



Sumitomo Chemical Group Statement against Modern Slavery and Human Trafficking

1. About the Statement

This statement is made pursuant to Part 6, Section 54 of the Modern Slavery Act 2015 (the United Kingdom), the Modern Slavery Act 2018 (Australia) and the U.S. California Transparency in Supply Chains Act of 2010 with consideration for the requirements of the other laws and regulations in relation to modern slavery, human trafficking, forced labor, child labor and respect human rights and constitutes the slavery and human trafficking statement for Sumitomo Chemical (“SCC”) group of companies in scope for purposes of such Acts (“SCC Group”) for the financial year ending March 2021. The statement is approved by the board of directors of SCC.

2. Our Business

SCC Group, comprising of 170 subsidiaries, operates businesses worldwide, including the United Kingdom and Australia, in five sectors – petrochemical, energy & functional materials, IT-related chemicals, health & crop sciences and pharmaceuticals – and provides products worldwide that support a wide variety of industries and help people’s daily lives¹.

3. Our Supply Chain

As SCC Group’s supply chains span and cover worldwide, wherever it engages in business, SCC Group considers that an appropriate management of the supply chains is vital for operating its sustainable business.

4. Our Philosophy and Initiatives against Modern Slavery and Human Trafficking

A. Our Philosophy

With the Sumitomo Spirit as its cornerstone, SCC Group has steadily forged ahead for more than 100 years. Sumitomo Chemical’s Corporate Philosophy is based on Sumitomo’s Business Principles and is composed of the Business Philosophy, which integrates the company’s business principles, mission and values; the Corporate Slogan and Statement, which outlines the commitment and pride to be shared in common by directors, officers and employees; and the Sumitomo Chemical Charter for Business Conduct, which lays out the code of behavior serving as the basis for the Company’s compliance system.

B. Initiatives to Ensure Compliance by SCC Group and its Supply Chains

To ensure compliance with applicable laws, regulations and ethical standards against modern slavery and human trafficking in SCC Group’s operation or its supply chains, SCC Group has been vigorously carrying out the following initiatives.

(a) Policy

SCC Group has in place in each of the companies a code of conduct, which sets forth a requirement that all relevant personnel must respect human rights of others and comply with applicable laws, regulations and ethical standards.

In April 2019, SCC Group has established the "[Sumitomo Chemical Group Human Rights Policy](#)" based on the Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights, that includes the prohibition of forced labor and child labor.

(b) Risk Assessment and Due Diligence

SCC Group has been undertaking a human rights due diligence, assessing and rectifying the human rights violation risk within its business activities in accordance with the Guiding Principles on Business and Human Rights with the aim of ensuring respect for human rights through business activities. In the due diligence, in FY 2019, SCC Group evaluated human rights risks within its business by establishing risk indicators based on the nature of our business and the regional characteristics of the SCC Group's business activities and scoring those risks. In FY 2020, SCC Group, based on the result of human rights risk evaluation, together with external experts, conducted follow-up survey into those company and businesses that ranked high risk scores including additional on-site survey and questionnaire-based survey. If, as a result of this human rights due diligence process, it is determined that the SCC Group's business activities may be causing or contributing to adverse human rights impact, we will engage with relevant stakeholders and rectify and remediate such impact through appropriate measures.

(c) Supply Chain Management

It is SCC Group's policy to procure supplies such as raw materials and packaging materials from suppliers that operate their business in a socially responsible manner, including operating their business free from modern slavery or human trafficking. SCC Group has been encouraging the existing suppliers and future candidates to enhance their efforts on Sustainability activities through various initiatives.

As part of these initiatives, SCC Group have set a procurement standard under which SCC Group will preferentially procure from suppliers who are most active in Sustainability activities. This policy is set out in the Group Business Standard of Procurement, which provides guidelines for procurement operating activities for SCC Group companies in Japan and overseas. Also, SCC Group has compiled five categories in the Sumitomo Chemical Group Supply-Chain Sustainable Procurement Guidebook. The second category of this Guidebook prescribes "Human Rights and Labor" and expressly prohibits forced labor and child labor. This Guidebook address further issues such as "Respecting human rights", "Regulating working hours", "Paying appropriate wages". This Guidebook establishes the overarching guidelines encompassing our commitment to combating modern slavery and human trafficking.

