



Sustainability Management



Regarding each ESG information, Please refer to the following chapters

▶ **Governance: page 031** ▶ **Environment: page 061** ▶ **Social: page 108**

Contents

- 007 Management System
- 009 The Material Issues to Be Addressed as Management Priorities
- 011 Key Performance Indicators (KPIs) for Material Issues
- 021 Promoting Sustainability
 - 021 Contributing through Business
—Sumika Sustainable Solutions (SSS)
- 023 Sumitomo Chemical Group Global Project:
JIRI-RITA ACTION
- 024 Sumika ★ Stories
- 025 Participation in Initiatives
- 030 Communication with Stakeholders



Management System

In the Basic Principles for Promoting Sustainability, the Sumitomo Chemical Group declare that our top management is committed to promoting sustainability. We also place these principles just below the Sumitomo Spirit, and the Business Philosophy in the framework of our corporate philosophy to show our commitment to working on the promotion of sustainability as a management priority.

Sumitomo Chemical's Sustainability Efforts and the SDGs

In Principle 2 of the Basic Principles for Promoting Sustainability, we express the Group's commitment to acting in compliance with accepted universal standards and principles related to sustainability, as well as to contributing to solving globally vital issues. In particular, we pledge to promote efforts toward achieving the United Nations Sustainable Development Goals (SDGs).

When identifying the material issues to be addressed as management priorities, we referred to the SDGs as a guideline for surveying social needs and issues. In addition, with the aim of aligning our efforts with the contribution to the achievement of the SDGs, we have set the key performance indicators (KPIs) for our material issues for social value creation based on the SDG targets, which comprises 169 items.

[▶ P.005 What Sumitomo Chemical Group Strives to Be](#)

[▶ P.009 The Material Issues to Be Addressed as Management Priorities](#)

[▶ P.011 Key Performance Indicators \(KPIs\) for Material Issues](#)

Basic Principles for Promoting Sustainability

We at the Sumitomo Chemical Group are committed to promote sustainability by acting in accordance with Six Basic Principles, guided by the Sumitomo Spirit and the Group's Business Philosophy, namely contributing to establishment of sustainable society through achieving sustainable growth of business.

Principle 1: Creating economic value which helps create social value (Promoting our credo "Our businesses must benefit society at large, not just our own interests (*Jiri-Rita Koushi-Ichinyo*)")

We are committed to promote creating economic value (*jiri**) which helps to create social value (*rita**) through offering technological or other innovation so that we can continue to grow as a business group that earns the trust and confidence of society.

[▶ P.005 What Sumitomo Chemical Group Strives to Be](#)

Principle 2: Contribution to solving globally vital issues

We are committed to contribute to solving a variety of issues that are globally vital, such as establishing diverse and inclusive society and achieving the Sustainable Development Goals (SDGs), as well as doing business in compliance with accepted universal standards and principles, including those concerning human rights, labor, safety, the environment and anti-corruption.

[▶ P.009 The Material Issues to Be Addressed as Management Priorities](#)

Principle 3: Active participation in global initiatives

We are committed to play a leadership role in multilateral initiatives through actively participating in various partnerships domestically and overseas with international organizations, national or local governments, business corporations, industrial associations, universities, academic circles, civic communities, etc.

[▶ P.025 Participation in Initiatives](#)

Principle 4: Collaboration with stakeholders

We are committed to work closely with various stakeholders through promoting spontaneous disclosure of information and open dialogue on the targets of our sustainability promotion initiatives and the progress of their implementation.

[▶ P.030 Communication with Stakeholders](#)

Principle 5: Top management commitment and participation by all

We are committed to carry out initiatives toward promoting sustainability, led by our top management having taken firm pledges to this end and advanced by all officers and employees, across the Sumitomo Chemical Group with a shared strong sense of mission and great enthusiasm.

[▶ P.021 Promoting Sustainability](#)

Principle 6: Enhancing corporate governance

We are committed to assess and improve our activities continually and proactively for promoting sustainability by reviewing the progress of the activities periodically and from holistic viewpoints.

[▶ P.008 Sustainability Promotion System](#)

* "*Jiri-Rita Koushi-Ichinyo*," while not expressly stated, is also regarded as an embodiment of the Sumitomo Spirit in that Sumitomo's businesses must benefit the nation and society at large, not just our own interests.



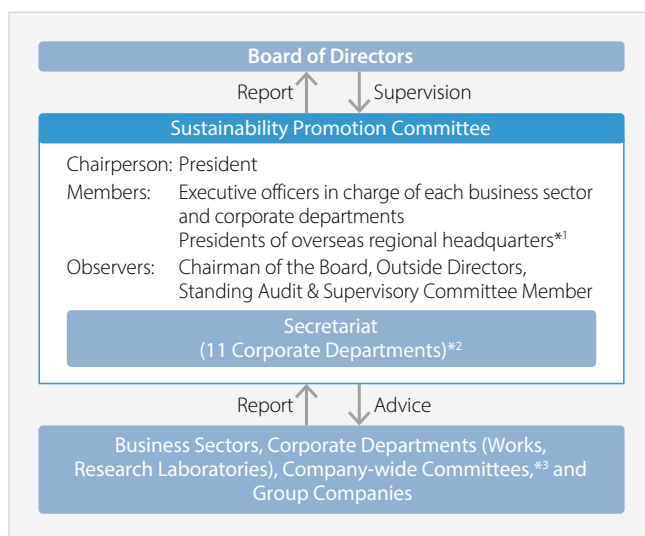
Sustainability Promotion System

The Sumitomo Chemical Group established the Sustainability Promotion Committee as a body to deliberate important matters related to the Group's management from a broad range of diverse perspectives.

The committee convenes, in principle, twice a year. Meetings are chaired by the President of Sumitomo Chemical and composed of executive officers in charge of each business sector, the executive officers in charge of the corporate departments, and the presidents of overseas regional headquarters. Outside Directors as well as Standing Audit & Supervisory Committee Member also attended the meetings as observers that feature active discussions.

After the committee meets, the content covered by the meetings and related initiatives are communicated through each internal business line and the sustainability managers of each worksite. We have also established a system to carry them out to all Group employees worldwide thorough the regional headquarters and the sustainability managers of each Group company.

■ Sustainability Promotion Committee



Purpose

- ① Oversee the Group's sustainability promotion activities
- ② Comprehensively verify contributions to sustainability
- ③ Accelerate efforts to solve issues in society, including the SDGs

Role

The committee deliberates issues and the direction of initiatives in consideration of surrounding conditions and provides necessary advice to each executive organization to ensure that the Group's business activities all function organically to realize sustainability for all society.

① SOLUTION:

Providing advice to each business sector and each Group company on contributing to the sustainable growth of society through business operations

② INITIATIVE:

Providing advice to various committees through participation in international initiatives

③ ENGAGEMENT:

Providing advice related to assessing and enhancing communication through dialogue with stakeholders

Fiscal 2024 Results

International trends related to sustainability were shared at the Sustainability Promotion Committee meeting in fiscal 2024. The committee also comprehensively assessed medium- to long-term issues from a risk and opportunities perspective. It also held discussions on reviewing initiatives and goals to ensure they are in accordance with future sustainability initiatives and the Company's management strategy.

Based on this, the Committee made recommendations regarding various measures to accelerate the Group's contributions to sustainability and suggested them to relevant departments and organizations. It then promoted the integration of sustainability and management in order to realize "*Jiri-Rita Koushi-Ichinyo*."

▶ P.005 What Sumitomo Chemical Group Strives to Be

■ Main Agenda Items

- Coordinating management strategies
- Status of initiatives to solve social issues through our business (biodiversity)
- Trends in international sustainability disclosure standards and the Group's responses
- Measures to spread the Corporate Philosophy within the Group and improve engagement

*1 The Americas region, Europe region, China region, and Asia-Pacific region

*2 The Sustainability Department, Legal Department, Human Resources Department, Corporate Communications Department, Corporate Planning Department, Research Planning and Coordination Department, Responsible Care Department, Accounting Department, Finance Department, Procurement Department, and Logistics Department

*3 The Responsible Care Committee, Human Rights Promotion Committee, Carbon Neutral Strategy Council, etc.

The Material Issues to Be Addressed as Management Priorities

In its Business Philosophy, Sumitomo Chemical affirms its commitment to creating new value by building on innovation, contributing to society through its business activities, and developing an invigorating corporate culture and continuing to be a company that society can trust. Based on this three-part philosophy, we have identified our material issues to be addressed as management priorities.

In fiscal 2018, the Group first identified and announced material issues for sustainable value creation. We revised the issues in fiscal 2021 based on changes in society since then.

We identified our material issues for sustainable value creation, which comprise two sets of material issues — those for social value creation and those for future value creation. The environment (including contribution to climate change mitigation and

adaptation, and recycling resources), food supply, healthcare, and ICT are classified under material issues for social value creation.

Advancing innovation, bolstering competitiveness leveraging digital transformation (DX), and human resources (Diversity, Equity, and Inclusion (DE&I); development and growth; and health) are classified as material issues for future value creation.

