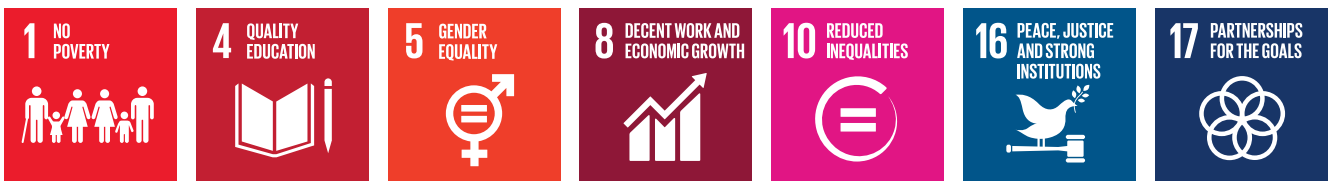


Social Activities

The Sumitomo Chemical Group is proactively fostering communications with customers, suppliers, local communities, and employees. In addition, the Group conducts a wide range of social activities as part of its efforts to build good relationships with these groups.

Contributing to the SDGs through Social Activities



Percentage of female managers
(p. 63)



7.8%
(18 more)

Number of men taking childcare leave
(p. 65)



142
(41 more)

Number of beneficiaries of support for education in Africa
(p. 70)



Over 12,000
people

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Social Activity Goals and Results

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

Item	Fiscal 2016 Goals	Fiscal 2016 Results	Evaluation	Fiscal 2017 Goals	Page
Hand in Hand with Customers	<ul style="list-style-type: none"> ● Improve the level of service provided by customer service personnel (including Group companies) ● Improve the dissemination of information, including through the Company's website 	<ul style="list-style-type: none"> ● Improved the level of service provided by customer service personnel ● Improved the dissemination of information, including through the Company's website 	○ ○	<ul style="list-style-type: none"> ● Improve the level of service provided by customer service personnel (including Group companies) ● Improve the dissemination of information, including through the Company's website 	pp. 56-57
Hand in Hand with Business Partners	<ul style="list-style-type: none"> ● Thoroughly ensure compliance ● Conduct fact-finding surveys of new raw-material and packaging-material suppliers and provide guidance and training to existing suppliers 	<ul style="list-style-type: none"> ● Thoroughly ensured compliance ● Promoted CSR procurement by conducting fact-finding surveys of new suppliers through monitoring and feedback and by providing guidance and training to existing suppliers. 	○ ○	<ul style="list-style-type: none"> ● Thoroughly ensure compliance ● Promote CSR procurement by strengthening collaboration with business partners through CSR surveys related to raw-materials and packaging-materials 	pp. 58-59
Hand in Hand with Employees	<ul style="list-style-type: none"> ● Further promote global HR initiatives and talent development ● Work on workforce management that is responsive to business expansion ● Build HR systems that respond to revisions to relevant laws and regulations as well as changes in conditions ● Promote diversity and work-life balance 	<ul style="list-style-type: none"> ● Undertook global recruitment, systematically conducted global talent development ● Secured necessary personnel for business operations, utilization of effective organizations, task formulation, human resources ● Built a new HR system with employee training and growth as a central pillar ● Held a meeting of the Committee for Diversity and Work-Life Balance, managed in-house childcare facilities, surpassed the legal requirements for employment of employees with disabilities, improved the ratio of female managers 	○ ○ ○ ○	<ul style="list-style-type: none"> ● Further promote global HR initiatives and talent development ● Work on workforce management that is responsive to business expansion ● Implement fair and objective system operations in line with the aim of the new HR system ● Promote diversity and work-life balance 	pp. 60-67
Hand in Hand with Local Communities and Society	<ul style="list-style-type: none"> ● Provide support to achieve United Nations Sustainable Development Goals ● Provide prompt and precise support in response to emergencies and disasters in Japan and overseas ● Promote social contribution activities distinctive to the Sumitomo Chemical Group by leveraging the strengths of each workplace ● Continue to expand information disclosure and promote interactive dialogue 	<ul style="list-style-type: none"> ● Created employment opportunities and supported education in Africa through Olyset™ Net ● Provided prompt support to those affected by natural disasters ● Participated in and cooperated with local events, held science workshop classes ● Continued to expand information disclosure and promote interactive dialogue 	○ ○ ○ ○	<ul style="list-style-type: none"> ● Provide support to achieve United Nations Sustainable Development Goals ● Provide prompt and precise support in response to emergencies and disasters in Japan and overseas ● Promote social contribution activities distinctive to the Sumitomo Chemical Group by leveraging the strengths of each workplace ● Continue to expand information disclosure using SDGs and promote interactive dialogue 	pp. 68-71

Note: More details are available in the supplementary data section between pages 72 and 75.



Hand in Hand with Customers

Basic Stance

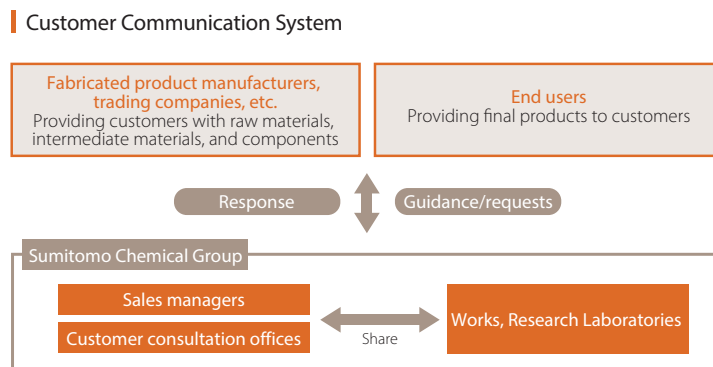
Throughout the Group, Sumitomo Chemical is working to supply high-quality products and services that satisfy customers' needs and ensure safety in their use, and sales managers and customer consultation offices provide support tailored to products and specific details.

Business & Products

URL: <http://www.sumitomo-chem.co.jp/english/products/>

Framework for Initiatives

Sumitomo Chemical works to accurately and rapidly reflect customers' requests in product development and improvement by sharing this information among Works, Research Laboratories and sales personnel. In addition, data on customer complaints and requests for improvements in product quality are stored on an internal database to prevent similar issues from occurring.