Furthermore, SCC has formulated the Sumitomo Chemical Group Supply-Chain Sustainable Procurement Check Sheets to enable suppliers to demonstrate their consistency with our Sustainability policies. SCC monitors the implementation of Sustainability measures by all

new suppliers and by current suppliers of raw materials, especially those who locates outside Japan, via the Sustainable Procurement Check Sheets. Every year, SCC monitors around 10 to 20 new suppliers and around 30 to 40 current suppliers in cooperation with each group companies. For suppliers who need to follow-up on problems revealed by the monitoring, SCC Group provides feedbacks, including focused requests for improvement and providing guidance and training. By seeking to raise awareness and cooperate in ensuring responsible procurement, SCC Group aims to prosper alongside our suppliers. However, this monitoring process is not an independent and unannounced audit.

Recognizing the principles set out in the Sumitomo Chemical Group Human Rights Policy, SCC Group formulated Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials, and defined and identified the raw materials that involve a high risk of having a negative impact on human rights including modern slavery, human traffic, forced labour and child labour (including but not limited to Tentorium, Tin, Gold, Tungsten, Cobalt, Mica, Graphite, Pulps etc.) as high-risk raw materials. With respect to the identified high-risk raw materials, in accordance with the essence of the standards set out in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, SCC Group has been undertaking the activities such as establishment of management system, identification and assessment of risks in the supply chain. etc., in order to recognize and address the adverse impact against human rights, which may be associated with mining, extracting, refining, manufacturing, trading, handling and/or importing/exporting of them.

SCC developed our standard contractual terms to incorporate a human rights clause that requires to promise and certify to comply with laws and regulations in respect of management of human rights risk including prohibition of modern slavery, human trafficking, forced labor and child labor and is encouraging each SCC Group company to use the standard contractual terms. .

(d) Compliance Education and Training

All companies of SCC Group have been devoting earnest efforts to ensure strict compliance with applicable laws, regulations and ethical standards on modern slavery and human trafficking, and periodically providing its members with educational training sessions by utilizing both face to face seminars and e-learnings.

(e) Speak-up System

SCC Group places high importance on building an internal system, in order to capture at an early stage sign of compliance violation, including any concern of SCC Group's business having been involved in modern slavery or human trafficking, and to make those issued detected are removed promptly and appropriate measures are taken swiftly. SCC Group has adopted a dual-channel Speak-Up System equipped with an internal Speak-Up hotline and an external Speak-Up hotline, which accept reports not only from a headquarter of Sumitomo Chemical Company, but also all Group companies as long as relevant laws of their respective countries permit it. Under the System, any employee can report any violation or suspected violation of compliance to his or her company's compliance committee or other similar governing committee via either its internal hotline, or an external hotline. External hotline is usually operated by an outside lawyer appointed by the company. Suppliers in our supply chains or anyone having any involvement in the company's business

activities can also report their concerns. SCC Group, all combined, receive approximately 150 cases of speak-up reporting in total.

C. Corporate Social Responsibility Initiatives

To resolve serious global issues such as modern slavery and human trafficking, SCC Group believes that it is important to collaborate with international institutions along with promoting its own Sustainability initiatives against modern slavery and human trafficking. For that reason, since 2005, SCC Group has been participating in the UN Global Compact, an initiative that seeks to advance universal principles (the “Ten Principles”) on human rights, labor, environment and anti-corruption. Also, in light of the contributions made and its firm commitment, SCC Group has later joined the UN Global Compact LEAD, an exclusive group of sustainability leaders from across all regions and sectors that represent the cutting edge of the UN Global Compact, when it was launched in 2011. Through these initiatives, the SCC Group will contribute to the sustainable development of society, and also help achieve the UN Sustainable Development Goals (SDGs) that are to be resolved across the globe by 2030, which includes taking immediate and effective measures to eradicate forced labor and end modern slavery and human trafficking as one of the goals.

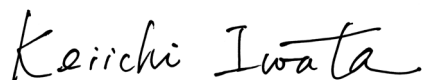
5. Looking Ahead

SCC Group believes that the promotion of respect for human rights and ensuring compliance with applicable laws, regulations and ethical standards, including those relevant to modern slavery and human trafficking, is vital for operating its business in a sustainable manner. As such, SCC Group will continue its initiatives as described above, to identify and address any issues associated with modern slavery and human trafficking throughout its global operations and supply chains.

6. Process of Consultation

The SCC Group’s overall human rights program including modern slavery and human trafficking initiatives are developed and implemented group-wide under the leadership of the Human Rights Promotion Committee, which reports to the Board of Directors. Through the committee, a cross-functional team together with the respective internal business units representing each business sectors work closely together to integrate group level measures of accountability for promoting respect for human rights risk including prohibition of modern slavery, forced labor and child labor and to embed our initiatives and supporting processes across the SCC Group.

1st April 2021



Keiichi Iwata

Representative Director & President, Sumitomo Chemical Company, Limited