Sustainability Management

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Regarding each ESG information, Please refer to the following chapters

Governance: page 022 Environment: page 050 Social: page 098

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.

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.017 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.021 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.013 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.

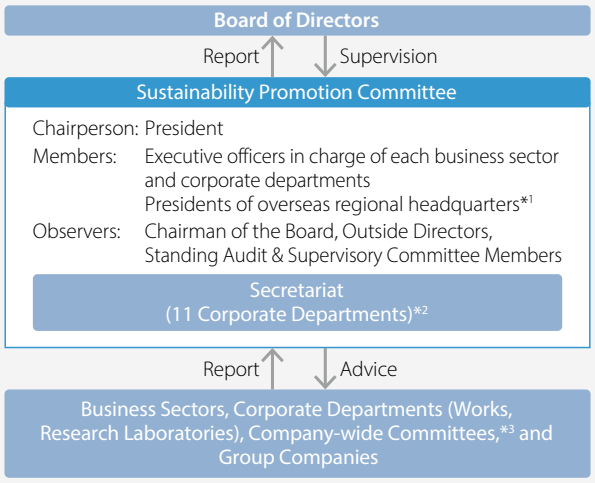
Sustainability Promotion System

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 regularly. 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. Chairman of the Board, Outside Directors, and the Standing Audit & Supervisory Committee Member also attend the meetings as observers, which 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

*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 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.

Fiscal 2025 Results

In fiscal 2025, the Sustainability Promotion Committee was convened twice to discuss and approve revisions to some of the material issues to be addressed as management priorities and KPIs.

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

- Review of material issues and KPIs
- Outside evaluations and progress on disclosure
- Future response policy based on international trends and customer and supplier trends
- Instilling our corporate philosophy across the Group and fostering employee awareness

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. In fiscal 2025, while maintaining the Sumitomo Chemical Group's long-standing commitment to environmental stewardship, we made partial revisions in line with our long-term direction of aiming to become an Innovative Solution Provider.

As material issues for sustainable growth, we have identified two categories of priorities: "Create value by solving social issues" and "Strengthen our management base for value creation." With respect to the former, while continuing the environmental initiatives we have valued since our founding, we have restructured them into two material issues to better reflect the evolving Sumitomo Chemical toward the future.

Furthermore, regarding the items that serve as the foundation for business continuation — occupational health and safety, process safety and loss prevention, product safety and quality assurance, respect for human rights, cybersecurity, compliance and anti-corruption — 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 growth. 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. Similarly, for each item that forms the foundation for business continuity, we will continue to proactively disclose the details of our initiatives and their results, and will steadily implement them.

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

■ Material Issues for Sustainable Growth and Foundation for Business Continuation



Occupational Health and Safety / Process Safety and Loss Prevention
P.129 Occupational Health and Safety / Process Safety and Loss Prevention

Product safety and quality assurance
P.135 Product Stewardship / Product Safety / Quality Assurance

Respect for human rights
P.099 Respect for Human Rights

Cybersecurity
P.048 Cybersecurity

Compliance
P.033 Compliance

Anti-corruption
P.039 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 economic and social 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.

Subsequently, in light of changes in social conditions and other factors, we conducted a review of our material issues again in fiscal 2021 and fiscal 2025. Going forward, we will continue to periodically review these issues and revise them as necessary.

■ Process for Identifying and Revising Material Issues

1 An Overall Evaluation of the Group's Contribution to Sustainability

Discussed in the Sustainability Promotion Committee

❶ **Begin by analyzing the issue along two axes, importance to business and importance to society**
- Identify material issues for continually creating both economic value and social value
- Consider perspectives on utilizing resources, including technology, digital technology, and personnel
- Clarify relationships between various initiatives, including occupational health and safety and compliance

❷ **Grasp stakeholder requirements**
- Take into consideration trends in international society and outside evaluations obtained through participation in initiatives

❸ **Dialogues with experts**
- Receive opinions and proposals from experts on material issues to be addressed as management priorities

Major international guidelines and initiatives we referred to
- Initiatives by WBCSD and other relevant bodies
- ISO 26000
- SDGs
- The 10 Principles of the United Nations Global Compact
- GRI Standards
- Third-party assessments (including FTSE and EcoVadis)