Examples of Initiatives

Supporting Development of Resin Products

Sumitomo Chemical conducts research into the structure and composition of resin materials in line with customer requests to offer comprehensive support of their efforts to develop resin products.

In the automotive component field, for example, we offer resin materials primarily aimed at rationalizing production and creating lighter, stronger products with a wider range of functions. In addition, we use plastic computer-aided engineering (CAE) technology to offer information about the formation and processing characteristics of resin materials and predictions about the practical applications of certain resin products.

Going forward, we will work to swiftly develop resin materials in line with customer requests and continue creating new value demanded by the market with our customers.

Initiatives of the AgroSolutions Division-Japan

The AgroSolutions Division-Japan established a customer consultation office related to crop protection chemical products and fertilizers. The division promotes business operations based on a spirit of compliance and prompt, appropriate, sincere service provided with an awareness of the customer's perspective.

We receive a wide range of questions from customers regarding crop protection chemicals and fertilizers, from how to appropriately use them to the safety of products grown using them. The consultation office works diligently to find the latest information, including registrations, regarding these chemicals to enable the provision of accurate, easy-to-understand information in line with Japan's Agricultural Chemicals Control Act and other related laws. The office's consultants are in constant contact with customers, striving to enable them to correctly and effectively use Sumitomo Chemical's crop protection chemicals and fertilizers.

In addition, the AgroSolutions Division-Japan maintains an agricultural support website entitled Sumitomo Chemical *i-nouryoku*. Through

Hand in Hand with Customers

this site, the division delivers a range of information, including introductions of new crop protection products and fertilizers. The division also issues the *i-nouryoku* newsletter to members of the site with the aim of enhancing communication with customers.

Sumitomo Chemical *i-nouryoku*
URL: <https://www.i-nouryoku.com/> (Japanese only)

Initiatives in the Rice Business

In the autumn of 2014, Sumitomo Chemical started a business that handles everything from providing rice producers with original varieties of rice seed, crop protection chemicals, and fertilizers; supporting cultivation management; and buying and selling harvested rice. We have teamed up with a range of business partners in agricultural regions, including the rice producers; wholesalers of crop protection chemicals and fertilizers; agricultural cooperatives; and collection businesses. We've also joined with distribution partners, including rice wholesalers and traders. Taking advantage of the unique characteristics of different rice varieties with regard to flavor and yield, we have been engaged in producing commercial-grade rice seed, which is in high demand. We will continue to contribute to the development of Japan's agriculture through new rice production proposals.



Left: *Koshihikari* rice; right: The Company's original variety, *Koshihikari Tsukuba SD No. 1* rice
The Company's registered variety boasts good flavor, short stalks, and high yields. Short stalks keep this variety from being vulnerable to lodging (falling over).

Looking Ahead

Collecting information through close consultation with internal and external partners, and maintaining a proactive attitude when listening to our customers' opinions, Sumitomo Chemical remains committed to continuously providing products that satisfy the needs of its customers. Moreover, the Company is expanding information disclosure as a matter of policy in order to provide our customers with vital information in the most appropriate manner.



Hand in Hand with Business Partners

Basic Stance

The Sumitomo Chemical Group is committed to building mutually beneficial and sound relationships with business partners. In addition to ensuring fairness, equitability, and transparency in our transactions with business partners, we are also encouraging them to promote their CSR activities through our responsible procurement activities with an emphasis on compliance and respecting human rights.

Sumitomo Chemical clearly states its basic principle of responsible procurement in the Company's Basic Procurement Principles. In addition, we clarify our stance toward and policy on responsible procurement in our Group Business Standards of Procurement, which provide guidelines for procurement operating activities for Group companies in Japan and overseas.

Basic Procurement Principles (Outline)

Basic Procurement Principles

1. The Procurement Section shall strive to conduct procurement transactions on the basis of fair, equitable, transparent and free competition without involving personal interests or arbitrary considerations.
2. The Procurement Section shall strive to select suppliers to transact with in accordance with the most appropriate and economically rational methods and shall pursue the maintenance of sound business relationships with suppliers, aiming for mutual growth and development.
3. The Procurement Section shall strive to provide corporate services globally throughout the entire Group.
4. In its procurement, the Procurement Section shall give preference to those suppliers that are active in CSR initiatives, with the aim of fulfilling its corporate social responsibilities and building sound relationships with suppliers.
5. The Procurement Section shall strive always to meet the quality requirements of Sumitomo Chemical's internal sections that request purchases of Goods and Services.
6. In performing Procurement Operations, the highest priority shall be given to safe and stable operations in order to realize zero-accident and zero-injury operations.
7. In performing Procurement Operations, the highest consideration shall be given to customer satisfaction.
8. The Procurement Section shall ensure the transparency of Procurement Operations.

Detailed Information

URL: <http://www.sumitomo-chem.co.jp/english/company/purchasing/principles.html>

Responsible Procurement Activities

Sumitomo Chemical has added a webpage about CSR procurement to its Procurement Information page on its official website to inform more stakeholders of our responsible procurement initiatives. The webpage features the Sumitomo Chemical Supply-Chain CSR Deployment Guidebook, which explains those CSR promotion items that the Company asks suppliers to follow. Moreover, Sumitomo Chemical has formulated the Sumitomo Chemical Supply-Chain CSR Deployment Check Sheets to enable suppliers to conduct self-evaluations regarding all items. Suppliers can now download the guidebook and check sheets and report the results of their self evaluations.