Furthermore, regarding the items that serve as the foundation for business continuation — occupational safety and health, industrial safety and disaster prevention, product safety and quality assurance, respect for human rights, compliance, anti-corruption, and cybersecurity — we have been making Group-wide efforts and will continue to work on them as management priorities.

We have set key performance indicators (KPIs) for initiatives

related to our material issues for sustainable value creation. With the use of KPIs, we will continue to manage and disclose the progress of those initiatives, while also promoting dialogues with stakeholders in and outside the company, to enhance and accelerate our sustainability efforts. Regarding those items serving as the foundation for business continuation, we will continue to proactively make disclosures on our initiatives and outcomes, as we step up our efforts.

The items serving as the foundation for business continuation are elaborated in the following sections:

Material Issues for Sustainable Value Creation and the Foundation for Business Continuation

Material Issues for Sustainable Value Creation*1

Material issues for social value creation

Contribute to the environment

- Climate change mitigation and adaptation
- Contribute to recycling resources
- Sustainable use of natural capital

Contribute to the food supply

- Advance sustainable agriculture

Contribute to healthcare

Contribute to ICT

Material issues for future value creation

Advance innovation

Bolster competitiveness leveraging DX

Human resources: DE&I*2, growth & development, health

Foundation for Business Continuation*1

- Occupational safety and health, and operational safety and disaster prevention
- Product safety and quality assurance
- Respect for human rights
- Cybersecurity
- Compliance
- Anti-corruption

Occupational safety and health, and operational safety and disaster prevention

- ▶ P.140 Occupational Safety and Health / Industrial Safety and Disaster Prevention

Product safety and quality assurance

- ▶ P.146 Product Stewardship / Product Safety / Quality Assurance

Respect for human rights

- ▶ P.109 Respect for Human Rights

Cybersecurity

- ▶ P.059 Cybersecurity

Compliance

- ▶ P.044 Compliance

Anti-corruption

- ▶ P.050 Anti-corruption



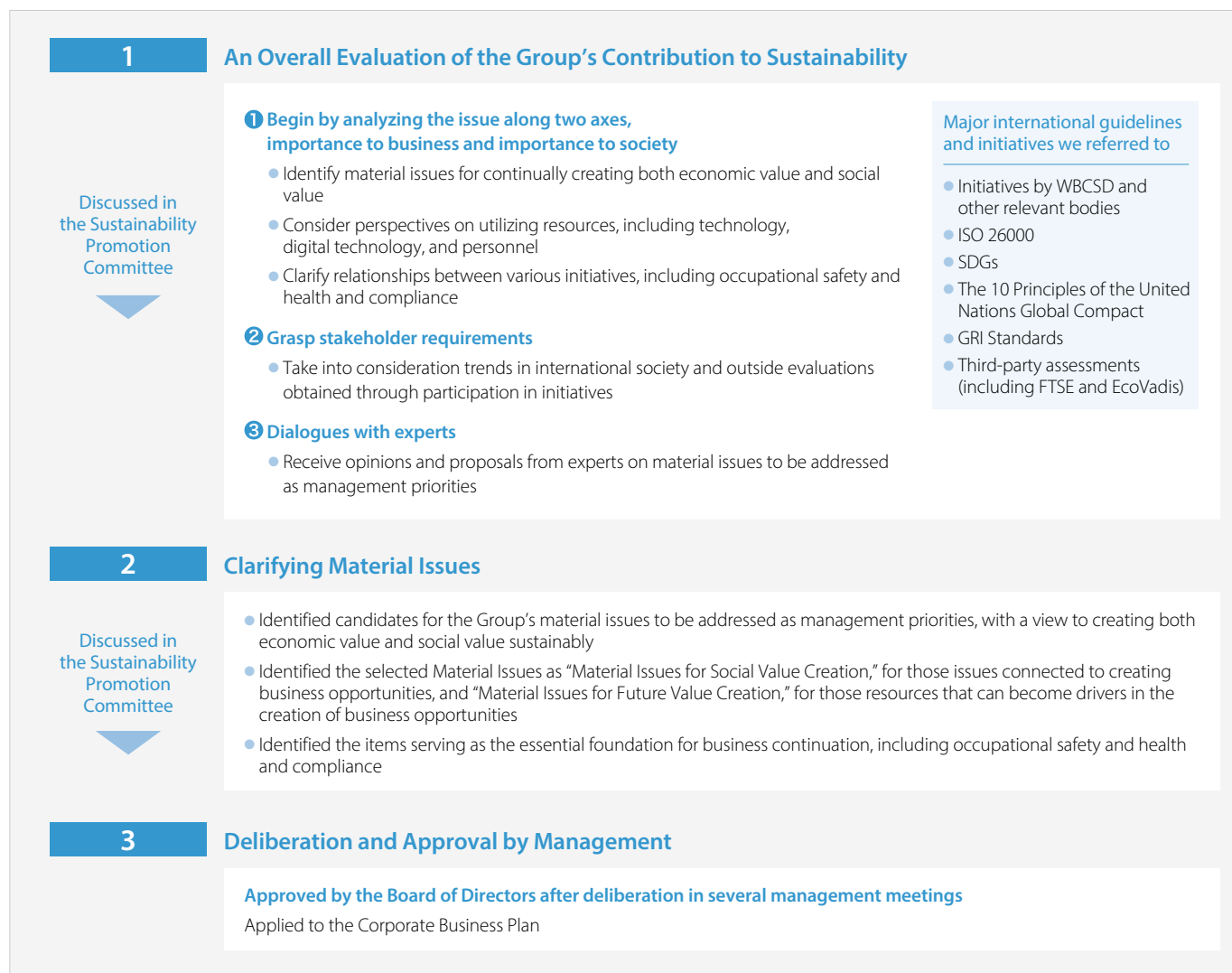
Process for Identifying and Revising Material Issues to Be Addressed as Management Priorities

When identifying our material issues, we compared the issues we consider the Group should address based on our corporate philosophy with the social issues identified in the Sustainable Development Goals (SDGs) and various international guidelines related to sustainability. We also referred to external experts' advice as well as what we learned by engaging in various initiatives and communicating with stakeholders.

We believe that 1) resolving issues through our business and creating both social and economic value is as important as 2) continuing our business to achieve relevant goals. Based on this view, we have identified our material issues for sustainable value creation based on the former belief and our foundation for business continuation based on the latter belief.

We revised the issues in fiscal 2021 based on subsequent changes in society. In fiscal year 2025, we will review our material issues at the Sustainability Promotion Committee, and we will regularly confirm these issues going forward and revise them as necessary.

■ Process for Identifying and Revising Material Issues





Key Performance Indicators (KPIs) for Material Issues

Sumitomo Chemical has recently established key performance indicators (KPIs) for initiatives related to our material issues for sustainable value creation.

Material issues for social value creation

Material Issues	KPI	Boundary*1	Results			Goals
			FY2022	FY2023	FY2024	
Contribute to the environment	Amount of Group's GHG emissions (Scope 1+2)	(1)	6.58 million tons	5.03 million tons	5.55 million tons	Reduce by 50% by 2030 (vs. FY2013) (4.77 million tons)
	Contribution to reducing GHG emissions throughout the product life cycle (Battery-related materials)	(1)	17.66 million tons-CO ₂	16.43 million tons-CO ₂	14.28 million tons-CO ₂	Contribution to reducing GHG emissions throughout the product life cycle by developing and supplying products
	Sales revenue of Sumika Sustainable Solutions*2 designated products	(1)	682.8 billion yen	588.7 billion yen	554.3 billion yen	Sales revenue of 1,200 billion yen by FY2030
	Unit energy consumption	(1)	86 (21'=100)	87	85	Will achieve improvement of 3% or more per each Corporate Business Plan period as a group (FY2021 level as baseline)
	Number of petrochemical technology licenses	(2)	13	13	13	Helping to reduce environmental impact through technology licensing
	The amount of recycled plastics used in manufacturing processes	(1)	Approximately 5,900 tons	Approximately 7,300 tons	Approximately 11,440 tons	200k tons/year by 2030
Contribute to the food supply	Effect of increasing production of animal protein including poultry	—	Approximately 4.3 million tons	Approximately 4.2 million tons	Approximately 4.4 million tons	Continuously improving the production of animal protein, including poultry, by developing and providing feed additives
	Agricultural land area where agrosolution products are used	—	Approximately 110 million hectares	Approximately 104 million hectares	Approximately 111 million hectares	Ensuring the stable supply of food by developing and providing agrosolution products
Contribute to healthcare	Number of people protected by vector control products	—	Approximately 440 million persons	Approximately 470 million persons	Approximately 470 million persons	Protection from vector-borne diseases through the development and dissemination of vector control products such as Olyset™net
	Sustainable creation of innovative pharmaceuticals and medical solutions to meet diverse medical needs	—	New Drugs Approved			Table of Material Issues and KPIs
Contribute to ICT	Number of mobile devices using polarizing films	—	4.1 billion (cumulative total)	4.5 billion (cumulative total)	5.0 billion (cumulative total)	Advancing technological innovation for diversified workstyles and improved productivity through the provision of materials for mobile devices

*1 Boundary: (1) Sumitomo Chemical Group, (2) Sumitomo Chemical (Non-Consolidated)

*2 Our Group's products and technologies that help to climate change mitigation and adaptation, contribute to recycling resources and sustainable use of natural capital.



