year relative to fiscal 2020   |
|   | Properly treated<br>PCB waste                                    | Sumitomo Chemical<br>and Group compa-<br>nies in Japan  | High concentrations of PCB**9. Work toward appropriate storage and recovery of waste containing high concentrations of PCBs and complete PCB waste treatment at an early stage Minute amounts of PCB*9. Work toward appropriate storage and recovery of waste containing minute amounts of PCBs and complete PCB waste treatment by March 2025 | High concentrations of PCBs:<br>Sumitomo Chemical:<br>Completed treatment<br>Group companies in Japan:<br>Completed treatment     Minute amounts of PCBs:<br>Implemented the treatment<br>of waste containing minute<br>amounts of PCBs at certain<br>factories; continued to<br>promote the storage and<br>recovery of untreated waste | 0             | High concentrations of PCBs:     Work toward appropriate storage and recovery of waste containing high concentrations of PCBs and complete PCB waste treatment at an early stage     Minute amounts of PCBs:     Work toward appropriate storage and recovery of waste containing minute amounts of PCBs and complete PCB waste treatment by March 2025 |

Note: Further details are provided in the <u>supplementary data (pages 3–23)</u>.

\*6 Effective usage amount = (amount internally recycled and reused + amount of internally recovered heat) + (amount externally recycled and reused + amount of externally

<sup>\*7</sup> Effective usage rate = {(amount internally recycled and reused + amount of internally recovered heat) + (amount externally recycled and reused + amount of externally recovered heat)}/amount of waste generated  $\times$  100

<sup>\*8</sup> High concentrations of PCBs: Polychlorinated biphenyls (PCBs) intentionally used as insulation oil in such items as electric appliances

<sup>\*9</sup> Minute amounts of PCBs: PCBs unintentionally mixed into insulation oil in such items as electric appliances (over 0.5 mg/kg)



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| Items                                       |  | Boundary   | Fiscal 2022 Goals  | Fiscal 2022 Results  | Evaluation | Fiscal 2023 Goals  |
|---|--|--|--|--|------------|--|
| Sustainable<br>Use of<br>Natural<br>Capital | Severe<br>environmental<br>accidents                       | Sumitomo Chemical<br>and Group companies<br>in Japan | 0  | 0  | 0          | 0  |
|   | Laws and regulations, etc.                                 | Sumitomo Chemical                                    | Properly respond to<br>more stringent laws and<br>regulations and proactively<br>address trends in new<br>environmental regulations                                      | Offered industrial insights in collaboration with Japan Chemical Industry Association and other organizations at governmental committee meetings, including those held for the Air Pollution Control Act (related to photochemical oxidants)       | 0          | Properly respond to more<br>stringent laws and regulations<br>and proactively address<br>trends in new environmental<br>regulations                                      |
|   | Environmental<br>protection<br>management<br>methods, etc. | Sumitomo Chemical                                    | Provide individual support<br>to Group companies for<br>responding to environmental<br>regulations   | Provided individual support related to the Waste Management and Public Cleansing Law, the Soil Contamination Countermeasures Act, the Act on Rational Use and Proper Management of Fluorocarbons, the PRTR Act and Water Pollution Prevention Act. | 0          | Provide individual support<br>to Group companies for<br>responding to environmental<br>regulations   |
|   | Conservation of<br>Biodiversity                            | Sumitomo Chemical                                    | Ensure compliance with<br>"Sumitomo Chemical's<br>Commitment to the<br>Conservation of Biodiversity"<br>and strengthening effort   | Participated in biodiversity<br>conservation initiatives through<br>the nature symbiosis website<br>promoted by the Ministry of the<br>Environment   | 0          | Ensure compliance with "Sumitomo Chemical's Commitment to the Conservation of Biodiversity"  |
|   | Prevention of<br>air and water<br>pollution                | Sumitomo Chemical                                    | Meet voluntary manage-<br>ment criteria*1  | The legal emission standard limit<br>was exceeded, albeit slightly, at<br>some worksites   | Δ          | Meet voluntary<br>management criteria  |
|   | Prevention of<br>ozone layer<br>depletion                  | Sumitomo Chemical<br>and Group companies<br>in Japan | Eliminate the use of refrigeration units that use CFCs as coolants by fiscal 2025     Eliminate the use of refrigeration units that use HCFCs as coolants by fiscal 2045 | Systematically replaced refrig-<br>eration units that use CFCs and<br>HCFCs as coolants  | 0          | Eliminate the use of refrigeration units that use CFCs as coolants by fiscal 2025     Eliminate the use of refrigeration units that use HCFCs as coolants by fiscal 2045 |
|   | Response to PRTR   | Sumitomo Chemical                                    | Maintain 60% lower total<br>emissions relative to fiscal<br>2008   | Reduced emissions by 89.9% relative to fiscal 2008   | 0          | Maintain 60% lower total<br>emissions relative to fiscal<br>2008   |
|   |  | Sumitomo Chemical<br>and Group companies<br>in Japan | Maintain total emissions of<br>air and water pollutants at<br>below fiscal 2015 levels to<br>fiscal 2022   | Reduced emissions by 13.7% relative to fiscal 2015   | 0          | Maintain total emissions of<br>air and water pollutants at<br>below fiscal 2015 levels   |
|   | Reduction of VOC emissions                                 | Sumitomo Chemical                                    | Maintain VOC emissions reductions at 30% relative to fiscal 2000   | Reduced emissions by 62.5% relative to fiscal 2000   | 0          | Maintain VOC emissions reductions at 30% relative to fiscal 2000   |
|   | Effective use of water resources                           | Sumitomo Chemical                                    | Promote effective and effi-<br>cient use of water resources  | Water usage worsened by 4.1% relative to fiscal 2021   | Δ          | Promote effective and efficient use of water resources   |
|   |  | Group companies<br>overseas                          | Improve unit water<br>consumption by at least 1%<br>on average per year  | Worsened 4.3% relative to fiscal<br>2020   | Δ          | Improve unit water<br>consumption by at least 1%<br>on average per year  |
|   | Prevention of soil<br>and groundwater<br>contamination     | Sumitomo Chemical<br>and Group companies<br>in Japan | Keep hazardous materials<br>strictly within Company<br>premises*2  | Leaks occurred, albeit minor,<br>within the premises of some<br>worksites  | Δ          | Keep hazardous materials<br>strictly within Company<br>premises  |

Note: Further details are provided in the <u>supplementary data (pages 3–23)</u>.

<sup>\*1</sup> Voluntary management targets that are stricter than the mandated levels and criteria of relevant laws and regulations, including agreements reached with local authorities.

<sup>\*2</sup> Keep hazardous materials strictly within Company premises: Controlled on the premises.