Procurement Information, "CSR Deployment Guidebook and Check Sheets"

URL: http://www.sumitomo-chem.co.jp/english/company/purchasing/csr_procurement.html

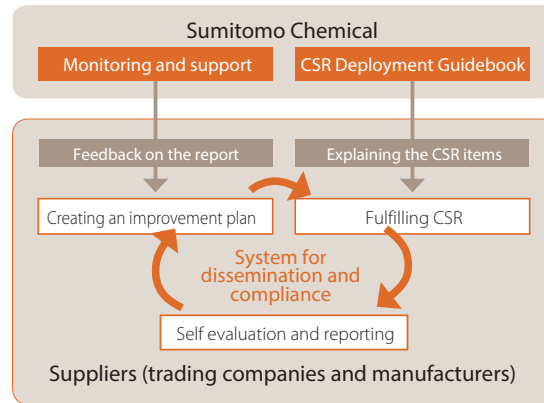
Using the CSR Deployment Guidebook and Check Sheets

Sumitomo Chemical promotes responsible procurement and strengthens cooperation with business partners in part by collecting CSR-related surveys from all new suppliers and from current suppliers of raw materials and packaging materials, especially those outside Japan. Every year, there are around 10 to 20 new suppliers subject to monitoring. In fiscal 2016, all these new suppliers were given good evaluations, and we therefore entered into business with them. We monitor current suppliers primarily located overseas in collaboration with overseas subsidiaries, such as Sumitomo Chemical Shanghai and Sumitomo Chemical India, to monitor local manufacturers in China and India, respectively. As for current suppliers in Japan, there are around 40 companies subject to monitoring via check sheets every year as well as quality assurance audits.

Hand in Hand with Business Partners

We manage the data from the check sheets submitted by suppliers and periodically assess the content. For suppliers who need to follow-up on problems revealed by the monitoring, we furnish feedback, including point-by-point requests for improvement offered. By seeking to raise awareness of and cooperation in ensuring responsible procurement, we aim to prosper alongside our suppliers and strengthen cooperation with them.

System for Responsible Procurement



Promoting Responsible Procurement throughout the Group

We hold Group purchasing information exchange meetings twice a year that gather together responsible purchasing representatives from each Group company. Through these information exchange meetings, Sumitomo Chemical is able to promote responsible procurement throughout the Group by actively sharing necessary information on the Company's responsible procurement activities.

Looking Ahead

Utilizing our current framework, we will continue to strengthen cooperation with business partners and provide support for responsible procurement. Going forward, we plan to revise the CSR Deployment Guidebook and Check Sheets to reflect the needs of society.



Hand in Hand with Employees

Basic Stance

Sumitomo Chemical is actively promoting talent development plans and a system of educational job rotations that focuses on the motivation and skills of each employee. The goals are to make the most of the abilities of diverse human resources and to create a workplace that is both motivating and stimulating. At the same time, the Company works to design and implement various human resource systems that are in line with changes in conditions.

In addition, Sumitomo Chemical is taking steps to further bolster its Global HR initiatives in order to strengthen its global management endeavors from a human resource perspective. The Company is also undertaking proper workforce planning based on business expansion.

Number of Employees (Sumitomo Chemical Group)★

	FY2016
Male	24,232
Female	8,304
Total	32,536

Protection of Human Rights

To educate employees on human rights issues and responsible behavior, Sumitomo Chemical holds a committee on human rights every year, formulates annual policies on human rights, and implements measures to protect human rights.

Moreover, with a view to providing employees with workplaces where they can display their abilities with ease of mind, we are addressing the issues related to various types of harassment, in addition to discrimination, mainly by holding enlightenment seminars. In fiscal 2016, we held a total of 151 seminars and lectures on human rights as a part of the in-house training curriculum, in which a total of 3,787 employees participated. Just as in previous years, in fiscal 2016, there was no instance of discrimination reported.

In addition, in fiscal 2016, we revised the Compliance Manual and Rules of Employment Guidelines to eliminate discrimination against people with disabilities and to prevent maternity harassment and other kinds of harassment. We worked to ensure that all employees thoroughly understand the new revisions. In addition, aiming to establish a system wherein employees are able to receive counseling for various kinds of harassment, including sexual harassment, power harassment, and maternity harassment we have set up a harassment consultation office staffed with counselors.