Material issues for future value creation

Material Issues	KPI		Boundary*1	Results			Goals
				FY2022	FY2023	FY2024	
Advance innovation (Results based on the Patent Asset Index™)	Patent asset size*2		(1)	15,373 (pt)	14,301 (pt)	14,376 (pt)	Maintain a high level of patent assets
Bolster competitiveness leveraging DX	Digital maturity level		(1)	3.5	3.7	—*3	Sustained leveling up of digital maturity
Human resources: DE&I*4, development & growth, health	Each Group company sets its own KPI in light of the environment facing each	Percentage of employees promoted to managerial positions (equivalent to section manager) filled by female employees	(2)	—	29.0%	14.3%*5	Over 15% on average over the 5 years between FY2023 and FY2027
		Percentage of male employees who have taken childcare leave or other childcare-related leave due to birth of a child during the current fiscal year	(2)	—	97.3%	97.5%	At least 90% of male employees taking paid leave during the fiscal year
		Percentage of employees who have taken self-selected training programs, etc.	(2)	24.6%	39.4%	59.1%	50% or more of all employees by FY2024
		Maintain certification as a Health & Productivity Management Outstanding Organization (White 500)*6	(2)	Certification	Certification	Certification	Maintain certification

*1 Boundary: (1) Sumitomo Chemical Group, (2) Sumitomo Chemical (Non-Consolidated)

*2 The figures are aggregated for the calendar year.

*3 This current KPI is being reviewed, with a new indicator under consideration.

*4 Diversity, Equity & Inclusion

*5 Percentage of women among the cumulative total number of managerial staff appointed from FY2023 to FY2024

*6 The program was created in 2016 by the Ministry of Economy, Trade and Industry. The award system is certified by the Japan Health Council and aims to establish environments that can process social evaluations from employees, job seekers, affiliates, financial institutions, and other organizations by creating visualizations that model corporations practicing especially excellent health management.

KPIs for material issues for social value creation

Material Issue Contribute to the environment

KPI

Amount of Group's GHG emissions (Scope 1+2)

Reducing GHG emissions through our Group's initiatives.



- In 2018, Sumitomo Chemical obtained the SBT approval, becoming the first diversified chemical company to receive the approval.
- In 2021, we revised our targets upward, with 2020 as the base year, and applied for a new SBT certification.

◆ Toward the achievement of SDG 13.3

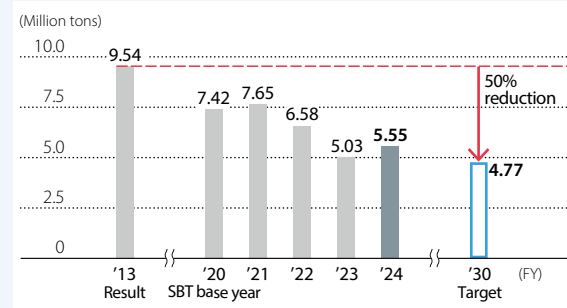
At plants in Japan, we are introducing highly efficient gas turbine generators and decommissioning a number of existing boilers.

Aiming to reduce carbon emissions, we are switching from using conventional high CO₂-emission fuels like coal, petroleum coke, and heavy oil to using low CO₂ emission intensity fuels like liquefied natural gas (LNG).

Targets (vs. FY2013)

Reduce by **50%** by 2030

■ GHG Emissions and Reduction Targets



Material Issue Contribute to the environment

KPI

Contribution to reducing GHG emissions throughout the product life cycle (Battery-related materials)



◆ Mitigation of climate change by using battery materials

Due to the strengthening of environmental regulations around the world, the shift to eco-friendly vehicles*¹ is accelerating. We will help mitigate climate change by providing battery materials.

◆ Toward the achievement of SDG 13.3

We will continue to develop technologies in the fields of energy storage and energy saving, and will promote the technological development of chemical recycling for our principal chemical products, such as polyolefin, to help achieve a carbon recycling society.

◆ Highlights of sustainability efforts

The development of recycling processes for low environmental impact lithium-ion batteries was selected by the New Energy and Industrial Technology Development Organization (NEDO) for the Green Innovation (GI) Fund Project, and we promoted initiatives aimed at achieving a pilot study for such technologies. With an eye on the KPIs we set, we have made steady progress on developing elemental technologies and began holding discussions with auto and battery manufacturers on such topics as the quality needed to put the technologies into practical use. In December 2024, these efforts were reviewed and certified as "ongoing" under the Company's Stage-gate Management System.*²

*¹ EVs, HEVs, PHEVs, Fuel cell cars

*² The Company's system where research projects are managed in four stages, from the idea stage to commercialization

Eco-friendly vehicles manufactured in fiscal 2024 incorporating SCC's battery materials (Separator, Cathode, Alumina) will help reduce the GHG emission volume*³ over the next 10 years by:

FY2024 results

14.28 million tons-CO₂

*³ Based on 2020-made vehicles in "cLCA evaluation on next generation vehicles" by the Japan Chemical Industry Association.

Material Issue **Contribute to the environment**

KPI

Sales revenue of Sumika Sustainable Solutions* designated products

Provide solutions for the realization of a sustainable society through the development and popularization of Sumika Sustainable Solutions (SSS) designated products



**Sumika
Sustainable
Solutions**

- ◆ Designation began in 2016 to encourage the development and promotion of products and technologies that will address environmental aspects of the SDGs, such as reduced environmental impact.
- ◆ Verified by a third-party institution. The results of the internal designation have been evaluated as valid.

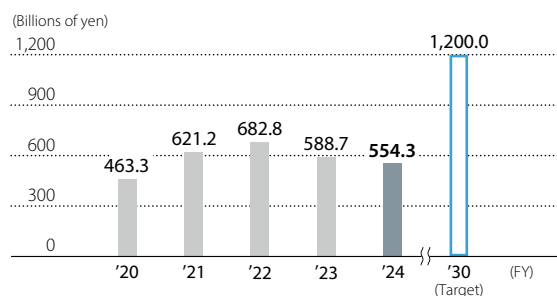
◆ Highlights of sustainability efforts

- Designated 89 products and technologies as of August 2025
- Participation by all SCC Group companies

Targets

Sales revenue of
1,200 billion yen by FY2030

■ Sales Revenue of SSS-designated Products



* Our Group's products and technologies that help to climate change mitigation and adaptation, contribute to recycling resources and sustainable use of natural capita.

Material Issue **Contribute to the environment**

KPI

Unit energy consumption

Continuous improvement of unit energy consumption through the introduction of renewable energy and rationalization



◆ Toward the achievement of SDG 7.3

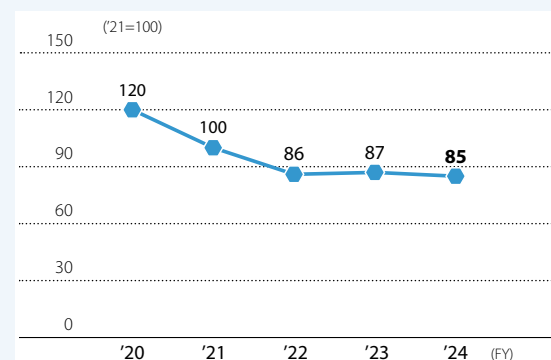
We are installing the latest highly efficient equipment, introducing rationalization and energy-saving measures in production processes, installing LED lighting, and soliciting employee suggestions on how to further improve our energy-saving efforts.

Furthermore, regarding cleanrooms and other facilities that are highly specialized and difficult to manage, we have launched initiatives in cooperation with experts.

Targets (FY2021 level as baseline)

Will achieve improvement of
3% or more per Corporate Business Plan period as a group

■ SCC Group Unit Energy Consumption Index (GHG Protocol Standards)



Material Issue **Contribute to the environment**

KPI

Number of petrochemical technology licenses

Helping to reduce environmental impact through technology licensing



◆ Reduction of environmental impact by applying licensed technologies

• Hydrogen Chloride Oxidation process:

Highly energy efficient, enables recycling of byproducts as raw materials.

• Propylene oxide (PO) – only process:

No co-products, high yield and energy efficient, stable operation. First in the world to succeed in recycling cumene on a commercial scale.

◆ Toward the achievement of SDG 9.4

We will strive to develop technologies for use in a wide range of fields, such as high-performance catalysts that contribute to the effective use of energy resources, GHG removal and decomposition processes, CCU technologies, clean hydrogen production technology, and recycling technology for waste plastic and other carbon resources, in order to reduce society's total environment impact through licenses.

◆ Highlights of sustainability efforts

• Cooperating with the U.S.-based KBR, Inc. on eco-friendly propylene oxide technologies

We have finalized an exclusive license partnership contract with KBR, Inc. regarding propylene oxide technologies that utilize the cumene process, which is exceptional at reducing environmental burdens. This technology is part of a revolutionary process that does not produce co-products, instead reusing cumene to reduce our carbon footprint and wastewater emissions while achieving energy-efficiency and high yields. This cooperation enables us to bring the technologies of Sumitomo Chemical to customers around the world.