2 Clarifying Material Issues

Discussed in the Sustainability Promotion Committee

- Identified candidates for the Group's material issues to be addressed as management priorities, with a view to creating both economic value and social value sustainably
- Identified the selected Material Issues as "Material Issues for Social Value Creation," for those issues connected to creating business opportunities, and "Material Issues for Future Value Creation," for those resources that can become drivers in the creation of business opportunities
- Identified the items serving as the essential foundation for business continuation, including occupational health and safety and compliance

3 Deliberation and Approval by Management

Approved by the Board of Directors after deliberation in several management meetings

Applied to the Corporate Business Plan

Key Performance Indicators (KPIs) for Material Issues

Sumitomo Chemical has recently established key performance indicators (KPIs) for initiatives related to material issues for sustainable growth

Create value by solving social issues

Material Issues	KPI	Results		Goals	Initiatives toward Achieving Goals
		FY2024	FY2025		
Provide innovative solutions that lead the way in addressing social issue	Sales revenue of Sumika Sustainable Solutions™*1 designated products and technologies	554.3 billion yen	555.6 billion yen	1,200 billion yen by FY2030	P.013 Contributing through Business —Sumika Sustainable Solutions™ (SSS)
	Share of innovative products and technologies*2 within Sumika Sustainable Solutions™, by sales revenue	—*3	31.9%	40% by FY2030.	Long-term Vision (Integrated Report 2026 PP.14-15)
	Climate change: Amount of Group's GHG emissions (Scope 1+2)*4	5.55 million tons	5.29 million tons	Reduce by 50% by 2030 (vs. FY2013)	P.189 Disclosure in Line with TCFD Recommendations
Contribute to environmental conservation and appeal to society	Recycling resources: The amount of recycled plastics used in manufacturing processes	Approximately 11,440 tons	Approximately 14,420 tons	200k tons/year by 2030	P.066 Circular System for Carbon Resource
	Biodiversity and natural capital: Status of nature-positive initiatives	—*5	—*5	Realize a society in which people and nature coexist	P.073 Sustainable Use of Natural Capital

*1 Our Group's products and technologies that help to climate change mitigation and adaptation, contribute to recycling resources and sustainable use of natural capital.
*2 Innovative products and businesses that contribute to the solutions of issues the Group focuses on tackling among the four themes of food, ICT, healthcare, and the environment
*3 Tabulation began in FY2025
*4 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
*5 Because there are no internationally agreed upon metrics, we are currently considering various options.

Strengthen our management base for value creation

Material Issues	KPI	Results		Goals	Initiatives toward Achieving Goals
		FY2024	FY2025		
Advance innovation (Results based on the Patent Asset Index™)	Patent asset size*1	13,582pt	13,182pt	Maintain a high level of patent assets	Intellectual Property Strategy (Integrated Report 2026 PP.46-47)
Bolster competitiveness leveraging DX	Generative AI Usage Rate*2	38%	55%	100% use of generative AI in business operations by the end of the current medium-term plan	Bolster Competitiveness Leveraging DX (Integrated Report 2026 PP.48-49)
Recruit, develop, and utilize human resources	Development of employee capabilities, knowledge, and skills	—*3	81.5%	100% of employees who participated in activities to develop their capabilities, knowledge, and skills	P.124 Human Resources Development and Growth
		—*3	86.3%	80% or higher positive response of non-managerial employees to the status of support for self-growth from superiors and colleagues	P.124 Human Resources Development and Growth
	Percentage of female employees among those promoted to managerial positions (equivalent to section manager)	14.3%*4	16.3%*5	Over 15% on average over the 5 years from FY2023 to FY2027	P.121 Utilizing Diverse Human Resources
	Percentage of male employees who have taken childcare leave or other childcare-related leave upon the birth of a child	97.5% —*3	97.9% 41.2 days	Take-up rate of 95% or higher*6 and average leave of 50 days or more	P.121 Utilizing Diverse Human Resources

*1 Evaluated using the Patent Asset Index™, generated using the patent analysis tool LexisNexis PatentSight™. The figures are aggregated for the calendar year.
*2 Percentage of users who use the in-house generative AI service ChatSCC at least once a week
*3 Tabulation began in FY2025
*4 Percentage of women among the cumulative total number of managerial staff appointed from FY2023 to FY2024
*5 Percentage of women among the cumulative total number of managerial staff appointed from FY2023 to FY2025
*6 Calculated based on the leave taken up to the child reaches one year old. For FY2024, it is the percentage of leave taken within the fiscal year.

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.