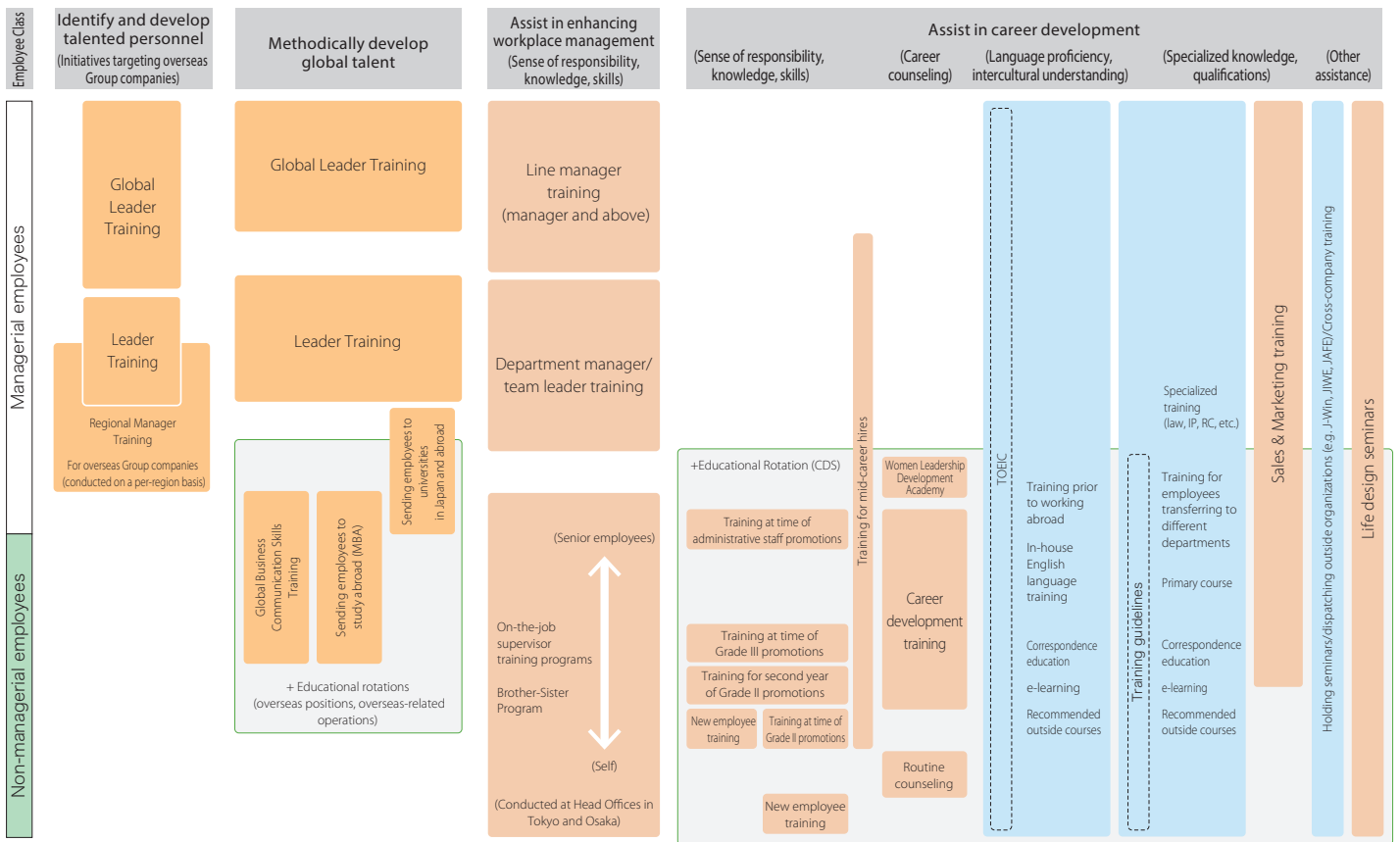
Human Resources System Initiatives

Sumitomo Chemical has introduced a job (role)-based HR system that allows highly motivated and capable employees to engage in more challenging and responsible jobs, and that rewards those who have made significant efforts and contributions to the Company regardless of age, nationality, or gender. Based on this basic framework, we decided to revise the HR system in fiscal 2017 to help train and nurture employees by establishing a mechanism to align the work and training that each worker is assigned to with their individual career aspirations.

Both managerial and non-managerial employees are evaluated not only on the basis of performance but also with an eye to competencies, processes, and behavior. This system encourages employees to not just pursue short-term achievements but the Company's medium- to long-term prosperity and to develop productive behavioral mindsets.

Managers talk with their subordinates on a regular basis to help increase their motivation and abilities with feedback on their performance, objectives, behavioral advantages, and areas for improvement. In the interviews, they also discuss workplace policies, job expectations, and career paths. Furthermore, we have adopted a common evaluation system for managers at overseas Group companies.

Human Resources Development



Note: The Company conducts in-house training courses in the areas of compliance, human rights, CSR, and health maintenance and improvement

Human Resources Development

As a part of efforts to develop human resources, the Company undertakes a variety of training initiatives targeting a broad employee base both in Japan and overseas in order to nurture professional human resources, who can not only excel on the world stage but are also capable of ensuring that Sumitomo Chemical takes a further leap forward as a global company.

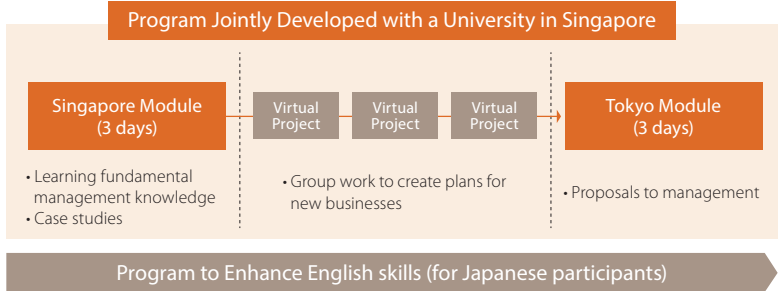
Sumitomo Chemical is carrying out a staged training program in human resource development for employees both in Japan and at overseas Group companies, in order to discover and develop next-generation leaders in a systematic way, emphasizing the creation of Global Leaders who can take on the role of core management.

Next-Generation Leader Development System



As an example, in Sumitomo Chemical's leader development training for management-level employees both inside and outside of Japan, Sumitomo Chemical worked with an overseas business school to carry out a program in both Singapore and Japan, held completely in English, with the goal of developing the employees' conceptual strength and abilities to propose strategies for the creation of new value.

Leader Training Program



Recruitment, Human Resources Development and Human Resources System

(No. of people)

Name	Approach	FY2016 Results
Career Development System (CDS)	To ensure that individuals are active in the field to which they are most suited, non-managerial employees and some managers are rotated through job assignments linked to the development plans made by their managers based on stated preferences and an interview to help plan and develop their ideal careers.	663
Trainer System	Highly skilled employees who have an aptitude for teaching provide instruction and advice to younger employees to facilitate their development.	57
Full-time Instructor System	We provide supervisors and potential supervisors with on-the-job training to develop core talent for manufacturing departments.	5
Development of Global Talent	In order to create global leaders who will play a central role in management and to develop talent that supports our global business operations, we systematically conduct various training programs.	
(1) Global Leader Training	Our global leader training program focuses on action learning.	21
(2) Leader Training	Held in Singapore and Japan since fiscal 2014 to develop the next generation of leaders, we conduct training programs in English.	28
(3) Regional Manager Training	We provide training for local managers at overseas Sumitomo Chemical Group companies. This training is mainly to help participants better understand and practice Sumitomo Chemical's Business Philosophy and corporate value. (In fiscal 2016, the training was suspended to assess the state of the program and make revisions. It will restart in fiscal 2017.)	—
(4) Global Business Communication Skills Training	Younger employees who are expected to become global talent attend a training seminar conducted in English to develop and improve their business communication skills.	65
Evaluation system for managers	A common evaluation system is applied to managers of overseas Group companies.	369 (Local managers)

Note: As of April 1, 2017

Diversity Initiatives

To promote diversity, Sumitomo Chemical considers it essential to provide all employees with motivating workplaces where they can fully demonstrate their skills and abilities in a variety of situations. As a part of that effort, the Company is focusing on the active advancement of women and promoting priority measures aimed at creating an environment in which as many women as possible can excel.