Total number of plants under license as of the end of FY2024**13**

Note: Propylene oxide (PO)-only process and hydrogen chloride oxidation process licenses

• Collaborating with the U.S.-based Lummus Technology LLC to expand PMMA chemical recycling technology around the world

The Company signed a collaboration agreement with Lummus Technology LLC regarding the Company's unique, highly effective chemical recycling technology for acrylic resin (PMMA), which reduces environmental burden. Through this collaboration, Lummus Technology becomes an exclusively licensed partner that helps accelerate the commercialization of this technology by promoting its use in societies around the world through their global marketing efforts.

Material Issue **Contribute to the environment**

KPI

The amount of recycled plastics used in manufacturing processes

Drive adoption of technologies for reducing environmental impact and advance circular systems for carbon resources



◆ Toward the achievement of SDG 12.5

• Initiatives related to mechanical recycling

Deploy technologies to perform crushing, melting or other treatments on waste plastic resources to reuse the resources as a material input in a variety of applications

- Studying technological alliances with recycling companies
- Commercializing automotive part-related recycling, etc.

• Initiatives related to chemical recycling

Deploy technologies to chemically treat recycled resources and waste plastic resources and convert them to other chemical substances for reuse

- Recycling waste-derived resources
- Developing technology to produce alcohols from CO₂, etc.

◆ Highlights of sustainability efforts

• We have provided SUMIPEX™ Meguri™, a product made from 100% recycled acrylics, for use in the new acrylic jewelry products of STAR JEWELRY Co., Ltd. This will be the first domestic test use of this material, integrating the Company's chemical recycling technology with STAR JEWELRY's craftsmanship techniques. We contribute to the creation of an abundant society by developing sustainable products.

• We have begun to collaborate with Honda Motor Co., Ltd. through sustainable materials that utilize recycling technology. The front grill of Honda's new electric vehicle "N-VAN e:" utilizes NOBLEN™ Meguri™ made from recycled polypropylene. This material is mixed with coatings that are conventionally simply discarded, creating a one-of-a-kind design that meets the high product quality standards of automotive exterior parts and widens the possibilities for recycled materials as a whole.

Targets

200k tons/year by 2030

Note: 13% of our plastic production capacity

FY2024 result

Approximately 11,440 tons

Recycled brand Meguri™

Material Issue **Contribute to the food supply**

KPI

Effect of increasing production of animal protein including poultry

Continuously improving the production of animal protein, including poultry, by developing and providing feed additives



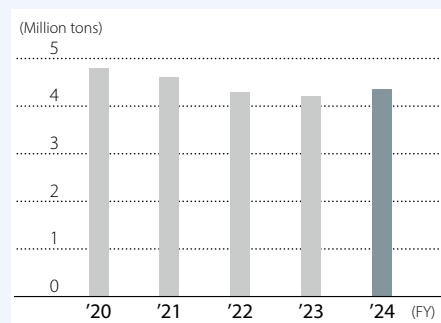
◆ Toward the achievement of SDG 2.1

In the animal nutrition business, we help increase the production of animal protein, especially poultry, by providing feed additives.

◆ Highlights of sustainability efforts

- We help chickens grow and enhance the production of chicken meat and eggs by improving the balance of amino acids included in poultry feed.
- Adding methionine reduces nitrogen in poultry excrement, which has the effect of reducing emissions of nitrogen dioxide (N₂O), a greenhouse gas (GHG).

■ Increased Production of Animal Protein



Note: Calculation method undisclosed (proprietary)

Material Issue **Contribute to the food supply**

KPI

Agricultural land area where agrosolution products are used

Ensuring the stable supply of food by developing and providing agrosolution products



◆ Agrosolution products

These products are used by farmers to improve the quality and yield of crops while also enhancing productivity and profitability. These include paddy rice crop protection products, seed treatments, herbicides for soybeans, plant growth regulators, biorational insecticides and products to improve soil health.

We develop new products to serve various needs by inventing new active ingredients, evaluating safety on humans and the environment, and developing application technologies.

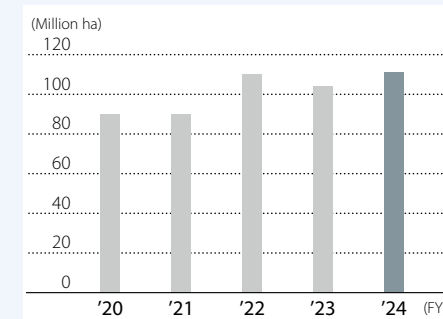
◆ Toward the achievement of SDG 2.4

We will develop next-generation crop protection products to enable the earliest market launch while expanding our lineup of unique products, such as biorationals, etc., where we hold a competitive advantage. Building on our research and development capabilities, we will continue to contribute to solving global food and environmental issues.

◆ Highlights of sustainability efforts

We aim to further expand the biorational business by adding FBSciences Holdings, Inc. as a Group company. FBSciences is based in the United States and is engaged in the business of biostimulants, which are a group of naturally-derived agricultural materials and a class of biorationals.

■ Farmland Utilizing SCC Agrosolution Products



Note: Calculation method undisclosed (proprietary)

Material Issue **Contribute to healthcare**

KPI

Number of people protected by vector control products

Helping protect people from infectious diseases transmitted by mosquitoes and other vectors by developing and providing vector control products including Olyset™ Net

◆ **Vector control products**

Products that are used to control mosquitoes and thus prevent the transmission of malaria, dengue fever, and other vector-borne diseases. These include long lasting insecticidal nets such as Olyset™ Net, indoor residual sprays, and larvicides.

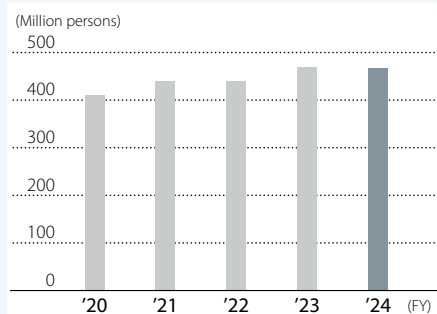
Recent climate change is increasing the threat of tropical infectious diseases transmitted by insect vectors worldwide, thus increasing the importance of such products.

◆ **Toward the achievement of SDG 3.3**

We aim to provide and promote integrated vector management programs by inventing and developing new active ingredients and products that capitalize on our wide range of technological platforms (including chemicals, biorationals, and botanicals) based on long-term global development activities.

◆ **Highlights of sustainability efforts**

In the area of vector-borne disease control solutions, we are promoting the widespread adoption of long-lasting insecticidal bed nets Olyset™ Plus, which show a significant effect against insecticide-resistant mosquitoes, indoor residual spray SumiShield™ 50WG, and larvicides.

■ **Number of People Protected by Our Vector Control Products***

Note: Calculation method undisclosed (proprietary)

* The total number of people per year who have been protected from infectious diseases transmitted by insect vectors thanks to the use of these products during the products' periods of efficacy

Material Issue **Contribute to ICT**

KPI

Number of mobile devices using polarizing films

Advancing technological innovation for diversified workstyles and improved productivity through the provision of materials for mobile devices

◆ **Polarizing films**

Indispensable material for flat panel displays, such as liquid crystal displays and OLED displays. Contributes to improved performance of displays with regard to such factors as brightness, contrast and viewing angle.

◆ **Toward the achievement of SDG 8.2**

We are developing next-generation materials that create new value in the fields of semiconductors, displays, and mobility to promote the realization of Society 5.0.

◆ **Highlights of sustainability efforts**

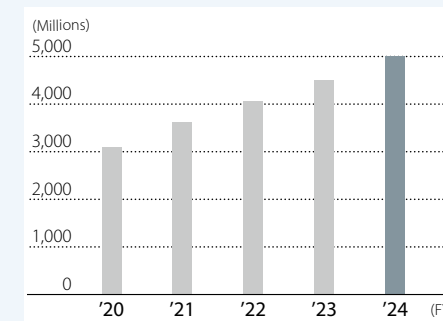
We are working to develop and improve the quality of the following products to help revolutionize productivity and lifestyles using AI and IoT:

- (1) High performance polarizing films for diversifying displays
- (2) Next-generation photo resists that contribute to increasingly miniaturized advanced semiconductor processes
- (3) Gallium nitride substrates, which enable the realization of lighter weight and more energy efficient power devices
- (4) Super engineering plastics, which help enhance mobility efficiency and safety

Mobile devices that use our polarizing films

Cumulative total for the period from FY2007 to date (as of the end of FY2024)

5.0 billion

■ **Transition of Cumulative Total for the Period from FY2007**

Note: Calculation method undisclosed (proprietary)



KPIs for material issues for future value creation

Material Issue Advance innovation

KPI

Patent asset size

◆ Patent rights

The right granted by patent authorities through prescribed screening procedures for the exclusive use for a defined period of time of a valuable invention generated by R&D.