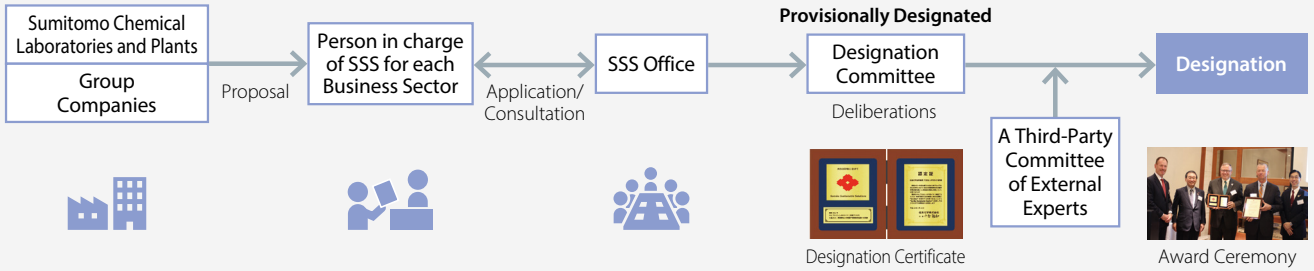
We have also set targets based on sales revenue from SSS-designated products, and we have been monitoring the progress of our efforts using those KPIs. In addition, we include contributions to the creation of social value and SSS designation in the selection criteria for our employee commendation system.

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.

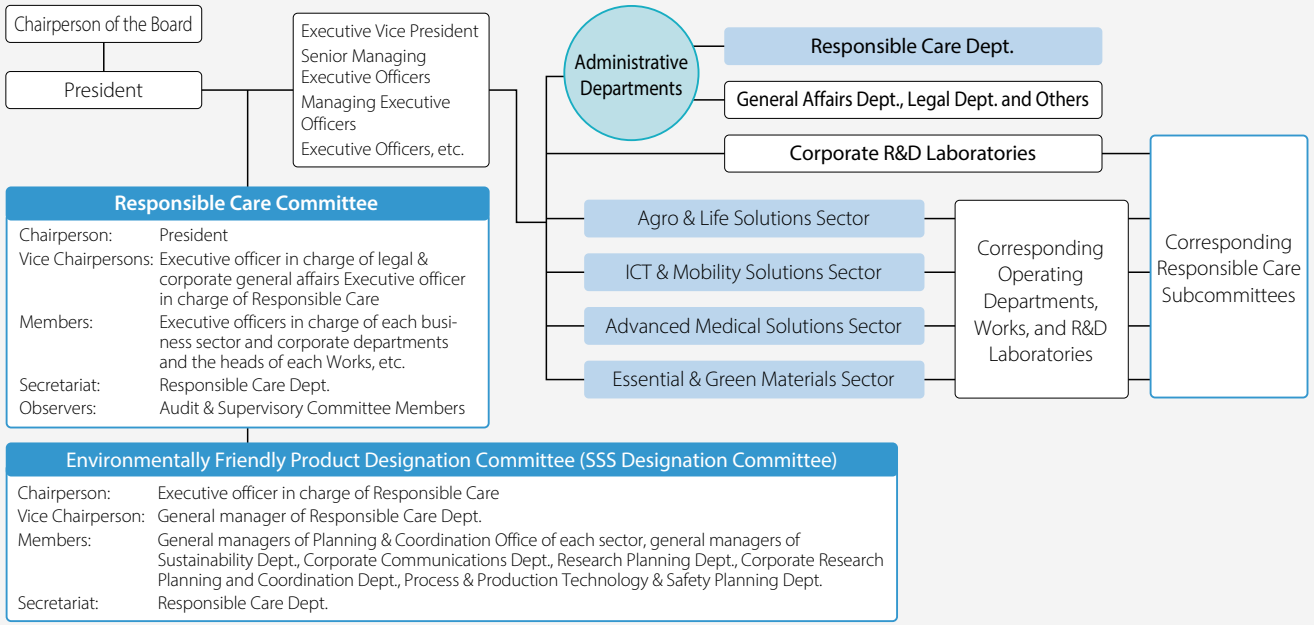
Note: The Environmentally Friendly Product Designation Committee (Sumika Sustainable Solutions Designation Committee) was established under the Responsible Care Committee.

The Process of SSS Designation

Our laboratories, plants and Group companies apply for designation for their products and technologies, and the Designation Committee formally makes the designation. To date, each in-house designation has been reviewed and verified by a third-party organization.