Initiatives to Promote Diversity (Sumitomo Chemical)★

Name	Concept	Results		
		FY2014	FY2015	FY2016
Number of female managers*1★	In order to promote the success of female employees, Sumitomo Chemical sets quantitative targets regarding the ratio of female managers and systematically promotes female employees to management positions.	205	222	240
Percentage of female managers (%)*1★		6.9	7.4	7.8
Employment rate for people with disabilities(%)*2	Sumitomo Chemical is undertaking initiatives to encourage the employment of people with disabilities to a greater extent than before by taking steps to create workplaces that allow employees with disabilities to make the most of their abilities.	2.26	2.23	2.07
Number of retirees	Sumitomo Chemical has been implementing a system to reemploy retirees to provide them with opportunities to demonstrate the skills and expertise they have gained to date.	105	118	190
Number of reemployed		91	99	175
Reemployment rate (%)		86.7	83.9	92.1

*1 Number and percentage of employees holding positions equivalent to sectional manager or above and assistant manager; as of April 1 of each fiscal year

*2 Average for each fiscal year

Note: Figures include Sumitomo Chemical employees on temporary transfer to other companies but do not include employees from other companies on temporary transfer to Sumitomo Chemical.



Hand in Hand with Employees

Promoting the Active Advancement of Women

Sumitomo Chemical implements programs to actively promote the advancement of women as part of its Mentor System. This involves female managers regularly meeting with executives with whom they have no working relationship to discuss career planning. In 2016, this program was held for five female manager–executive pairs. We believe that meeting with superiors who are highly knowledgeable and possess wide-ranging operational experience helps to cultivate a broader perspective as well as an interest in taking on new challenges.

In addition, we conduct the Women Leadership Development Academy for female managers. The purpose of this program is to provide necessary hints about management and to instill the required sense of commitment; instruction on how to develop a career-oriented mindset; and to impart essential leadership skills, including ways to move tasks forward and appropriate methods for communicating with staff. In fiscal 2016, 23 employees underwent a total of four full-day training sessions. The final session provides an opportunity to deepen mutual understanding by having participants and their supervisor work together to create career visions.

Furthermore, the Company has established the targets below based on the Act of Promotion of Women's Participation and Advancement in the Workplace.

Quantitative Targets for Promoting Women's Participation and Advancement

Sumitomo Chemical has set the following quantitative targets for 2020.

- Target 1. Women accounting for at least 10% of positions equivalent to manager or above and 15% of positions equivalent to assistant manager or above. As of the end of April 1, 2017, the former proportion was 4.5% and the latter ratio was 13.7%.
- Target 2. At least 13% of male employees taking childcare leave. In fiscal 2016, the percentage was 13.6%. The figure is calculated by dividing the number of male employees who took childcare leave by the number of male employees with a newborn within the period (one year).

Promotion of Work-Life Balance

The Company is strengthening its work-life balance efforts to help employees make their private and business lives compatible and lead sounder and more fulfilling lives.

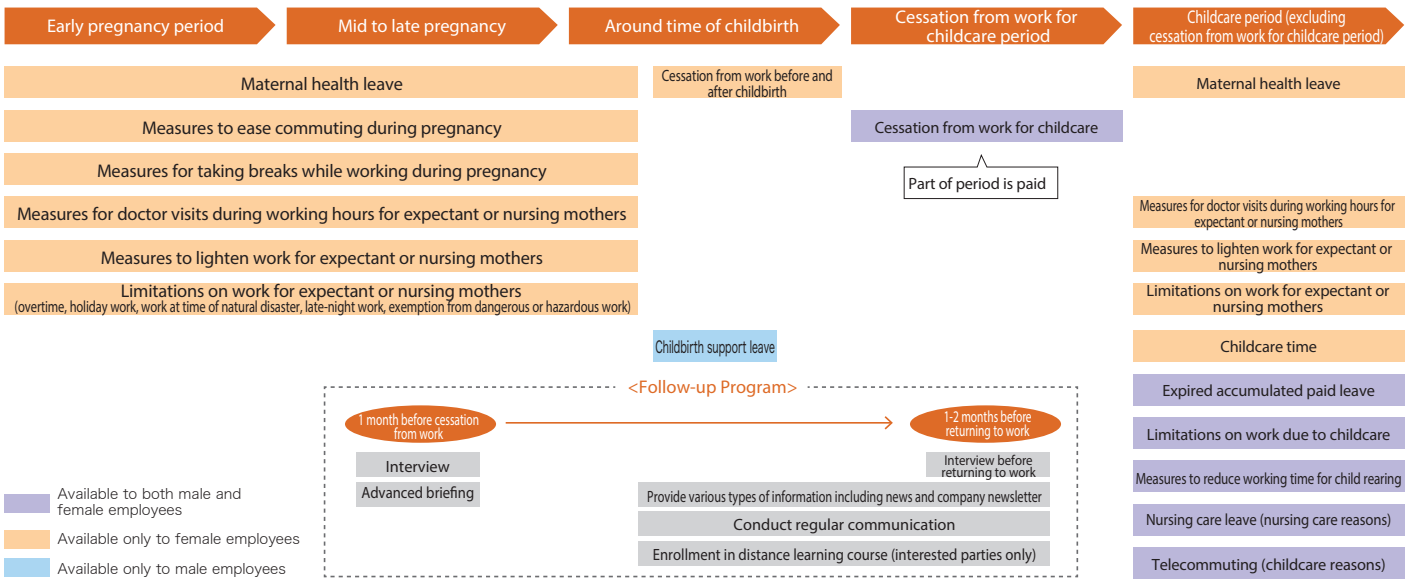
Helping Employees Continue Working

In order to help employees who are experiencing strenuous life events such as childcare and nursing care, we have enhanced various systems and improved the work environment in different areas. We also published a work-life balance guidebook with easy-to-understand explanations about the procedures to be taken regarding pregnancy, childbirth, childcare and nursing care, and how to utilize these systems more effectively.

Measures to Improve Work-Life Balance

Sumitomo Chemical is conducting a variety of activities to help employees work with high efficiency while enabling them to maintain harmony between work and everyday life. For example, we conduct initiatives to raise awareness of the efforts to achieve the work-life balance goals that have been set in each workplace. These initiatives include designating May and November as "work-life balance promotion months," during which we display awareness-raising posters at each workplace. Furthermore, to check the work-life balance awareness level of employees and increase the effectiveness of related measures to enforce them, we collect data on work-life balance indicators from each workplace every six months, including total overtime work hours, the number of employees who worked longer hours, and the percentage of employees taking paid holidays.