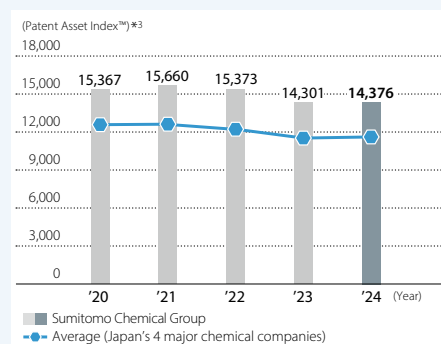
◆ Patent asset size (Patent Asset Index™)

An objective quantification of the overall value of the patents held by Sumitomo Chemical Group based on the technological attractiveness and market exclusivity of each patent. Maintaining attractiveness requires continued R&D that addresses new requests from society.

◆ Highlights of sustainability efforts

- We will thoroughly implement the use of AI/MI*¹ in our R&D labs, and accelerate the generation of new businesses in four priority areas through collaboration with academia and startups. In addition, we will promote initiatives from a long-term, comprehensive perspective through the Company's Grand Design aimed at realizing carbon neutrality.
- Our patent asset size has remained high, reflecting our efforts to step up R&D and patenting in recent years. We will continue to enhance and strengthen our patent portfolio.

*1 Artificial Intelligence / Materials Informatics

■ Patent Asset Size*²

*2 Patent asset size is evaluated using the Patent Asset Index™, generated using the patent analysis tool LexisNexis PatentSight™.

*3 The Patent Asset Index™ is an index for comprehensively assessing the status of legally active patents based on quantity (number of patents) and quality (countries of registration and number of citations).

Material Issue **Bolster competitiveness leveraging DX***

We will evaluate our level of achievement in terms of 12 items, using a rating scale from 1 to 4, and use the mean value of the scores as our Digital Maturity Level.

KPI		
Digital maturity level (a 4-point-rating scale)		
Digital maturity level		
FY2022	FY2023	FY2024
3.5 points	3.7 points	—

We have put in place the Digital Maturity Level in which we rate 12 items for promoting digital transformation (DX), in terms of ideal approaches to business management and systems and the establishment of IT systems. Through initiatives that have been ongoing since fiscal 2019, we are seeing a steady increase in our maturity level, including the building of foundational systems. We are therefore reviewing our present KPI and are evaluating new metrics.

Digital Maturity Level

Score	Maturity Level
4	Continuous Group-wide implementation of digital technologies based on the "SCC Group strategy" and quantitative evaluation criteria
3	Group-wide implementation of digital technologies based on the "SCC Group strategy"
2	Implementation of digital technologies in some business units based on the "SCC Group strategy"
1	Implementation of DX in some business units without a clear "SCC Group strategy"

12 Evaluation Items

Ideal approaches to business management and systems for promoting DX	Development of IT systems as a foundation for achieving DX
1. Strategies and vision	7. Systems and governance
2. Commitments by business management	8. Secure HR recruitment
3. Mindset and corporate culture	9. Ownership of the business operation department
4. Promotion and support systems	10. Analysis and assessment of IT assets
5. HR development and secure HR recruitment	11. Categorization of IT assets and planning thereof
6. Reflection of outcomes in business	12. IT system after IT renovation: Ability to follow up on changes

Note: Refer to the Guidelines for Promotion of Digital Transformations and Assessment Indices for Digital Management Reforms ("DX Promotion Indices") by METI

* DX stands for Digital Transformation

FY2024 main initiatives and policies moving forward

- We established "improve productivity and strengthen businesses through digital innovation" as a basic policy in the Corporate Business Plan to realize sustainable growth. In fiscal 2024, we continued to strengthen digital personnel and accumulate DX cases while focusing on utilizing generative AI and databases.

DX Strategy 1.0, 2.0	Fully strengthen existing businesses and enhance productivity using DX thanks to a core of trained DX personnel
DX Strategy 3.0	Fully launch a strategy aimed at creating new businesses through the utilization of data (release Biondo™ in July 2024)

- In fiscal 2025, we are still undertaking the following initiatives under the new Corporate Business Plan.

DX Strategy 1.0	Utilize AI in business operations and have all staff use AI as a matter of course
DX Strategy 2.0	Utilize AI and IT-related robotics in business processes to realize a 10 × boost to productivity
DX Strategy 3.0	Realize business growth for Biondo™ and create the next wave of data monetization businesses

Highlights of sustainability efforts

- The Company's DX Strategies and series of initiatives based on those strategies were praised, and we were certified as an operator who conducts excellent DX initiatives by the Ministry of Economy, Trade and Industry. (Date of first certification: July 1, 2021; Date of renewed certification: July 1, 2025)
- In 2022, we developed CFP-TOMO™, a carbon footprint calculation system, and rolled it out for chemical industry use. In recognition of our efforts supporting the realization of carbon neutrality, we received two awards from the Japan Association for Chemical Innovation's (JACI) 23rd Green and Sustainable Chemistry Awards; one from the Minister of Economy, Trade and Industry and the other from the Minister of the Environment.

Each Field's Promotion Divisions and Frontlines Cooperated to Steadily Promote Initiatives

DX Strategy 1.0 (Enhancing productivity)	Plant	- Improve trust in facilities and ensure competitiveness through the use of high-quality integrated facility management system data - Improve operational efficiency and visualization by building a platform for Company-wide project information and design approval processes - Minimize stoppage periods at Works through an AI-powered predictive detection model
DX Strategy 2.0 (Strengthening competitive advantages of existing businesses)	R&D	- Begin operating a technological data sharing system across research laboratories - Continue to use co-creation spaces (SYNERGYCA) and internally share the non-confidential content of discussions with customers - Use the latest AI simulations and ML to accelerate the research and development of advanced materials
	SCM	- Expand product websites and collaborate with AI chatbots (to respond to inquiries) - Develop systems to create production plans using AI - Visualize logical inventory value and inventory status with the aim of reducing inventory
	Office	- Introduce and support the widespread adoption of ChatSCC (the Company's version of ChatGPT) as well as various additional functions to realize a dramatic improvement in productivity - Utilize in-house massive data and knowledge and integrate them with generative AI to support specialized operations
DX Strategy 3.0 (Creating new business models)		- Build a resource utilization platform (Biondo™) connecting natural materials and people through data via the DX 3.0 promotion team. Aim to contribute to resource recycling by encouraging the effective use of natural materials, including food waste - The DX 3.0 promotion team is currently moving forward with new projects
Personnel training		- Train digital personnel (business- and technology-related) promoting DX. Achieve medium-term targets. Number of personnel as of March 31, 2024. Numbers inside parentheses are medium-term targets. Business-related: Business translators: 152 (150), Business data analysts: 100 (100) Technology-related: Data scientists: 30 (30), Data engineers: 304 (300) - Continue to conduct education (e-learning) to enhance DX literacy for all sectors and grades to lift up the overall level

Material Issue Human resources: DE&I, development & growth, health

We will promote the securing and development of human resources, which we consider to be our most important management resource, from a long-term perspective and achieve sustainable growth of the Group through enhanced engagement.

DE&I (Diversity, Equity, and Inclusion)

We have established the Basic Principles on the Promotion of DE&I as our Group-wide guiding philosophy related to the promotion of diversity, equity, and inclusion. Based on these principles, each of about 100 major Group companies will determine their own KPIs in view of their respective circumstances.

KPI: Sumitomo Chemical (non-consolidated)

Based on our policy of emphasizing training and growth from a medium- to long-term perspective, which is a basic human resource policy of Sumitomo Chemical, we set KPIs that focus on the rate of employee promotion to managerial posts to determine the progress of our suite of female advancement measures, including those related to recruitment, training, promotion, and environmental adjustment. We will continue working to further promote the advancement of women through initiatives aimed at these targets.

1. Percentage of employees promoted to managerial positions (equivalent to section manager) filled by female employees

Target: Over 15% of average over the 5 years between FY2023 and FY2027

2. Percentage of male employees who have taken childcare leave or other childcare-related leave due to birth of a child during the current fiscal year.

Target: Over 90%

**◆ Progress of Group companies in Japan and overseas in setting KPIs**

Many of the KPIs set by Group companies are related to the active promotion and empowerment of women, work-life balance, and diversity regarding nationality, racial background, and age. Going forward, we will continue working with Group companies to promote initiatives aimed at achieving these KPIs.

Percentage of employees promoted to managerial positions (equivalent to section manager) filled by female employees.

Two-year cumulative total for FY2023 and FY2024

14.3%

Percentage of male employees who have taken childcare leave or other childcare-related leave due to birth of a child during the current fiscal year.

FY2024

97.5%

Development & Growth

To encourage people to learn and grow on their own, in line with the concept of “when-ever, where-ever, however many times,” we offer training programs they can select for themselves.

KPI

50% or more of all employees taking self-selected training programs by FY2024

**◆ Self-Selected Training Programs**

(1) Learning platform SUMIKA Learning Square

In-house programs to acquire comprehensive knowledge related to operations (a total of 330 courses)

(2) Self-Improvement Courses

Programs that enable learning on personal smartphones and PCs, such as business and language skills (a total of 3,700 courses and 16,300 videos)

Results

FY2023

39.4%

FY2024

59.1%

Health**KPI**

Maintain certification as a Health & Productivity Management Outstanding Organization (White 500)*

**Results (March 2025)**

Maintained certification over the past 8 years since fiscal 2017

* The program was created in 2016 by the Ministry of Economy, Trade and Industry. The award system is certified by the Japan Health Council and aims to establish environments that can process social evaluations from employees, job seekers, affiliates, financial institutions, and other organizations by creating visualizations that model corporations practicing especially excellent health management.