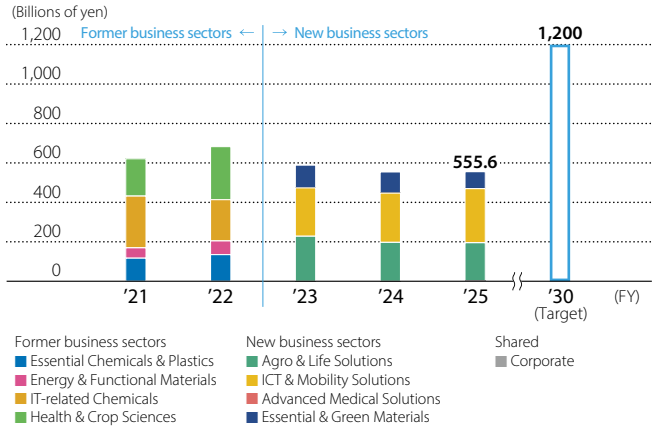


Environmentally Friendly Product Designation Committee



In fiscal 2025, the 11th year of this initiative, the number of SSS designated products and technologies totaled 101, amounting to approximately 555.6 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: Tempest™E, an herbicide for pastures that is effective in small amounts; a thin touch device that omits some display manufacturing processes; SUMIPEX™ for uncoated automotive pillar covers that eliminates the need for hard coatings; and biomass power technology that uses construction waste to reduce CO_2 emissions. 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)

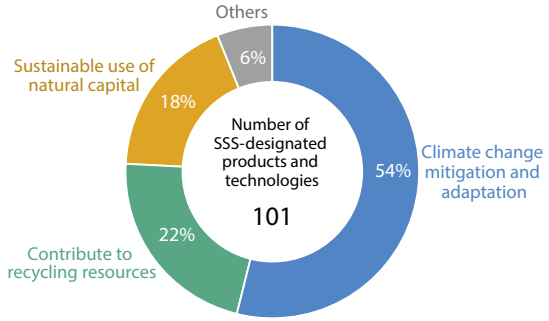
	FY2025
Sales revenue of the Sumitomo Chemical Group	2,328.5
Sales revenue of SSS-designated products	555.6

Designation Requirements by Category

Category	Designation Requirements	Responses to the SDGs
Climate change mitigation and adaptation	① Contribution to reducing greenhouse gas emissions	7, 13
	② Products, parts, or materials related to renewable energy (including energy storage)	7, 13
	③ Using biomass-derived materials and effective in reducing environmental impact	12, 13
	④ Contribution to adapting to climate change impacts	13
Contribute to recycling resources	⑤ Contribution to resource recycling (waste reduction, recycling, resource conservation, etc.)	12
Sustainable use of natural capital	⑥ Contribution to reducing environmental burden in food production	2, 12
	⑦ Contribution to reducing environmental impact, such as reduction of hazardous substances	12
	⑧ Contribution to efficient use of water resources	6
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 (FY2025)



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. 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)."

FY2025 Initiative

In fiscal 2025, we developed an initiative centered on workplace discussions, based on our belief that putting the "*Jiri-Rita Koushi-Ichinyo*" principle into practice helps enhance corporate value. To highlight the Group's long-term vision of being an "Innovative Solution Provider," we adopted the theme "Take on the Challenge: Be an Innovative Solution Provider - Practice '*Jiri-Rita Koushi-Ichinyo*' through Our Work." Accordingly, we held workplace discussions and many people have declared and shared their ambitions. From August to November 2025, a total of 11,401 participants across 1,251 workplaces declared their ambitions through their own individual work.

■ Initiatives to Date

2014	2015	2016 – 2018	2019 – 2021	2022 –2023	2025 –
Working as a Unified Group	Centennial	SDGs	Material Issues	2030 Vision/ Carbon Neutrality	Practicing "*Jiri-Rita Koshi-Ichinyo*"



School Aid for Africa



Centennial Give Back


Our Sustainable Tree



For a Sustainable Future
— *JIRI RITA* —



Shape Our Sustainable Future with *JIRI RITA*



JIRI-RITA ACTION

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 2025, we held three such events. At the first event, entitled "Thinking About Social Issues and Taking Action!" attendees learned to view social issues as their own problems and then connect them to specific actions we can take as a company. At the second event, entitled "Careers Broadened by Challenges and Study," we shared cases of employees using the in-house training programs and practicing self-improvement, and attendees gained insight on challenges that would help build their careers moving forward. And, at the third event, entitled "Celebrating 10 Years! Let's Learn All About SSS!" we held a trivia quiz to deepen attendees' understanding of the Sumika Sustainable Solutions™ (SSS) certification system. Participants offered such feedback as "The quiz helped me understand the system by highlighting its main points. It was a fun and meaningful learning opportunity."