Systems and Measures for Better Work-Life Balance and for Use at Time of Pregnancy, Childbirth and Childcare



Results of Systems for Work-Life Balance (Non-Consolidated)

(No. of people)

System/Measure		FY2014	FY2015	FY2016
Childcare/Nursing Support	Cessation from work for childcare★	142	185	248
	Male	44	101	142
	Female	98	84	106
	Cessation from work for nursing care	2	3	3
	Nursing care leave	120	132	134
	Childbirth support leave	202	167	204
	Maternal health leave	47	58	55
	Special reserve leave (paid)*1	56	59	62
	Reduced working hours system	101	114	118
	Telecommuting*2	9	13	15
Reemployment system*3	11	11	12	
In-house childcare facilities*4	126(78)	156(101)	161(108)	
Mutual aid association support money for childcare*5	171	175	195	
Other	Suspension from work for special reasons for employees accompanying spouses going on overseas transfer*6	2	6	7
	Employee survey*7	-	-	Conducted in August

*1 Only for childcare and nursing care

*2 Number certified at the end of each fiscal year

*3 Number registered as of the end of each fiscal year

*4 Number of users on April 1 each fiscal year. Includes users other than Sumitomo Chemical. The figures in parentheses are the number of Sumitomo Chemical users.

*5 Aggregate number of people at end of each fiscal year

*6 Number of applicants as of the end of each fiscal year

*7 Conducted once every three years

Note: Employee numbers do not include temporary employees, part-time staff, or dispatch employees.

Kurumin Mark

In September 2015, Sumitomo Chemical was certified for the third time as a company that supports childcare and received the next-generation Kurumin certification mark. Under this system, business operators who successfully carry out action plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children and meet all the certification criteria receive certification from the Minister of Health, Labour and Welfare.

This certification was in recognition of our third round of initiatives covering the period between June 2012 and March 2015. The first certification covered the period between April 2005 and May 2007, and the second one covered the period between June 2007 and May 2012. The Company was commended for its initiatives to help promote work-life balance, such as expanding in-house childcare facilities and encouraging employees to take various forms of leave.



Next-generation Kurumin certification mark

Communication with Employees

Dialogue with Labor

Sumitomo Chemical has been partnering with its labor union in addressing various challenges in management based on long-standing mutual understanding and trust.

At Sumitomo Chemical, central labor-management meetings and regional labor-management meetings are held semiannually for parties to exchange opinions.

The Labor-Management Committee for Diversity and Work-Life Balance was established in fiscal 2010 and convened once in fiscal 2016. Every effort is being made to promote opinion exchanges and a uniform understanding of current measures and future challenges.

In addition, we have established a Safety and Health Committee at each worksite as we strive to ensure and improve the safety and health of union members.

Sumitomo Chemical and its labor union have concluded a union-shop contract, and 100% of the non-managerial employees of the Company are enrolled in the union.

Social Contribution Activities Promoted through Labor- Management Cooperation

As for social contribution activities promoted through labor-management cooperation, the Company and its labor union are working together to continue encouraging employees to each make a difference in fiscal 2016.

Social Contribution Activities Promoted through Labor-Management Cooperation

Name	Overview
Matching Gift program	In this program, donations are made by executives and employees, Sumitomo Chemical matches the amount collected.
Mangrove planting project in Thailand (Sumitomo Chemical Forest)	This is one project supported by donations to our Matching Gift program. Employees volunteer to plant trees at the afforestation site in Ranong Province, Thailand.
Coastal woodland rejuvenation project to support recovery from the Great East Japan Earthquake	This is one program supported by donations from the matching gift program. Employee volunteers nurture saplings to rejuvenate coastal woodlands in Natori, Miyagi Prefecture, that were damaged by the tsunami that followed the Great East Japan Earthquake.
Sumitomo Chemical Group Global Project	Provides opportunities for Sumitomo Chemicals Group employees to consider and take actions together to address issues both in Japan and abroad.



Hand in Hand with Employees

Managing Physical and Mental Health

Sumitomo Chemical is implementing a range of measures to help employees maintain and promote their physical and mental health with the assistance of the chief occupational health physician of the Company.

Mental Health

Employees are able to receive counseling from the Company's medical staff, including occupational physicians.

Seminars on maintaining mental health are held for new employees and newly promoted employees, and stratified training seminars on mental health are also organized for sectional managers and team leaders.

In addition, in order to help employees who have been absent from work for extended periods due to mental health problems return to work, we introduced a rehabilitation work system in April 2009. Under this system, an on-site occupational health physician, an HR staff member, and the employee's manager cooperate in helping the employee start working again by determining the working days, hours, and other details for the employee.

We have been cooperating with medical staff to properly implement the stress checks required by law for business operators since December 2015. We are working to prevent mental health problems by encouraging employees to take care of themselves and encouraging superiors to look after their subordinates.

Physical Health

Since April 2008, the health insurance association of companies has been required by law to have all employees and their dependents aged 40 or older undergo health checkups and receive guidance for lifestyle disease. Sumitomo Chemical works with its health insurance association to ensure that all employees and their dependents undergo the health checkups, regardless of age, and employees and their dependents aged 35 or older receive guidance with regard to lifestyle diseases, thereby helping employees with early diagnosis and the prevention of such diseases. In addition, the Company dispatches its chief occupational health physician to provide overseas medical counseling and evaluate medical service environments to support employees working overseas and their accompanying families. In fiscal 2016, medical counseling and environmental evaluations were implemented twice in Saudi Arabia, twice in China, and once each in the United States, Thailand, and Singapore (including employees dispatched to India and Malaysia).

Looking Ahead

In line with its basic stance, Sumitomo Chemical will continue to promote global HR initiatives, train personnel, pursue educational rotations that help to motivate employees and allow them to fully demonstrate their abilities, engage in proper workforce management that reflects optimal business operations, and build HR systems that respond to revisions to relevant laws and regulations as well as changes in conditions. Through these means, the Company will work to address various HR issues.



Hand in Hand with Local Communities and Society

Basic Stance

Based on the concept of contributing to the sustainable development of society through its businesses, the Sumitomo Chemical Group is committed to social contribution activities undertaken from the perspectives of solving global problems and coexistence with local communities.

Sumitomo Chemical, its worksite in Japan and overseas, and Group companies engage in a variety of activities to meet the needs of local communities in order to build good relations with them.