Promoting Sustainability

Contributing through Business —Sumika Sustainable Solutions (SSS)

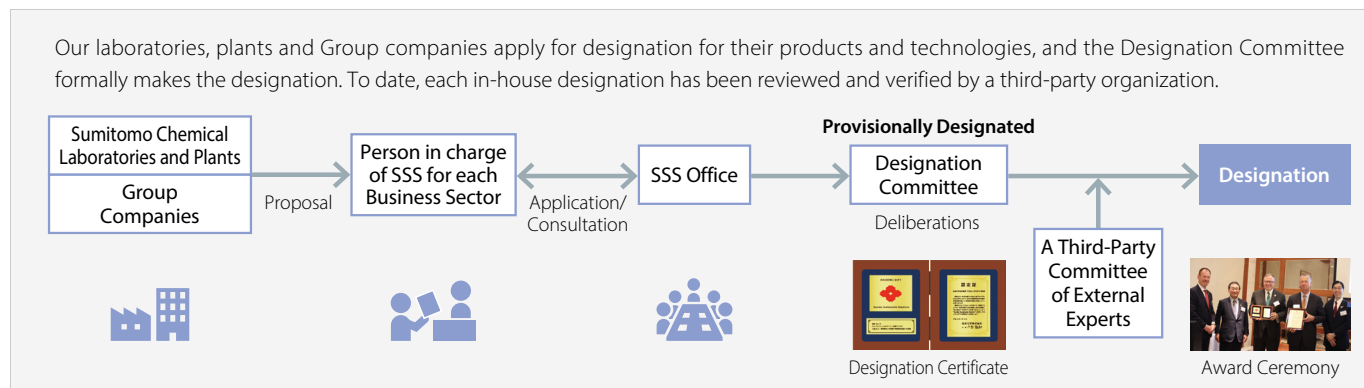
Sumitomo Chemical recognizes that environmental and climate change problems present the Group with business opportunities, such as an increase in demand for products and technologies that help solve issues related to the environment and climate change by, for example, reducing GHG emissions. To seize these kinds of opportunities, the Environmentally Friendly Product Designation Committee (Sumika Sustainable Solutions Designation Committee) designates the Group's products and technologies that contribute to such issues as climate change mitigation and adaptation, contribute to recycling resources, and sustainable use of natural capital, as Sumika Sustainable Solutions (SSS) and encourages their development and widespread adoption.

We have also set targets based on sales revenue from SSS-designated products, and we have been monitoring the progress of our efforts using those KPIs. In addition, we include contributions to the creation of social value and SSS designation in the selection criteria for our employee commendation system.

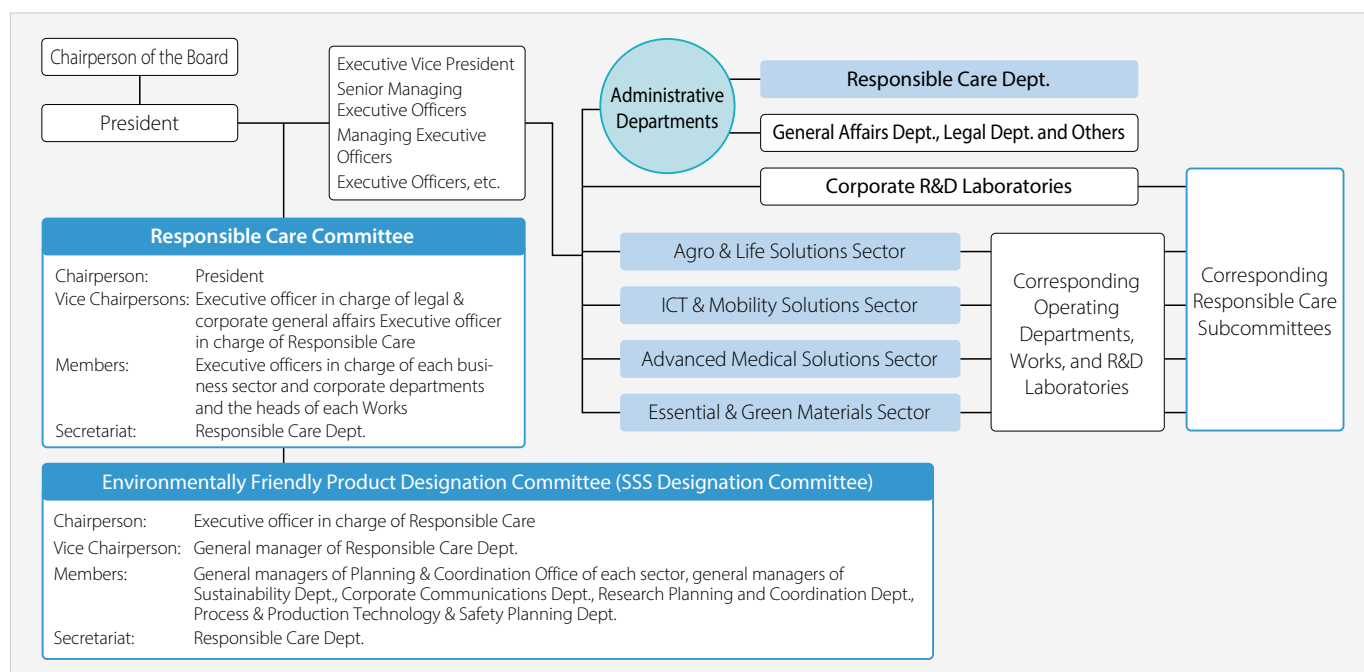
Going forward, the Group will continue solving issues in order to build a sustainable society by devoting its attention to promoting the development and widespread use of SSS-designated products and technologies.

Note: The Environmentally Friendly Product Designation Committee (Sumika Sustainable Solutions Designation Committee) was established under the Responsible Care Committee.

The Process of SSS Designation

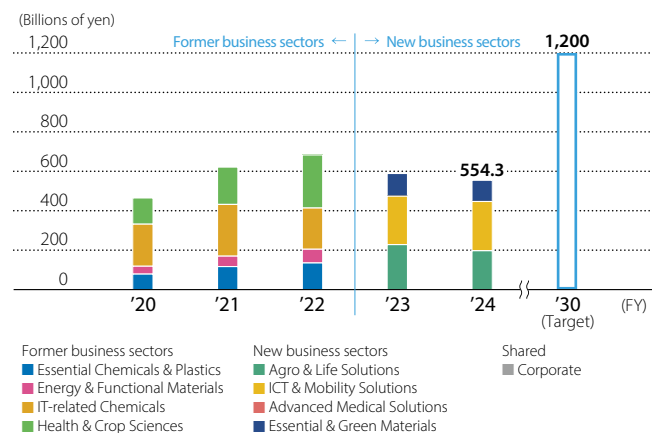


Environmentally Friendly Product Designation Committee



In fiscal 2024, the tenth year of this initiative, the number of SSS-designated products and technologies totaled 89, amounting to approximately 554.3 billion yen in terms of sales revenue. New designations were given to such products and technologies of Sumitomo Chemical and the Sumitomo Chemical Group as follows: Rapidicil™, an herbicide suitable for no-till farming of soybeans, corn, and other crops; Glue Cleaner, a product utilized in the manufacturing processes for high-bandwidth memory (HBM) used in high-performance, energy-efficient computers for AI servers; and SUMIPEX™ Meguri™, chemically recycled PMMA molding material that is made by polymerizing the MMA monomers produced from pyrolyzing waste PMMA resin. The Company is now aiming to achieve sales revenues of 1,200 billion yen from SSS-designated products and technologies by fiscal 2030.

Sales Revenue of SSS-designated Products



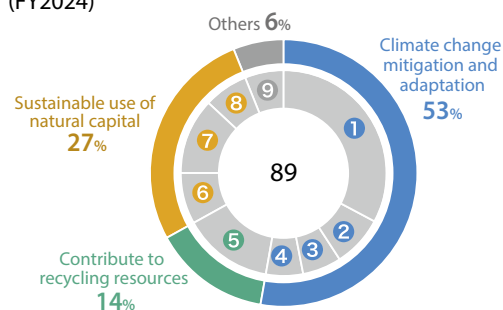
	(Billions of yen)
	FY2024
Sales revenue of the Sumitomo Chemical Group	2,606.3
Sales revenue of SSS-designated products	554.3

Designation Requirements by Category

Category	Designation Requirements	Responses to the SDGs
Climate change mitigation and adaptation	① Contribution to reducing greenhouse gas emissions	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
	② Products, parts, or materials related to renewable energy (including energy storage)	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
	③ Using biomass-derived materials and effective in reducing environmental impact	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
	④ Contribution to adapting to climate change impacts	13 CLIMATE ACTION
Contribute to recycling resources	⑤ Contribution to resource recycling (waste reduction, recycling, resource conservation, etc.)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Sustainable use of natural capital	⑥ Contribution to reducing environmental burden in food production	2 ZERO HUNGER, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	⑦ Contribution to reducing environmental impact, such as reduction of hazardous substances	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	⑧ Contribution to efficient use of water resources	6 CLEAN WATER AND SANITATION
Others	⑨ Other contributions to building a sustainable society beyond the above	(Depends on the project)

Note: Regarding the designation requirements and responses to the SDGs, if multiple goals are listed, the product or technology may not address certain aspects of the goals.