After the events concluded, we streamed videos of them internally so that employees who were unable to participate could still benefit. Going forward, we will continue to conduct initiatives involving employee participation that help promote sustainability.

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.013 Promoting Sustainability: SSS



Participants learning about the SSS certification system through a trivia quiz

FY2025 Event Results

	Theme	Number of participants	Video views
Fourteenth talk	Thinking About Social Issues and Taking Action! — Launching Matching Gift 2.0 —	194 people	78 views
Fifteenth talk	Careers Broadened by Challenges and Study — The First Step Toward the Future —	261 people	157 views
Sixteenth talk	Celebrating 10 Years! Let's Learn All About SSS!	100 people	163 views

Note: Video views as of June 2026

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

- In 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.
- In 2020, we signed on to the UNGC's A Statement from Business Leaders for Renewed Global Cooperation.
- In 2024, we supported the UNGC's new initiative "Forward faster." We are committed to achieving Target 2 under Climate Action.

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.
Envi-ronment	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	Principle10: 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

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

https://forwardfaster.unglobalcompact.org

GCNJ Collective Action 2030

The UN Global Compact Network Japan (GCNJ; the local country network of the UNGC) established GCNJ Collective Action 2030 to tackle priority issues in Japan.

In January 2026, the Company declared its own action plan in support of realizing the fair workstyles outlined by GCNJ.

GCNJ website: GCNJ Collective Action 2030—
Working Together for a Sustainable Future (Japanese only)

https://www.ungcjn.org/ca2030/index.html

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

- In 2023, we joined the G7 Alliance on Nature Positive Economies as a founding member.
- At the meeting in September 2023, Nobuaki Mito (then a Senior Managing Executive Officer) presented a lecture on "Sumitomo Chemical's Approach to Regenerative Agriculture."
- 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/

GX Future Consortium

This platform for public and private collaboration was established by integrating some of the functions of the TCFD Consortium and the GX League for the purpose of realizing decarbonization and economic growth.

Our Initiatives

- Following the reorganization into the GX Future Consortium, we are participating in the GX Future League, engaging in activities such as expressing opinions and shaping rules.

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

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 the studies of specific actions aimed at realizing a circular economy, while also continuing to take part in forums for information sharing and dialogue on plastic circularity and the ocean plastic pollution problem.

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

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

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 ICCA Energy and Climate Change Leadership Group and promotes joint international research on chemical products and technologies that contribute to energy security and GHG emissions reduction, while striving to disseminate the results of such research.
  From June 2024 through June 2026, the Company also serves as the chair company of the Leadership Group and fulfills its responsibilities in that capacity.
- 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.

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

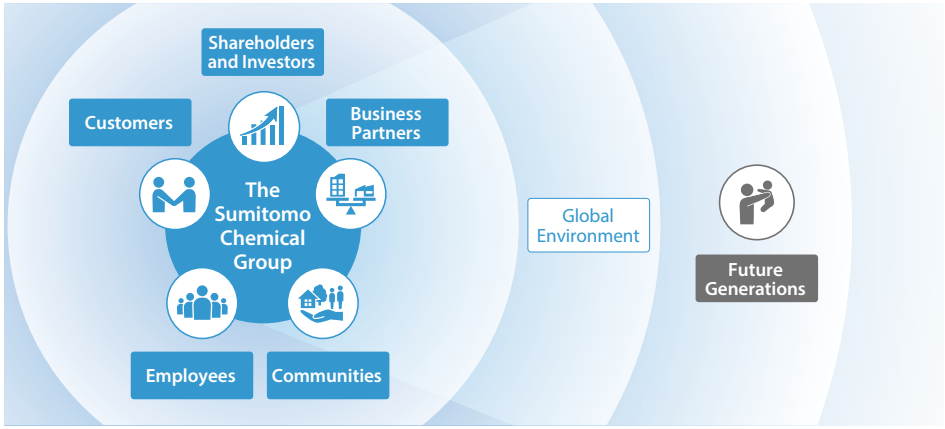
Through dialogue, we engage in two-way communication with various stakeholders. Based on the feedback provided in dialogues, we work to improve our communication and implement new initiatives.

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 with a view to ensuring a fair market valuation 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