Sumitomo Chemical's Social Contribution Activities

	Community Contribution	Global Contribution
Securing safety and health, and protecting the environment	<ul style="list-style-type: none"> Work and research laboratory tours RC dialogues and distribution of local newsletters 	<ul style="list-style-type: none"> Malaria prevention campaign, Donating Olyset™ Nets Investment in the World Bank's BioCarbon Fund TABLE FOR TWO program Matching Gift program (support for tree-planting activities) Cooperation with U.N. activities
Raising children who will lead the next generation	<ul style="list-style-type: none"> Establishment of in-house childcare facilities Launch of Young Inventors' Club, Science Workshops, etc. Sponsorship of community sports events for children Cooperation on civic and university courses Acceptance of student interns Matching Gift program (educational support for children) 	<ul style="list-style-type: none"> Educational support in Africa University scholarship programs
Assisting in natural disaster relief	<ul style="list-style-type: none"> Relief activities after typhoons, earthquake, and other disasters, Offering facilities for Public use after major disasters 	<ul style="list-style-type: none"> Relief donations for victims of hurricanes, earthquakes, etc.

Securing Safety, a Sound Environment, and Health

Communication with Society

Sumitomo Chemical has put in place Group-wide policies regarding communication with society and is endeavoring to bolster its activities in these fields. Among a host of initiatives, the Company is focusing on enhancing its information disclosure while engaging in interactive dialogue. Each worksite formulates annual activity plans and conducts specific activities based on the aforementioned Group-wide policies. Taking into consideration feedback and requests received, considerable weight is also being placed on improving the aesthetic appeal of worksites.

Localized Information Disclosure and the Practice of Wide-Ranging Interactive Dialogue

At Sumitomo Chemical, each worksite publishes its own environmental and safety report every year to report on its local activities in detail. The reports complement the Company's own Sustainability Data Book (this publication). In addition, the Ehime, Osaka and Oita worksites each publish local newsletters for the proactive distribution of area-specific information. These are often delivered to residents as newspaper inserts.

Moreover, each worksite engages in a variety of risk communication and dialogue activities for various purposes. These include risk communication model projects carried out jointly with local governments, environment and safety support projects for domestic and overseas governments and businesses, regular meetings with local residents, and dialogues with the community based on cooperation with the chemical industry.

At the Company's head office, Sumitomo Chemical participates in a range of committee activities conducted by the national government

Hand in Hand with Local Communities and Society

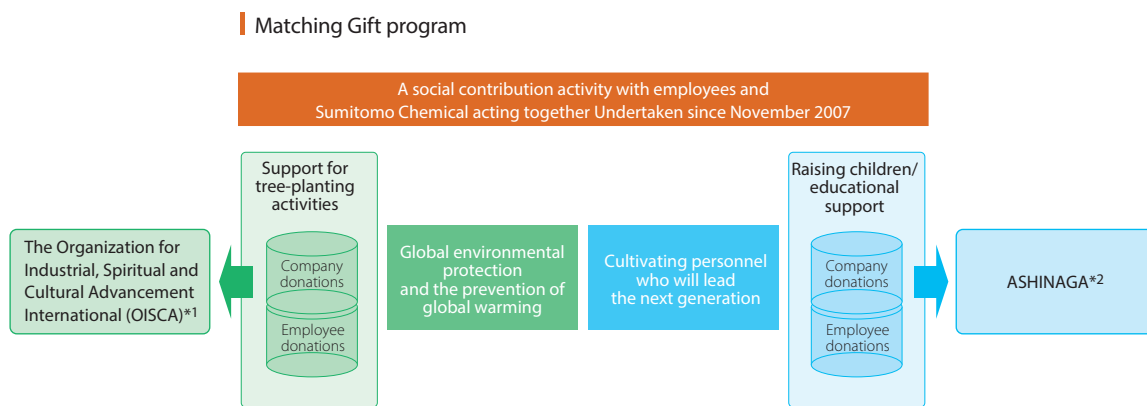
and industrial associations as well as in industry-government-academia seminars and lectures to disseminate relevant information and exchange opinions in a timely manner. The overall aim is to help people deepen their understanding of Sumitomo Chemical and to win more trust from the public.

Information about the Report on the Environment, Health and Safety for Works, Research Labs and Facilities
http://www.sumitomo-chem.co.jp/csr/report/facilities_report.html (Japanese only)

Matching Gift Program

As a social contribution activity with employees and the Sumitomo Chemical Group acting together since fiscal 2007, the matching gift program, which is run in collaboration with the labor union, collects donations from executives and employees working at Sumitomo Chemical and Group companies. Sumitomo Chemical then matches their donation.

One of the beneficiaries of the donations from the matching gift program is the Sumitomo Chemical Forest in Ranong Province, Thailand. In collaboration with the labor union, we have been dispatching employee volunteers to the forest since 2008.



*1 OISCA is a global NGO engaged in rural development and environmental protection mainly in the Asia-Pacific region. The money donated by Sumitomo Chemical to this organization is used for its Children's Forest Program, the Sumitomo Chemical Forest mangrove planting project in Ranong Province, Thailand, and Japan's Coastal Forest Restoration Project following the Great East Japan Earthquake.

*2 ASHINAGA is an NPO established to provide physical and mental support for children who have lost their parents because of illness, accidents, or for other reasons. The money donated to this organization is used to provide a scholarship fund for these orphans.

Results

Support for raising and educating children: a total of ¥13,790,938

Support for tree-planting activities: a total of ¥12,325,902

Tree-Planting Project in Thailand

Period: April 27–May 3, 2016

Participants: 20 (from Japan and Singapore)

Total forest area: 220 hectares

Total trees planted: 630,500

Total participants: 179

Note: Total figures are for the period between 2008 and March 2017

Nurturing the Children of the Next Generation

Supporting Education through Science Workshops

Sumitomo Chemical's Group companies and worksites hold general classes and science workshops at local schools and events. We hold science workshops at our bases for children to conduct experiments and make crafts with our products, enabling them to experience the wonders and appeal of science with their own hands, in order to convey in a manner that children can easily understand how everyday products are linked to chemicals.