Percentage of Products and Technologies in Each Designation Field (FY2024)



Note: Number of SSS designated products and technologies 89

Contributing through Business – Sumika Sustainable Solutions (SSS)

<https://www.sumitomo-chem.co.jp/english/sustainability/management/promotion/sss/>

“Sumika Sustainable Solutions” Main Products and Technologies

<https://www.sumitomo-chem.co.jp/english/sustainability/management/promotion/sss/products/>

Sumitomo Chemical Group Global Project: JIRI-RITA ACTION

To accelerate the promotion of sustainability, the Sumitomo Chemical Group considers it essential that all management executives and employees share the corporate philosophy, have a deep understanding of sustainability, and work together to carry out initiatives. As an effort to engage all management executives and employees and promote this "participation by all" principle, we have run the Global Project since 2014. Via a dedicated website, we have striven to deepen understanding of this initiative's established themes. The initiative is intended to spur action to promote sustainability and foster greater Group unity by enabling participants to post and share about their own ideas, actions and feedbacks. In fiscal 2023, the 10th year since the start of this initiative, we changed the initiative name

to JIRI-RITA ACTION to better communicate the idea that each action a Group employee takes should be imbued with the spirit of "*Jiri-Rita Koushi-Ichinyo* (Our businesses must benefit society at large, not just our own interests)."

Refreshing Our Approach

In fiscal 2024, while reviewing various initiatives in line with fundamental structural reforms, we reviewed the aforementioned initiative and considered refreshing it to be more effective. This would enable every Group employee to practice our principle of "*Jiri-Rita Koushi-Ichinyo*," which is the idea that our business must benefit society at large, not just our own interests.

FY2025 Initiative

In fiscal 2025, we have evolved our main approach from individual postings to group discussions among colleagues. The theme is "Take on the challenge: Be an Innovative Solution Provider - Practice '*Jiri-Rita Koushi-Ichinyo*' through Our Work". The initiative was launched in August 2025 and we will implement it over a period extending to November 2025. We believe that putting the "*Jiri-Rita Koushi-Ichinyo*" principle into practice will help enhance corporate value.

■ Initiatives to Date



The Sumitomo Chemical Group: JIRI-RITA ACTION (Previously the Sumitomo Chemical Group Global Project) in the past

<https://www.sumitomo-chem.co.jp/english/sustainability/management/promotion/globalproject/archive/> 

Sumika ★ Stories

For the purpose of raising and enhancing awareness of sustainability among employees, Sumitomo Chemical began Sumika ★ Stories, a new series of events held in person and online, from November 2021.

Sumika ★ Stories events feature employees telling stories about and giving their take on how Sumitomo Chemical is contributing to the solution of social issues through business activities involving its businesses, technologies, and initiatives. Participants are encouraged to incorporate the realizations gained through the storytelling event in their own work with the overarching aim of crafting a forward-looking story for Sumitomo Chemical.

In fiscal 2024, we held two such events at which the Sumitomo EXPO 2025 Promotion Committee sought to communicate the significance and purpose of the Sumitomo Pavilion at Expo 2025 (the 2025 World Exposition in Osaka, Kansai, Japan). Participants offered such feedback as “I think the event was good because it boosted employee engagement.” In addition, a majority of respondents to the follow-up survey conducted after the event stated they felt a sense of pride and accomplishment as a member of the Sumitomo Group.

After the events concluded, we distributed a video of the events internally so that employees who were unable to attend in real time could also gain the information. We plan to regularly hold three to four events every year.

Concept

(1) Stories Unique to Sumitomo Chemical

We use cases related to such aspects of the Group's sustainability as Sumika Sustainable Solutions (SSS), as topics, and speakers share case overviews along with their dreams, ideas, and other private matters, with the aim of bolstering participants' awareness, pride, and sense of accomplishment.

(2) Facilitation Centered on Young People

To realize a sustainable society, going forward, young employees, who will be central to leading the way, will facilitate fun conversations in a casual atmosphere with the support of veteran employees.

(3) Interactive

We are using a real-time feedback system as a form of two-way communication. This expands our scope of empathy by enabling employees participating on-site and those participating online to immediately share their ideas.

P.021 Promoting Sustainability: SSS



Speakers introducing COMFORMER, a polymer-based temperature-control material



Speakers introducing the Sumitomo Pavilion

■ FY2024 Event Results

	Theme	Number of participants	Video views
Twelfth talk	One year before the EXPO! Our vision of the EXPO 2025 Osaka, Kansai, Japan*	620 people	495 views
Thirteenth talk	Let's go together! EXPO 2025 Osaka, Kansai, Japan (one month to go)*	662 people	315 views

Note: video views as of June 2025

* This was the joint talk with a Group company

Participation in Initiatives

The Sumitomo Chemical Group lists active participation in global initiatives as one of its Basic Principles for Promoting Sustainability. To promote sustainability (i.e. contributing to establishment of sustainable society through achieving sustainable growth of business.), we are actively participating in initiatives because we consider it important to work with a broad range of organizations, including various international organizations, national and local governments, companies, and industry groups.

Initiative Participation Record



UN Global Compact (UNGC)

This international initiative was established by the United Nations in 2000 to help companies and organizations practice sustainable and responsible management.

■ Our Initiatives

January 2005	We joined the UN Global Compact (UNGC) as the first Japanese chemical company to do so and signed on to the ten principles related to protecting human rights, abolishing unfair labor practices, adapting to the environment, and preventing corruption.
September 2020	We signed on to the UNGC's A Statement from Business Leaders for Renewed Global Cooperation.
March 2024	We supported the UNGC's new initiative "Forward faster." We are committed to achieving Target 2 under Climate Action: "Contribute to a just transition by taking concrete actions that address social impacts of climate change mitigation and adaptation measures in partnership with actors such as workers, unions, communities and suppliers."

The Ten Principles of the UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The Ten Principles of the UN Global Compact (from the Official Website of the UN Global Compact)

<https://www.unglobalcompact.org/what-is-gc/mission/principles>

A Statement from Business Leaders for Renewed Global Cooperation on the UNGC website

https://communications-assets.unglobalcompact.org/docs/publications/UN75_UnitingBusinessStatement.pdf

Don't fall behind the times. Move forward, faster. (from the Official Website of the UN Global Compact)

<https://forwardfaster.unglobalcompact.org>



The World Business Council for Sustainable Development (WBCSD)

This organization was established in 1995 to promote sustainable development perspectives in the business community.

Our Initiatives

- Joined the World Business Council for Sustainable Development (WBCSD) in 2006
- Participated in the formulation of the- medium- to long-term Chemical Sector SDG Roadmap, which uses the SDG framework to set out a direction for contributions to sustainability by the chemical industry.
- Participated in the formulation of the WBCSD TCFD Chemical Sector Guidance

WBCSD | Chemical Sector SDG Roadmap

<https://www.wbcsd.org/resources/chemical-sector-sdg-roadmap>

WBCSD | Climate-related financial disclosure by chemical sector companies

<https://www.wbcsd.org/Programs/Redefining-Value/TCFD/Resources/Climate-related-financial-disclosure-by-chemical-sector-companies-Implementing-the-TCFD-recommendations>



The G7 Alliance on Nature Positive Economies (G7ANPE)

This international alliance was founded as a forum for sharing knowledge and creating information networks on nature positive economies.

Our Initiatives

May 2023	Joined the G7 Alliance on Nature Positive Economies as a founding member
September 2023	At the meeting, Nobuaki Mito (then a Senior Managing Executive Officer) presented a lecture on "Sumitomo Chemical's Approach to Regenerative Agriculture."
December 2023	At the COP28 Japan Pavilion in Dubai, we showed a video lecture on "Sumitomo Chemical's Approach to Regenerative Agriculture" presented by Nobuaki Mito (then a Senior Managing Executive Officer).

G7ANPE

<https://g7anpe.com/>



Task Force on Climate-related Financial Disclosures (TCFD)

This privately helmed special team was established by the Financial Stability Board, which comprises financial agencies of major countries, at the request of the G20 finance ministers and central bank governors. The task force encourages companies to make disclosures related to climate change.

Our Initiatives

The Sumitomo Chemical Group uses the TCFD recommendation framework to actively communicate its efforts. In addition, by participating in initiatives related to the TCFD recommendations, we are contributing to the creation of guidance through dialogue between investors and companies while learning best practices.