Hand in Hand with Local Communities and Society

In Osaka, the Sumitomo Chemical Group exhibited at the Children's Chemistry Experiment Show sponsored by the Dream Chemistry 21 Committee. Employees from a number of worksites in the Kansai region put on a workshop for a total of 400 children in which they built kaleidoscopes using polarizers.

Employees from Oita Works held science classes at elementary and middle schools in neighboring Oita City for around 300 children and students. The theme of the lesson was chemical reactions and changes in states of matter. Experiments were conducted using liquid nitrogen, dry ice, a super absorbent polymer, salicylic acid, and other materials. Each worksite within the Works supported and contributed to the class.

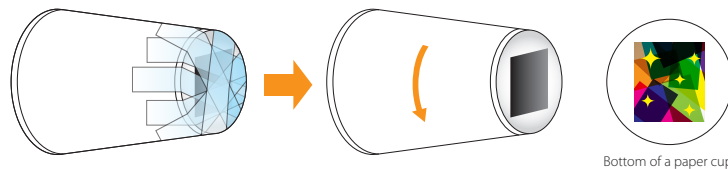
In China, Sumitomo Chemical (China) Co., Ltd. and Sumika Huabei Electronic Materials (Beijing) Co., Ltd. collaborated with the China Soong Ching Ling Foundation (CSCLF) to hold their fifth science workshop, which this year hosted 72 children at an elementary school in Beijing. An experiment was conducted utilizing polarizers to create kaleidoscopes, and another was conducted utilizing a super absorbent polymer.

Example: Let's Make a Glittery Kaleidoscope!

Materials: Paper cups, polarizers, Scotch tape

Directions: (1) Punch holes in the bottoms of two paper cups and affix polarizers over the holes
 (2) Affix overlapping pieces of Scotch tape on to the polarizer of one cup in various angles and place the other cup over top
 (3) Point the overlapping paper cups toward a bright light, and rotate one cup to make it possible to see vivid, sparkling colors just like a real kaleidoscope

Purpose: Utilize the Company's polarizers used in TVs and other LCD products to enable children to learn about the properties of light and, in turn, show how science is used in their everyday lives

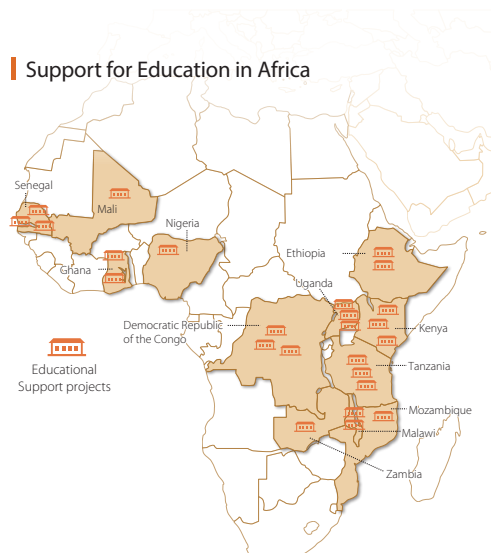


Support for Education in Africa

We believe that in order to break free from poverty and achieve sustainable economic development, Africa needs to build a better educational environment for children. Sumitomo Chemical has been cooperating with the NPOs World Vision Japan and Plan Japan since 2005 in conducting educational support activities centered on the construction of primary and secondary school buildings and related facilities in Africa to support children, on whom the continent's future rests.

To date, we have completed 22 projects in 12 African nations and improved the educational environments of more than 12,000 children. Since fiscal 2015, we have been supporting science and math education in addition to the construction of classrooms.

In fiscal 2016, in the Democratic Republic of the Congo, we supplied math and science teaching materials, raised awareness of malaria, and offered preventive healthcare training in addition to building classrooms for elementary schools. Also, in the Republic of Senegal, we supplied various equipment, including instruments for experiments and IT devices in addition to building classrooms and restrooms for high schools.



Results

Supported countries: 12

(22 projects completed, 3 under way)

Note: The three projects under way are in the Democratic Republic of the Congo, the Republic of Senegal, and Nigeria (as of April 2017)

Beneficiaries: over 12,000 people



Hand in Hand with Local Communities and Society

Assisting in Natural Disaster Relief

The Sumitomo Chemical Group supports areas affected by natural disasters in a variety of ways.

We have been working with some Group companies to help people affected by the earthquake that struck Kumamoto (Japan) in April 2016. The companies donated funds that matched donations collected from executives and employees. In addition, we provided the Group product *STRONTEC Outdoor Insect Repellent*.

Since the Great East Japan Earthquake of 2011, we have been promoting initiatives involving employee participation to keep the memory of the disaster fresh in people's minds. We have also been providing donations collected through the sale of "Disaster Hit Area Support Meals" served in our cafeterias since April 2011. Under this scheme, a portion of sales is donated to a business that aids orphans in areas hit by the disaster, and the companies match that amount.

Since fiscal 2013, through the matching gift program, we have participated in the OISCA coastal woodland rejuvenation project aimed at rejuvenating black pine coastal woodlands in Natori, Miyagi Prefecture. These woodlands were damaged by the tsunami caused by the Great East Japan Earthquake. Since fiscal 2015, we have dispatched employee volunteers to the area. In fiscal 2016, we dispatched 22 volunteers who provided black pine saplings, planted trees, and weeded and fertilized areas where trees were planted with the aim of rejuvenating about 100 hectares of coastal woodland.

Looking ahead, we will support the recovery of disaster-affected areas through a wide variety of activities.

Results

- Kumamoto Earthquake Donations (matching type with some Group companies, executives, employees, and the Company): ¥11,159,556
- Disaster Hit Area Support Meals (matching type with executives, employees, and the Company): ¥2,070,620, or 35,939 meals
September: the Iwate Learning Hope Fund: ¥1,428,760 (the portion used between March 2016 and August 2016)
March: The Great East Japan Earthquake Miyagi Children's Fund: ¥641,860 (the portion used between September 2016 and February 2017)

Looking Ahead

In order to maintain the trust of local communities, Sumitomo Chemical will promote its social responsibilities by making various social contributions distinctive to the Sumitomo Chemical Group from three perspectives: securing safety, a sound environment, and health; nurturing the children of the next generation; and assisting in natural disaster relief.