June 2017	Supported TCFD recommendations concurrently with their publication
From August to December 2018	Joined in the TCFD Study Group led by the Ministry of Economy, Trade and Industry (METI) This group studied the way in which Japanese companies disclose information to evaluate their strengths. December 2018: METI issued TCFD guidance
Since December 2018	Joined WBCSD TCFD Preparer Forum July 2019: WBCSD issued TCFD chemical sector guidance
Since May 2019	Joined the TCFD consortium established by Japanese industrial and financial communities In October 2019 at the TCFD Summit, Tokura (then a Chairman) introduced the Company's initiatives to seize climate-related opportunities. October 2019: TCFD consortium announced green investment guidance
	July 2020: TCFD consortium released TCFD Guidance 2.0
	October 2021: TCFD consortium announced green investment guidance 2.0
	At the TCFD Summit in October 2022, the Executive Officer Toshihiro Yamauchi introduced the Company's initiatives to address climate change. October 2022: TCFD consortium released TCFD Guidance 3.0 August 2024: TCFD consortium released the Transition Plan Guidebook.



Forum for the Taskforce on Nature-related Financial Disclosures (TNFD)

This international initiative was founded in 2021 with the purpose of helping companies and financial institutions appropriately evaluate nature-related risks and opportunities and transparently disclose relevant data.

Our Initiatives

- Support the vision of TNFD and participate in the TNFD Forum
- Announced our support for the TNFD's disclosure recommendations and registered as a TNFD Adopter in January 2024.

TNFD

<https://tnfd.global>

Alliance to End Plastic Waste (AEPW)

This international alliance was founded in 2019 to solve the plastic waste problem.

Our Initiatives

- Since the AEPW's launch in January 2019, as a member company, we have been financially supporting its activities.
- Engage in the selection of projects undertaken in places around the world, evaluate impacts, and work with others through the AEPW framework on initiatives that would be difficult to undertake alone
- Participate in events that consider efforts aimed at solving Japan's plastic waste problem with reference to successful examples of projects promoted around the world by AEPW

AEPW

<https://endplasticwaste.org/>

Clean Ocean Material Alliance

Japan Clean Ocean Material Alliance (CLOMA)

This domestic alliance was launched in January 2019 to help solve the marine plastic waste problem. By fostering cross-industry cooperation related to the plastic value chain, we are promoting activities to accelerate innovation as well as encouraging the sustainable use of plastic products and the development and adoption of alternative materials.

Our Initiatives

Participate in studies of specific actions aimed at realizing a circular economy and is considering participation in pilot tests that aim to improve the mechanical recycling rate.

CLOMA

<https://cloma.net/english/>



Japan Partnership for Circular Economy (J4CE)

The J4CE was founded in March 2021 for the purpose of further fostering understanding of the circular economy among a wide range of stakeholders, including domestic companies, and promoting initiatives. With the aim of strengthening public and private partnerships, the organization collects examples of Japan's initiatives related to advanced circular economy, disseminates and shares data on cases in Japan and overseas, shares information and forms networks related to a circular economy, and sets up forums for dialogues promoting a circular economy.

■ Our Initiatives

Introduces its initiatives to realize a circular economy, including plastic chemical recycling, on the J4CE website.

J4CE

<https://j4ce.env.go.jp/en>

J4CE, SUMITOMO CHEMICAL Co., Ltd.'s cases

<https://j4ce.env.go.jp/en/member/048>



Circular Partners (CPs)

This partnership was established in September 2023 to encourage collaboration across industries, the government, and academia with the aim of realizing a circular economy based on a growth-oriented resource-independent economic strategy.

■ Our Initiatives

Proactively participate in networking events to deepen bonds between members with the aim of promoting initiatives through collaboration.

CPs (Japanese only)

<https://www.cps.go.jp/>



International Council of Chemical Associations (ICCA)

This organization was established to harmonize the strategies of chemical industry associations and councils around the world through dialogue and cooperation. As the principal representative of the chemical industry, ICCA presents opinions to international organizations about key topics shared by its members and various activities of the chemical industry.

■ Our Initiatives

- The Company participates in the Energy and Climate Change Leadership Group of the ICCA. We promote joint international research related to chemical products and technologies that help reduce GHG emissions and strive to advance the widespread adoption of breakthroughs and achievements in this field. We also work to disseminate the results of research.
- As a participant in the Chemical Substance Policy and Health Leadership Group, we evaluate efforts and help formulate management plans in line with the Global Framework on Chemicals (GFC), a new framework for international chemical management. We also cooperate in conducting surveys and sharing data related to regulatory trends around the world and mechanisms for relaying information on chemical substances contained in products.
- We support solutions for sustainable development and participate in a working group related to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). In recent years, we have proactively participated in discussions grounded in sound science regarding such issues as international treaties related to microplastics and plastic waste.



GX (Green Transformation) League

GX League was founded in 2022 as a forum for collaborating on green transformation (GX) in industrial, governmental, and academic fields. GX League mainly sets rules for creating markets for GX products and engages in efforts related to GX-ETS (Emissions Trading System).

■ Our Initiatives

Participated in the GX League since signaling its support of GX League Basic Concept

GX League

<https://gx-league.go.jp/en/>



Women's Empowerment Principles (WEPs)

This seven principles were formulated collaboratively in March 2010 by the United Nations Global Compact (UNGC), which is a voluntary commitment framework between companies and the UN, and the UN Women. With companies taking proactive steps and positioning gender equality and female empowerment at the core of management, the WEPs were formulated with the expectation that they will be applied internationally to promote the economic empowerment of women.

■ Our Initiatives

2013	Signed
2016	Helped found the WEPs Subcommittee in the Global Compact Network Japan (UNGC's local network)

The Women's Empowerment Principles

- (1) Establish high-level corporate leadership for gender equality
- (2) Treat all women and men fairly at work – respect and support human rights and nondiscrimination
- (3) Ensure the health, safety and well-being of all women and men workers
- (4) Promote education, training and professional development for women
- (5) Implement enterprise development, supply chain and marketing practices that empower women
- (6) Promote equality through community initiatives and advocacy
- (7) Measure and publicly report on progress to achieve gender equality

Women's Empowerment Principles (WEPs)

<https://www.weops.org/>

P.132 Human Resources Management:
Promoting the Active Advancement of Women

Communication with Stakeholders

Principle 4 of the Sumitomo Chemical Group's Basic Principles for Promoting Sustainability states, "We are committed to work closely with various stakeholders through promoting spontaneous disclosure of information and open dialogue on the targets of our sustainability promotion initiatives and the progress of their implementation." Our efforts to communicate with shareholders based on this principle fall into the following two categories.

(1) Disclosure

We disclose necessary information and report on the progress of our various initiatives. We also make an analysis of the needs of society as appropriate and review external assessment results in order to improve our communication and ensure proper disclosure.

(2) Dialogue

Through dialogue, we engage in two-way communication with various stakeholders. Based on the feedback provided in dialogues, we work to improve our communication and implement new initiatives.

We will continue to fulfill our responsibility to all stakeholders on the two fronts of disclosure and dialogue by enhancing our communication through a variety of efforts. We will also align our future generations with a sustainable society, paying attention to the international community and global environment.

External Evaluation

<https://www.sumitomo-chem.co.jp/english/sustainability/management/evaluation/>

Stakeholder Engagement



Opportunities to Communicate with Stakeholders

Stakeholders	Sumitomo Chemical Group's Responsibility	Measures
Shareholders and Investors 	We proactively communicate about management policies, business strategies, and earnings trends. We thus fulfill our duty of accountability to shareholders and thereby maintain and improve the market's trust in the Sumitomo Chemical Group. We also promote the market's accurate understanding of the Company's shares and the improvement of our corporate value.	• General meetings of shareholders • Meetings, including corporate strategy briefing meetings and financial results conference calls • Briefing meetings for individual investors • Publications, including the Integrated Report • Disclosure via the Company's website and social media
Customers 	We supply high-quality products and services that satisfy customers' needs and ensure safety in use to establish long-term relations with customers that are built on trust.	• Customer support including communication in sales activities and quality assurance • Providing information via the Company's website and other communication media • Customer support by the customer support center
Business Partners 	We are committed to building mutually-beneficial sound relations with business partners based on our Basic Procurement Principles. We also conduct fair, equitable and transparent transactions, while also encouraging our business partners to engage in sustainability efforts, in order to promote sustainable procurement across our supply chain.	• Communication through purchasing activities • Information exchange meetings with business partners • Monitoring using our Sustainable Procurement check sheets • A dedicated team provides support, answering the inquiries of business partners
Employees 	We are committed to ensuring employees' health and respecting employee diversity, while also devoting constant effort to human resource development and the improvement of a workplace environment so that individual employees can realize their full potential. The Company is also committed to maintaining its good relationship with the Sumitomo Chemical labor union built on mutual understanding and trust.	• Central labor-management meetings and operation-site labor-management meetings • Establishment of a labor-management committee to promote the Sumika "Let's Do This Declaration" • Various training programs • Information provided via the Company's internal newsletters and intranet
Communities 	We work to help solve various global issues through cooperation on international initiatives as well as to achieve coexistence and collaboration with local communities by holding two-way dialogues and enhancing disclosure.	• Participating in international initiatives (Including UNGC) • Information provision through websites and other channels • Holding opinion exchanges with local communities, plant tours, and more • Community contribution activities